

# Glossary

## Pertinence of published financial ratios

The Fluxys Belgium group continually evaluates its financial solidity, in particular using the following financial ratios:

- **Solvency:** The ratio between net financial debt and the sum of equity and net financial debt indicates the solidity of the Fluxys group's financial structure.
- **Interest coverage:** The ratio between the FFO, before interest expenses, and interest expenses represents the group's capacity to cover its interest expenses thanks to its operating activities.
- **Net financial debt/extended RAB:** This ratio expresses the share of the extended RAB financed by external debt.
- **FFO/Net financial debt:** This ratio is used to determine the group's capacity to pay off its debts based on cash generated by its operating activities.
- **RCF/Net financial debt:** This ratio is used to determine the group's capacity to pay off its debts based on cash generated by its operating activities after payment of dividends.

## Definition of indicators

### Other property, plant and equipment investments outside the RAB

Average combined investments in property, plant and equipment linked to the extensions to the Zeebrugge LNG terminal and in unregulated activities.

### Net finance costs

Interest charges less financial income from lease contracts, interest on investments and cash equivalents and other interest received, excluding interest on regulatory assets and liabilities.

### Interest expenses

Interest expenses on debts (including interest charges on leasing debts), less interest on regulatory liabilities.

### EBIT

Earnings Before Interests and Taxes, or operating profit/loss plus the result of investments accounted for using the equity method and the dividends received from non-consolidated entities. EBIT is used to monitor the operational performance of the group over time.

### EBITDA

Earnings Before Interests, taxes, depreciation and amortisation, or operating profit/loss, before depreciation, amortisation, impairment and provisions, plus the result of investments accounted for using the equity method and the dividends received from non-consolidated entities. EBITDA is used to monitor the operational performance of the group over time, without considering non-cash expenses.

### Net financial debt

Interest-bearing liabilities (including leases), less regulatory liabilities, cash linked to early refinancing transactions and 75% of the balance of cash, cash equivalents and short- and long-term cash investments (the other 25% is considered as reserve for operational needs and therefore not available for



investments). This indicator gives an idea about the amount of interest bearing debt that would remain if all available cash would be used to reimburse loans.

## **FFO**

Funds from Operations or profit/loss from continuing operations, excluding changes in regulatory assets and liabilities, before depreciation, amortisation, impairment and provisions, to which dividends received from associates and joint ventures and unconsolidated entities are added, and from which net financial expenses and current tax are deducted. This ratio indicates the cash generated by operational activities and thus the capacity of the group to reimburse its debts and to invest but also to pay dividends.

## **RAB**

Average Regulatory Asset Base, or average value of the regulated asset base for the year. The RAB is a regulatory concept which contains the assets on which a regulatory return is granted, as regulated by the CREG.

## **Extended RAB**

Total of the RAB and other property, plant and equipment investments outside the RAB.

## **RCF**

Retained Cash-Flow or FFO, less dividends paid. This ratio indicates the cash generated by operational activities, but after payment of the dividends. It thus shows the remaining net capacity of the group to reimburse its debts and to invest.

## **WACC**

Weighted Average Cost of Capital, that reflects the authorised return on RAB under the regulation.



<b>Fluxys Belgium consolidated income statement in thousands of €</b>	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>Notes</b>
Operating profit/loss	133,482	134,841	4
Depreciations	174,534	157,955	4.2.4
Provisions	6,155	3,995	4.2.4
Impairment losses	-548	546	4.2.4
Earnings from associates and joint ventures	0	0	
Dividends from unconsolidated entities	0	0	4.3
<b>EBITDA in thousands of €</b>	<b>313,623</b>	<b>297,337</b>	

<b>Fluxys Belgium consolidated income statement in thousands of €</b>	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>Notes</b>
Operating profit/loss	133,482	134,841	4
Earnings from associates and joint ventures	0	0	
Dividends from unconsolidated entities	0	0	4.3
<b>EBIT in thousands of €</b>	<b>133,482</b>	<b>134,841</b>	

<b>Fluxys Belgium consolidated income statement in thousands of €</b>	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>Notes</b>
Financial income from lease contracts	64	69	4.3
Interest income on investments, cash and cash equivalents	768	769	4.3
Other interest income	24	67	4.3
Borrowing interest costs	-38,896	-34,589	4.4
Borrowing interest cost on leasing	-1,039	-1,126	4.4
Interest on regulatory assets and liabilities	1,933	149	
<b>Net financial expenses in thousands of €</b>	<b>-37,146</b>	<b>-34,661</b>	

<b>Fluxys Belgium consolidated income statement in thousands of €</b>	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>Notes</b>
Borrowing interest costs	-38,896	-34,589	4.4
Borrowing interest costs on leasing	-1,039	-1,126	4.4
Interest on regulatory liabilities	1,933	149	
<b>Interest expenses in thousands of €</b>	<b>-38,002</b>	<b>-35,566</b>	

<b>Fluxys Belgium consolidated income statement in thousands of €</b>	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>Notes</b>
Operating profit/loss	133,482	134,841	4
Operating revenue - Movements in regulatory assets and liabilities	-67,003	-17,324	
Depreciations	174,534	157,955	4.2.4
Provisions	6,155	3,995	4.2.4
Impairment losses	-548	546	4.2.4
Inflows related to associates and joint ventures	0	0	
Dividends from unconsolidated entities	0	0	4.3
Net financial expenses	-37,146	-34,661	
Current tax	-34,278	-46,772	4.5
<b>FFO in thousands of €</b>	<b>175,196</b>	<b>198,580</b>	

<b>Fluxys Belgium consolidated income statement in thousands of €</b>	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>Notes</b>
FFO	175,196	198,580	
Dividends paid	-91,343	-88,533	E – consolidated statement of cash flows
<b>RCF in thousands of</b>	<b>83,853</b>	<b>110,047</b>	

<b>Fluxys Belgium consolidated balance sheet in thousands of €</b>	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>Notes</b>
Non-current interest-bearing liabilities	1,589,554	1,718,972	5.11
Current interest-bearing liabilities	184,843	143,577	5.11
Other financing (current)	-25,775	-12,554	5.11
Other financing (non-current)	-65,557	-82,789	5.11
Other liabilities (current)	-100,882	-95,954	5.11
Other liabilities (non-current)	-315,942	-381,929	5.11
Cash investments (75%)	-29,594	-43,654	5.8
Cash and cash equivalents (75%)	-283,019	-276,754	5.8
Other financial assets (75%)	-80,517	-65,576	5.4.1(*)
<b>Net financial debt in thousands of €</b>	<b>873,111</b>	<b>903,339</b>	

(\*) Only the investments included in this note 5.4.1 are taken into account, the other items of other financial assets are not considered as investments.

<b>Fluxys Belgium consolidated balance sheet in millions of €</b>	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>Toelichting</b>
Transmission	2,086,9	2,125,3	
Storage	235,6	239,7	
LNG terminalling	302,7	314,4	
<b>RAB in millions of €</b>	<b>2,625,1</b>	<b>2,679,4</b>	
Other tangible investments outside RAB	420,3	413,4	
<b>Extended RAB in millions of €</b>	<b>3,045,4</b>	<b>3,092,8</b>	

In Belgium, the Regulated Asset Base (RAB) is determined based on the average book value of the fixed assets for the period, plus essentially the accounting amortisations accumulated on the revaluation surpluses. The calculation is in line with the tariff methodology published by the CREG.

<b>Welfare contribution in thousands of €</b>	<b>31.12.2020</b>	<b>Notes</b>
Dividends paid	91.343	D. Consolidated statement of changes in equity
Financial income	-924	4.3
Financial expenses	39.695	4.4
Goods & consumables	2.970	4.2.1
Services & miscellaneous goods	140.410	4.2.2
Employee benefits	110.544	4.2.3
Taxes and duties paid	37.222	4.5.1
Lease agreements	5.890	4.2.5 & 4.4
<b>Welfare contribution in thousands of €</b>	<b>427.150</b>	