

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 from continuing operations plus the result of investments accounted for by the equity method and the dividends received from unconsolidated 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 from continuing operations, before depreciation, amortisation, impairment and provisions, plus the result of investments accounted for by the equity method and the dividends received from unconsolidated 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, which reflects the authorised return on RAB under the regulation.

Fluxys Belgium consolidated income statement in thousands of €	31.12.2021	31.12.2020	Notes
Operating profit/loss	137,821	133,482	4
Depreciations	173,993	174,534	4.2.4
Provisions	7,070	6,155	4.2.4
Impairment losses	21	-548	4.2.4
Earnings from associates and joint ventures	0	0	
Dividends from unconsolidated entities	0	0	4.3
EBITDA in thousands of €	318,905	313,623	

Fluxys Belgium consolidated income statement in thousands of €	31.12.2021	31.12.2020	Notes
Operating profit/loss	137,821	133,482	4
Earnings from associates and joint ventures	0	0	4
Dividends from unconsolidated entities	0	0	4.3
EBIT in thousands of €	137,821	133,482	

Fluxys Belgium consolidated income statement in thousands of €	31.12.2021	31.12.2020	Notes
Financial income from lease contracts	60	64	4.3
Interest income on investments, cash and cash equivalents	927	768	4.3
Other interest income	30	24	4.3
Borrowing interest costs	-37,338	-38,896	4.4
Borrowing interest cost on leasing	-983	-1,039	4.4
Interest on regulatory assets and liabilities	1,779	1,933	
Net financial expenses in thousands of €	-35,525	-37,146	

Fluxys Belgium consolidated income statement in thousands of €	31.12.2021	31.12.2020	Notes
Borrowing interest costs	-37,338	-38,896	4.4
Borrowing interest costs on leasing	-983	-1,039	4.4
Interest on regulatory liabilities	1,779	1,933	
Interest expenses in thousands of €	-36,542	-38,002	

Fluxys Belgium consolidated income statement in thousands of €	31.12.2021	31.12.2020	Notes
Operating profit/loss	137,821	133,482	4
Operating revenue - Movements in regulatory assets and liabilities	-36,095	-67,003	
Depreciations	173,993	174,534	4.2.4
Provisions	7,070	6,155	4.2.4
Impairment losses	21	-548	4.2.4
Inflows related to associates and joint ventures	0	0	
Dividends from unconsolidated entities	0	0	4.3
Net financial expenses	-35,525	-37,146	
Current tax	-37,137	-34,278	4.5
FFO in thousands of €	210,148	175,196	

Fluxys Belgium consolidated income statement in thousands of €	31.12.2021	31.12.2020 revised	Notes
FFO	210,148	175,196	
Dividends paid	-96,262	-91,343	E – consolidated statement of cash flows
RCF in thousands of	113,886	83,853	

Fluxys Belgium consolidated balance sheet in thousands of €	31.12.2021	31.12.2020 revised	31.12.2020 published
Non-current interest-bearing liabilities	1,162,091	1,208,055*	1,589,554
Current interest-bearing liabilities	57,432	58,186*	184,843
Other financing (current)	0*	0*	-25,775
Other financing (non-current)	0*	0*	-65,557
Other liabilities (current)	0*	0*	-100,882
Other liabilities (non-current)	0*	0*	-315,942
Cash investments (75%)	-34,305	-29,594	-29,594
Cash and cash equivalents (75%)	-275,198	-283,019	-283,019
Other financial assets (75%)	-63,974	-80,517	-80,517
Net financial debt in thousands of €	846,046	873,111	873,111

*From 2021, the regulatory liabilities are presented as a separate line item on the balance sheet (including in the comparative figures). See note 1f of the annual report for further explanations.

Fluxys Belgium consolidated balance sheet in millions of €	31.12.2021	31.12.2020 revised
Transmission	2,047.5	2,086.9
Storage	228.8	235.6
LNG terminalling	303.0	302.7
RAB in millions of €	2,579.4	2,625.1
Other tangible investments outside RAB	410.4	420.3
Extended RAB in millions of €	2,989.7	3,045.4

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.



Welfare contribution in thousands of €	31.12.2021	31.12.2020	Notes
Dividends paid	96,262	91,343	D. Consolidated statement of changes in equity
Financial income	-1,142	-924	4.3
Financial expenses	38,375	39,695	4.4
Goods & consumables	3,422	2,970	4.2.1
Services & miscellaneous goods	146,348	140,410	4.2.2
Employee benefits	112,549	110,544	4.2.3
Taxes and duties paid	36,938	37,222	4.5.1
Lease agreements	5,874	5,890	4.2.5 & 4.4
Welfare contribution in thousands of €	438,626	427,150	