

Glossary

Pertinence of published financial ratios (see 'Financial situation: key statistics, p. 48)

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. In order to reflect reality more accurately, the exceptional solidarity contribution of €300 million has been removed from the cash position when calculating net financial debt. Indeed, this debt was recognised on 31 December whereas it was paid in January 2023, which has a significant influence on the calculation.

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 €	31.12.2022	31.12.2021	Notes
Operating profit/loss	147,305	137,821	
Depreciations	168,051	173,993	
Provisions	-6,993	7,070	
Impairment losses	14,804	21	
Earnings from associates and joint ventures	0	0	
Dividends from unconsolidated entities	0	0	
EBITDA in thousands of €	323,167	318,905	

Fluxys Belgium consolidated income statement in thousands of €	31.12.2022	31.12.2021	Notes
Operating profit/loss	147,305	137,821	
Earnings from associates and joint ventures	0	0	
Dividends from unconsolidated entities	0	0	
EBIT in thousands of €	147,305	137,821	

Fluxys Belgium consolidated income statement in thousands of €	31.12.2022	31.12.2021	Notes
Financial income from lease contracts	56	60	
Interest income on investments, cash and cash equivalents	3,970	927	
Other interest income	83	30	
Borrowing interest costs	-39,292	-37,338	
Borrowing interest cost on leasing	-890	-983	
Interest on regulatory assets and liabilities	5,230	1,779	
Net financial expenses in thousands of €	-30,843	-35,525	

Fluxys Belgium consolidated income statement in thousands of €	31.12.2022	31.12.2021	Notes
Borrowing interest costs	-39,292	-37,338	
Borrowing interest costs on leasing	-890	-983	
Interest on regulatory liabilities	5,230	1,779	
Interest expenses in thousands of €	-34,952	-36,542	

Fluxys Belgium consolidated income statement in thousands of €	31.12.2022	31.12.2021	Notes
Operating profit/loss	147,305	137,821	
Operating revenue - Movements in regulatory assets and liabilities	456,225	-36,095	
Depreciations	168,051	173,993	
Provisions	-6,993	7,070	
Impairment losses	14,804	21	
Inflows related to associates and joint ventures	0	0	
Dividends from unconsolidated entities	0	0	
Net financial expenses	-30,843	-35,525	
Current tax	-35,730	-37,137	
FFO in thousands of €	712,819	210,148	

Fluxys Belgium consolidated income statement in thousands of €	31.12.2022	31.12.2021	Notes
FFO	712,819	210,148	
Dividends paid	-96,964	-96,262	E – consolidated statement of cash flows
RCF in thousands of	615,855	113,886	

Fluxys Belgium consolidated balance sheet in thousands of €	31.12.2022	31.12.2021
Non-current interest-bearing liabilities	1,115,772	1,162,091
Current interest-bearing liabilities	56,269	57,432
Other financing (current)	0	0*
Other financing (non-current)	0	0*
Other liabilities (current)	0	0*
Other liabilities (non-current)	0	0*
Cash investments (75%)	-19,585	-34,305
Cash and cash equivalents (75%)	-578,031	-275,198
Other financial assets (75%)	-80,625	-63,974
Net financial debt in thousands of €	493,800	846,046

*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 €	31.12.2022	31.12.2021
Transmission	2,059,1	2,047.5
Storage	228,0	228.8
LNG terminalling	305,7	303.0
RAB in millions of €	2,592,8	2,579.4
Other tangible investments outside RAB	417,7	410.4
Extended RAB in millions of €	3,010,6	2,989.7

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 €	31.12.2022	31.12.2021	Notes
Dividends paid	96,264	96,262	D. Consolidated statement of changes in equity
Financial income	-4,589	-1,142	4.3
Financial expenses	40,805	38,375	4.4
Goods & consumables	5,582	3,422	4.2.1
Services & miscellaneous goods	465,521	146,348	4.2.2
Employee benefits	132,931	112,549	4.2.3
Taxes and duties paid	35,066	36,938	4.5.1
Lease agreements	5,641	5,874	4.2.5 & 4.4
Welfare contribution in thousands of €	777,221	438,626	