

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. 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 €	31-12-2023	31-12-2022	Notes
Operating profit/loss	129,570	147,305	
Depreciations	166,894	168,051	
Provisions	745	-6,993	
Impairment losses	-11,400	14,804	
Earnings from associates and joint ventures	0	0	
Dividends from unconsolidated entities	0	0	
EBITDA in thousands of €	285,809	323,167	

Fluxys Belgium consolidated income statement in thousands of €	31-12-2023	31-12-2022	Notes
Operating profit/loss	129,570	147,305	
Earnings from associates and joint ventures	0	0	
Dividends from unconsolidated entities	0	0	
EBIT in thousands of €	129,570	147,305	

Fluxys Belgium consolidated income statement in thousands of €	31-12-2023	31-12-2022	Notes
Financial income from lease contracts	39	56	
Interest income on investments, cash and cash equivalents	32,487	3,970	
Other interest income	4,202	83	
Borrowing interest costs	-65,909	-39,292	
Borrowing interest cost on leasing	-827	-890	
Interest on regulatory assets and liabilities	32,441	5,230	
Net financial expenses in thousands of €	2,433	-30,843	

Fluxys Belgium consolidated income statement in thousands of €	31-12-2023	31-12-2022	Notes
Borrowing interest costs	-65,909	-39,292	
Borrowing interest costs on leasing	-827	-890	
Interest on regulatory liabilities	32,441	5,230	
Interest expenses in thousands of €	-34,295	-34,952	

Fluxys Belgium consolidated income statement in thousands of €	31-12-2023	31-12-2022	Notes
Operating profit/loss	129,570	147,305	
Operating revenue - Movements in regulatory assets and liabilities	291,104	456,225	
Depreciations	166,894	168,051	
Provisions	745	-6,993	
Impairment losses	-11,400	14,804	
Inflows related to associates and joint ventures	0	0	
Dividends from unconsolidated entities	0	0	
Net financial expenses	2,433	-30,843	
Current tax	-28,235	-35,730	
FFO in thousands of €	551,111	712,819	

Fluxys Belgium consolidated income statement in thousands of €	31-12-2023	31-12-2022	Notes
FFO	551,110	712,819	
Dividends paid	-98,369	-96,964	E – consolidated statement of cash flows
RCF in thousands of	452,741	615,855	

Fluxys Belgium consolidated balance sheet in thousands of €	31-12-2023	31-12-2022
Non-current interest-bearing liabilities	1,070,311	1,115,772
Current interest-bearing liabilities	55,336	56,269
Cash investments (75%)	-24,749	-19,585
Cash and cash equivalents (75%)	-801,170	-578,031
Other financial assets (75%)	-80,324	-80,625
Net financial debt in thousands of €	219,404	493,800

Fluxys Belgium consolidated balance sheet in millions of €	31-12-2023	31-12-2022
Transmission	2,046,6	2,059,1
Storage	228,0	228,0
LNG terminalling	311,0	305,7
RAB in millions of €	2,585,6	2,592,8
Other tangible investments outside RAB	432,9	417,7
Extended RAB in millions of €	3,018,6	3,010,6

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 €	31-12-2023	31-12-2022	Notes
Dividends paid	98,369	96,264	D. Consolidated statement of changes in equity
Financial income	-37,606	-4,589	4.3
Financial expenses	69,950	40,805	4.4
Goods & consumables	8,895	5,582	4.2.1
Services & miscellaneous goods	179,845	465,521	4.2.2
Employee benefits	135,240	132,931	4.2.3
Taxes and duties paid	26,600	35,066	4.5.1
Lease agreements	5,579	5,641	4.2.5 & 4.4
Welfare contribution in thousands of €	486,872	777,221	