

Half-yearly financial report 2021



Fluxys Belgium



shaping together
a bright energy
future

We are committed to continuing to build a greener energy future for the generations to come. People, industry and societies all need energy to thrive and progress. Fluxys Belgium accommodates this need: we put energy in motion through our infrastructure. We move natural gas while paving the way for the transmission of hydrogen, biomethane or any other carbon-neutral energy carrier as well as CO₂, accommodating the capture, usage and storage of the latter.

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1 Interim report

1.1 Highlights from the first half of 2021

- Regulated turnover fell to €277.9 million (compared with €284.2 million in the first half of 2020) and net profit rose to €38.3 million (compared with €36.6 million in the first half of 2020)
- Fluxys Belgium comes together to help those affected by flooding
- Ready for the network of the future to transport hydrogen and CO₂
- On track to halve our greenhouse gas emissions by 2025
- Transmission volumes down
- LNG terminalling
 - Shipping traffic remains strong, loading operations for LNG trailers almost double
 - Additional send-out capacity fully booked
 - Bio-LNG available in the near future
 - Construction of additional regasifiers with seawater and extra truck-loading bays
- Storage: tariff reduction and new innovative range of services

1.2 Key financial data

Income statement	(in thousands of €)	30/06/2021	30/06/2020
Operating revenue		277,900	284,181
EBITDA*		155,290	160,810
EBIT*		68,799	69,553
Net profit		38,319	36,580

Balance sheet	(in thousands of €)	30/06/2021	31/12/2020
Investments in property, plant and equipment		15,825	42,255
Total property, plant and equipment		1,948,766	2,011,209
Equity		589,311	639,038
Net financial debt*		873,302	873,111
Total consolidated balance sheet		2,639,440	2,730,039

* For the definitions and rationale for using these indicators: see p. 52.

Turnover and net profit

The Fluxys Belgium Group generated turnover of €277.9 million in the first half of 2021. This represents a decrease of €6.3 million compared with the same period in 2020, when turnover totalled €284.2 million. Net profit rose from €36.6 million to €38.3 million. The change in regulated turnover and net profit is mainly due to the evolution of the different components to be covered by the regulated tariffs. This evolution is in line with the tariff proposal and complies with the tariff methodology for 2020-2023.

Investments totalling €15.8 million

In the first half of 2021, investments in property, plant and equipment amounted to €15.8 million, compared with €17.1 million in the first half of 2020. €4.2 million of these investments went to LNG infrastructure projects and €11.5 million to transmission projects

1.3 Key events

Coming together to help those affected by flooding

The floods in July took a particularly heavy toll on Belgium, especially in the south of the country. Wanting to respond quickly to those in need, our employees set up a solidarity initiative and Fluxys Belgium supported the Red Cross fund with €100,000 to help the victims.

At operational level, we made every effort to assist the distribution system operators in securing their networks. We also deployed people and specialised equipment to carry out drone inspections and underwater checks and to detect gas leaks using infrared technology. We remain on hand to further aid the distribution system operators in restoring their infrastructure.

Ready for the network of the future

Thanks to its energy transition strategy, Fluxys Belgium is ready to sustainably use its infrastructure as a tool to help shape a carbon-neutral society. In line with the European Commission's strategy and taking into account the necessary legal and regulatory changes, we want to transform and develop our infrastructure into complementary networks in which we also transport hydrogen and CO₂, for example.

We have been further shaping our plan to provide Belgium with the necessary hydrogen and CO₂ infrastructure since early 2021, in collaboration with our customers, public authorities, neighbouring operators abroad, distribution system operators and other stakeholders. We intend to gradually transform the network, taking into account the evolutions on the market. At the same time, we are laying the foundations for Belgium's lasting role as an energy hub in North-West Europe for the molecules of the future.

Based on the extensive response from the market, including some 170 industrial sites in Belgium, we are currently in contact with the range of market parties involved in the process. This will give us an aggregated picture of needs regarding hydrogen and CO₂, allowing us to determine where and when infrastructure is needed to foster the necessary synergies for industry to realise an integrated transition. We will then offer the mapped infrastructure to the market in a transparent open season approach.

On track to halve our greenhouse gas emissions by 2025

Fluxys Belgium has set itself the objective of halving its own greenhouse gas emissions by 2025 compared with 2017 levels. The implementation of the various programmes launched to further cut emissions from the operation of our infrastructure has reached cruising speed and we are on schedule to meet the 2025 target.

New this year is that we have made the decision to build three additional regasifiers with seawater to increase the send-out capacity at the Zeebrugge LNG terminal. Using the heat from seawater to regasify LNG will significantly reduce the terminal's energy consumption and emissions. Construction is scheduled to be completed in 2023.

Transmission volumes down

The volumes transported through the network were almost 10% lower than in the first half of 2020. Border-to-border volumes fell by close to 22% to 98.5 TWh and volumes for consumption on the Belgian market rose by around 10% to approximately 108 TWh.

- Transmission to distribution system operators increased by almost 22% (60 TWh), reflecting the lower temperatures.
- Offtake by directly connected industrial companies fell by approximately 5% (24 TWh).
- There was a slight increase (0.2%) in transmission volumes for natural gas-fired power plants, taking these volumes to 24 TWh.

Shipping traffic at LNG terminal remains strong

Shipping traffic at the Zeebrugge LNG terminal remained at a similar level to that of the busy first half of 2020. The number of large vessels that docked for transshipment was lower while significantly more small ships came to load LNG. Though there was a drop in the number of large ships arriving at the terminal for unloading operations, for the first time several small ships came to quay to unload.

Additional send-out capacity fully booked

In early 2021, the LNG terminal successfully completed the open season for additional regasification capacity. The offered capacity of approximately 10.5 GWh/h was fully booked. In light of this success, the final investment decision was taken to build the necessary additional infrastructure at the terminal.

Four extra truck-loading bays under construction

The first half of 2021 saw a sharp increase in demand for LNG as a low-carbon fuel for ships and trucks. The LNG terminal loaded a total of 3,200 LNG trailers, almost double the number loaded in the same period the previous year. The number of loading operations is expected to increase to around 6,000 this year.

Taking into account the current utilisation rate, the existing truck-loading bays at the LNG terminal are gradually approaching their maximum capacity. As there is considerable market interest in booking even more loading slots in the future, four extra truck-loading bays are being built at the terminal. They will ensure that the market can continue to rely on sufficient loading capacity to meet growing demand. The new truck-loading bays are scheduled to be commercially available in 2024.

LNG terminal makes available bio-LNG

The Zeebrugge LNG terminal has been officially certified to make bio-LNG available since last year. Bio-LNG is carbon-neutral and offers both hauliers and shipping companies the opportunity to move towards full decarbonisation. In consultation with the market and federal energy regulator CREG, a regulated service package is being developed to this end and we expect that customers will soon be able to book capacity for bio-LNG.

Tariff reduction and new innovative service range for storage

In line with the tariff methodology, Fluxys Belgium in consultation with the market and CREG lowered its tariffs for storage services by 30% on 1 July. The tariff reduction has no impact on Fluxys Belgium's results. In response to the evolving needs of the market, we have also developed a new commercial approach to storage, offering simplified products, greater flexibility and innovative sales mechanisms.

1.4 Transactions with related parties

For more information on transactions with related parties, please refer to Note 11 in the condensed half-yearly financial statements.

1.5 Financial outlook

Under the current tariff methodology, the net profit from Belgian regulated activities is determined based on various regulatory parameters, including equity invested and financial structure.

The recurring dividend will continue to evolve mainly in accordance with these parameters.

Based on the information available at the time of this report, we do not anticipate any significant changes involving the consolidated result of the Fluxys Belgium Group in the second half of the year.

1.6 Risk management

Fluxys Belgium works with a risk management system based on ISO 31000 with a view to generating maximum sustainable value for the organisation's activities. To this end, we map out the possible consequences of uncertainty - both positive and negative - that will have an impact on the organisation. Risk management is integrated into the company's strategy, business decisions and activities.

Risk management at Fluxys Belgium is based on five domains that are material to the company's activities, taking into account the context and value chain within which the company operates and the interests of the company's stakeholders. Risk management also incorporates three domains that are not considered materially significant but are mandatory for non-financial reporting, namely diversity, human rights and corruption.

We have monitored developments from various angles (industrial, financial, regulatory and market context, the energy transition, environment and corporate social responsibility) and have analysed the risk landscape accordingly. The analysis shows that the expected risks and uncertainties for the second half of 2021 have not changed significantly compared to the risk reporting in the 2020 Annual Financial Report. The overview below details the risks and provides a summary of the measures taken for each domain.

The recent evolution in gas prices has no impact on Fluxys Belgium's results as the company is not active in the sale of molecules but in infrastructure operations. Fluxys Belgium's infrastructure has sufficient capacity available for additional volumes that may need to be transported.

Safe and reliable infrastructure

Risk	Measures
Industrial incidents can damage Fluxys Belgium's infrastructure, endanger people's safety, cause unavailability impacting service continuity, and result in financial loss	<ul style="list-style-type: none"> • Safety management system • A series of preventive, detection and reactive measures, including cyber security and terrorism

Health, safety and well-being at work

Risk	Measures
Circumstances and events that may harm employees. These may include illness or other health problems, mental health issues or physical injury.	<ul style="list-style-type: none"> • Active Health, Safety and Environment Policy • Global Prevention Plan • Absenteeism policy and actions to support well-being

Transporting gases for a carbon-neutral future

Risk	Measures
Drop in demand for natural gas due to the energy transition: the risk that part of Fluxys Belgium's infrastructure can no longer be used and investment is needed to make it future-proof (transport of gases for a carbon-neutral future)	<ul style="list-style-type: none"> • Investment plan with projects to gradually reconfigure infrastructure as part of a carbon-neutral energy system (see also 'Opportunity' in this table) • Support for the development of the biomethane market and the injection of biomethane into the existing network

Opportunity	Actions
Develop new activities to advance the energy transition: compared to building new infrastructure, converting existing natural gas infrastructure is a cost-efficient solution to transport molecules for a carbon-neutral future	Investment planning with projects to gradually reconfigure the existing network as part of a carbon-neutral energy system

Systematically reducing our own climate impact

Risk	Measures
Greenhouse gas emissions from Fluxys Belgium's activities do not decrease in line with climate targets	<ul style="list-style-type: none"> • Go for net 0 project to halve Fluxys Belgium's greenhouse gas emissions by 2025 • Project to further cut emissions by building additional regasifiers with seawater at the Zeebrugge LNG terminal
Opportunity	Actions
Improve the energy efficiency of our activities	Renewable energy technology improves both energy efficiency and greenhouse gas emissions

Financial resilience

Risk	Measures
The risk that market events or developments will impact Fluxys Belgium's revenues and/or assets	<ul style="list-style-type: none"> • Monitoring the market by continuously adapting existing services and/or developing new services • Financial monitoring of counterparties • Insurance • Warranties from suppliers and customers

Diversity

Risk	Measures
A lack of diversity in the workforce can lead to a business organisation that lacks the necessary skills, talents and experience	<ul style="list-style-type: none"> • Equal opportunities policies that encourage diversity

Efforts to combat corruption

Risk	Measures
Corruption having a negative impact on the company's business reputation and/or financial results	<ul style="list-style-type: none"> • Specific provisions for Fluxys staff and for suppliers • Internal controls and control processes involving customers and suppliers, among others

Human rights

Risk	Measures
Violation of human rights having a negative impact on the company's business reputation and/or financial results	<ul style="list-style-type: none">• Specific provisions for staff and suppliers

2 Condensed half-yearly financial statements of Fluxys Belgium and its subsidiaries consolidated under IFRS - 30 June 2021

2.1 General information on the company

2.1.1. Corporate name and registered office

The registered office of the parent entity Fluxys Belgium SA is Avenue des Arts 31, B – 1040 Brussels, Belgium.

2.1.2. Group activities

The main activities of the Fluxys Belgium group are transmission and storage of natural gas as well as terminalling services for liquefied natural gas (LNG) in Belgium. The Fluxys Belgium group also provides complementary services related to these main activities.

Please refer to the specific chapters in the 2020 Annual Report for further information on these activities.

2.2 Condensed IFRS financial statements of the Fluxys Belgium Group

A. Condensed consolidated balance sheet

Condensed consolidated balance sheet (adjusted)		(in thousands of €)		
	Notes	30.06.2021	31.12.2020 Adjusted	01.01.2020 Adjusted
I. Non-current assets		2,141,012	2,196,174	2,305,518
Property, plant and equipment	6	1,948,766	2,011,209	2,129,400
Intangible assets		26,319	28,207	33,424
Right-of-use assets		35,520	36,467	39,970
Investments in associates and joint ventures		50	50	16
Other financial assets		116,137	109,506	90,200
Financial lease receivables		2,697	2,697	3,300
Other receivables		6,144	4,144	144
Other non-current assets		5,379	3,894	9,064
II. Current assets		498,428	533,865	562,057
Inventories		32,045	26,378	26,488
Financial lease receivables		299	601	601
Current tax receivables		8,161	5,108	3,965
Trade and other receivables		56,445	71,000	89,421
Short-term investments		24,588	39,458	58,205
Cash and cash equivalents		369,314	377,359	369,005
Other current assets		7,576	13,961	14,372
Total assets		2,639,440	2,730,039	2,867,575

Condensed consolidated balance sheet (adjusted) (in thousands of €)

	Notes	30.06.2021	31.12.2020 Adjusted	01.01.2020 Adjusted
I. Equity		589,311	639,038	662,677
Equity attributable to the parent company's shareholders		589,311	639,038	662,677
<i>Share capital and share premiums</i>		60,310	60,310	60,310
<i>Retained earnings and other reserves</i>		529,001	578,728	602,367
Non-controlling interests		0	0	0
II. Non-current liabilities		1,855,278	1,819,250	1,957,483
Interest-bearing liabilities	7 + 1e	1,203,517	1,208,055	1,254,254
Regulatory liabilities	8 + 1e	427,746	381,499	464,718
Provisions		4,415	4,465	4,272
Provisions for employee benefits	9.1	66,697	70,631	63,336
Other non-current financial liabilities		3,807	2,054	2,669
Deferred tax liabilities		149,096	152,546	168,234
III. Current liabilities		194,851	271,751	247,415
Interest-bearing liabilities	7 + 1e	49,392	58,186	35,069
Regulatory liabilities	8 + 1e	61,323	126,657	108,508
Provisions		60	875	0
Provisions for employee benefits	9.1	2,271	5,143	4,134
Current tax payables		5,113	4,146	3,844
Trade and other payables		72,740	73,950	92,668
Other current liabilities		3,952	2,794	3,192
Total liabilities and equity		2,639,440	2,730,039	2,867,575

The adjustments, that concern changes in presentation in the comparative figures, are explained in note 1e.

B. Condensed consolidated income statement

Condensed consolidated income statement		(in thousands of €)	
	Notes	30.06.2021	30.06.2020
Operating revenue	4	277,900	284,181
Sales of gas related to balancing operations and operational needs		10,497	22,220
Other operating income		6,645	5,095
Consumables, merchandise and supplies used		-1,668	-1,141
Purchase of gas related to balancing of operations and operational needs		-10,497	-22,208
Miscellaneous goods and services		-67,819	-68,816
Employee expenses		-55,885	-54,533
Other operating expenses		-3,883	-3,988
Depreciation		-84,744	-86,910
Provisions		-1,752	-1,599
Impairment losses	4	5	-2,748
Operating profit/loss		68,799	69,553
Change in the fair value of financial instruments		-240	-6
Financial income		618	423
Finance costs	4	-19,179	-20,272
Profit/loss before tax		49,998	49,698
Income tax expenses	4	-11,679	-13,118
Net profit/loss for the period	4	38,319	36,580
Fluxys Belgium share		38,319	36,580
Non-controlling interests		0	0
Basic earnings per share, attributable to the parent company's shareholders, in €		0.5454	0.5206
Diluted earnings per share, attributable to the parent company's shareholders, in €		0.5454	0.5206

C. Condensed consolidated statement of comprehensive income

Condensed consolidated statement of comprehensive income		(in thousands of €)	
	Notes	30.06.2021	30.06.2020
Net profit/loss for the period		38,319	36,580
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of employee benefits	9.1	10,955	-14,995
Income tax expenses on other comprehensive income		-2,739	3,749
Other comprehensive income		8,216	-11,246
Comprehensive income for the period		46,535	25,334
Fluxys Belgium share		46,535	25,334
Non-controlling interests		0	0

D. Condensed consolidated statement of changes in equity

Condensed consolidated statement
changes in equity

(in thousands of €)

	Share capital	Share premium	Reserves not available for distribution
I. Closing balance as at 31.12.2019	60,272	38	54,072
1. Comprehensive income for the period			
2. Paid dividends			-9,905
II. Closing balance as at 30.06.2020	60,272	38	44,167
III. Closing balance as at 31.12.2020	60,272	38	44,167
1. Comprehensive income for the period			
2. Paid dividends			
IV. Closing balance as at 30.06.2021	60,272	38	44,167

Condensed consolidated statement
of changes in equity

(in thousands of €)

Retained earnings	Reserves for employee benefits	Other elements of comprehensive income	Equity attributable to the parent company's shareholders	Non-controlling interests	Total equity
560,643	-12,348	0	662,677	0	662,677
36,580	-11,246	0	25,334	0	25,334
-81,441		0	-91,346	0	-91,346
515,782	-23,594	0	596,665	0	595,665
552,442	-17,881	0	639,038	0	639,038
38,319	8,216	0	46,535	0	46,535
-96,262		0	-96,262	0	-96,262
494,499	-9,665	0	589,311	0	589,311

E. Condensed consolidated statement of cash flows

Condensed consolidated statement of cash flows (indirect method)		(in thousands of €)	
	Notes	30.06.2021	30.06.2020 Adjusted
I. Cash and cash equivalents, opening balance	A.	377,359	369,005
II. Cash flows from operating activities		130,481	132,980
1. Cash flows from operating activities		152,943	152,325
1.1. Operating profit/loss	B.	68,799	69,553
1.2. Non-cash adjustments		65,761	57,377
1.2.1. Depreciation	B.	84,744	86,910
1.2.2. Provisions	B.	1,752	1,599
1.2.3. Impairment losses	B.	-5	2,748
1.2.4. Changes in regulatory liabilities	4+8	-19,989	-33,774
1.2.5. Other non-cash adjustments		-742	-106
1.3. Changes in working capital		18,383	25,395
1.3.1. Inventories		-5,666	-1,878
1.3.2. Tax receivables		-3,053	-3,598
1.3.3. Trade and other receivables		14,559	29,476
1.3.4. Other current assets		6,550	6,952
1.3.5. Tax payables		6,045	5,509
1.3.6. Trade and other payables		-1,210	-12,549
1.3.7. Other current liabilities		1,158	1,483
1.3.8. Other changes in working capital		0	0
2. Cash flows relating to other operating activities		-22,462	-19,345
2.1. Current tax paid		-22,946	-19,626
2.2. Interests from investments, cash and cash equivalents		511	374
2.3. Other inflows (outflows) relating to other operating activities		-27	-93

Condensed consolidated statement of cash flows (indirect method)		(in thousands of €)	
	Notes	30.06.2021	30.06.2020 Adjusted
III. Cash flows relating to investment activities		-9,448	-21,009
1. Acquisitions		-25,947	-56,983
1.1. Payments to acquire property, plant and equipment, and intangible assets		-19,062	-18,511
1.2. Payments to acquire subsidiaries, joint arrangements or associates	A.	0	-34
1.3. Payments to acquire other financial assets		-6,885	-38,438
2. Disposals		1,116	545
2.1. Proceeds from disposal of property, plant and equipment, and intangible assets		1,115	545
2.2. Proceeds from disposal of subsidiaries, joint arrangements or associates		0	0
2.3. Proceeds from disposal of other financial assets		1	0
3. Dividends received classified as investment activities		0	0
4. Subsidies received	6	513	0
5. Increase (-) / Decrease (+) of short-term investments	A.	14,870	35,429
IV. Cash flows relating to financing activities		-129,078	-97,091
1. Proceeds from cash flows from financing		10,528	14,389
1.1. Proceeds from issuance of equity instruments	D.	0	0
1.2. Proceeds from issuance of treasury shares	D.	0	0
1.3. Proceeds from finance leases	A.	302	302
1.4. Proceeds from other non-current assets		0	0
1.5. Proceeds from issuance of compound financial instruments		0	0
1.6. Proceeds from issuance of other financial liabilities	7.	10,226	14,087

Condensed consolidated statement of cash flows (indirect method)		(in thousands of €)	
	Notes	30.06.2021	30.06.2020 Adjusted
2. Repayments relating to cash flows from financing		-30,930	-7,449
2.1. Repurchase of equity instruments subsequently cancelled		0	0
2.2. Purchase of treasury shares		0	0
2.3. Repayment of lease liabilities	7.	-1,566	-1,443
2.4. Redemption of compound financial instruments		0	0
2.5. Repayment of other financial liabilities	7.	-29,364	-6,006
3. Interests		-12,414	-12,685
3.1. Interest paid classified as financing		-12,445	-12,718
3.2. Interest received classified as financing		31	33
4. Dividends paid	D.	-96,262	-91,346
V. Net change in cash and cash equivalents		-8,046	14,880
VI. Cash and cash equivalents, closing balance	A.	369,314	383,885

The adjustments, that concern changes in presentation in the comparative figures, are explained in note 1e.

2.3 Notes

Note 1. General information

Note 1a. Statement of compliance with IFRS

The condensed financial statements of Fluxys Belgium and its subsidiaries (“the group” or “the group Fluxys Belgium”) for the first half of 2021 have been established in accordance with the International Financial Reporting Standards, and in particular with the IAS 34 ‘Interim financial reporting’ as adopted by the European Union, and have been subjected to a limited review by the statutory auditor.

They include a selection of explanatory notes and should be read in parallel with the consolidated financial statements of 31 December 2020.

All amounts are stated in thousands of euros.

Note 1b. Judgement and use of estimates

There have been no significant changes in the accounting estimates and judgements compared with the 2020 annual report.

Note 1c. Date of authorisation for issue

The Board of Directors of Fluxys Belgium SA authorised these half-yearly IFRS financial statements of Fluxys Belgium and its subsidiaries for issue on 29 September 2021.

Note 1d. Changes or additions to the accounting principles and policies

Except for the changes in presentation of regulatory liabilities, explained in note 1e, the condensed interim financial statements ended 30 June 2021 were prepared using the same accounting methods as those adopted for the consolidated financial statements for the financial year ended 31 December 2020.

Several other amendments and interpretations apply for the first time in 2021 but do not have any impact on the group’s condensed interim financial statements:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Reform – Phase 2
- Amendment to IFRS 16 Leases: COVID-19-Related Rent Concessions

The group has not proceeded with the early adoption of any other standard, interpretation or amendment that has been published but is not yet applicable.

Note 1e. Changes in the presentation of regulatory liabilities

The group is closely following the latest evolutions of the IASB project for a new standard on regulatory assets and regulatory liabilities (ED 2021/1). Even if this new standard is still being developed, the group estimates it is useful to anticipate the application of some principles to improve transparency on the effects of regulation.

In the exposure draft, it is already becoming clear that regulatory assets and regulatory liabilities will not be considered as financial assets or liabilities (ED 2021/BC52) and will have to be presented separately on the balance sheet. That is why the group, in agreement with the market regulator, has decided to present its regulatory liabilities henceforth as a separate line item on the balance sheet. Before, these liabilities were considered as part of the interest-bearing liabilities (as explained in note 5.11 of the annual financial report 2020). The group does not have any regulatory assets in the published periods.

Considering the above and after further analysis, we concluded that presenting the initial recognition and subsequent movements of regulatory liabilities as cash flow from financing activities was not compliant with IAS 7 *Statement of Cash Flows* and we applied IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. Therefore, the evolution of the regulatory liabilities is no longer presented as cash flow from financing activities but as cash flow from operating activities.

The effects of this change in presentation can be summarized as follows:

On the **balance sheet**, the interest-bearing liabilities are split between regulatory and other liabilities. Since this is simply a split into two line-items, there is no impact on the net financial debt, total debt, solvency or equity.

Condensed consolidated balance sheet		(in thousands of €)	
	31.12.2020 Adjusted	31.12.2020 Published	Difference
II. Non-current liabilities	1,819,250	1,819,250	0
Interest-bearing liabilities	1,208,055	1,589,554	-381,499
Regulatory liabilities	381,499	0	381,499
(...)			
III. Current liabilities	271,751	271,751	0
Interest-bearing liabilities	58,186	184,843	-126,657
Regulatory liabilities	126,657	0	126,657
(...)			

Condensed consolidated balance sheet			(in thousands of €)
	01.01.2020 Adjusted	31.12.2019 Published	Difference
II. Non-current liabilities	1,957,483	1,957,483	0
Interest-bearing liabilities	1,254,254	1,718,972	-464,718
Regulatory liabilities	464,718	0	464,718
(...)			
III. Current liabilities	247,415	247,415	0
Interest-bearing liabilities	35,069	143,577	-108,508
Regulatory liabilities	108,508	0	108,508
(...)			

In the consolidated **statement of cash flows**, there is a shift between financial and operational cash flows for an amount of € 33,774 thousand (decrease of operational cash flow), that can be detailed as follows:

Condensed consolidated statement of cash flows (indirect method)					(in thousands of €)
	30.06.2020 Adjusted	30.06.2020 Published	Difference	Note	
I. Cash and cash equivalents, opening balance	369,005	369,005	0		
II. Cash flows from operating activities	132,980	166,754	-33,774	Subtotal	
1. Cash flows from operating activities	152,325	186,099	-33,774	Subtotal	
1.1. Operating profit/loss	69,553	69,553	0		
1.2. Non-cash adjustments	57,377	91,151	-33,774	Subtotal	
1.2.1. Depreciation	86,910	86,910	0		
1.2.2. Provisions	1,599	1,599	0		
1.2.3. Impairment losses	2,748	2,748	0		
1.2.4. Changes in regulatory liabilities	-33,774	0	-33,774	A)	
1.2.5. Other non-cash adjustments	-106	-106	0		
1.3. Changes in working capital	25,395	25,395	0		
2. Cash flows relating to other operating activities	-19,345	-19,345	0		
III. Cash flows relating to investment activities	-21,009	-21,009	0		

Condensed consolidated statement of cash flows (indirect method)		(in thousands of €)		
	30.06.2020 Adjusted	30.06.2020 Published	Difference	Note
IV. Cash flows relating to financing activities	-97,091	-130,866	33,774	Subtotal
1. Proceeds from cash flows from financing	14,389	14,198	191	Subtotal
1.3. Proceeds from finance leases	302	302	0	
1.6. Proceeds from issuance of other financial liabilities	14,087	13,896	191	B)
2. Repayments relating to cash flows from financing	-7,449	-39,940	32,491	Subtotal
2.3. Repayment of lease liabilities	-1,443	-1,443	0	
2.5. Repayment of other financial liabilities	-6,006	-38,497	32,491	C)
3. Interests	-12,685	-13,777	1,092	Subtotal
3.1. Interest paid classified as financing	-12,718	-13,810	1,092	D)
3.2. Interest received classified as financing	33	33	0	
4. Dividends paid	-91,346	-91,346	0	
V. Net change in cash and cash equivalents	14,880	14,880	0	
VI. Cash and cash equivalents, closing balance	383,885	383,885	0	

Notes to the table above:

- A) The difference of € 33,774 thousand relates to the regulatory liabilities excluding interests accrued (see D). This amount equals the change in the regulatory liabilities in the operational result in the segment reporting (see note 4: € 37,394 thousand minus € 3,620 thousand = € 33,774 thousand).
- B) After elimination of the change in regulatory liabilities, that is now presented in the operational cash flows, a cash inflow related to the issuance of other financial liabilities of € 14,087 thousand remains. It concerns the evolution of the cash pooling of Fluxys LNG with the internal bank of group Fluxys (Fluxys SA, which is not consolidated by Fluxys Belgium group).
- C) The change in regulatory liabilities has been eliminated from this line item and has been transferred to the operational cash flow (see A). What remains is a reimbursement of 6 million € of a loan with the EIB.
- D) The reclassified amount of € 1,092 thousand concerns the interests that have been accrued under the regulatory framework on the regulatory liabilities.

As apparent in the table, there is no impact on the total cash flow or on the cash position.

There is also no impact on the income statement and hence neither on the main indicators of the group such as EBITDA, EBIT, net result, earnings per share and the ratio's that are derived from the latter such as FFO and RCF (see annual financial report 2020).

The comparative figures in the condensed financial statements and in the notes have been adapted where necessary.

Notwithstanding these changes in presentation, the interests that are accrued on the regulatory liabilities under the regulatory framework are still presented in the financial results.

Note 2. Seasonal nature of activities in the interim period

Even though some gas transport services can be contracted on a seasonal basis, the operating income from activities subject to the Gas Act is barely influenced by the seasonal nature of activities.

The operating income from these activities corresponds for the period pro rata with the estimated annual fair profit margin on invested capital.

This margin is reduced or supplemented by manageable cost variances resulting from considering an efficiency factor determined ex ante.

Note 3. Acquisitions, disposals and restructuring

Consolidation scope

The consolidation scope and percentage of interests in consolidated entities remained identical to those of 31 December 2020.

Note 4. Income statement and operating segments

Operating segments

Fluxys Belgium and its subsidiaries carry out activities in the following operating segments: transmission, storage, LNG terminalling activities in Belgium and other activities.

The segment information is based on classification into these operating segments.

Transmission activities comprise all operations subject to the Gas Act related to transmission in Belgium.

Storage activities comprise all operations subject to the Gas Act related to storage at Loenhout in Belgium.

Terminalling activities comprise all activities subject to the Gas Act related to the LNG terminal at Zeebrugge in Belgium.

The segment 'other activities' comprises other services rendered by Fluxys Belgium and its subsidiaries such as participating in the IZT and ZPT¹ terminals in Belgium and work for third parties.

The Fluxys Belgium group operates mainly in Belgium and therefore does not publish information by geographical sector.

The Chief Operating Decision Maker (CODM) is the CEO.

Basis of accounting relating to transactions between operating segments

Transactions between operating segments mainly relate to capacity reservations by one segment subject to the Gas Act with another. These transactions are charged at the same regulatory tariffs as for external clients.

¹ **Interconnector Zeebrugge Terminal (IZT)**: Fluxys Belgium rents part of its installations to IZT under a finance lease and also provides operational support and maintenance. The cooperation with IZT is based on contracts (no participation by Fluxys Belgium).

Zeepipe Terminal (ZPT): Fluxys Belgium contributes to the operations of ZPT on a contractual basis (no participation).

Segment income statement as at 30.06.2021

(in thousands of €)

	Trans- mission	Storage	Terminalling	Other	Inter- segment transfers	Total
Operating revenue	185,178	16,797	72,317	13,081	-9,473	277,900
<i>Sales and services to external customers</i>	142,976	18,512	68,998	9,491	0	239,977
<i>Transactions with other segments</i>	445	4,721	717	3,590	-9,473	0
<i>Changes in regulatory assets and liabilities</i>	41,757	-6,436	2,602	0	0	37,923
Sales of gas related to balancing operations and operational needs	6,673	463	3,361	0	0	10,497
<i>Sales</i>	20,719	463	7,250	0	0	28,432
<i>Changes in regulatory assets and liabilities</i>	-14,046	0	-3,889	0	0	-17,935
Other operating income	2,163	24	1,201	3,294	-37	6,645
Consumables, merchandise and supplies used	-81	-4	-12	-1,571	0	-1,668
Purchases of gas related to balancing of operations and operational needs	-6,673	-463	-3,361	0	0	-10,497
Miscellaneous goods and services	-53,921	-3,878	-13,166	-6,364	9,510	-67,819
Employee expenses	-40,435	-3,311	-9,731	-2,408	0	-55,885
Other operating expenses	-3,147	-257	-368	-111	0	-3,883
Depreciation	-55,696	-4,946	-23,708	-394	0	-84,744
Provisions	192	17	-82	-1,879	0	-1,752
Impairment losses	1	0	0	4	0	5
Operating Profit/loss	34,254	4,442	26,451	3,652	0	68,799
Change in the fair value of financial instruments				-240		-240
Financial income	50	6	30	532		618
Finance costs	-12,011	-1,357	-5,074	-737		-19,179
Profit/loss before tax	22,293	3,091	21,407	3,207	0	49,998
Income tax expenses						-11,679
Net profit/loss for the period						38,319

Operating revenue for the first half of 2021 amounted to € 277,900 thousand, compared to € 284,181 thousand for the first half of 2020, a decrease of € 6,281 thousand.

Transmission, storage and terminalling services in Belgium are subject to the Gas Act. Revenue from these services aims to ensure an authorised return on capital invested

and to cover the permitted depreciation and operating expenses related to these services, while integrating the productivity efforts to be accomplished by the network operator.

Revenue from regulated activities² amounted to € 268,409 thousand (or 96,6% of total revenue), which represents a decrease of € 7,352 thousand compared with the same period in 2020. The revenue decrease of the transport activities is mainly related to the expiration of some long-term contracts and is partially compensated by a higher use of the regulatory accounts. The revenue of the storage activities remained stable. In terminalling, fewer extra spot slots were sold than in the first half-year of 2020, but the number of truckloads increased.

The figures of both sales and purchases related to balancing of operations and operational needs have dropped significantly, because the balancing activity has been taken over by Balansys since the first of June 2020. Balansys is a joint venture and is accounted for by the equity method. The remaining amounts are mainly related to purchases for Fluxys' own operational needs and their inclusion in the tariffs.

The evolution of most operating cost items is quite limited. The impairment losses of € 2,748 thousand in the first semester of 2020 were related to the valuation of the gas in stock and resulted from a decline in market prices. There are no such impairment losses in the first half of 2021.

The finance costs decreased from € 20,272 thousand to € 19,179 thousand, as a consequence of the reduced debt level.

The income tax expenses decrease by € 1,439 thousand. In the second semester 2020, based on a tax ruling, Fluxys Belgium SA obtained tax deductibility for revenues from innovation. The positive impact amounted to € 1,4 million in the first semester 2021.

Note that this tax advantage is integrated in the regulated tariffs.

The net result of the first semester 2021 amounted to € 38,319 thousand compared to € 36,580 thousand for the first semester 2020, or an increase of € 1,739 thousand.

² After eliminating transactions with other segments

Segment income statement as at 30.06.2020

(in thousands of €)

	Transmission	Storage	Terminalling	Other	Inter-segment transfers	Total
Operating revenue	189,255	17,481	74,604	12,028	-9,187	284,181
<i>Sales and services to external customers</i>	150,367	18,267	69,733	8,420	0	246,787
<i>Transactions with other segments</i>	439	4,426	714	3,608	-9,187	0
<i>Changes in regulatory assets and liabilities</i>	38,449	-5,212	4,157	0	0	37,394
Sales of gas related to balancing operations and operational needs	18,720	161	3,339	0	0	22,220
<i>Sales</i>	21,870	161	3,809	0	0	25,840
<i>Changes in regulatory assets and liabilities</i>	-3,150	0	-470	0	0	-3,620
Other operating income	886	32	1,764	2,447	-34	5,095
Consumables, merchandise and supplies used	-470	-9	-10	-652	0	-1,141
Purchases of gas related to balancing of operations and operational needs	-18,723	-146	-3,338	-1	0	-22,208
Miscellaneous goods and services	-53,111	-3,874	-15,140	-5,912	9,221	-68,816
Employee expenses	-38,503	-3,256	-10,143	-2,631	0	-54,533
Other operating expenses	-3,256	-266	-359	-107	0	-3,988
Depreciation	-57,129	-5,402	-24,244	-135	0	-86,910
Provisions	-18	-1	-106	-1,474	0	-1,599
Impairment losses	-2,815	0	55	12	0	-2,748
Operating Profit/loss	34,836	4,720	26,422	3,575	0	69,553
Change in the fair value of financial instruments	0	0	0	-6	0	-6
Financial income	8	1	1	413	0	423
Finance costs	-12,352	-1,391	-5,386	-1,143	0	-20,272
Profit/loss before tax	22,492	3,330	21,037	2,839	0	49,698
Income tax expenses						-13,118
Net profit/loss for the period						36,580

Note 5. Segment balance sheet

Segment balance sheet as at 30.06.2021						(in thousands of €)
	Trans- mission	Storage	Termi- nalling	Other	Un- allocated	Total
Property, plant and equipment	1,252,603	136,994	559,086	83	0	1,948,766
Intangible assets	25,000	11	1,308	0	0	26,319
Right-of-use assets	9,745	331	22,811	2,633	0	35,520
Other non-current financial assets	91	0	0	116,046	0	116,137
Inventories	27,947	3,085	553	460	0	32,045
Financial lease receivables	0	0	0	2,996	0	2,996
Net trade receivables	41,101	3,228	5,905	5,195	0	55,429
Other assets					422,228	422,228
Total assets						2,639,440
Interest-bearing liabilities	595,858	48,696	267,776	340,579	0	1,252,909
Other financial liabilities	0	0	21	3,786	0	3,807
Other liabilities	291,336	52,203	145,530	0	304,344	793,413
						2,050,129
Equity						589,311
Total equity and liabilities						2,639,440
Investments in property, plant and equipment for the period	11,519	86	4,217	3	0	15,825
Investments in intangible assets for the period	3,098	7	132	0	0	3,237

Segment balance sheet as at
31.12.2020 (adjusted)

(in thousands of €)

	Trans- mission	Storage	Termi- nalling	Other	Un- allocated	Total
Property, plant and equipment	1,291,689	141,848	577,589	83	0	2,011,209
Intangible assets	26,818	5	1,384	0	0	28,207
Right-of-use assets	10,590	336	24,091	1,450	0	36,467
Other non-current financial assets	97	0	0	109,409	0	109,506
Inventories	21,902	3,084	815	577	0	26,378
Financial lease receivables	0	0	0	3,298	0	3,298
Net trade receivables	53,960	3,377	5,491	4,396	0	67,224
Other assets					447,750	447,750
Total assets						2,730,039
Interest-bearing liabilities	618,717	59,445	285,737	302,342	0	1,266,241
Other financial liabilities	0	0	11	2,043	0	2,054
Other liabilities	318,972	45,758	143,426	0	314,550	822,706
						2,091,001
Equity						639,038
Total equity and liabilities						2,730,039
Investments in property, plant and equipment for the period	31,925	675	9,642	14	0	42,256
Investments in intangible assets for the period	4,880	0	170	0	0	5,050

Note 6. Property, plant and equipment

Movements in property, plant and equipment		(in thousands of €)		
	Land	Buildings	Natural gas transmission networks*	Gas storage*
Gross book value				
As at 31-12-2019	48,362	161,314	3,440,612	386,171
Investments	141	43	20,895	499
Subsidies received	0	0	0	0
Disposals and retirements	-87	-65	-2,700	0
Internal transfers	0	-61	4,030	0
Changes in the consolidation scope	0	0	0	0
Translation adjustments	0	0	0	0
As at 31-12-2020	48,416	161,231	3,462,837	386,670
Investments	5	7	4,183	20
Subsidies received	0	0	0	0
Disposals and retirements	-3	0	-375	0
Internal transfers	0	0	810	0
Changes in the consolidation scope	0	0	0	0
Translation adjustments	0	0	0	0
As at 30-06-2021	48,418	161,238	3,467,455	386,690

* Subject to the Gas Act.

In the first half of 2021, Fluxys Belgium and its subsidiaries have invested for k€ 15,825 in property, plant and equipment, compared to k€ 17,104 over the same period of 2020. k€ 4,217 of these investments were allocated to LNG infrastructure and k€ 11,519 to gas transport projects.

Movements in property, plant and equipment

(in thousands of €)

LNG terminal*	Other installations and machinery	Furniture, equipment & vehicles	Assets under construction & instalments paid	Total
1,448,792	43,511	59,256	5,055	5,593,073
8,514	0	6,470	5,694	42,256
0	0	0	0	0
-59	0	-2,949	0	-5,860
61	0	0	-4,030	0
0	0	0	0	0
0	0	0	0	0
1,457,308	43,511	62,777	6,719	5,629,469
834	0	2,353	8,423	15,825
-513	0	0	0	-513
-18	0	-720	0	-1,116
0	0	0	-810	0
0	0	0	0	0
0	0	0	0	0
1,457,611	43,511	64,410	14,332	5,643,665

* Subject to the Gas Act.

Movements in property, plant and equipment

(in thousands of €)

	Land	Buildings	Natural gas transmission networks*	Gas storage*
Depreciation and impairment losses				
As at 31-12-2019	0	-94,627	-2,197,002	-240,932
Depreciation	0	-4,041	-94,939	-10,458
Disposals and retirements	0	47	2,072	0
Internal transfers	0	3	0	0
Changes in the consolidation scope and assets held for sale	0	0	0	0
Translation adjustments	0	0	0	0
As at 31-12-2020	0	-98,618	-2,289,869	-251,390
Depreciation	0	-2,003	-46,099	-4,842
Disposals and retirements	0	0	263	0
Internal transfers	0	0	0	0
Changes in the consolidation scope and assets held for sale	0	0	0	0
Translation adjustments	0	0	0	0
As at 30-06-2021	0	-100,621	-2,335,705	-256,232
Net book value as at 30.06.2021	48,418	60,617	1,131,750	130,458
Net book value as at 31.12.2020	48,416	62,613	1,172,968	135,280

* Subject to the Gas Act.

The depreciation charge for the period amounts to € 77,142 thousand and reflects the rate at which Fluxys Belgium and its subsidiaries expect to consume the economic benefits of the property, plant and equipment.

At the balance sheet date, Fluxys Belgium and its subsidiaries have identified no indications or events that would lead to consideration of an impairment of any item of property, plant and equipment.

Movements in property, plant and equipment
(in thousands of €)

LNG terminal*	Other installations and machinery	Furniture, equipment & vehicles	Assets under construction & instalments paid	Total
-845,060	-43,259	-42,793	0	-3,463,673
-44,525	0	-5,453	0	-159,416
18	0	2,692	0	4,829
-3	0	0	0	0
0	0	0	0	0
0	0	0	0	0
-889,570	-43,259	-45,554	0	-3,618,260
-21,588	0	-2,610	0	-77,142
2	0	238	0	503
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
-911,156	-43,259	-47,926	0	-3,694,899
546,455	252	16,484	14,332	1,948,766
567,738	252	17,223	6,719	2,011,209

* Subject to the Gas Act.

Note 7. Interest-bearing liabilities

Non-current interest-bearing liabilities		(in thousands of €)	
	30.06.2021	31.12.2020 adjusted	change
Leases	33,538	32,288	1,250
Bonds	696,343	696,131	212
Other borrowings	473,636	479,636	-6,000
Total	1,203,517	1,208,055	-4,538

Current interest-bearing liabilities		(in thousands of €)	
	30.06.2021	31.12.2020 adjusted	change
Leases	1,493	2,783	-1,290
Bonds	10,736	2,523	8,213
Other borrowings	37,163	52,880	-15,717
Total	49,392	58,186	-8,794

Changes in liabilities related to financing activities							(in thousands of €)	
	31.12.2020 adjusted	Cash flows	New lease contracts	Variation in accrued interests	Amorti- sation of issuance costs	Internal transfers	30.06.2021	
Non-current interest-bearing liabilities	1,208,055	0	1,526	0	212	-6,276	1,203,517	
Leases	32,288	0	1,526	0	0	-276	33,538	
Bonds	696,131	0	0	0	212	0	696,343	
Other borrowings	479,636	0	0	0	0	-6,000	473,636	
Current interest-bearing liabilities	58,186	-20,703		5,633		6,276	49,392	
Leases	2,783	-1,566		0		276	1,493	
Bonds	2,523	0		8,213		0	10,736	
Other borrowings	52,880	-19,137		-2,580		6,000	37,163	
Total	1,266,241	-20,703	1,526	5,633	212	0	1,252,909	

Cash flows for interest-bearing liabilities are included in sections IV.1.6, IV.2.3 and IV.2.5 of the condensed statement of cash flows.

The evolution of the interests to be paid and the amortization of issue costs (in total € 5,845 thousand) equals the difference between:

- interests paid (see section IV.3.1 of the condensed statement of cash flows: € - 12,445 thousand) and
- the finance costs on debt and lease liabilities (excluding regulatory liabilities) (€ 18,290 thousand). These are included in the total finance cost of € 19,179 thousand as mentioned in the condensed income statement.

Note 8. Regulatory liabilities

As mentioned in note 1e, regulatory liabilities are from now on presented separately.

Regulatory liabilities		(in thousands of €)			
	Note	30.06.2021	31.12.2020 adjusted	Change	01.01.2020 adjusted
Other financing – non-current		85,310	65,557	19,753	82,789
Other financing – current		13,419	25,775	-12,356	12,554
Total other financing (A)	8.1	98,729	91,332	7,397	95,343
Other liabilities – non-current		342,436	315,942	26,494	381,929
Other liabilities – current		47,904	100,882	-52,978	95,954
Total other liabilities (B)	8.2	390,340	416,824	-26,484	477,883
Total regulatory liabilities (A+B = C)		489,069	508,156	-19,087	573,226
Presented on the balance sheet as:					
Non-current regulatory liabilities		427,746	381,499	46,247	464,718
Current regulatory liabilities		61,323	126,657	-65,334	108,508
Total regulatory liabilities (C)		489,069	508,156	-19,087	573,226

8.1. **Other financing** concerns the specific allocations of the regulatory liabilities that are available for the group to finance specific investments, in particular the second jetty and other investments in the LNG terminal of Zeebrugge, on the one hand, and costs that relate to the conversion of part of the gas transport network, on the other hand. A 10-year interest rate is applied to part of these amounts and the average 'Euribor 1 year' rate to the rest.

8.2 The other regulatory liabilities, presented in the line item '**Other liabilities**' reflect the positive difference between the invoiced and the vested regulatory tariffs that have not (yet) been specifically allocated. The average 'Euribor 1 year' rate is applied to these amounts.

The regulatory liabilities can be reconciled as follows with the segment reporting and the statement of cash flows.

Regulatory liabilities		(in thousands of €)	
Non-current + current	Other financing (A)	Other liabilities (B)	Total
as at 01-01-2021	91,332	416,824	508,156
Use	-3,419	-51,117	-54,537
Additions	0	34,548	34,548
Interests	816	85	902
Transfers	10,000	-10,000	0
as at 30-06-2021	98,729	390,340	489,069

The sum of use and additions amounts to € -19,989 thousand and corresponds with the sum of the changes in regulatory liabilities in note 4 (segment reporting – net increase of revenue).

This net decrease of the regulatory liabilities also corresponds with the evolution of the regulatory liabilities presented in item 1.2.4 of the statement of cash flows.

The interest charges on regulatory liabilities, that amount to € 902 thousand, are accounted for as a finance cost.

The transfer of € 10 million relates to specific future investments in Zeebrugge.

Note 9. Provisions

9.1. Provisions for employee benefits

Provisions for employee benefits	(in thousands of €)
Provisions at 31-12-2020	75,774
Additions	5,655
Use	-3,099
Release	0
Unwinding of the discount	377
Actuarial gains/losses recognised in the profit/loss (seniority bonuses)	-197
Expected return	-236
Actuarial gains/losses recognised in equity	-10,955
Reclassification to assets	1,649
Provisions as at 30-06-2021 of which:	68,968
Non-current provisions	66,697
Current provisions	2,271

The cost of services rendered during the period is accounted for as employee expenses and in additions to the provisions.

Expenses relating to the unwinding of discounts are presented in financial result, after compensation with the expected return on plan assets. The expected return on plan assets is in line with the discount rate used to determine actuarial debt.

The decrease of provisions for employee benefits is mainly due to the increase in discount rates per end of June 2021 compared to year end 2020. In line with IAS 19, this evolution was accounted for in other comprehensive income.

Per end of June 2021, the provisions for employee benefits for 'defined benefit obligations' show a surplus of € 5,976 thousand of the plan assets compared to the actuarial debt. Per end of December 2020, the surplus amounted to € 4,236 thousand. The surpluses are classified as assets in the balance sheet items 'other non-current assets' and 'other current assets'.

Note 10. Contingent assets and liabilities – rights and commitments of Fluxys Belgium and its subsidiaries

There is no significant evolution to report in terms of contingent assets and liabilities & rights and commitments. Please refer to Note 7 'Contingent assets and liabilities – rights and commitments of the group' in the IFRS financial statements of the 2020 annual report.

Note 11. Significant transactions with related parties

Fluxys Belgium and its subsidiaries are controlled by Fluxys, which is itself controlled by Publigas.

The consolidated financial statements include transactions performed by Fluxys Belgium and its subsidiaries in the normal course of their activities with unconsolidated related companies or associates. These transactions take place under market conditions and mainly involve transactions realised with Fluxys SA (administrative services, IT and housing services and the management of cash funds and financing), Interconnector (UK) (inspection and repair services), IZT (IZT lease and facilities operation and maintenance services), Dunkerque LNG (IT development and other services), Gaz-Opale (terminalling services), Balansys (balancing operator) and FluxRe (reinsurance).

Other related parties in the following tables concern other entities of the Fluxys group, in which Fluxys Belgium does not hold a stake.

Significant transactions with related parties
as at 30.06.2021 (in thousands of €)

	Parent company	Joint arrangements	Other related parties	Total
I. Assets with related parties	334,174	6,000	6,091	346,265
1. Other financial assets	0	0	0	6,000
Loans	0	6,000	0	6,000
2. Financial lease receivables (current and non-current)	0	0	2,996	2,996
3. Trade and other receivables	5	0	3,095	3,100
Clients	5	0	3,095	3,100
4. Cash and cash equivalents	334,169	0	0	334,169
5. Other current assets	0	0	0	0
II. Liabilities with related parties	245,854	0	185	246,039
1. Interest-bearing liabilities (current and non-current)	245,239	0	0	245,239
Other borrowings	245,239	0	0	245,239
2. Trade and other payables	174	0	0	174
Suppliers	86	0	0	86
Other payables	88	0	0	88
3. Other current liabilities	441	0	185	626
III. Transactions with related parties				
1. Services rendered and goods delivered	2,055	597	8,698	11,350
2. Services received (-)	-1,081	0	-82	-1,163
3. Net financial income	-3,943	0	0	-3,943

Significant transactions with related parties
as at 31.12.2020 (in thousands of €)

	Parent company	Joint arrangements	Other related parties	Total
I. Assets with related parties	353,025	4,000	6,256	363,281
1. Other financial assets	0	4,000	0	4,000
Loans	0	4,000	0	4,000
2. Financial lease receivables (current and non-current)	0	0	3,298	3,298
3. Trade and other receivables	0	0	2,940	2,940
Clients	0	0	2,940	2,940
4. Cash and cash equivalents	353,025	0	0	353,025
5. Other current assets	0	0	18	18
II. Liabilities with related parties	263,593	10	327	263,930
1. Interest-bearing liabilities (current and non-current)	263,330	0	0	263,330
Other borrowings	263,330	0	0	263,330
2. Trade and other payables	64	10	0	74
Suppliers	2	10	0	12
Other payables	62	0	0	62
3. Other current liabilities	199	0	327	526
III. Transactions with related parties				
1. Services rendered and goods delivered	3,451	1,060	19,075	23,586
2. Services received (-)	-2,502	-454	0	-2,956
3. Net financial income	-8,364	0	0	-8,364

Note 12. Financial instruments

The group's main financial instruments consist of financial and trade receivables and payables, cash investments, cash and cash equivalents.

The following table gives an overview of financial instruments:

Summary of financial instruments as at 30.06.2021					(in thousands of €)
	Category	Book value	Fair value	Level	
I. Non-current assets					
Other financial assets at amortized cost	A	112,331	112,855	1 & 2	
Other financial assets at fair value through profit and loss	B	3,807	3,807	2	
Financial lease receivables	A	2,697	2,697	2	
Other receivables	A	6,144	6,144	2	
II. Current assets					
Financial lease receivables	A	299	299	2	
Trade and other receivables	A	56,445	56,445	2	
Cash investments	A	24,588	24,588	2	
Cash and cash equivalents	A	369,314	369,314	2	
Total financial instruments – assets		575,625	576,149		
I. Non-current liabilities					
Interest-bearing liabilities	A	1,203,517	1,254,577	2	
Other financial liabilities	B	3,807	3,807	2	
II. Current liabilities					
Interest-bearing liabilities	A	49,392	49,392	2	
Trade and other payables	A	72,740	72,740	2	
Total financial instruments – liabilities		1,329,456	1,380,516		

Summary of financial instruments
as at 30.12.2020 (adjusted) (in thousands of €)

	Category	Book value	Fair value	Level
I. Non-current assets				
Other financial assets at amortized cost	A	107,452	107,963	1 & 2
Other financial assets at fair value through profit and loss	B	2,054	2,054	2
Financial lease receivables	A	2,697	2,697	2
Other receivables	A	4,144	4,144	2
II. Current assets				
Financial lease receivables	A	601	601	2
Trade and other receivables	A	71,000	71,000	2
Cash investments	A	39,458	39,458	2
Cash and cash equivalents	A	377,359	377,359	2
Total financial instruments – assets		604,765	605,276	
I. Non-current liabilities				
Interest-bearing liabilities	A	1,208,055	1,261,317	2
Other financial liabilities	B	2,054	2,054	2
II. Current liabilities				
Interest-bearing liabilities	A	58,186	58,186	2
Trade and other payables	A	73,950	73,950	2
Total financial instruments – liabilities		1,342,245	1,395,507	

The categories correspond to the following financial instruments:

- A. Financial assets or financial liabilities at amortised cost.
- B. Assets or liabilities at fair value through profit or loss

All the group's financial instruments are measured at fair value and fall within levels 1 and 2 of the fair value hierarchy. Their fair value is measured on a recurring basis.

Level 1 of the fair value hierarchy includes short-term investments and cash equivalents whose fair value is based on quoted prices. They consist mainly of bonds.

Level 2 of the fair value hierarchy includes other financial assets and liabilities whose fair value is based on other inputs that are observable for the asset or liability, either directly or indirectly.

The techniques for measuring the fair value of Level 2 financial instruments are as follows:

- The items 'Interest-bearing liabilities' include the fixed-rate bonds issued by Fluxys Belgium, whose fair value is determined based on active market rates, usually provided by financial institutions.
- The fair value of other Level 2 financial assets and liabilities is largely identical to their book value:
 - either because they have a short-term maturity (such as trade receivables and payables), or
 - because they bear interest at the market rate at the closing date of the financial statements.

Note 13. Events after the balance sheet date

The floods in July took a particularly heavy toll on Belgium, especially in the south of the country. Wanting to respond quickly to those in need, our employees established a solidarity initiative and Fluxys Belgium donated € 100,000 to the Red Cross to help the flooding victims. At operational level, we made every effort to assist the distribution system operators in securing their networks. We also deployed people and specialised equipment to carry out drone inspections and underwater checks and to detect gas leaks using infrared technology, for example. We remain on hand to further aid the distribution system operators in restoring their infrastructure.

As a consequence of the floods, some of the installations of Fluxys Belgium were submerged and damaged. In the meantime, a major part of the cleaning work and repairs has already been performed.

At this stage the financial impact cannot be accurately estimated, because not all costs are known yet. However, the net impact on result is expected to be limited, since most of the costs should be covered by insurance or integrated in the regulatory settlement.

In line with the tariff methodology and in consultation with the market and the federal energy regulator CREG, Fluxys Belgium has reduced tariffs for gas storage by 30% since the 1st of July. In response to evolving market needs, a new commercial approach with simplified products, increased flexibility and innovative sales mechanisms has been developed for gas storage. The tariff decrease has no impact on the results of Fluxys Belgium.

For the rest, no events after the balance sheet date had a material impact on the present financial statements.

2.4 Statutory auditor's report

Statutory auditor's report on the review of the interim condensed consolidated financial statements of Fluxys Belgium NV/SA as of 30 June 2021 and for the 6 month period then ended

Introduction

We have reviewed the accompanying interim condensed consolidated balance sheet of Fluxys Belgium NV/SA (the "Company"), and its subsidiaries (collectively referred to as "the Group") as at 30 June 2021 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the 6 month period then ended, and explanatory notes, collectively, the "Interim Condensed Consolidated Financial Statements". The board of directors is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on these Interim Condensed Consolidated Financial Statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at 30 June 2021 and for the six-month period then ended is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

Diegem, 29 September 2021

EY Bedrijfsrevisoren BV/EY Réviseurs d'Entreprises SRL
Statutory auditor
represented by

Marnix Van Dooren *
Partner
*Acting on behalf of a BV/SRL

Wim Van Gasse *
Partner
*Acting on behalf of a BV/SRL

2.5 Declaration of responsible persons

Declaration regarding the first half-year ending 30 June 2021

I hereby attest that, to my knowledge:

- the condensed financial statements of Fluxys Belgium, drawn up in accordance with the applicable accounting standards, give a true and fair view of the assets, financial position and profit/loss of the issuer and the companies included in the consolidation scope;
- the interim report gives a true and fair view of the information that should be included therein, including the key events and the main transactions with related parties that have taken place in the first six months of the financial year and their impact on the condensed financial statements, as well as a description of the main risks and uncertainties for the remaining months of the financial year.

Brussels, 29 September 2021

Pascal De Buck
Managing Director
Chief Executive Officer

3 Definition of indicators

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 Amortization or operating profit/loss from continuing operations, before depreciation, amortization, 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, non-current loans linked to debts, 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.

Consolidated income statement (in thousands of €)	30.06.2021	30.06.2020
Operating profit/loss	68,799	69,553
Depreciation	84,744	86,910
Provisions	1,752	1,599
Impairment losses	-5	2,748
Earnings from associates and joint ventures	0	0
Dividends from unconsolidated companies	0	0
EBITDA	155,290	160,810

Consolidated income statement (in thousands of €)	30.06.2021	30.06.2020
Operating profit/loss	68,799	69,553
Earnings from associates and joint ventures	0	0
Dividends from unconsolidated companies	0	0
EBIT	68,799	69,553

Consolidated balance sheet (in thousands of €)	30.06.2021	31.12.2020 adjusted	31.12.2020 published
Non-current interest-bearing liabilities (+)	1,203,517	1,208,055*	1,589,554
Current interest-bearing liabilities (+)	49,392	58,186*	184,843
Other financing (non-current) (-)	0*	0*	-25,775
Other financing (current) (-)	0*	0*	-65,557
Other liabilities (non-current) (-)	0*	0*	-100,882
Other liabilities (current) (-)	0*	0*	-315,942
Term deposits (75%) (-)	-18,441	-29,594	-29,594
Cash and cash equivalents (75%) (-)	-276,986	-283,019	-283,019
Other financial assets (75%) (-)	-84,180	-80,517	-80,517
Net financial debt	873,302	873,111	873,111

* The regulatory liabilities are henceforth presented as a separate line item on the balance sheet (including in the comparative figures). See note 1e of the half-yearly report for further explanations.

Questions about accounting data

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