

Glossary

Pertinence of published financial ratios

The Fluxys 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 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 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 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 from continuing operations 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 and guarantees granted), 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. In order to more faithfully reflect reality, the exceptional solidarity contribution of 300 million euros was withdrawn from cash when calculating the net financial debt. This debt was accounted for on 31 December, whereas the payment was made in January 2023, which has a significant impact on the calculation.

FFO

Funds from Operations or operating profit/loss from continuing operations, excluding changes in regulatory assets and liabilities, before depreciation, amortization, 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, invest but also 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 (or foreign regulators).

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 payments of the dividends and thus shows the remaining net capacity of the group to reimburse its debts and invest.

Fluxys SA consolidated income statement (in thousands of €)	31.12.2023	31.12.2022	Notes
Operating profit/loss from continuing operations	325,772	417,589	4
Depreciations	467,658	471,548	4.3.5
Provisions	1,169	-6,024	4.3.5
Impairment losses	6,731	26,612	4.3.5
Earnings from associates and joint ventures	150,366	79,420	4.6
Dividends from unconsolidated entities	8,500	0	4.4.2
EBITDA (in thousands of €)	960,196	989,145	

Fluxys SA consolidated income statement (in thousands of €)	31.12.2023	31.12.2022	Notes
Operating profit/loss from continuing operations	325,772	417,589	4
Earnings from associates and joint ventures	150,366	79,420	4.6
Dividends from unconsolidated entities	8,500	0	4.4.2
EBIT (in thousands of €)	484,638	497,009	

Fluxys SA consolidated income statement (in thousands of €)	31.12.2023	31.12.2022	Notes
Financial income from lease contracts	1,132	1,112	4.4
Interest income on investments, cash and cash equivalents at fair value through profit and loss	29,844	10,727	4.4
Other interest income	13,508	1,009	4.4
Borrowing interest costs	-130,601	-66,932	4.5
Borrowing interest cost on leasing	-6,480	-7,425	4.5
Interest on regulatory assets and liabilities	38,801	6,207	
Net financial expenses (in thousands of €)	-53,796	-55,302	

Fluxys SA consolidated income statement (in thousands of €)	31.12.2023	31.12.2022	Notes
Borrowing interest costs	-130,601	-66,932	4.5
Borrowing interest costs on leasing	-6,480	-7,425	4.5
Interest on regulatory liabilities	39,840	6,623	
Interest expenses (in thousands of €)	-97,241	-67,734	

Fluxys SA consolidated income statement (in thousands of €)	31.12.2023	31.12.2022	Notes
Operating profit/loss from continuing operations	325,772	417,589	4
Operating revenue - Movements in regulatory assets and liabilities	386,762	588,379	4
Depreciation	467,658	471,548	4.3.5
Provisions	1,169	-6,024	4.3.5
Impairment losses	6,731	26,612	4.3.5
Inflows related to associates and joint ventures	162,866	33,283	E
Dividends from unconsolidated entities	8,500	0	4.4.2
Net financial expenses	-53,796	-55,302	
Current tax	-97,322	-119,261	4.7
FFO (in thousands of €)	1,208,340	1,356,824	

Fluxys SA consolidated income statement (in thousands of €)	31.12.2023	31.12.2022	Notes
FFO	1,208,340	1,356,824	E
Dividends paid	-239,883	-188,992	
RCF	968,457	1,167,832	

Fluxys SA consolidated balance sheet (in thousands of €)	31.12.2023	31.12.2022	Notes
Non-current interest-bearing liabilities	2,880,427	2,486,442	5.14
Current interest-bearing liabilities	118,460	137,073	5.14
Granted guarantees	0	0	7.7
Non-current loan	-21,266	-40,473	5.7
Cash investments (75%)	-144,559	-194,700	5.11
Cash and cash equivalents (75%)	-623,840	-709,898	5.11
Other financial assets (75%)	-80,324	-80,625	5.6.2
Net financial debt (in thousands of €)	2,128,898	1,597,819	

Fluxys SA consolidated balance sheet (in millions of €)	31.12.2023	31.12.2022	Toelichting
Transmission	2,937.6	2,941.1	
<i>Transmission - Fluxys Belgium</i>	<i>2,046.6</i>	<i>2,059.1</i>	
<i>Transmission - Fluxys TENP/TENP</i>	<i>329.0</i>	<i>305.0</i>	
<i>Transmission - Fluxys Deutschland</i>	<i>562.0</i>	<i>577.0</i>	
Storage	228.0	228.0	
LNG terminalling	311.0	305.7	
RAB (in millions of €)	3,476.6	3,474.9	
Other tangible investments outside RAB	2,785.5	2,755.7	
Extended RAB (in millions of €)	6,262.1	6,230.6	

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.