

#OneteamOnetarget Looking to the future

Acceleration is key and we're fully into our double mission. Creating solutions for large-scale decarbonisation through hydrogen and CO₂ infrastructure. As well as ensuring security of energy supply. That's how we provide continuity while speeding up towards a sustainable future, both for society and for our company.



#OneteamOnetarget

The essential infrastructure partner for speeding up the energy transition



Pascal De Buck
Managing Director and CEO

Daniël Termont
Chairman of the Board of Directors

2022 was an eventful year. What implications does it have for the future?

Pascal De Buck It was a terrible year for the Ukrainian population, and in terms of the violence and suffering that people are enduring. We can only very much hope that this suffering will come to an end as soon as possible. The geopolitical situation has also turned the energy market upside down. The challenge is twofold: both to provide solutions for the security of supply of natural gas for Europe and to resolutely move towards large-scale decarbonisation.

What does the way forward look like?

Daniël Termont The message is to speed things up. We have honed our strategy accordingly. As a company, we have both the strength and the mission to be the essential infrastructure partner for speeding up the energy transition. We are developing infrastructure for hydrogen and CO₂ to ensure a rapid scale-up of decarbonisation solutions. At the same time, we will continue to help society with its natural gas supply for as long as that is necessary.

Pascal De Buck Together with industry and our partners, we have put our foot on the accelerator. Belgium is the pilot country, but we are also exploring possibilities in other countries. Preparations for the hydrogen and CO₂ infrastructure in the industrial clusters in Belgium has moved forward in double quick

time. Cross-border connections with France, the Netherlands and Germany for hydrogen are already being worked on. In Germany we are also looking into infrastructure for a link to Belgium for CO₂. We are all set to develop the necessary hydrogen and CO₂ infrastructure for its Belgian and North-West European economy.

Why is a multi-molecule system important?

Pascal De Buck The robustness of a market stands or falls with its diversification. We can see that in the current geopolitical context, as we did during the pandemic. Our strength today lies in the fact that our infrastructure opens up a wide range of natural gas resources. That is something we will maintain into the future. We will do this by using hydrogen infrastructure that gives consumers access to all the options available: production locally or from our neighbouring countries, or from overseas imports. The same applies to the CO₂ infrastructure: we are focusing on various strategies that industry needs, with transmission for reuse and various export possibilities.

Daniël Termont Diversification with inflows from hydrogen production with capture of CO₂ and from overseas hydrogen imports is a cornerstone of tomorrow's security of supply. Green hydrogen from regions with a lot of sun and wind will have to find its way to Europe. By establishing a broader presence outside Europe, we can build the necessary import chains and use

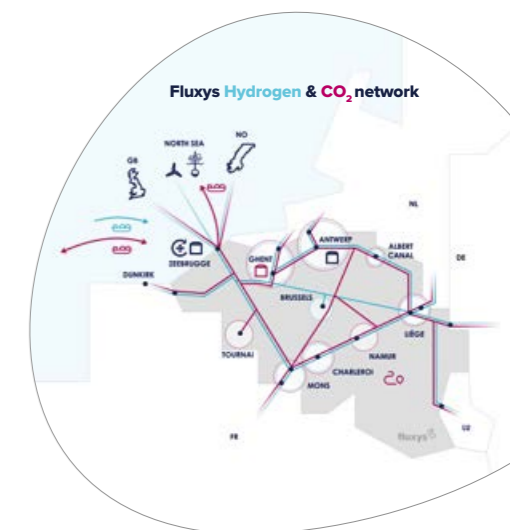
Milestones

Supporting security of supply 24/7

The geopolitical situation has profoundly changed the dynamics of gas markets and the direction of flows in Europe. Throughout the year, our teams across Europe left no stone unturned to ensure security of supply. The Interconnector pipeline, the flows from Norway and the LNG terminals in Zeebrugge and Dunkirk ensured maximum supply to the Belgian grid. Accordingly, as well as supplying Belgium, suppliers managed to get unprecedented quantities of natural gas to the Netherlands and Germany. The Transgas pipeline in Switzerland also helped supply Germany. And in Southern Europe, the TAP pipeline and DESFA in Greece were hard at work to ensure needed additional flows.

Multi-molecule system takes shape

Achieving climate neutrality will require flows of hydrogen and CO₂. Together with industry, our partners and neighbouring operators, we have accelerated our pursuit of this objective. In Belgium, pipeline and terminalling projects for hydrogen and CO₂ are well underway in a range of industrial clusters, and in Germany, there are also various collaborative projects involving hydrogen and CO₂ infrastructure. The TAP pipeline and DESFA in Greece are also preparing to facilitate hydrogen transport.





Together with industry and our partners, we have put our foot on the accelerator. We are all set to develop the necessary hydrogen and CO₂ infrastructure for the Belgian and North-West European economy.

Pascal De Buck
Managing Director and CEO

our infrastructure to ensure hydrogen it makes its way to the market.

Optimal diversification also means looking ahead by adopting a future-oriented and integrated approach to the energy system. Electricity from renewable sources, carbon-neutral molecules such as hydrogen, and carbon capture and CO₂ reuse or export must dovetail seamlessly together. If we make our gas and electricity systems work together holistically, we will be in a strong position to efficiently and sustainably meet the huge diversity of demand for energy and raw materials.

Why the ambitious target of offering transmission capacity of 30 TWh of hydrogen and 30 million tonnes of CO₂ a year by 2030?

Pascal De Buck The climate challenge is enormous and the industry needs solutions to continue to keep its activities and employment geographically where they are. That is why we have to be ambitious. This ambition is also based on the pillars we use to create sustainable value for society and for the company.

Daniël Termont Sustainable value creation is a continuous process of gaining a growing understanding in a changing environment. In the years ahead, we plan to further develop that process by involving our stakeholders in an ESG approach. That is the perspective we are starting out from.

This is the last annual report which you, as Chairman of the Board of Directors, will present to the Annual General Meeting. Looking back, how do you view your time as Chairman?

Daniël Termont I have had the privilege of chairing the Fluxys Board meetings for the last 13 years. It has been an honour to take part in developing and implementing our strategy throughout that period. During those years, I have seen our Group's balance sheet total grow from €4 billion to €9.4 billion. Our turnover has increased from €678 million to €1.75 billion and our annual net profit from €118 to €349 million. Our staff numbers have grown from 1,059 to 1,330. These are figures of which we can rightly be proud. Although I am stepping down as chairman, I will remain a member of our governing bodies for a while. With my experience I hope to be able to continue contributing to the exciting period in which our company finds itself. I would like to extend my heartfelt thanks to all those with whom I have worked over the past years, especially CEOs Walter Peeraer and Pascal De Buck for their pleasant and fruitful collaboration. And I would like to take this opportunity to wish my successor every success.



In the years ahead, we plan to further develop our process of value creation by involving our stakeholders in an ESG approach. That is the perspective we are starting out from.

Daniël Termont
Chairman of the Board of Directors

New infrastructure: today for natural gas and ready for hydrogen

Given the new supply situation in Europe, speed and adaptability are the watchwords for new infrastructure as well. In Belgium, we prepared thoroughly for the first phase in the construction of the Zeebrugge-Opwijk pipeline, comprising the section between Desteldonk and Opwijk. This will boost our capacity to carry natural gas inland from Zeebrugge. At the same time, the pipeline is an initial step towards speeding up the energy transition as it will be im-

mediately available for hydrogen transport as soon as the market is ready. We will commission the Desteldonk-Opwijk section in late 2023.

In Germany, preparations have been made to replace part of the TENP infrastructure. The new section of pipeline, which will bolster security of supply, can also be used for hydrogen as soon as the market changes.

Partner in LNG terminal in Chile

Together with institutional investor EIG, Fluxys became an 80% partner in GNL Quintero, the largest LNG import terminal in Chile. The energy transition is high on the agenda in Chile, with ambitious targets for producing green hydrogen from the abundant energy from sun and wind. The Quintero LNG terminal is a key factor in security of supply in central Chile and its infrastructure supports the country's decarbonisation strategy by promoting the improving market for renewables and the coal phase-out.



How will you change the world?

Keeping up the good work and tapping into our innovative side to help build a climate-neutral society. That is the message of our multimedia campaign in which we enthusiastically pursued our search for talent. The results of this speak for themselves, with nearly 150 new colleagues joining our team. Settling in quickly makes all the difference. That's why we provide a warm welcome as part of an innovative onboarding programme.



Progress towards achieving our own climate neutrality

As a group, we are committed to making our own activities climate-neutral by 2035. The first milestone is to halve greenhouse gas emissions from our Belgian activities by 2025, compared to 2017 levels. In 2022, we reached that milestone for methane emissions in our transmission and storage businesses. In the LNG business, three additional

open-rack vaporisers currently under construction will reduce the Zeebrugge terminal's emissions.

Belgium-Germany cooperation stepped up further

At the Belgian-German energy summit in Zeebrugge in early 2023, both countries agreed to further increase energy cooperation. The key element in this collaboration is to provide a pipeline corridor to facilitate hydrogen hydrogen between Belgium and Germany.

Ties with Open Grid Europe strengthened

In March 2023, Fluxys became a 24% partner in Open Grid Europe (OGE), the largest transmission system operator in Germany. This acquisition dovetails perfectly with Fluxys' strategy to become the essential infrastructure partner for speeding up the energy transition. Fluxys Belgium and OGE are both



pioneers in decarbonisation solutions and are working together to have cross-border hydrogen infrastructure ready by 2028. For CO₂ the two companies are joining forces to create, by 2030, a backbone for transporting CO₂ from Germany via Belgium to permanent offshore storage.