

# Half-yearly financial report 2023



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 CO<sub>2</sub>, accommodating the capture, usage and storage of the latter.

# Contents

<b>1 Interim report</b>	<b>5</b>
<b>1.1 Highlights from the first half of 2023</b>	<b>5</b>
<b>1.2 Key financial data</b>	<b>6</b>
Turnover and net profit	6
Investments totalling €70.3 million	6
<b>1.3 Key events</b>	<b>6</b>
<b>Infrastructure and employees working 24/7 to ensure security of supply</b>	<b>6</b>
High volumes to Germany and the Netherlands continue	7
Additional transmission capacity to come on-stream by the end of this year	7
Storage totally full	7
<b>All set for the multi-molecule grid of the future</b>	<b>7</b>
Zeebrugge–Brussels line ready for hydrogen	7
Preparing hydrogen and/or CO <sub>2</sub> transmission capacity to come on-stream in 2026	7
Candidate for operating hydrogen and CO <sub>2</sub> grids	8
On track for our own climate neutrality	8
Tariff reduction extended to 2024-2027	8
<b>1.4 Transactions with related parties</b>	<b>9</b>
<b>1.5 Financial outlook</b>	<b>9</b>
<b>1.6 Risk management</b>	<b>9</b>
Safe and reliable infrastructure from an operational point of view	10
Environmental risks Risks related to the transition	10
Greenhouse gas emissions	11
Social risks	12
Health and safety at work	12
Diversity and inclusion	12
Governance risks	13
Financial risks	13
Impact of the war in Ukraine	14
<b>2 Condensed half-yearly financial statements of Fluxys Belgium and its subsidiaries consolidated under IFRS - 30 June 2023</b>	<b>15</b>
<b>2.1 General information on the company</b>	<b>15</b>
2.1.1 Corporate name and registered office	15
2.1.2 Group activities	15
<b>2.2 Condensed IFRS financial statements of the Fluxys Belgium Group</b>	<b>16</b>
A. Condensed consolidated balance sheet	16
B. Condensed consolidated income statement	18
C. Condensed consolidated statement of comprehensive income	19

D. Condensed consolidated statement of changes in equity	20
E. Condensed consolidated statement of cash flows	22
<b>2.3 Notes</b>	<b>25</b>
Note 1. General information	25
Note 2. Seasonal nature of activities in the interim period	26
Note 3. Acquisitions, disposals and restructuring	26
Note 4. Income statement and operating segments	26
Note 5. Segment balance sheet	30
Note 6. Property, plant and equipment	32
Note 7. Interest-bearing liabilities	36
Note 8. Regulatory liabilities	38
Note 9. Provisions	40
Note 10. Contingent assets and liabilities – rights and commitments of Fluxys Belgium and its subsidiaries	41
Note 11. Significant transactions with related parties	41
Note 12. Financial instruments	44
Note 13. Events after the balance sheet date	46
<b>2.4 Statutory auditor’s report</b>	<b>47</b>
<b>2.5 Declaration of responsible persons</b>	<b>48</b>
<b>3 Definition of indicators</b>	<b>49</b>

# 1 Interim report

## 1.1 Highlights from the first half of 2023

- Regulated turnover rose to € 309.3 million (first half of 2022: € 287.4 million) and net profit falls to € 34.5 million (first half of 2022: € 41.1 million)
- High volumes to Germany and the Netherlands continue
- Additional transmission capacity to come on-stream by the end of this year
- Storage totally full
- Zeebrugge–Brussels line ready for hydrogen
- Preparing hydrogen and/or CO<sub>2</sub> transmission capacity to come on-stream in 2026
- Candidate for operating hydrogen and CO<sub>2</sub> grids
- On track for our own climate neutrality
- Tariff reduction extended to 2024-2027

## 1.2 Key financial data

Income statement (in thousands of €)	30.06.2023	30.06.2022
Operating revenue	309,286	287,430
EBITDA*	153,359	153,577
EBIT*	66,123	72,623
Net profit	34,534	41,111

  

Balance sheet (in thousands of €)	30.06.2023	31.12.2022
Investments in property, plant and equipment	70,287	105,525
Total property, plant and equipment	1,825,674	1,855,375
Equity	569,444	643,617
Net financial debt*	365,199	493,800
Total consolidated balance sheet	3,248,127	3,406,570

\* For the definitions and rationale for using these indicators: see p. 48.

### Turnover and net profit

The Fluxys Belgium Group generated turnover of € 309.3 million in the first half of 2023. This represents an increase of € 21.9 million compared with the same period in 2022 (€ 287.4 million). Net profit decreased from € 41.1 million to € 34.5 million in line with the tariff model.

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. The tariff methodology stipulates that reasonable operating costs should be covered by revenue. Inflation has increased those costs over the past six months. That increase has in turn led to higher turnover. The decrease in net income is in line with the tariff methodology and the fair margin stipulated therein for the LNG terminal.

### Investments totalling €70.3 million

In the first half of 2023, investments in property, plant and equipment amounted to € 70.3 million, compared with € 35.2 million in the first half of 2022. € 30.3 million of these investments went to LNG infrastructure projects and € 39.7 million to transmission projects.

## 1.3 Key events

### Infrastructure and employees working 24/7 to ensure security of supply

The geopolitical situation in Ukraine has significantly changed the dynamics of the gas markets and the direction of flows. Demand to send natural gas from Belgium to Germany and the Netherlands remained high in the first half of the year and our commercial and operational staff are doing their very best to ensure our essential service to society even during these challenging times.

Our Belgian grid has once again cemented its role as an energy hub in North-West Europe. Zeebrugge is an important gateway for both natural gas via pipelines and LNG via ship.

### **High volumes to Germany and the Netherlands continue**

Volumes transmitted in the grid increased slightly by 2% compared to the first half of 2022. Border-to-border volumes were up 4.8% to 203 TWh, while volumes for consumption on the Belgian market dropped slightly to 84 TWh (compared to 88 TWh in 2022).

Flows to Germany rose to 124 TWh (compared to 113 TWh in 2022) and those to the Netherlands were 60 TWh (compared to 64 TWh in 2022).

### **Additional transmission capacity to come on-stream by the end of this year**

Given the context of changing flows, we are upgrading the Zeebrugge-Brussels route by building an additional pipeline in parallel with the existing line. This will boost our capacity to carry natural gas inland from Zeebrugge and at the same time allow us to maintain high flows to neighbouring countries. For Belgium, the extra capacity is needed for the new gas-fired power stations set to commission and because, after 2024, no low-calorific gas from the Groningen field in the Netherlands will flow to the Belgian market. This new pipeline is being constructed as a multi-molecule pipeline, fully suitable for the energy transition and the future transport of H<sub>2</sub>.

As planned, we will commission the Ghent (Desteldonk)–Brussels (Opwijk) section in late 2023. This extension will increase transmission capacity from Zeebrugge by 15 GWh/h, equivalent to the energy generated by 15 nuclear reactors. We are now making all necessary preparations for the second phase of the works for the connecting section between Zeebrugge and Ghent (Desteldonk). This additional pipeline will expand transmission capacity from Zeebrugge by another 5 GWh/h, equivalent to the energy generated by 5 nuclear reactors.

### **Storage totally full**

The European Union requires Belgium and the other EU member states to ensure, by 1 November each year, their gas storage facilities are at least 90% full so they can go into the winter with buffers filled as much as possible. Our underground storage facility in Loenhout – the only one in Belgium – was totally full by 1 September.

## All set for the multi-molecule grid of the future

### **Zeebrugge–Brussels line ready for hydrogen**

The new Zeebrugge–Brussels line is our first concrete step in our ambition to accelerate the energy transition. It is completely future-proof and can be used to carry hydrogen, depending on demand. This is part of our efforts to extend today's security of supply options into the future, when hydrogen will be essential for decarbonising society.

We are systematically building up a multi-molecule grid for the molecules of the future, all in close consultation with industry throughout the country. With our hydrogen and CO<sub>2</sub> infrastructure, we aim to support companies' decarbonisation plans as much as possible. Hydrogen will be transmitted and CO<sub>2</sub> exported via the backbone.

### **Preparing hydrogen and/or CO<sub>2</sub> transmission capacity to come on-stream in 2026**

We are doing everything we can to ensure we can start transmitting hydrogen and/or CO<sub>2</sub> for industry in 2026. The relevant investment decisions are being prepared in full.

By also building connections with neighbouring countries, we aim to strengthen Belgium's role as an energy crossroads, i.e. as an international hydrogen and CO<sub>2</sub> hub for the economy in both Belgium and North-West Europe. We are doing this by entering into cross-border partnerships with transmission system operators in the Netherlands, France and Germany. At the Belgian-German energy summit in Zeebrugge early this year, both countries agreed to further enhance their energy cooperation, by, among other things, building a pipeline corridor to facilitate hydrogen transmission between Belgium and Germany.

As Fluxys Belgium prepares developing a transmission grid for both hydrogen and CO<sub>2</sub>, parent group Fluxys is working to develop terminals for hydrogen import and CO<sub>2</sub> export.

### **Candidate for operating hydrogen and CO<sub>2</sub> grids**

Belgium is leading the way with a regulatory framework for hydrogen. In July, the federal parliament approved the hydrogen law. A hydrogen network operator (HNO) will be appointed early next year to develop and operate the open-access transmission network.

Regulations for CO<sub>2</sub> are also in the pipeline. The regions are working on legislation and will appoint one or more CO<sub>2</sub> transmission system operators.

Fluxys Belgium is preparing to apply as the operator for both the hydrogen and CO<sub>2</sub> transmission network.

### **On track for our own climate neutrality**

As a company, we aim to be climate-neutral by 2035. We are on track to reach our first milestone: halving greenhouse gas emissions by 2025. In the fourth quarter of 2023, we will take a major new step forward at our LNG terminal in Zeebrugge. We are commissioning three additional open-rack vaporisers (ORVs) that use the heat from seawater to convert LNG back into gaseous form. These units replace traditional heating installations and result in much more efficient energy consumption and significantly lower CO<sub>2</sub> emissions at the terminal. With these additional ORVs, we will drastically reduce total CO<sub>2</sub> emissions next year with equal throughput volumes.

### **Tariff reduction extended to 2024-2027**

Federal energy regulator CREG has approved the new transmission tariffs for the 2024-2027 regulatory period. In addition, the 10% tariff reduction granted in July 2022 has been extended. This means the lower transmission tariff will be maintained in 2024-2027. The tariff reduction has no impact on Fluxys Belgium's results.

This favourable trend in transmission tariffs is mainly due to the additional capacity sales to support security of supply in Germany and the Netherlands. The extra revenues from these additional sales do not benefit the company's shareholders. As stipulated by regulatory provisions, those extra revenues are kept aside in the adjustment account. They are now being used, according to the CREG decision, to extend the 2022 tariff reduction for the next four years and for investments strengthening security of supply and supporting the energy transition.



## 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 2023.

## 1.5 Financial outlook

Under the 2020-2023 tariff methodology, net profits from Belgian regulated activities are determined based on various regulatory parameters, including equity invested and financial structure, as well as additional permitted return if we achieve certain targets for cost savings and/or emission reductions.

The recurring dividend will continue to evolve, primarily based on these three parameters.

Based on the information available at the time of this report, it is extremely difficult to anticipate the impact of the war in Ukraine on the economy.

In light of the current understanding of the situation, the essential nature of the company's activities and its regulatory framework, we currently foresee that the consolidated result of the Fluxys Belgium group in 2023 will evolve in line with the pricing methodology and the fair margin determined therein. The group's activities are regulated and the increased volumes handled in our infrastructure do not bring additional profit to shareholders.

## 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 material 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. Despite the crisis in Ukraine and the high gas prices, the analysis shows that the risks and uncertainties expected for the second half of 2023 have not changed significantly compared to the risk reporting in the 2022 Annual Financial Report. Financial exposure resulting from contracts with Russian suppliers is closely monitored. There is also a risk in terms of security of supply. To this end, Fluxys Belgium oversees that the gas network is able to ensure gas supplies, both in Belgium and to other countries. The overview below details the risks and provides a summary of the measures taken for each domain.

## Safe and reliable infrastructure from an operational point of view

### Industrial risks

Risk	Measures
Industrial incidents and certain IT 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"><li>• Audited safety management system</li><li>• Preventive measures in the design, construction and operation of infrastructure</li><li>• Detection measures contained in monitoring and inspection programmes for infrastructure and construction sites.</li><li>• Reactive measures for contingency planning</li><li>• The security of critical systems is verified in accordance with the Directive on security of network and information systems (the NIS Directive). Moreover, programmes are put in place to inform and train employees on cybersecurity. This is accompanied by the implementation of certain technical measures and tests to be able to respond to cyberattacks.</li></ul>

### Environmental risks

#### Risks related to the transition

Risk	Measures
<b>Risks related to the transition:</b> 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"><li>• Investment plan with projects to gradually reconfigure infrastructure as part of a carbon-neutral energy system (see also 'Opportunity' in this table)</li><li>• Adaption the organization so that it is 100% ready for the infrastructures and services related to hydrogen and CO<sub>2</sub>.</li><li>• Each new connection to the grid is ready for hydrogen by 2023</li><li>• Facilitate the development of the biomethane market and the introduction of biomethane to the existing network.</li><li>• Contribute to developing the use of biomethane, LNG and bioLNG for transport and shipping</li></ul>

#### Opportunity

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

## Climate-related physical risks

Risk	Measures
<b>In a global warming scenario &gt; 4°C, there is an increased risk of natural disasters (tidal waves, natural fires, flooding, rising sea levels, heat waves and drought)</b> : risk that some of these disasters could cause damage to Fluxys Belgium infrastructure and local residents.	<ul style="list-style-type: none"><li>• Potential risks are anticipated as far as possible at the pipeline design stage (on the basis of minimum acceptable safety standards) and during pipeline construction (choice of route).</li><li>• In addition, a number of preventive operational measures have been taken to protect underground pipes, such as beacons indicating the approximate location, recurrent visual inspections (on foot and by helicopter), recurrent intelligent pigging to inspect the condition of the pipe for anomalies, a recurrent awareness campaign aimed at landowners and users, etc., so that the network operator can address potentially dangerous situations.</li></ul>

## Greenhouse gas emissions

Risk	Measures
<ul style="list-style-type: none"><li>• Greenhouse gas emissions from Fluxys Belgium's activities do not decrease in line with climate targets</li><li>• Greenhouse gas emissions can have a financial impact</li></ul>	<ul style="list-style-type: none"><li>• 'Go for net 0' project to bring Fluxys Belgium's greenhouse gas emissions to net 0 by 2035. This includes methane emissions from our activity and interventions.</li><li>• Project to further cut CO<sub>2</sub> emissions by building additional regasifiers with seawater at the Zeebrugge LNG terminal</li></ul>
<b>Opportunity</b>	
Improve the energy efficiency of our activities	



## Social risks

### Staff involvement and well-being

Risk	Measures
Inability to attract, retain and sustain talent in a changing landscape	<ul style="list-style-type: none"><li>• Continuously evolve the development and training policy</li><li>• Align skills development with company strategy</li><li>• Focus on well-being and commitment</li><li>• Staff planning to identify future needs</li><li>• Future-oriented approach to recruitment</li></ul>

### Health and safety 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"><li>• Active Health, Safety and Environment Policy</li><li>• Advisory bodies</li><li>• Absenteeism policy</li><li>• Overall health &amp; safety plan</li><li>• External coaches available to you</li><li>• Specific training courses</li></ul>

### Diversity and inclusion

Risk	Measures
A lack of diversity in the workforce can lead to a business organisation that lacks the necessary skills, talents and experience	Equal opportunities policies that encourage diversity by favouring equality, meritocracy, staff career advancement, work-life balance and shared responsibility.

## Governance risks

### 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"><li>• Fluxys staff are bound by an ethics code, the work regulations, collective bargaining agreements and specific procedures.</li><li>• Suppliers are bound by purchasing terms &amp; conditions with specific provisions on corruption.</li><li>• Specific internal checks monitored by internal audit at least every two years.</li><li>• Processes in place to verify that clients, suppliers, agents, consultants etc. comply with anti-corruption rules.</li></ul>

## Financial risks

Risk	Measures
The risk that market events or developments will impact Fluxys Belgium's revenues and/or assets	<ul style="list-style-type: none"><li>• Monitoring the market by continuously adapting existing services and/or developing new services the market needs at competitive prices</li><li>• Financial monitoring of counterparties and ensuring their receivables are verified, as well as analysing their credit score, liquidity, solvency and reputation. In particular transactions with Russian counterparties</li><li>• Insurance</li><li>• Warranties from suppliers and customers</li></ul>



### **Impact of the war in Ukraine**

Since the war in Ukraine started in February 2022, various sanctions have been declared against Russia and Belarus, as well as against Russian and Belarusian companies. Fluxys Belgium group in this context is not active in the Russian market nor has investments in Russian companies. Fluxys Belgium group sees no indications for impairment.

In its activities Fluxys Belgium group does business with Russian companies in accordance with European and national gas regulations and fully complies with the sanction regime that has been adopted. Fluxys Belgium's infrastructure for terminaling, transmission and storage of natural gas is also legally founded on the principle of open access in line with the regulated framework.

Given the regulated nature of its business, net income of the Fluxys Belgium group has very limited downward sensitivity to volumes. Depending on how the war develops and the duration and the extent of the sanctions, Fluxys Belgium group may face temporary adverse cash income effects if customers were to default on payments for capacity they booked.

Fluxys LNG is the entity that has the largest exposure to Russian gas flows through long-term contracts. To date there are no changes to the regular flows, nor to payments.

## 2 Condensed half-yearly financial statements of Fluxys Belgium and its subsidiaries consolidated under IFRS - 30 June 2023

### 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 2022 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		(in thousands of €)	
	Notes	30.06.2023	31.12.2022
<b>I. Non-current assets</b>		<b>2,041,279</b>	<b>2,061,085</b>
Property, plant and equipment	6	1,825,674	1,855,375
Intangible assets		24,742	22,864
Right-of-use assets		29,073	30,020
Investments in associates and joint ventures		50	50
Other financial assets		118,007	111,171
Financial lease receivables		0	0
Other receivables		33,496	15,144
Other non-current assets	9.1	10,237	26,461
<b>II. Current assets</b>		<b>1,206,848</b>	<b>1,345,485</b>
Inventories		95,225	62,656
Financial lease receivables		1,792	2,094
Current tax receivables		10,596	2,429
Trade and other receivables		153,623	164,299
Short-term investments		37,846	26,113
Cash and cash equivalents		896,318	1,070,708
Other current assets		11,448	17,186
<b>Total assets</b>		<b>3,248,127</b>	<b>3,406,570</b>



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

	Notes	30.06.2023	31.12.2022
<b>I. Equity</b>		<b>569,444</b>	<b>643,617</b>
Equity attributable to the parent company's shareholders		569,444	643,617
<i>Share capital and share premiums</i>		60,310	60,310
<i>Retained earnings and other reserves</i>		509,134	583,307
Non-controlling interests		0	0
<b>II. Non-current liabilities</b>		<b>2,021,882</b>	<b>2,061,275</b>
Interest-bearing liabilities	7	1,087,810	1,115,772
Regulatory liabilities	8	741,794	746,809
Provisions		3,955	4,127
Provisions for employee benefits	9.1	44,831	47,444
Other non-current financial liabilities		7,047	3,575
Deferred tax liabilities		136,445	143,548
<b>III. Current liabilities</b>		<b>656,801</b>	<b>701,678</b>
Interest-bearing liabilities	7	61,166	56,269
Regulatory liabilities	8	416,136	188,485
Provisions		197	0
Provisions for employee benefits	9.1	3,215	3,543
Current tax payables		8,760	1,020
Trade and other payables		142,273	444,533
Other current liabilities		25,054	7,828
<b>Total liabilities and equity</b>		<b>3,248,127</b>	<b>3,406,570</b>

We have noted a decrease in the balance sheet total. This can primarily be explained by the payment of an exceptional solidarity contribution of € 300 million at the beginning of the year, which has an impact on cash and trade and other payables.

Moreover, the sales made in the first half of the year have an impact on cash and cash equivalents on the asset side and on regulatory liabilities on the liabilities side.

The increase in other receivables is due to grants receivable of €18.3 million.

There was also an increase in the inventories, mainly due to the purchase of equipment for network expansion projects.

The increase in other financial assets is mainly due to an increase in Flux Re's long-term investments.

## B. Condensed consolidated income statement

Condensed consolidated income statement		(in thousands of €)	
	Notes	30.06.2023	30.06.2022
<b>Operating revenue</b>	<b>4</b>	<b>309,286</b>	<b>287,430</b>
Sales of gas related to balancing operations and operational needs		88,125	103,759
Other operating income		9,695	6,643
Consumables, merchandise and supplies used		-5,289	-2,104
Purchase of gas related to balancing of operations and operational needs		-86,431	-102,068
Miscellaneous goods and services		-88,927	-74,927
Employee expenses		-68,843	-61,281
Other operating expenses		-4,257	-3,875
Depreciation		-81,269	-82,472
Provisions		-562	1,517
Impairment losses		-5,405	1
<b>Operating profit/loss</b>		<b>66,123</b>	<b>72,623</b>
Change in the fair value of financial instruments		234	-351
Financial income		13,480	735
Finance costs	4	-34,374	-18,425
<b>Profit/loss before tax</b>		<b>45,463</b>	<b>54,582</b>
Income tax expenses	4	-10,929	-13,471
<b>Net profit/loss for the period</b>	<b>4</b>	<b>34,534</b>	<b>41,111</b>
Fluxys Belgium share		34,534	41,111
Non-controlling interests		0	0
Basic earnings per share, attributable to the parent company's shareholders, in €		0,4915	0,5851
Diluted earnings per share, attributable to the parent company's shareholders, in €		0,4915	0,5851

## C. Condensed consolidated statement of comprehensive income

Condensed consolidated statement of comprehensive income		(in thousands of €)	
	Notes	30.06.2023	30.06.2022
<hr/>			
<b>Net profit/loss for the period</b>		<b>34,534</b>	<b>41,111</b>
<hr/>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
<hr/>			
Remeasurements of employee benefits	<b>9.1</b>	-13,784	19,075
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Income tax expenses on other comprehensive income		3,446	-4,769
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<b>Other comprehensive income</b>		<b>-10,338</b>	<b>14,306</b>
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<b>Comprehensive income for the period</b>		<b>24,196</b>	<b>55,417</b>
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Fluxys Belgium share		24,196	55,417
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Non-controlling interests		0	0
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## D. Condensed consolidated statement of changes in equity

Condensed consolidated statement of changes in equity	(in thousands of €)		
	Share capital	Share premium	Reserves not available for distribution
<b>I. Closing balance as at 31.12.2021</b>	<b>60,272</b>	<b>38</b>	<b>54,072</b>
1. Comprehensive income for the period			
2. Paid dividends			
<b>II. Closing balance as at 30.06.2022</b>	<b>60,272</b>	<b>38</b>	<b>54,072</b>
<b>III. Closing balance as at 31.12.2022</b>	<b>60,272</b>	<b>38</b>	<b>54,072</b>
1. Comprehensive income for the period			
2. Paid dividends			
<b>IV. Closing balance as at 30.06.2023</b>	<b>60,272</b>	<b>38</b>	<b>54,072</b>

**Condensed consolidated statement  
of changes in equity** (in thousands of €)

Retained earnings	Reserves for employee benefits	Equity attributable to the parent company's shareholders	Non-controlling interests	Total equity
<b>521,796</b>	<b>3,496</b>	<b>639,674</b>	<b>0</b>	<b>639,674</b>
41,111	14,306	55,417		55,417
-96,965		-96,965		-96,965
<b>465,942</b>	<b>17,802</b>	<b>598,126</b>	<b>0</b>	<b>598,126</b>
<b>508,560</b>	<b>20,675</b>	<b>643,617</b>	<b>0</b>	<b>643,617</b>
34,534	-10,338	24,196		24,196
-98,369		-98,369		-98,369
<b>444,725</b>	<b>10,337</b>	<b>569,444</b>	<b>0</b>	<b>569,444</b>

## E. Condensed consolidated statement of cash flows

Condensed consolidated statement of cash flows (indirect method)		(in thousands of €)	
	Notes	30.06.2023	30.06.2022
<b>I. Cash and cash equivalents, opening balance</b>	<b>A.</b>	<b>1,070,708</b>	<b>366,931</b>
<b>II. Cash flows from operating activities</b>		<b>44,287</b>	<b>385,082</b>
1. Cash flows from operating activities		49,255	406,377
1.1. Operating profit/loss	B.	66,123	72,623
1.2. Non-cash adjustments		294,468	360,738
1.2.1. Depreciation	B.	81,269	82,472
1.2.2. Provisions	B.	562	-1,517
1.2.3. Impairment losses	B.	5,405	-1
1.2.4. Changes in regulatory liabilities	4+8	206,686	279,881
1.2.5. Other non-cash adjustments		546	-97
1.3. Changes in working capital		-311,336	-26,984
1.3.1. Inventories		-37,909	-26,743
1.3.2. Tax receivables		-4,532	-2,888
1.3.3. Trade and other receivables		10,151	-67,681
1.3.4. Other current assets		3,935	4,365
1.3.5. Tax payables		7,740	6,474
1.3.6. Trade and other payables		-307,946	47,288
1.3.7. Other current liabilities		17,225	12,202
1.3.8. Other changes in working capital		0	0
2. Cash flows relating to other operating activities		-4,968	-21,295
2.1. Current tax paid		-18,221	-21,864
2.2. Interests from investments, cash and cash equivalents		13,069	470
2.3. Other inflows (outflows) relating to other operating activities		184	99

**Condensed consolidated statement of cash flows (indirect method)** (in thousands of €)

	Notes	30.06.2023	30.06.2022
<b>III. Cash flows relating to investment activities</b>		<b>-78,923</b>	<b>-46,028</b>
1. Acquisitions		-76,403	-63,516
1.1. Payments to acquire property, plant and equipment, and intangible assets		-73,267	-38,523
1.2. Payments to acquire subsidiaries, joint arrangements or associates	A.	0	0
1.3. Payments to acquire other financial assets		-3,136	-24,993
2. Disposals		850	1,345
2.1. Proceeds from disposal of property, plant and equipment, and intangible assets		850	345
2.2. Proceeds from disposal of subsidiaries, joint arrangements or associates		0	0
2.3. Proceeds from disposal of other financial assets		0	1,000
3. Dividends received classified as investment activities		0	0
4. Subsidiaries received	6	8,363	0
5. Increase (-) / Decrease (+) of short-term investments	A.	-11,733	16,142
<b>IV. Cash flows relating to financing activities</b>		<b>-139,754</b>	<b>-138,828</b>
1. Proceeds from cash flows from financing		302	302
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.	0	0
1.4. Proceeds from other non-current assets		302	302
1.5. Proceeds from issuance of compound financial instruments		0	0
1.6. Proceeds from issuance of other financial liabilities	7.	0	0

<b>Condensed consolidated statement of cash flows (indirect method)</b>		<b>(in thousands of €)</b>	
	<b>Notes</b>	<b>30.06.2023</b>	<b>30.06.2022</b>
2. Repayments relating to cash flows from financing		-30,862	-30,771
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.	-1,499	-1,466
2.4. Redemption of compound financial instruments		0	0
2.5. Repayment of other financial liabilities	7.	-29,363	-29,305
3. Interests		-10,824	-11,394
3.1. Interest paid classified as financing		-10,850	-11,423
3.2. Interest received classified as financing		26	29
4. Dividends paid	D.	-98,369	-96,965
<b>V. Net change in cash and cash equivalents</b>		<b>-174,390</b>	<b>200,226</b>
<b>VI. Cash and cash equivalents, closing balance</b>	<b>A.</b>	<b>896,318</b>	<b>567,157</b>



## 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 2023 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 2022.

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 2022 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 26 September 2023.

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

The condensed interim financial statements ended 30 June 2023 were prepared using the same accounting methods as those adopted for the consolidated financial statements for the financial year ended 31 December 2022.

Modifications to following standards and interpretations are applicable for the annual period beginning on or after 1 January 2023 but do not have any impact on the group's condensed interim financial statements:

- Amendments to IAS 1 Presentation of Financial Statements and IFRS 2 Practice Statement: Disclosure of Accounting Policies (effective for annual periods beginning on or after 1 January 2023)
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of the term "significant", (effective for annual periods beginning on or after 1 January 2023)
- Amendments to IAS 12 International Tax Reform - Pillar Two Model Rules  
The Group is currently assessing Pillar Two impacts and has applied the exception.
- Amendments to IAS 12 Income Taxes: Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (effective for annual periods beginning on or after 1 January 2023)
- Amendments to IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 - Financial Instruments (effective for annual periods beginning on or after 1 January 2023)
- IFRS 17 Insurance Contracts (effective for annual periods beginning on or after 1 January 2023)



## 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 2022.

## 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 ZPT<sup>1</sup> terminals in Belgium, work for third parties and the business unit "Nextgrid".

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.

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<sup>1</sup> **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 30.06.2023**
**(in thousands of €)**

	Trans- mission	Storage	Terminalling	Other	Inter- segment transfers	Total
<b>Operating revenue</b>	<b>213,002</b>	<b>17,388</b>	<b>73,823</b>	<b>11,306</b>	<b>-6,233</b>	<b>309,286</b>
<i>Sales and services to external customers</i>	390,452	13,274	85,911	11,204	0	500,841
<i>Transactions with other segments</i>	490	4,902	739	102	-6,233	0
<i>Changes in regulatory assets and liabilities</i>	-177,940	-788	-12,827	0	0	-191,555
<b>Sales of gas related to balancing operations and operational needs</b>	<b>48,908</b>	<b>2,157</b>	<b>37,060</b>	<b>0</b>	<b>0</b>	<b>88,125</b>
<i>Sales</i>	62,643	1,381	39,232	0	0	103,256
<i>Changes in regulatory assets and liabilities</i>	-13,735	776	-2,172	0	0	-15,131
<i>Other operating income</i>	3,200	44	3,374	3,165	-88	9,695
<i>Consumables, merchandise and supplies used</i>	-3,419	-27	-14	-1,829	0	-5,289
<i>Purchases of gas related to balancing of operations and operational needs</i>	-48,909	-2,157	-35,365	0	0	-86,431
<i>Miscellaneous goods and services</i>	-63,595	-4,809	-23,316	-3,495	6,288	-88,927
<i>Employee expenses</i>	-48,812	-3,775	-12,068	-4,227	39	-68,843
<i>Other operating expenses</i>	-3,511	-327	-402	-17	0	-4,257
<i>Depreciation</i>	-52,782	-4,031	-23,809	-647	0	-81,269
<i>Provisions</i>	-348	-28	-141	-45	0	-562
<i>Impairment losses</i>	-5,987	0	647	-65	0	-5,405
<b>Operating Profit/loss</b>	<b>37,747</b>	<b>4,435</b>	<b>19,789</b>	<b>4,146</b>	<b>6</b>	<b>66,123</b>
<i>Change in the fair value of financial instruments</i>				234		234
<i>Financial income</i>	9,207	967	1,918	1,388		13,480
<i>Finance costs</i>	-18,924	-1,985	-8,952	-4,513		-34,374
<b>Profit/loss before tax</b>	<b>28,030</b>	<b>3,417</b>	<b>12,755</b>	<b>1,255</b>	<b>6</b>	<b>45,463</b>
<i>Income tax expenses</i>						-10,929
<b>Net profit/loss for the period</b>						<b>34,534</b>

Operating revenue for the first half of 2023 amounted to € 309,286 thousand, compared with € 287,430 thousand for the first half of 2022, an increase of € 21,856 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. Their accounting treatment remains identical to that for the 2022 year-end.

Revenue from regulated activities<sup>2</sup> was € 297,980 thousand (which is 96.3% of the total). This represents an increase of € 19,968 thousand as compared with the same period in 2022. The increase in revenue from transmission activity is essentially linked to high volumes of capacity sales and auction premiums. This increase is largely compensated by a higher regulatory liability charge. Revenue from storage also increased but is compensated by a higher regulatory liability charge. For terminalling, there is a fall in sales, largely due to lower revenues from 'spot' slots in the first half of 2023 as compared with the same period in 2022 (less the premiums paid at auctions) but this is compensated by a lower regulatory liability charge.

The increase in operating expenses compared to the same period in 2022 is chiefly explained by an inflation rate that remains high, increased activity as well as energy prices.

Sales and purchases of gas related to balancing operations and operational needs are increasing, but are neutral for the profit/loss, in accordance with the regulatory framework. The energy transition also generates additional costs.

In terms of impairment losses, €5.4 million was written off on gas inventories due to a fall in market prices.

Finance costs are up from €18,425 thousand to €34,374 thousand, which is explained by the increase in regulatory liabilities and interest rates.

Income tax expenses are down €2,542 thousand following lower earnings before tax. Fluxys Belgium SA has applied for the tax deductibility on innovation income for the period 2022 - 2024. This tax advantage is nevertheless fully incorporated into the regulated tariffs.

Net profit for the first half of 2023 is € 34,534 thousand, compared to € 41,111 thousand in the first half of 2022, a reduction of € 6,577 thousand.

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<sup>2</sup> After eliminating transactions with other sectors and non-regulated activity

**Segment income statement as at 30.06.2022**

(in thousands of €)

	Transmission	Storage	Terminalling	Other	Inter-segment transfers	Total
<b>Operating revenue</b>	<b>191,127</b>	<b>16,877</b>	<b>75,485</b>	<b>12,836</b>	<b>-8,895</b>	<b>287,430</b>
<i>Sales and services to external customers</i>	311,378	9,229	137,698	9,418	0	467,723
<i>Transactions with other segments</i>	703	4,002	772	3,418	-8,895	0
<i>Changes in regulatory assets and liabilities</i>	-120,954	3,646	-62,985	0	0	-180,293
<b>Sales of gas related to balancing operations and operational needs</b>	<b>44,611</b>	<b>2,539</b>	<b>56,609</b>	<b>0</b>	<b>0</b>	<b>103,759</b>
<i>Sales</i>	133,134	2,539	67,675	0	0	203,348
<i>Changes in regulatory assets and liabilities</i>	-88,523	0	-11,066	0	0	-99,589
Other operating income	1,617	41	2,094	2,945	-54	6,643
Consumables, merchandise and supplies used	-691	0	-16	-1,397	0	-2,104
Purchases of gas related to balancing of operations and operational needs	-44,614	-2,539	-54,915	0	0	-102,068
Miscellaneous goods and services	-55,579	-4,251	-17,182	-6,826	8,911	-74,927
Employee expenses	-44,535	-3,466	-10,883	-2,435	38	-61,281
Other operating expenses	-3,155	-320	-370	-30	0	-3,875
Depreciation	-53,925	-4,183	-23,880	-484	0	-82,472
Provisions	-23	-2	-78	1,620	0	1,517
Impairment losses	0	0	0	1	0	1
<b>Operating Profit/loss</b>	<b>34,833</b>	<b>4,696</b>	<b>26,864</b>	<b>6,230</b>	<b>0</b>	<b>72,623</b>
Change in the fair value of financial instruments				-351		-351
Financial income	225	25	8	477		735
Finance costs	-11,660	-1,303	-4,618	-844		-18,425
<b>Profit/loss before tax</b>	<b>23,398</b>	<b>3,418</b>	<b>22,254</b>	<b>5,512</b>	<b>0</b>	<b>54,582</b>
Income tax expenses						-13,471
<b>Net profit/loss for the period</b>						<b>41,111</b>

## Note 5. Segment balance sheet

Segment balance sheet as at 30.06.2023						(in thousands of €)
	Trans- mission	Storage	Termi- nalling	Other	Un- allocated	Total
Property, plant and equipment	1,122,783	121,570	580,560	761	0	<b>1,825,674</b>
Intangible assets	23,515	8	1,219	0	0	<b>24,742</b>
Right-of-use assets	7,249	314	17,623	3,887	0	<b>29,073</b>
Other non-current financial assets	90	0	0	117,917	0	<b>118,007</b>
Inventories	87,053	6,408	874	890	0	<b>95,225</b>
Financial lease receivables	0	0	0	1,792	0	<b>1,792</b>
Net trade receivables	85,948	3,457	10,452	31,976	0	<b>131,833<sup>3</sup></b>
Other assets	0	0	0	0	1,021,781	<b>1,021,781</b>
<b>Total assets</b>						<b>3,248,127</b>
Interest-bearing liabilities	255,581	74,900	204,859	613,636	0	<b>1,148,976</b>
Other financial liabilities	0	0	39	7,008	0	<b>7,047</b>
Other liabilities	778,730	28,354	350,846	0	364,730	<b>1,522,660</b>
						<b>2,678,683</b>
Equity						569,444
<b>Total equity and liabilities</b>						<b>3,248,127</b>
Investments in property, plant and equipment for the period	39,716	231	30,324	16	0	<b>70,287</b>
Investments in intangible assets for the period	8,045	0	621	0	0	<b>8,666</b>

<sup>3</sup> The amount of 'net trade receivables' is equal to 'trade and other receivables' in the balance sheet, less other receivables.



## Segment balance sheet as at 31.12.2022

(in thousands of €)

	Trans- mission	Storage	Termi- nalling	Other	Un- allocated	Total
Property, plant and equipment	1,156,981	125,365	572,946	83	0	1,855,375
Intangible assets	22,009	10	845	0	0	22,864
Right-of-use assets	7,724	318	18,932	3,046	0	30,020
Other non-current financial assets	95	0	0	111,076	0	111,171
Inventories	54,453	3,100	1,211	3,892	0	62,656
Financial lease receivables	0	0	0	2,094	0	2,094
Net trade receivables	110,249	1,071	6,633	33,852	0	151,805
Other assets	0	0	0	0	1,170,585	1,170,585
<b>Total assets</b>						<b>3,406,570</b>
Interest-bearing liabilities	368,097	61,020	232,249	510,675	0	1,172,041
Other financial liabilities	0	0	20	3,555	0	3,575
Other liabilities	563,230	41,595	330,468	0	652,044	1,587,337
						<b>2,762,953</b>
Equity						643,617
<b>Total equity and liabilities</b>						<b>3,406,570</b>
Investments in property, plant and equipment for the period	36,814	871	67,736	104	0	105,525
Investments in intangible assets for the period	11,294	0	71	0	0	11,365

## Note 6. Property, plant and equipment

Movements in property, plant and equipment				
	(in thousands of €)			
	Land	Buildings	Natural gas transmission networks*	Gas storage*
<b>Gross book value</b>				
<b>As at 31-12-2021</b>	<b>49,401</b>	<b>161,093</b>	<b>3,471,322</b>	<b>386,692</b>
Investments	186	166	26,325	312
Subsidies received	0	0	0	0
Disposals and retirements	-2	0	-6,725	-5
Internal transfers	0	0	15,204	121
Changes in the consolidation scope	0	0	0	0
Translation adjustments	0	0	0	0
<b>As at 31-12-2022</b>	<b>49,585</b>	<b>161,259</b>	<b>3,506,126</b>	<b>387,120</b>
Investments	92	37	10,271	4
Subsidies received	0	0	-26,715	0
Disposals and retirements	0	0	-14,446	0
Internal transfers	0	0	208	0
Changes in the consolidation scope	0	0	0	0
Translation adjustments	0	0	0	0
<b>As at 30-06-2023</b>	<b>49,677</b>	<b>161,296</b>	<b>3,475,444</b>	<b>387,124</b>

\* Subject to the Gas Act.

In the first half of 2023, Fluxys Belgium and its subsidiaries invested € 70,287 thousand in property, plant and equipment, compared to € 35,232 thousand over the same period of 2022. In 2023, € 30,324 thousand of these investments were allocated to LNG infrastructure and € 39,716 thousand to gas transmission projects.

The amount of disposals and retirements on natural gas transmission networks is mainly due to the dismantling of equipment that has become obsolete following the L-H conversion.

Grants have been obtained from CINEA (European Climate, Infrastructure and Environment Executive Agency).



Movements in property, plant and equipment				(in thousands of €)
LNG terminal*	Other installations and machinery	Furniture, equipment & vehicles	Assets under construction & instalments paid	Total
<b>1,459,802</b>	<b>43,511</b>	<b>58,152</b>	<b>28,795</b>	<b>5,658,768</b>
1,880	0	8,450	68,206	105,525
0	0	0	0	0
-290	0	-8,240	0	-15,262
0	0	0	-15,325	0
0	0	0	0	0
0	0	0	0	0
<b>1,461,392</b>	<b>43,511</b>	<b>58,362</b>	<b>81,676</b>	<b>5,749,031</b>
313	0	5,895	53,675	70,287
0	0	0	0	-26,715
-491	0	-92	0	-15,029
0	0	0	-208	0
0	0	0	0	0
0	0	0	0	0
<b>1,461,214</b>	<b>43,511</b>	<b>64,165</b>	<b>135,143</b>	<b>5,777,574</b>

\* Subject to the Gas Act.

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

	Land	Buildings	Natural gas transmission networks*	Gas storage*
<b>Depreciation and impairment losses</b>				
<b>As at 31-12-2021</b>	<b>0</b>	<b>-102,457</b>	<b>-2,377,641</b>	<b>-260,747</b>
Depreciation	0	-3,988	-89,701	-8,137
Disposals and retirements	0	0	5,888	1
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
<b>As at 31-12-2022</b>	<b>0</b>	<b>-106,445</b>	<b>-2,461,454</b>	<b>-268,883</b>
Depreciation	0	-1,489	-42,201	-3,921
Disposals and retirements	0	0	13,816	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
<b>As at 30-06-2023</b>	<b>0</b>	<b>-107,934</b>	<b>-2,489,839</b>	<b>-272,804</b>
<b>Net book value as at 30.06.2023</b>	<b>49,677</b>	<b>53,362</b>	<b>985,605</b>	<b>114,320</b>
<b>Net book value as at 31.12.2022</b>	<b>49,585</b>	<b>54,814</b>	<b>1,044,672</b>	<b>118,237</b>

\* Subject to the Gas Act.

The depreciation charge for the period amounts to € 72,122 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
<b>-932,786</b>	<b>-43,266</b>	<b>-39,834</b>	<b>0</b>	<b>-3,756,731</b>
-43,208	0	-5,881	0	-150,915
8	0	8,093	0	13,990
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<b>-975,986</b>	<b>-43,266</b>	<b>-37,622</b>	<b>0</b>	<b>-3,893,656</b>
-21,547	0	-2,964	0	-72,122
34	0	28	0	13,878
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<b>-997,499</b>	<b>-43,266</b>	<b>-40,558</b>	<b>0</b>	<b>-3,951,900</b>
<b>463,715</b>	<b>245</b>	<b>23,607</b>	<b>135,143</b>	<b>1,825,674</b>
<b>485,406</b>	<b>245</b>	<b>20,740</b>	<b>81,676</b>	<b>1,855,375</b>

\* Subject to the Gas Act.



## Note 7. Interest-bearing liabilities

Non-current interest-bearing liabilities		(in thousands of €)	
	30.06.2023	31.12.2022	Change
Leases	27,068	25,878	1,190
Bonds	697,197	696,985	212
Other borrowings	363,545	392,909	-29,364
<b>Total</b>	<b>1,087,810</b>	<b>1,115,772</b>	<b>-27,962</b>

Current interest-bearing liabilities		(in thousands of €)	
	30.06.2023	31.12.2022	Change
Leases	1,286	2,477	-1,191
Bonds	10,736	2,523	8,213
Other borrowings	49,144	51,269	-2,125
<b>Total</b>	<b>61,166</b>	<b>56,269</b>	<b>4,897</b>

Changes in liabilities related to financing activities							(in thousands of €)	
	31.12.2022	Cash flows	New lease contracts	Internal transfers	Variation in accrued interests	Amortization of issuance costs	30.06.2023	
<b>Non-current interest-bearing liabilities</b>	<b>1,115,772</b>	<b>0</b>	<b>1,498</b>	<b>-29,672</b>	<b>0</b>	<b>212</b>	<b>1,087,810</b>	
Leases	25,878	0	1,498	-308	0	0	27,068	
Bonds	696,985	0	0		0	212	697,197	
Other borrowings	392,909	0	0	-29,364	0	0	363,545	
<b>Current interest-bearing liabilities</b>	<b>56,269</b>	<b>-30,862</b>	<b>0</b>	<b>29,672</b>	<b>6,087</b>	<b>0</b>	<b>61,166</b>	
Leases	2,477	-1,499	0	308	0	0	1,286	
Bonds	2,523	0	0		8,213	0	10,736	
Other borrowings	51,269	-29,363	0	29,364	-2,126	0	49,144	
<b>Total</b>	<b>1,172,041</b>	<b>-30,862</b>	<b>1,498</b>	<b>0</b>	<b>6,087</b>	<b>212</b>	<b>1,148,976</b>	

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 € 6,299 thousand) equals the difference between:

- interests paid (see section IV.3.1 of the condensed statement of cash flows: € - 10,850 thousand) and
- the finance costs on debt and lease liabilities (excluding regulatory liabilities) (€ 17,150 thousand). These are included in the total finance cost of € 34,374 thousand as mentioned in the condensed income statement.

## Note 8. Regulatory liabilities

Regulatory liabilities		(in thousands of €)		
	Note	30.06.2023	31.12.2022	Change
Other financing – non-current		612,958	612,582	376
Other financing – current		378,171	149,863	228,308
<b>Total other financing (A)</b>	<b>8,1</b>	<b>991,129</b>	<b>762,445</b>	<b>228,684</b>
Other liabilities – non-current		128,836	134,227	-5,391
Other liabilities – current		37,965	38,622	-657
<b>Total other liabilities (B)</b>	<b>8,2</b>	<b>166,801</b>	<b>172,849</b>	<b>-6,048</b>
<b>Total regulatory liabilities (A+B = C)</b>		<b>1,157,930</b>	<b>935,294</b>	<b>222,636</b>
Presented on the balance sheet as:				
Non-current regulatory liabilities		741,794	746,809	-5,015
Current regulatory liabilities		416,136	188,485	227,651
<b>Total regulatory liabilities (C)</b>		<b>1,157,930</b>	<b>935,294</b>	<b>222,636</b>

8.1. **Other financing** concerns the specific allocations of the regulatory liabilities at the group's disposal firstly to finance specific investments, notably in the second jetty at Zeebrugge and secondly, the cost associated with the conversion of part of the gas transmission network. These amounts bear interest at a 10-year OLO rate for one part and the remainder at the average 1-year Euribor rate. Auction premiums are also presented as 'Other financing'. This presentation is justified by the different regulatory treatment applied to auction premiums in accordance with the European network code.

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
<b>As at 01-01-2023</b>	<b>762,445</b>	<b>172,849</b>	<b>935,294</b>
Use	-2,316	-52,379	-54,695
Additions	218,976	42,405	261,381
Interests	12,744	3,206	15,950
Transfers	-720	720	0
<b>As at 30-06-2023</b>	<b>991,129</b>	<b>166,801</b>	<b>1,157,930</b>

The sum of use and additions amounts to € 206,686 thousand and corresponds with the sum of the changes in regulatory liabilities in note 4 (segment reporting – net increase of revenue).

This net increase 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 of € 15,950 thousand are accounted for as a finance cost.

Regulatory liabilities have substantially increased in the first half of 2023 following sales achieved mainly in transmission and terminalling, which for regulatory reasons may not be included in the profit/loss but do have to be deferred.



## Note 9. Provisions

### 9.1. Provisions for employee benefits

Provisions for employee benefits	(in thousands of €)
<b>Provisions as at 31-12-2022</b>	<b>50,987</b>
Additions	4,386
Use	-4,165
Release	0
Unwinding of the discount	4,240
Actuarial gains/losses recognised in the profit/loss (seniority bonuses)	389
Expected return	-3,548
Actuarial gains/losses recognised in equity	13,784
Reclassification to assets	-18,027
<b>Provisions as at 30-06-2023 of which:</b>	<b>48,046</b>
Non-current provisions	44,831
Current provisions	3,215

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 evolution of provisions for employee benefits is essentially linked to the indexation of salaries and to the increase in the discount rates, as well as negative returns on plan assets. The difference has been recognized directly in equity through other comprehensive income, in line with IAS 19 Employee Benefits.

Per end of June 2023, the provisions for employee benefits for 'defined benefit obligations' show a surplus of € 11,375 thousand of the plan assets compared to the actuarial debt. Per end of December 2022, the surplus amounted to € 29,401 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 2022 annual report.

## **Note 11. Significant transactions with related parties**

Fluxys Belgium and its subsidiaries are controlled by Fluxys SA, 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 (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 30.06.2023 (in thousands of €)

	Parent company	Joint arrangements	Other related parties	Total
<b>I. Assets with related parties</b>	<b>861,190</b>	<b>15,000</b>	<b>3,356</b>	<b>879,546</b>
<b>1. Other financial assets</b>	<b>0</b>	<b>15,000</b>	<b>0</b>	<b>15,000</b>
Loans	0	15,000	0	15,000
<b>2. Financial lease receivables (current and non-current)</b>	<b>0</b>	<b>0</b>	<b>1,792</b>	<b>1,792</b>
<b>3. Trade and other receivables</b>	<b>171</b>	<b>0</b>	<b>1,564</b>	<b>1,734</b>
Clients	171	0	1,564	1,734
<b>4. Cash and cash equivalents</b>	<b>861,020</b>	<b>0</b>	<b>0</b>	<b>861,020</b>
<b>5. Other current assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>II. Liabilities with related parties</b>	<b>188,720</b>	<b>0</b>	<b>752</b>	<b>189,471</b>
<b>1. Interest-bearing liabilities (current and non-current)</b>	<b>188,455</b>	<b>0</b>	<b>0</b>	<b>188,455</b>
Other borrowings	188,455	0	0	188,455
<b>2. Trade and other payables</b>	<b>235</b>	<b>0</b>	<b>0</b>	<b>235</b>
Suppliers	125	0	0	125
Other payables	110	0	0	110
<b>3. Other current liabilities</b>	<b>30</b>	<b>0</b>	<b>752</b>	<b>782</b>
<b>III. Transactions with related parties</b>	<b>-775</b>	<b>965</b>	<b>4,955</b>	<b>5,144</b>
<b>1. Services rendered and goods delivered</b>	<b>3,851</b>	<b>965</b>	<b>4,955</b>	<b>9,770</b>
<b>2. Services received (-)</b>	<b>-1,435</b>	<b>0</b>	<b>0</b>	<b>-1,435</b>
<b>3. Net financial income</b>	<b>-3,191</b>	<b>0</b>	<b>0</b>	<b>-3,191</b>

**Significant transactions with related parties** (in thousands of €)  
as at 31.12.2022

	Parent company	Joint arrangements	Other related parties	Total
<b>I. Assets with related parties</b>	<b>1,885,715</b>	<b>15,000</b>	<b>2,966</b>	<b>1,903,681</b>
<b>1. Other financial assets</b>	<b>0</b>	<b>15,000</b>	<b>0</b>	<b>15,000</b>
Loans	0	15,000	0	15,000
<b>2. Financial lease receivables (current and non-current)</b>	<b>0</b>	<b>0</b>	<b>2,094</b>	<b>2,094</b>
<b>3. Trade and other receivables</b>	<b>860,381</b>	<b>0</b>	<b>871</b>	<b>861,252</b>
Clients	860,381	0	871	861,252
<b>4. Cash and cash equivalents</b>	<b>1,025,334</b>	<b>0</b>	<b>0</b>	<b>1,025,334</b>
<b>5. Other current assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>II. Liabilities with related parties</b>	<b>186,900</b>	<b>0</b>	<b>636</b>	<b>187,529</b>
<b>1. Interest-bearing liabilities (current and non-current)</b>	<b>186,812</b>	<b>0</b>	<b>0</b>	<b>186,812</b>
Other borrowings	186,812	0	0	186,812
<b>2. Trade and other payables</b>	<b>79</b>	<b>0</b>	<b>8</b>	<b>79</b>
Suppliers	0	0	0	0
Other payables	79	0	8	79
<b>3. Other current liabilities</b>	<b>9</b>	<b>0</b>	<b>629</b>	<b>638</b>
<b>as at 30.06.2022</b>				
<b>III. Transactions with related parties</b>	<b>-3,503</b>	<b>611</b>	<b>9,389</b>	<b>6,496</b>
<b>1. Services rendered and goods delivered</b>	<b>1,279</b>	<b>611</b>	<b>9,477</b>	<b>11,367</b>
<b>2. Services received (-)</b>	<b>-1,215</b>	<b>0</b>	<b>-88</b>	<b>-1,304</b>
<b>3. Net financial income</b>	<b>-3,567</b>	<b>0</b>	<b>0</b>	<b>-3,567</b>

## 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 30.06.2023		(in thousands of €)		
	Category	Book value	Fair value	Level
<b>I. Non-current assets</b>				
Other financial assets at amortized cost	A	110,959	119,821	1 & 2
Other financial assets at fair value through profit and loss	B	7,048	7,048	2
Financial lease receivables	A	0	0	2
Other receivables	A	33,496	33,496	2
<b>II. Current assets</b>				
Financial lease receivables	A	1,792	1,792	2
Trade and other receivables	A	153,623	153,623	2
Cash investments	A	37,846	37,736	2
Cash and cash equivalents	A	896,318	896,313	2
<b>Total financial instruments – assets</b>		<b>1,241,082</b>	<b>1,249,829</b>	
<b>I. Non-current liabilities</b>				
Interest-bearing liabilities	A	1,087,810	1,003,683	2
Other financial liabilities	B	7,047	7,047	2
<b>II. Current liabilities</b>				
Interest-bearing liabilities	A	61,166	61,166	2
Trade and other payables	A	142,273	142,273	2
<b>Total financial instruments – liabilities</b>		<b>1,298,296</b>	<b>1,214,169</b>	2

Summary of financial instruments as at 31.12.2022		(in thousands of €)		
	Category	Book value	Fair value	Level
<b>I. Non-current assets</b>				
Other financial assets at amortized cost	A	107,595	97,804	1 & 2
Other financial assets at fair value through profit and loss	B	3,576	3,576	2
Financial lease receivables	A	0	0	2
Other receivables	A	15,144	15,144	2
<b>II. Current assets</b>				
Financial lease receivables	A	2,094	2,094	2
Trade and other receivables	A	164,299	164,299	2
Cash investments	A	26,113	26,397	2
Cash and cash equivalents	A	1,070,708	1,070,600	2
<b>Total financial instruments – assets</b>		<b>1,389,529</b>	<b>1,379,914</b>	
<b>I. Non-current liabilities</b>				
Interest-bearing liabilities	A	1,115,772	1,036,002	2
Other financial liabilities	B	3,575	3,575	2
<b>II. Current liabilities</b>				
Interest-bearing liabilities	A	56,269	56,269	2
Trade and other payables	A	444,533	444,533	2
<b>Total financial instruments – liabilities</b>		<b>1,620,149</b>	<b>1,540,379</b>	

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**

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 condensed half-yearly consolidated financial statements of Fluxys Belgium NV/SA as of 30 June 2023 and for the 6 month period then ended

### Introduction

We have reviewed the accompanying condensed consolidated balance sheet of Fluxys Belgium NV/SA (the "Company"), and its subsidiaries (collectively referred to as "the Group") as at 30 June 2023 and the related condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the 6 month period then ended, and explanatory notes, collectively, the "Condensed Half-Yearly 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 Condensed Half-Yearly 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 half-yearly consolidated financial information as at 30 June 2023 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, 26 September 2023

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

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 2023

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, 26 September 2023

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.



<b>Consolidated income statement (in thousands of €)</b>	<b>30.06.2023</b>	<b>30.06.2022</b>
Operating profit/loss	66,123	72,623
Depreciation	81,269	82,472
Provisions	562	-1,517
Impairment losses	5,405	-1
Earnings from associates and joint ventures	0	0
Dividends from unconsolidated companies	0	0
<b>EBITDA</b>	<b>153,359</b>	<b>153,577</b>

<b>Consolidated income statement (in thousands of €)</b>	<b>30.06.2023</b>	<b>30.06.2022</b>
Operating profit/loss	66,123	72,623
Earnings from associates and joint ventures	0	0
Dividends from unconsolidated companies	0	0
<b>EBIT</b>	<b>66,123</b>	<b>72,623</b>

<b>Consolidated balance sheet (in thousands of €)</b>	<b>30.06.2023</b>	<b>31.12.2022</b>
Non-current interest-bearing liabilities (+)	1,087,810	1,115,772
Current interest-bearing liabilities (+)	61,166	56,269
Other financing (non-current) (-)	0	0
Other financing (current) (-)	0	0
Other liabilities (non-current) (-)	0	0
Other liabilities (current) (-)	0	0
Term deposits (75%) (-)	-28,385	-19,585
Cash and cash equivalents (75%) (-)	-672,239	-578,031
Other financial assets (75%) (-)	-83,153	-80,625
<b>Net financial debt</b>	<b>365,199</b>	<b>493,800</b>

**Questions about finance and accounting data**

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