

## Fluxys Belgium press release

31 March 2021 18:00 – Regulated information: 2020 results

### Overview of the 2020 annual results

- **Pandemic**
  - All essential services operational
  - Active support to help alleviate needs
- **Consolidated turnover** increases to €560.6 million (2019: €531.0 million) and the **consolidated net result** rises to €73.2 million (2019: €69.5 million)
- Proposal to be submitted to the annual general meeting on 11 May 2021: **gross dividend** of €1.37 per share (2019: €1.30 per share)
- **Transmission volumes** down
- **Zeebrugge LNG terminal strengthens future prospects**
  - Record traffic for ships and LNG trucks
  - Strong market interest in additional send-out capacity
- **Shouldering the energy transition**
- Roll-out of action plan to **halve our greenhouse gas emissions by 2025**

Key financial data .....	2
Key events.....	3
Fluxys Belgium SA/NV – 2020 profit (according to Belgian standards): proposed allocation of profit .....	7
Financial outlook for 2021 .....	7
External audit .....	8
Annexes .....	9

## Fluxys Belgium press release

31 March 2021 18:00 – Regulated information: 2020 results

### Key financial data

Income statement	(in thousands of €)	31/12/2020	31/12/2019
Operating revenue		560,590	530,995
EBITDA*		313,623	297,337
EBIT*		133,482	134,841
Net profit		73,237	69,498

  

Balance sheet	(in thousands of €)	31/12/2020	31/12/2019
Investments in property, plant and equipment over the period		42,255	91,282
Total property, plant and equipment		2,011,209	2,129,400
Equity		639,038	662,677
Net financial debt*		873,111	903,339
Total consolidated balance sheet		2,730,039	2,867,575

\* For the definitions and rationale for using these indicators: see appendix on p. 15-16

### Increase in consolidated turnover and net profit

The Fluxys Belgium group generated consolidated turnover of €560.6 million in 2020. This represents an increase of €29.6 million compared with 2019, when turnover stood at €531.0 million. Consolidated net profit rose from €69.5 million in 2019 to €73.2 million in 2020, an increase of €3.7 million. The increase in turnover and net profit is mainly due to the commissioning of the fifth storage tank for transshipment services in Zeebrugge in late 2019 and is in accordance with the tariff methodology and the associated terms on authorised manageable costs and incentives for the period 2020-2023.

### Efficiency efforts in line with regulated tariff model

In June 2018, CREG, the federal regulator, set out a new tariff methodology for the transmission and storage of natural gas and LNG terminalling for the period 2020-2023. The new methodology is based on existing principles that have been honed and supplemented.

## Fluxys Belgium press release

31 March 2021 18:00 – Regulated information: 2020 results

The principle ensuring that tariffs cover all reasonable costs, including interest and fair remuneration, continues to apply. Alongside incentives to control costs, a set of new incentives has been introduced to monitor and manage some aspects of company performance. The company share of realised savings has been adjusted. As a consequence, potential gains of efficiency efforts are limited.

By managing its operating costs and continuing its efficiency drive, the Fluxys Belgium group achieved these regulatory objectives and benefitted from incentives.

### Investments totalling €42.3 million

In 2020, investments in property, plant and equipment totalled €42.3 million, compared with €91.3 million in 2019. In 2020, €31.9 million was spent on transmission projects, €0.7 million on storage infrastructure and €9.7 million on LNG infrastructure projects.

## Key events

### All essential services operational during pandemic

Despite the widespread impact of the coronavirus outbreak, all of Fluxys Belgium's essential services remained operational and the company focused fully on playing its vital role in society and for its customers, ensuring safety and continuity of gas supply. At the same time, all necessary steps were taken to protect the health of our employees and contain the spread of the virus.

### Active support to help alleviate pandemic-related needs

In a broader social context too, Fluxys Belgium worked to help alleviate coronavirus-related needs. During the lockdown period, many employees throughout the company were personally involved in Fluxys Belgium initiatives and other actions to provide social and health assistance. They produced medical protective equipment and delivered it to healthcare workers and institutions. Others played a logistical role, getting Fluxys company PCs ready to donate to schools and charities, or were involved in local initiatives.

## Fluxys Belgium press release

31 March 2021 18:00 – Regulated information: 2020 results

With the support of the shareholders, Fluxys Belgium and parent group Fluxys also freed up approximately €1 million for various organisations and institutions engaged with vulnerable groups, front-line professionals and scientific research into COVID-19 in Belgium.

### Infrastructure projects on time

The sanitary measures on the construction sites brought about a number of delays, but the new infrastructure between Maarkedal and Ronse and between Leuze and Beloeil was commissioned in good time. The works planned for 2020 in connection with the project to convert part of the low-calorific grid to high-calorific natural gas were also carried out. Together with distribution system operators Sibelga, Fluvius and Ores, we carried out a large-scale conversion project in which 120,000 connections were switched over. Thanks to active cooperation between Fluxys Belgium and the distribution system operators (DSOs), the remaining schedule for the conversion has been shortened. The entire market for low-calorific natural gas will be converted by 2024 instead of 2029.

### Transmission volumes down

Transmission volumes were down compared to 2019. Border-to-border volumes fell by 14% to 204.9 TWh and volumes for consumption on the Belgian market declined slightly by 1% to approximately 190.6 TWh.

- Transmission to distribution system operators was down by 4%, reflecting milder weather.
- Offtake by directly connected industrial companies fell slightly (almost 1%).
- Transmission volumes for natural-gas-fired power plants rose by approximately 5%.

## Fluxys Belgium press release

31 March 2021 18:00 – Regulated information: 2020 results

### Zeebrugge LNG Terminal achieves all-time record

The start of the long-term transshipment contract in December 2019 pushed traffic at the Zeebrugge LNG terminal to new heights in 2020. A total of 172 vessels docked at the terminal, smashing the previous record of 130 in 2019. March 2020 was the busiest ever month for ship traffic at the terminal, with a total of 30 vessels docking, more than double the previous record in May 2019.

The number of transshipment operations almost tripled while the number of unloading operations decreased. LNG truck traffic increased by over 20% to nearly 3,200 loading operations.

### Strong market interest in additional send-out capacity

Responding to market signals, the Zeebrugge LNG terminal held an open season for additional regasification capacity. This was a success: the offered capacity of 6 million tonnes per year (or approx. 10.5 GWh/h) was fully subscribed during the open season's binding phase. In light of this success, the final investment decision was taken to build the necessary additional infrastructure at the terminal that will also make it possible to reduce the facility's CO<sub>2</sub> emissions.

### Shouldering the energy transition

The European Green Deal and the European recovery plan that took shape in the wake of the pandemic gave a major new push in 2020 for the transition to a climate-neutral economy by 2050. The European Commission's projections for 2050 show that a net-zero emissions energy system is likely to be based on a roughly 50/50 split between renewable electricity and carbon-neutral gases and biofuels. CO<sub>2</sub> capture and reuse or storage will also be needed in the transition to a carbon-neutral society.

## Fluxys Belgium press release

**31 March 2021 18:00 – Regulated information: 2020 results**

The Green Deal and recovery plan have created a momentum for Fluxys Belgium to proactively accelerate its energy transition strategy. In 2020, we devised a plan to use our natural gas infrastructure sustainably as a tool of the energy transition. In line with the strategy of the European Commission and taking into account the necessary evolutions in the legal and regulatory framework, we can gradually transform and develop our infrastructure into complementary networks in which we also transport hydrogen and CO<sub>2</sub>, for example.

The plan will be further developed in collaboration with our customers, the distribution system operators, the government and other stakeholders. The intention is to build step by step, taking into account evolutions in 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.

### Helping to develop the biomethane market

Compared with neighbouring countries, biomethane production in Belgium is still at an early stage. Two biomethane facilities are currently operational, one in the Kempen region and one in Fleurus. The latter was commissioned in 2020. Fluxys Belgium is supporting the development of the biomethane market in Belgium by actively contributing to the appropriate certification systems on the basis of which consumers can purchase biomethane. In 2020 we also developed an adapted contract for connecting biomethane producers to our grid. Another important development is the fact that the Zeebrugge LNG terminal was awarded official certification as an EU-approved process plant for bio-LNG.

### Roll-out of action plan 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. To this end, it is rolling out various programmes designed to further reduce greenhouse gas emissions from the operation of its infrastructure.

## Fluxys Belgium press release

31 March 2021 18:00 – Regulated information: 2020 results

One new thing is that three additional open-rack vaporizers will be built at the LNG terminal in Zeebrugge. Using the heat from seawater to regasify LNG will significantly reduce the terminal's energy consumption and emissions.

### Fluxys Belgium SA/NV – 2020 profit (according to Belgian standards): proposed allocation of profit

Fluxys Belgium SA/NV's net profits totalled €70.8 million, compared with €42.5 million in 2019. This increase compared to the previous financial year is due in part to the commissioning of the fifth storage tank at the LNG terminal operated by subsidiary Fluxys LNG.

At the Annual General Meeting on 11 May 2021, Fluxys Belgium will propose a gross dividend of €1.37 per share.

Taking into account a profit of €53.6 million carried over from the previous financial year and a withdrawal of €38.7 million from the reserves, the Board of Directors will propose to the Annual General Meeting that the profits be allocated as follows:

- €96.3 million as a dividend payout;
- €66.8 million as profit to be carried forward.

If that profit allocation proposal is adopted, the total gross dividend for the 2020 financial year will be €1.37 per share. This amount will be payable from 19 May 2021 onwards.

### Financial outlook for 2021

Under the 2020-2023 tariff methodology, the net profit from Belgian regulated activities is determined based on various regulatory parameters, including equity invested, financial structure and incentives.

Based on the information available at the time of this report and based on the essential nature of the company's activities and their regulatory framework, we do not anticipate for 2021 any significant impact due to the COVID-19 pandemic and the resulting market developments on the consolidated result of the Fluxys Belgium Group.

## Fluxys Belgium press release

31 March 2021 18:00 – Regulated information: 2020 results

### External audit

The statutory auditor has confirmed that his audit activities, which were conducted meticulously, have not revealed the need for any significant adjustments to the accounting information contained in this press release.

### Contacts

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### About Fluxys Belgium

Fluxys Belgium is a Euronext listed subsidiary of gas infrastructure group Fluxys headquartered in Belgium. With 900 employees the company operates 4,000 kilometers of pipeline, a liquefied natural gas terminal totalling a yearly regasification capacity of 9 billion cubic meters and an underground storage facility.

As a purpose-led company Fluxys Belgium together with its stakeholders contributes to a better society by shaping a bright energy future. Building on the unique assets of gas infrastructure and its commercial and technical expertise, Fluxys Belgium is committed to transport hydrogen, biomethane or any other carbon-neutral energy carrier as well as carbon dioxide and to accommodate the capture, usage and storage of the latter.



## Fluxys Belgium press release

31 March 2021 18:00 – Regulated information: 2020 results

### Annexes

Consolidated Balance Sheet		In thousands of €	
	31-12-2020	31-12-2019	
<b>I. Non-current assets</b>	<b>2,196,174</b>	<b>2,305,518</b>	
Property, plant and equipment	2,011,209	2,129,400	
Intangible assets	28,207	33,424	
Right of use assets	36,467	39,970	
Investments accounted for using the equity method	50	16	
Other financial assets	109,506	90,200	
Finance lease receivables	2,697	3,300	
Other receivables	4,144	144	
Other non-current assets	3,894	9,064	
<b>II. Current assets</b>	<b>533,865</b>	<b>562,057</b>	
Inventories	26,378	26,488	
Finance lease receivables	601	601	
Current tax receivables	5,108	3,965	
Trade and other receivables	71,000	89,421	
Cash investments	39,458	58,205	
Cash and cash equivalents	377,359	369,005	
Other current assets	13,961	14,372	
<b>Total assets</b>	<b>2,730,039</b>	<b>2,867,575</b>	

## Fluxys Belgium press release

31 March 2021 18:00 – Regulated information: 2020 results

Consolidated Balance Sheet	In thousands of €	
	31-12-2020	31-12-2019
<b>I. Equity</b>	<b>639,038</b>	<b>662,677</b>
Equity attributable to the parent company's shareholders	639,038	662,677
<i>Share capital and share premiums</i>	60,310	60,310
<i>Retained earnings and other reserves</i>	578,728	602,367
Non-controlling interests	0	0
<b>II. Non-current liabilities</b>	<b>1,819,250</b>	<b>1,957,483</b>
Interest-bearing liabilities	1,589,554	1,718,972
Provisions	4,465	4,272
Provisions for employee benefits	70,631	63,336
Other non-current financial liabilities	2,054	2,669
Deferred tax liabilities	152,546	168,234
<b>III. Current liabilities</b>	<b>271,751</b>	<b>247,415</b>
Interest-bearing liabilities	184,843	143,577
Provisions	875	0
Provisions for employee benefits	5,143	4,134
Current tax payables	4,146	3,844
Trade and other payables	73,950	92,668
Other current liabilities	2,794	3,192
<b>Total liabilities and equity</b>	<b>2,730,039</b>	<b>2,867,575</b>

## Fluxys Belgium press release

31 March 2021 18:00 – Regulated information: 2020 results

Consolidated income statement		In thousands of €	
	31-12-2020	31-12-2019	
Operating revenue	560,590	530,995	
Sales of gas related to balancing operations and operational needs	26,887	80,182	
Other operating income	12,191	16,038	
Consumables, merchandise and supplies used	-2,970	-7,898	
Purchase of gas related to balancing of operations and operational needs	-26,886	-80,188	
Miscellaneous goods and services	-140,410	-129,583	
Employee expenses	-110,544	-107,509	
Other operating expenses	-5,235	-4,700	
Depreciations	-174,534	-157,955	
Provisions	-6,155	-3,995	
Impairment losses	548	-546	
<b>Profit/loss from continuing operations</b>	<b>133,482</b>	<b>134,841</b>	
Change in the fair value of financial instruments	0	-71	
Financial income	924	1,016	
Finance costs	-40,734	-37,630	
<b>Profit/loss from continuing operations after net financial result</b>	<b>93,672</b>	<b>98,156</b>	
Income tax expenses	-20,435	-28,658	
<b>Net profit/loss for the period</b>	<b>73,237</b>	<b>69,498</b>	
Fluxys Belgium share	73,237	69,498	
Non-controlling interests	0	0	
Basic earnings per share attributable to the parent company's shareholders in €	1.0423	0.9891	
Diluted earnings per share attributable to the parent company's shareholders in €	1.0423	0.9891	

## Fluxys Belgium press release

31 March 2021 18:00 – Regulated information: 2020 results

Consolidated statement of comprehensive income		In thousands of €	
	31-12-2020	31-12-2019	
<b>Net profit/loss for the period</b>	<b>73,237</b>	<b>69,498</b>	
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Remeasurements of employee benefits	-7,378	-7,731	
Income tax expense on these variances	1,845	2,287	
<b>Other comprehensive income</b>	<b>-5,533</b>	<b>-5,444</b>	
<b>Comprehensive income for the period</b>	<b>67,704</b>	<b>64,054</b>	
Fluxys Belgium share	67,704	64,054	
Non-controlling interests	0	0	

Consolidated statement of changes in equity		In thousands of €							
	Share capital	Share premium	Reserves not available for distribution	Retained earnings	Reserves for employee benefits	Other comprehensive income	Equity attributable to the parent company's shareholders	Non-controlling interests	Total equity
<b>I. BALANCE AS AT 31-12-2018</b>	<b>60,272</b>	<b>38</b>	<b>25,920</b>	<b>569,773</b>	<b>-6,904</b>	<b>38,057</b>	<b>687,156</b>	<b>0</b>	<b>687,156</b>
1. Comprehensive income for the period				69,498	-5,444	0	64,054	0	64,054
2. Dividends paid			-9,905	-78,628			-88,533	0	-88,533
3. Other changes			38,057			-38,057			
<b>II. CLOSING BALANCE AS AT 31-12-2019</b>	<b>60,272</b>	<b>38</b>	<b>54,072</b>	<b>560,643</b>	<b>-12,348</b>	<b>0</b>	<b>662,677</b>	<b>0</b>	<b>662,677</b>
1. Comprehensive income for the period				73,237	-5,533	0	67,704	0	67,704
2. Dividends paid			0	-91,343			-91,343		-91,343
<b>III. CLOSING BALANCE AS AT 31-12-2020</b>	<b>60,272</b>	<b>38</b>	<b>54,072</b>	<b>542,537</b>	<b>-17,881</b>	<b>0</b>	<b>639,038</b>	<b>0</b>	<b>639,038</b>

## Fluxys Belgium press release

31 March 2021 18:00 – Regulated information: 2020 results

Consolidated statement of cash flows (indirect method)	In thousands of €	
	31-12-2020	31-12-2019
<b>I. Cash and cash equivalents, opening balance</b>	<b>369,005</b>	<b>389,587</b>
<b>II. Net cash flows from operating activities</b>	<b>280,339</b>	<b>279,516</b>
<b>1. Cash flows from operating activities</b>	<b>314,368</b>	<b>324,052</b>
1.1. Profit/loss from continuing operations	133,482	134,841
1.2. Non cash adjustments	180,531	162,448
1.2.1. Depreciations	174,534	157,955
1.2.2. Provisions	6,155	3,995
1.2.3. Impairment losses	-548	546
1.2.4. Translation adjustments	0	0
1.2.5. Other non cash adjustments	390	-48
1.3. Changes in working capital	356	26,763
1.3.1. Decrease (increase) of inventories	658	2,069
1.3.2. Decrease (increase) of tax receivables	-1,143	-585
1.3.3. Decrease (increase) of trade and other receivables	18,421	7,796
1.3.4. Decrease (increase) of other current assets	-69	27
1.3.5. Increase (decrease) of tax payables	756	1,129
1.3.6. Increase (decrease) of trade and other payables	-18,718	16,583
1.3.7. Increase (decrease) of other current liabilities	-398	-1,944
1.3.8. Other changes in working capital	849	1,688
<b>2. Cash flows relating to other operating activities</b>	<b>-34,029</b>	<b>-44,535</b>
2.1. Current tax paid	-34,732	-45,259
2.2. Interests from investments, cash and cash equivalents	792	836
2.3. Other inflows (outflows) relating to other operating activities	-89	-113
<b>III. Net cash flows relating to investment activities</b>	<b>-51,949</b>	<b>-114,358</b>
<b>1. Acquisitions</b>	<b>-71,262</b>	<b>-109,759</b>
1.1. Payments to acquire property, plant and equipment, and intangible assets	-47,306	-97,959
1.2. Payments to acquire subsidiaries, joint arrangements or associates	-34	0
1.3. Payments to acquire other financial assets	-23,922	-11,800

## Fluxys Belgium press release

31 March 2021 18:00 – Regulated information: 2020 results

Consolidated statement of cash flows (indirect method)	In thousands of €	
	31-12-2020	31-12-2019
<b>2. Disposals</b>	<b>566</b>	<b>327</b>
2.1. Proceeds from disposal of property, plant and equipment, and intangible assets	565	327
2.2. Proceeds from disposal of subsidiaries, joint arrangements or associates	0	0
2.3. Proceeds from disposal of other financial assets	1	0
<b>3. Dividends received classified as investment activities</b>	<b>0</b>	<b>0</b>
<b>4. Subsidies received</b>	<b>0</b>	<b>0</b>
<b>5. Increase (-)/ Decrease (+) of cash investments</b>	<b>18,747</b>	<b>-4,926</b>
<b>IV. Net cash flows relating to financing activities</b>	<b>-220,036</b>	<b>-185,741</b>
<b>1. Proceeds from cash flows from financing</b>	<b>33,784</b>	<b>106,039</b>
1.1. Proceeds from issuance of equity instruments	0	0
1.2. Proceeds from issuance of treasury shares	0	0
1.3. Proceeds from finance leases	603	691
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	33,181	105,348
<b>2. Repayments relating to cash flows from financing</b>	<b>-122,858</b>	<b>-167,746</b>
2.1. Repurchase of equity instruments subsequently cancelled	0	0
2.2. Repayment of capital to non-controlling shareholders	0	0
2.3. Repayment of finance lease liabilities	-4,602	-4,568
2.4. Redemption of compound financial instruments	0	0
2.5. Repayment of other financial liabilities	-118,256	-163,178
<b>3. Interests</b>	<b>-39,619</b>	<b>-35,501</b>
3.1. Interest paid classified as financing	-39,683	-35,570
3.2. Interest received classified as financing	64	69
<b>4. Dividends paid</b>	<b>-91,343</b>	<b>-88,533</b>
<b>V. Net change in cash and cash equivalents</b>	<b>8,354</b>	<b>-20,582</b>
<b>VI. Cash and cash equivalents, closing balance</b>	<b>377,359</b>	<b>369,005</b>

## Fluxys Belgium press release

31 March 2021 18:00 – Regulated information: 2020 results

Fluxys Belgium consolidated income statement	In thousands of €	
	31.12.2020	31.12.2019
Profit/loss from continuing operations	133,482	134,841
Depreciations	174,534	157,955
Provisions	6,155	3,995
Impairment losses	-548	546
Earnings from associates and joint ventures	0	0
Dividends from unconsolidated entities	0	0
<b>EBITDA in thousands of €</b>	<b>313,623</b>	<b>297,337</b>

**EBITDA:** Earnings Before Interest, Taxes, Depreciation and Amortisation or operating profit/loss, before depreciation, amortisation, impairment and provisions plus the result of investments accounted for using the equity method and the dividends received from unconsolidated entities. EBITDA is used as a reference to monitor the operational performance of the group over time, without taking non-cash costs into account.

Fluxys Belgium consolidated income statement	In thousands of €	
	31.12.2020	31.12.2019
Profit/loss from continuing operations	133,482	134,841
Earnings from associates and joint ventures	0	0
Dividends from unconsolidated entities	0	0
<b>EBIT in thousands of €</b>	<b>133,482</b>	<b>134,841</b>

**EBIT:** Earnings Before Interest and Taxes or operating profit/loss plus the result of investments accounted for using the equity method and the dividends received from unconsolidated entities. EBIT is used as a reference to monitor the operational performance of the group over time.

## Fluxys Belgium press release

31 March 2021 18:00 – Regulated information: 2020 results

Fluxys Belgium consolidated balance sheet	In thousands of €	
	31.12.2020	31.12.2019
Non-current interest-bearing liabilities	1,589,554	1,718,972
Current interest-bearing liabilities	184,843	143,577
Other financing (current)	-25,775	-12,554
Other financing (non-current)	-65,557	-82,789
Other liabilities (current)	-100,882	-95,954
Other liabilities (non-current)	-315,942	-381,929
Cash investments (75%)	-29,594	-43,654
Cash and cash equivalents (75%)	-283,019	-276,754
Other financial assets (75%)	-80,517	-65,576
<b>Net financial debt in thousands of €</b>	<b>873,111</b>	<b>903,339</b>

**Net financial debt:** interest-bearing liabilities (including lease debts), less regulatory liabilities, cash linked to early refinancing transactions and 75% of the balance of cash, cash equivalents and short- and long-term cash investments (the remaining 25% is considered as a buffer for operational purposes (working capital) and is therefore deemed unavailable for investments). This indicator gives a general understanding of the amount of interest-bearing liabilities that would remain after all available treasury would have been used to pay back loans.