

Fluxys Belgium press release

29 September 2021 7.30 p.m. – Regulated information

Results for the first half of 2021

Information on key events in the first half of 2021 and their impact on the financial situation of Fluxys Belgium

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

Results for the first half of 2021	1
Key financial data	2
Key events	3
Main risks and uncertainties for the second half of 2021	6
Transactions with related parties	6
Financial outlook	7
Half-yearly financial report available	7
Contacts	7
About Fluxys Belgium	7
Annex: Definition of indicators	8

Fluxys Belgium press release

29 September 2021 7.30 p.m. – Regulated information

Key financial data

Income statement	(in thousands of €)	30.06.2021	30.06.2020
Operating revenue		277,900	284,181
EBITDA*		155,290	160,810
EBIT*		68,799	69,553
Net profit		38,319	36,580
Balance sheet	(in thousands of €)	30.06.2021	31.12.2020
Investments in property, plant and equipment		15,825	42,255
Total property, plant and equipment		1,948,766	2,011,209
Equity		589,311	639,038
Net financial debt*		873,302	873,111
Total consolidated balance sheet		2,639,440	2,730,039

* For the definitions and rationale for using these indicators: see annex on p. 8-9.

Turnover and net profit

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

Investments totalling €15.8 million

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

Fluxys Belgium press release

29 September 2021 7.30 p.m. – Regulated information

Key events

Coming together to help those affected by flooding

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

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

Ready for the network of the future

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

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

Fluxys Belgium press release

29 September 2021 7.30 p.m. – Regulated information

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

On track to halve our greenhouse gas emissions by 2025

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

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

Transmission volumes down

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

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

Fluxys Belgium press release

29 September 2021 7.30 p.m. – Regulated information

Shipping traffic at LNG terminal remains strong

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

Additional send-out capacity fully booked

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

Four extra truck-loading bays under construction

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

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

Fluxys Belgium press release

29 September 2021 7.30 p.m. – Regulated information

LNG terminal makes available bio-LNG

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

Tariff reduction and new innovative service range for storage

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

Main risks and uncertainties for the second half of 2021

The expected risks and uncertainties for the second half of 2021 have not changed significantly compared to the risk reporting in the Annual Financial Report 2020. See the 'Risk Management' section in the Half-yearly financial report 2021 for more information. The recent evolution in gas prices has no impact on Fluxys Belgium's results as the company is not active in the sale of molecules but in infrastructure operations. Fluxys Belgium's infrastructure has sufficient capacity available for additional volumes that may need to be transported.

Transactions with related parties

For more information on transactions with related parties, please refer to Note 11 in the condensed half-yearly financial statements in the Half-yearly financial report 2021.

Fluxys Belgium press release

29 September 2021 7.30 p.m. – Regulated information

Financial outlook

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

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

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

Half-yearly financial report available

The Fluxys Belgium Half-yearly financial report 2021, including the condensed financial statements, is available on the [Fluxys Belgium website](#).

Contacts

Financial and accounting data: Filip De Boeck

+32 2 282 79 89 filip.deboeck@fluxys.com

Press: Laurent Remy

+32 2 282 74 50 laurent.remy@fluxys.com

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 transporting hydrogen, biomethane or any other carbon-neutral energy carrier as well as CO₂, accommodating the capture, usage and storage of the latter.

Fluxys Belgium press release

29 September 2021 7.30 p.m. – Regulated information

Annex: Definition of indicators

EBIT – Earnings Before Interest and Taxes: 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 Interest, Taxes, Depreciation and Amortisation: 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.

Fluxys Belgium press release

29 September 2021 7.30 p.m. – Regulated information

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

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

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

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