FLUVIUS SYSTEM OPERATOR Group

Consolidated Financial Statements IFRS

Year end 31 December 2021

Content

Financial Statements

Consolidated statement of profit or loss

(In thousands of EUR)	Notes	2021	2020
Operating revenue	**3**	**1.839.806**	**1.726.688**
Revenue from contracts with customers		1.762.323	1.662.061
Other operating income		77.483	64.627
Operating expenses		**-1.824.892**	**-1.709.216**
Cost of trade goods	4	-204.564	-146.356
Cost for services and other consumables	5	-996.650	-941.840
Employee benefit expenses	6	-596.413	-617.264
Depreciation, amortization, impairments and changes in provisions	7	-26.080	-19
Other operational expenses		-1.185	-3.737
Result from operations		**14.914**	**17.472**
Finance income	8	116.980	121.898
Finance costs	8	-124.752	-132.388
Profit before tax		**7.142**	**6.982**
Income tax expenses	9	-7.142	-6.982
Profit for the period		**0**	**0**

Consolidated statement of comprehensive income

(In thousands of EUR)	Notes	2021	2020
Profit for the period		**0**	**0**
Other comprehensive income			
Items not to be reclassified to profit or loss in subsequent periods			
Actuarial gains (losses) on long-term employee benefits	22	113.363	16.176
Actuarial gains (losses) on rights to reimbursement on post-employment employee benefits	22	-113.363	-16.176
Net other comprehensive income not being reclassified to profit or loss in subsequent periods		**0**	**0**
Total comprehensive income for the period		**0**	**0**

Consolidated statement of financial position

(In thousands of EUR)	Notes	2021	2020
Non-current assets		**5.031.755**	**4.228.021**
Intangible assets	10	988	1.505
Property, plant and equipment	11	2.473	3.425
Right-of-use assets	12	34.138	35.214
Investment in joint ventures and associates	13	17	17
Other investments	14, 25	828	917
Rights to reimbursement on post-employment employee benefits	15	196.584	288.395
Long-term receivables, other	16	4.796.727	3.898.548
Current assets		**1.466.053**	**1.611.182**
Inventories	17	141.116	97.296
Short-term receivables, other	16	500.000	500.000
Trade and other receivables	18, 25	344.715	450.680
Receivables cash pool activities	18, 25	417.318	561.516
Cash and cash equivalents	19, 25	62.904	1.690
TOTAL ASSETS		**6.497.808**	**5.839.203**
EQUITY	**20**	**1.617**	**1.617**
Total equity attributable to owners of the parent		**1.517**	**1.517**
Contributions excluding capital, reserves and retained earnings		1.517	1.517
Non-controlling interest		**100**	**100**
LIABILITIES		**6.496.191**	**5.837.586**
Non-current liabilities		**5.036.071**	**4.238.997**
Interest bearing loans and borrowings	21, 25	4.810.494	3.919.032
Lease liabilities	12, 25	24.860	25.570
Employee benefit liabilities	22	195.263	286.959
Derivative financial instruments	23, 25	4.133	6.000
Provisions	22	1.321	1.436
Current liabilities		**1.460.120**	**1.598.589**
Interest bearing loans and borrowings	21, 25	963.078	1.050.893
Lease liabilities	12, 25	10.099	10.347
Trade payables and other current liabilities	24, 25	330.606	430.585
Liabilities cash pool activities	24, 25	154.030	104.561
Current tax liabilities		2.307	2.203
TOTAL EQUITY AND LIABILITIES		**6.497.808**	**5.839.203**

Consolidated statement of changes in equity

(In thousands of EUR)	Contribu-tions excluding capital	Reserves	Retained earnings	Equity attributable to owners of the parent	Non-controlling interest	Total
Balance at 1 January 2020	**1.284**	**213**	**20**	**1.517**	**100**	**1.617**
Result for the period	0	0	0	**0**	0	**0**
Other comprehensive income	0	0	0	**0**	0	**0**
Subtotal	**0**	**0**	**0**	**0**	**0**	**0**
Balance at 31 December 2020	**1.284**	**213**	**20**	**1.517**	**100**	**1.617**
Balance at 1 January 2021	**1.284**	**213**	**20**	**1.517**	**100**	**1.617**
Result for the period	0	0	0	**0**	0	**0**
Other comprehensive income	0	0	0	**0**	0	**0**
Subtotal	**0**	**0**	**0**	**0**	**0**	**0**
Balance at 31 December 2021	**1.284**	**213**	**20**	**1.517**	**100**	**1.617**

*Further information is disclosed in the note 'Equity'.

Consolidated statement of cash flows

(In thousands of EUR)	Notes	2021	2020
Profit for the period		0	0
Amortization of intangible assets	7, 10	610	645
Depreciation on property, plant and equipment and right-of-use assets	7, 11, 12	13.023	13.775
Change in provisions (Reversal -; Recognition +)	6, 22	-115	-11.439
Impairment current assets (Reversal -; Recognition +)	7, 18	12.562	-2.962
Gains or losses on realization receivables		386	2.741
Net finance costs		9.639	10.707
Change in fair value of derivative financial instruments	23	-1.867	-217
Gains or losses on sale of property, plant and equipment		-7	-45
Income tax expense	9	7.142	6.981
Change in inventories		-43.820	-18.754
Change in trade and other receivables		76.969	-47.894
Change in trade payables and other current liabilities		-94.828	126.578
Change in employee benefits	22	115	11.439
Interest paid		-125.179	-125.270
Interest received		132.857	101.773
Financial discount on debts	8	176	312
Income tax paid (received)	9	-7.039	-7.759
Net cash flow from operating activities		**-19.376**	**60.611**
Proceeds from sale of property, plant and equipment		7	46
Purchase of intangible assets	10	-93	0
Purchase of property, plant and equipment	11	-241	-227
Acquisition of companies and other investments		0	-1
Proceeds from sale of companies and other investments		100	1
Net investments in long-term receivables		-89	-22
Net cash flow used in investing activities		**-316**	**-203**
Repayment of borrowings	21	-503.500	-173.500
Proceeds from borrowings	21	199.800	0
Proceeds from bonds/borrowings	21	1.191.244	598.608
Payment of finance lease liabilities	12	-12.825	-12.277
Change in current financial liabilities	21	-87.480	83.100
Change in cash pool	18, 24	193.667	-154.263
Provide long-term loans	16	-1.400.000	-598.608
Repayment long-term loans	16	500.000	170.000
Net cash flow from/used in financing activities		**80.906**	**-86.940**
Net increase/decrease in cash		**61.214**	**-26.532**
Cash and cash equivalents at the beginning of period	**19**	**1.690**	**28.222**
Cash and cash equivalents at the end of period	**19**	**62.904**	**1.690**

Notes to the consolidated financial statements

1 Corporate information

Fluvius System Operator cv, abbreviated Fluvius, a partnership (‘coöperatieve vennootschap’/’société coopérative’) under Belgian law, is registered in Belgium, at Brusselsesteenweg 199, 9090 Melle. It is registered under number 0477.445.084 in the central enterprise register of Ghent (section Ghent).

Fluvius System Operator Group’s consolidated financial statements for the year ended 31 December 2021 contain the information of the parent company Fluvius System Operator cv and its subsidiary, investments in joint ventures and associates - De Stroomlijn cv, Atrias cv and Synductis cv - and together they form the 'Group'.

Fluvius System Operator is the **independent multi-utility company** responsible for operating the distribution grids for electricity and natural gas; developing, operating, using and maintaining other pipeline-related utilities such as sewerage, water distribution, public lighting; electronic communication networks; heat; data traffic; the management of heat and cold storage; exercising ancillary activities including the management of (strategic) participations; management and recording of metering data and managing the access register; carrying out tasks as a social energy supplier; and providing support to its shareholders, the local authorities in Flanders.

Fluvius carries out these tasks on behalf of and for the account of its shareholders, eleven intermunicipal associations or ‘**Mission Entrusted Associations’** (MEAs): Fluvius Antwerpen, Fluvius Limburg, Fluvius West, Gaselwest, Imewo, Intergem, Iveka, Iverlek, PBE, Riobra and Sibelgas.
The grid assets themselves remain owned by the MEAs. The MEAs, active in the distribution of electricity and gas are also the holders of the licences to distribute electricity and gas granted by the Flemish energy regulatory authority, VREG.

Fluvius **operates in all cities and municipalities in the Flemish Region (Belgium)**.

The company carries out its operational activities **at cost price** without charging any commercial margin to the Mission Entrusted Associations. This means that all costs incurred are passed through to the MEAs according to fixed allocation rules. On a monthly basis Fluvius System Operator invoices each of the MEAs for the operational services rendered. The result of the Group is without profit or loss.

Fluvius System Operator’s shareholders, together with this ‘Group’, Fluvius OV and Interkabel Vlaanderen cv form the **‘Economic Group Fluvius’**, which also publishes its IFRS financial statements.

The Flemish energy regulator VREG has granted permission to the distribution system operators for energy Fluvius Antwerpen, Fluvius Limburg, Fluvius West, Gaselwest, Imewo, Intergem, Iveka, Iverlek, PBE and Sibelgas to call on the services of the **operating company** Fluvius System Operator for electricity and gas. These authorisations shall apply until 25 September 2026 (electricity) and 14 October 2027 (gas) respectively. The term distribution system operator (DSO) refers to MEAs that provide the regulated activities for the distribution of electricity and/or gas, under the supervision of VREG.
The Flemish Energy Decree stipulates that each MEA can call on only one operating company. All MEAs of the 'Economic Group Fluvius' have chosen Fluvius System Operator cv for this purpose. The latter can carry out its tasks with its own staff and can call upon statutory (permanent) staff via secondment.

On 1 April 2019, all contractual staff of the ex-Infrax MEAs and ex-Integan were taken over by Fluvius System Operator cv. In order to have the secondment take place via one company, all statutory staff of the ex-Infrax MEAs and ex-Integan were transferred to Fluvius OV.

The Group **employed** on average 4.892 persons during 2021 and calls on 788 persons on average that are employed in Fluvius OV.

Fluvius has chosen to obtain **a rating** from the rating agencies 'Moody's Investor Services Ltd.' (Moody's) and 'Creditreform Rating AG' (Creditreform). On 29 October 2021, the rating agency Moody's confirmed the A3 rating for Fluvius but changed the rating outlook from negative to stable. Since 27 October 2020, the rating at Creditreform is A+ with a negative outlook. More information is available in the note 'Financial instruments: policy.

On 26 June 2020, Fluvius and **Telenet** announced the start of negotiations on the realisation of a fast data network of the future in Flanders. On 27 October 2021, a non-binding letter of intent was signed for the evolution of the hybrid fibre-coax (HFC) network infrastructure. Further negotiations on a final agreement are ongoing.

Due to the outbreak of the **COVID-19 pandemic**, the Group's operations and services had to be thoroughly adapted since mid-March 2020. However, as the company operates within a regulated framework and passes on its results, the financial impact is rather limited. Further information can be found on the website and in the note 'Use of estimates and assumptions'.

For more information, visit our website www.fluvius.be

This financial report for the financial year ended 31 December 2021 was approved on 30 March 2022 by the Board of Directors.

2 Summary of significant accounting policies

2.1 Statement of compliance and basis of presentation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as published by the International Accounting Standard Board (IASB) and endorsed by the European Union. The Group has not early adopted any new IFRS standard that is effective after 2021.

The consolidated financial statements are expressed in thousands of euro, which is the functional currency and presentation currency of the Group. They have been prepared with the assumption that business activities will be continued and under the historical cost convention method unless otherwise stated.

2.2 Principles of consolidation

The consolidated financial statements comprise all subsidiaries over which the Group has control. There is control when the Group has the power to direct the financial and operating policies of the entity so as to obtain benefits from its activities. Such a form of control is supposed to exist if the parent, directly or indirectly, holds more than half of the voting rights in the entity. The existence and impact of potential voting rights that were exercisable or convertible at that time, are being taken into consideration when judging whether the Group has the control to determine the financial and operating policies of another entity.
Subsidiaries are fully consolidated from the date on which the Group obtains control until the date on which control ends.

Investments in associates are companies in which a significant influence is exercised over the financial and operational policy, but over which there is no control. This is usually evidenced by the ownership of 20% up to 50% of the voting rights.
A joint venture is a joint arrangement whereby the Group has joint control of that arrangement.
These investments and joint ventures are accounted for in the consolidation using the equity method as from the date on which that significant influence or joint control is obtained until the date on which the significant control or joint control ceases.

The financial reporting of the subsidiaries, investments in joint ventures and associates is prepared for the same reporting year as that of the parent company, using consistent accounting principles. All intercompany transactions, balances and unrealized gains and losses between group companies are eliminated.

Non-controlling interest in the net assets of the consolidated subsidiaries has been individually reported in equity of the parent company. Non-controlling interest consists of the amount of that interest at the acquisition date and the non-controlling share in the equity changes since the date of the business combination. Losses relative to the minority higher than the non-controlling interests in the subsidiary's equity have been allocated to the Group's interests with the exception of those cases in which the minority has a binding obligation to make additional investments to compensate for the losses and is able to do so.

An overview of the Group's subsidiaries is set out in note 'List of group entities included in the consolidation'.

2.3 Segment reporting

The Group does not distinguish between different segments, neither at the level of activities, nor geographically, since the Group generates income as the operating company for Flemish MEAs.

2.4 Significant accounting policies

The accounting policies are consistently applied consistently compared to last year's accounting

a) Revenue recognition

Revenue from contracts with customers

The main revenue stream of the Group results from the *passing on of costs to mission entrusted associations* in the context of its role. The revenue from passing these costs on to the commissioning associations is recognised when the costs are incurred. The costs incurred are charged on a monthly basis to the shareholders, being the mission entrusted associations.

The revenue stream from *construction works for third parties* includes various works performed for third parties for investment works and operating works.
The proceeds from construction works for third parties are valued on the basis of the remuneration which the Group expects to be entitled to as a result of the contract. The contracts include no variable elements. The Group recognizes revenue once the performance obligations have been met, namely when the control is transferred to the customer. Revenue recognition follows the specific five-step model. Step 1 in this model is the identification of the contracts with the client; step 2 the identification of the obligations in the performance contracts; step 3 the determination the transaction price; step 4 the allocation of the transaction price to the performance obligations and revenue recognition and step 5 when the performance obligations have been fulfilled.

Other operating revenue

Other operating income includes various service recoveries and recovery of general expenses. For the recovery of services, revenue is recognised when the products are delivered to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured.

Finance income
Finance income includes mainly interest realized from lending on funds from the bond issuances and from the cash pool activities. This interest is recognized when acquired and for the period to which it refers (taking into account the asset's effective interest rate), unless collectability is doubtful.

b) Expenses

Expenses are recognized in the statement of profit or loss in the year in which they occur.

The premiums for *Rational Use of Energy (RUE)* paid to private individuals and companies are recognized as an expense in the statement of profit or loss.
These premiums are granted to individuals and companies that invest in energy-efficient applications (installing insulation, high-efficiency glazing, relighting) and renewable energy applications (solar water heater, heat pump, heat pump boiler). These premiums are evaluated every year in consultation with the Flemish government and can vary in size and application. A RUE action plan is agreed on per calendar year.

The finance costs include interests on loans, calculated using the effective interest rate method, and bank charges. All interest and other costs incurred in connection with financial transactions such as hedging options are recognized as financial expenses when they occur.

The income tax of the year comprises the tax charge payable. The tax on profit is recognized in the statement of profit or loss. The current tax expenses are the expected current taxes payable on the taxable income for the year, based on tax rates in effect at the statement of financial position date and any adjustment to current taxes payable from previous years.

c) Intangible assets

Intangible assets are measured at cost less any accumulated amortizations and impairment losses. Intangible assets with a finite useful life are amortized on a straight-line basis over the expected useful life.

The following amortization percentage based on the estimated useful life is used:

Software	20,00%
Capitalized development costs	20,00%

d) Property, plant and equipment

Property, plant and equipment is measured at historical cost less accumulated depreciation and impairment losses. The historical cost comprises the initial purchase price and any costs directly attributable to bringing the asset to the condition necessary for it to be operational in the manner intended by management.

Depreciation
Depreciation is recognized on a monthly basis in the statement of profit or loss on a straight-line basis as of the month following the date of bringing into use. Depreciation is calculated over the estimated useful life of each component of an item of property, plant and equipment and depreciation is assessed for reasonableness each year.

The applied depreciation percentages on the basis of the average useful life are as follows:

Office furniture and equipment	10,00%
Leasehold improvement	10,00% and 11,12%
Computer equipment and hardware	20,00% and 33,33%
Test equipment (Electronic Vehicles in Action)	50,00%
Charging stations for electric vehicles	10,00%
Motor- & bicycles	20,00%
Other tangible assets	10,00%

Repair and maintenance costs that do not increase the future economic benefits, are recognized in the statement of profit or loss as expenses incurred.

Gains and losses on sale
Any gain or loss arising from the sale of property, plant and equipment is included in the statement of profit or loss. They are recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs incurred or to be incurred can be estimated reliably, and there is no continuing managerial involvement with the property, plant and equipment.

Impairment
For each of the Group's property, plant and equipment it is assessed on each statement of financial position date whether there are any indications of impairment for a particular asset. If any such indications exist, the recoverable amount of the asset has to be estimated.

Impairment has been recognized if an asset's carrying amount exceeds its recoverable value. Impairment has been charged directly to the statement of profit or loss.

e) Leasing

Right-of-use asset
The Group recognizes right-of-use assets at the commencement date of the lease (i.e. the date on which the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities
At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease. The variable lease payments that do not depend on an index or a rate are recognized as expenses in the period during which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases that have a lease term of 12 months or less from the commencement date and which do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases with a value below 5.000 euro.
Lease payments on short-term leases and leases of low-value assets are recognized as expenses on a straight-line basis over the lease term.

f) Investments in joint ventures and associates

Investments in a joint venture and associates are accounted for using the equity method and are initially recognised at cost. The carrying amounts of the investments are adjusted to reflect changes in the Group's share of the net assets of the joint venture or associate since the acquisition date.

g) Other investments

Investments are accounted for at trade date.
Investments in equity securities are undertakings in which the Group does not have significant influence or control. This is the case for companies where the Group holds less than 20% of the voting rights. Those investments are classified as financial assets and are measured at fair value. The effects of remeasurement are accounted for in the statement of profit or loss.

h)

i) Inventories

Inventories are measured at purchase cost. Their value is determined using the moving weighted average method.
An impairment is carried out for consumption goods or necessities that, due to their obsoleteness, are no longer usable for operational purposes or of which the estimated sale price is below the net realizable value. If items of inventory have not been used for more than a year, a loss of 100,00 % is recorded.
This impairment loss is recognized as an expense in the statement of profit or loss.

j) Trade and other receivables

Trade and other receivables are measured at their amortized cost.
A provision for doubtful debt is recorded on the basis of the expected future losses for a future period of 12 months as from the moment the receivable arises. Claims for which the risk of collection is higher are analysed on their entire term.

The Group has a relatively low risk with regards to invoices to Mission Entrusted Associations due to the support they receive from the Flemish Government. As a consequence of the fact that the receivables have no financing component, the Group has opted to use the ‘simplified approach’ for calculating the impairment losses. The method starts from the historical write-downs on the sales of the past three financial years. This ratio is applied to the current outstanding receivables to arrive at the provision of doubtful debts.

An alternative approach is used to arrive at the doubtful debt provision with respect to long-term receivables on Mission Entrusted Associations. In this context, the probability is evaluated that the counterparty – to which the claim relates – is in default, multiplied by the possible non-recoverable loss. This percentage is applied to the outstanding receivables to arrive at possible impairment losses.

The impairment losses are recognized in the statement of profit or loss.

k) Cash and cash equivalents

Cash and cash equivalents comprise the readily available cash resources, deposits that can be immediately withdrawn from credit institutions and other short-term, highly liquid investments (with a maximum maturity of 3 months), that are readily convertible to known amounts of cash. They are stated at face value, which approximates their fair value. For the purpose of the cash flow statement, they are presented as cash and cash equivalents.

l) Loans and borrowings

Interest bearing loans are recognized initially at their fair value less related transaction expenses. Subsequent to initial recognition, interest bearing loans are valued at amortized cost, in which any difference between the proceeds and the reimbursement is charged to the statement of profit or loss using the effective interest method over the maturity of the loans.

m) Employee benefit liability

Pension plans and other post-employment benefits

The contributions for defined contribution plans have been recognized as an expense at the moment when incurred.

The provision for defined contribution pension plans is valued according to the 'Projected Unit Credit'-method (PUC) without projection of the future premiums with a variable yield. The employer's portion of the pension plan Enerbel is calculated according to the PUC-method with projection of the future premiums. The contribution by the employee is still calculated via the PUC-method without projection of the future premiums as the employees' contributions do not depend on seniority.

The amount recognized in the balance sheet is the difference between this provision and the fair value of plan assets.

The Group's liabilities for the defined benefit plans, as well as for the subsequent costs, have been valued on the basis of the 'Projected Unit Credit' method. The amount recognized in the balance sheet represents the present value of the pension liabilities (Defined Benefit Obligation) mentioned, less the fair value of plan assets.

Remeasurements comprise actuarial gains and losses, and the return on plan assets (excluding interest) which is reflected in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. They are included in the statement of comprehensive income as items not to be reclassified to profit or loss in subsequent periods.

Past service costs are recognized in the statement of profit or loss in the period of a plan amendment.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability.

The amounts recognized in the statement of profit or loss comprise service costs (including current service costs, past service costs, gains and losses on other long-term employee benefits as well as curtailments and settlements), net interest expense or income and remeasurement.

The Group presents the first two components of the defined benefit costs in the statement of profit or loss on the line item 'Employee benefit expenses' and 'Financial expenses'.

Other long-term employee benefits contain provisions for retirement and jubilee bonuses, deferred leave and overtime.

These benefits are treated in the same manner as pension plans. However, past service costs and actuarial gains and losses have immediately been recognized in the statement of profit or loss.

All pension liabilities are annually valued by a qualified actuary.

Right to reimbursement on post-employment employee benefits
A right of reimbursement on post-employment employee benefits has been recognized as an asset, since it is absolutely certain that another party (the shareholders, Mission Entrusted Associations) will take over all obligations relating to the personnel rights of the company's employees or retired employees.
The reimbursement rights are therefore recognized at the same value as the recognized employee benefit liabilities (fair value). The adjustments in the period as a result of changes in the assumptions or experience adjustments are all recognized as other comprehensive income as well as these adjustments for the reimbursement rights.

n) Derivative financial instruments
The Group uses derivative financial instruments (Interest Rate Swaps - IRS) to hedge the exposure to interest rate risks that arise from its financing activities. Derivative financial instruments are initially recognized at fair value. The gain or loss resulting from fluctuations in the fair value is immediately accounted for through the statement of profit or loss. The fair value of the interest rate swap was the estimated amount the Group would receive or pay to end the swap at the balance sheet date, taking into account the actual interest rate and the creditworthiness of the counterparty. The Group does not qualify for hedge accounting.

o) Trade and other liabilities
Trade and other liabilities have been stated at amortized cost.

p) Current tax liabilities
Taxes on the result of the financial year include the taxes due. The taxes contain the expected tax liability on the taxable income of the year and adjustments to the tax liability of prior years. For the calculation of the taxes on the taxable income of the year, the tax rates used were those enacted (or substantially enacted) by the end of the reporting period.

2.5 Summary of changes in accounting policies applicable as from 2021
The new standards and interpretations that are applicable from 1 January 2021 and do **not affect** the consolidated financial statements of the Group were the following:

- Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9, effective 1 January 2021

- Amendments to IFRS 9 Financial Instruments, IFRS 7 Financial Instruments: Disclosures, IAS 39 *Financial Instruments*: Recognition and measurement, IFRS 4 *Insurance contracts* and IFRS 16 *Leases*- Interest Rate Benchmark Reform – Phase 2, effective 1 January 2021

- Amendments to IFRS 16 Leases – Covid-19 related rent concessions beyond 30 June 2021, effective 1 April 2021

2.6 Use of estimates and judgments
The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, and the amounts of revenue and expenses.

The estimates and the underlying assumptions have been based on past experience and several other factors that are believed to be reasonable given the circumstances. The results thereof form the basis for the judgment on the carrying amount of assets and liabilities that could not be deduced in a simple way from other sources. The actual results could differ from these estimates.
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision

affects only that period, or the period of the revision and future periods, if the revision affects both current and future periods.

Pensions and other post-employment benefit plans
The cost of the pension plans and other long-term employee benefits and the present value of the pension obligation are determined using actuarial valuations. This involves making various assumptions that may differ from actual developments in the future. Due to the complexity of the actuarial calculations and the long-term nature of the obligation, the defined benefit obligation is highly sensitive to changes in the assumptions. The major assumptions and the sensitivity analysis are disclosed in the note 'Pensions and other post-employment benefit plans'.

Right-of-use assets and lease liabilities: defining the lease period of contracts with renewal options
The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease, if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.
The Group has the option, under some of its leases (rent of buildings), to lease the assets for additional terms of three to five years. The Group applies judgment in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew. If the renewal option is reasonably certain to be exercised, this lease term is included.

Fair value of financial instruments
The following methods and assumptions have been used to estimate the fair values (see note 'Financial instruments: risks and fair value'):
Cash and short-term deposits, trade receivables (after deduction of provisions), trade payables and other current liabilities approximate the carrying amounts as to the short-term maturity of these instruments.
The fair value of the unquoted other investments is based on the latest available financial information.
The derivative financial instruments are interest rate swaps. The valuation techniques are swap models that use fair value calculations. The models include various kinds of input including forward prices, yield curves that are obtained on the basis of market interest rates and derivatives from market prices of various financial products that are requested with various market participants.
The fair value of the quoted bond loans is based on the indicative quotations on Bloomberg (Bloomberg is a prominent provider of business and financial market news. It delivers world economic news, quotes for stock futures, stocks and other) at the reporting date.

COVID-19
In preparing these consolidated financial statements, management has taken into account the effects of COVID-19 (coronavirus) and the current economic environment.
The impact of COVID-19 and the current economic climate have been assessed on the basis of the financial information. The significant accounting judgments and estimates have been reviewed to determine whether the current market conditions required any changes in these judgments and estimates. Due to the current uncertain global impact of the COVID-19-pandemic, these estimates and judgments by management are subject to an increased degree of uncertainty. Actual amounts may differ from those estimates and management judgments and changes may have a material impact on the consolidated financial statements.
However, potential risks and uncertainties remain related to the magnitude and duration of the impact of COVID-19 and the pace and shape of the economic recovery after the pandemic.

The impact of COVID-19 on the activities in **2020** mainly relates to disruptions of operations (lower execution rate) but this does not result in any visible material impact in the IFRS consolidated

financial statements. COVID-19 has affected the valuation of certain assets, including investments in listed assets, unlisted assets and pension plan investments, the valuation of which is challenging in rapidly changing market conditions, indicators of impairment of assets, valuation of inventories and recoverability of trade receivables. At 31 December 2020, no changes in valuation had to be carried out and no significant increase in the amount of uncollectible receivables has been identified.
Fluvius has also been able to benefit from the favourable measures taken by the public authorities to help companies get through this difficult period and thus obtained deferral of payment of VAT and withholding tax. In turn, Fluvius decided to grant prepayment to its suppliers in order to respond to the difficult period for its suppliers. At the end of 2020 there was no impact on the net cash position but only a minimal impact on the financial costs.

The authorities have taken several measures to control COVID-19 - including vaccination – resulting in no delays in the Group's operations during **2021**. The revival of financial markets positively affected the valuation of investments in listed assets and pension fund assets.
The arrival of new corona variants - mainly in the second half of 2021 - due to the global problems they caused in the production chain and the transport of goods, also increased inflation. This sector was already struggling anyway due to increasing demand. Fluvius also noticed these logistical bottlenecks for certain materials and therefore closely monitors these developments to ensure the right logistical decisions can be taken in time.

The increasing demand for energy, the growth of the economy, geopolitical factors and the limited global supply of oil and natural gas have led to a worldwide energy crisis. This growing energy shortage is driving up the prices of electricity and natural gas - especially in the last quarter of 2021. This crisis has serious economic and financial consequences for end users but also for energy suppliers.
Fluvius is closely monitoring this situation in the market and with energy suppliers.

Energy transition and climate objectives
During the international climate summit (late 2019), a 'European Green deal plan' was developed by the European Commission. This plan has the ambition to make Europe climate neutral by 2050. This plan is therefore 'the' great challenge of the future.
In order to meet these ambitious targets, Europe wants to take the following steps: developing a climate law, adjusting the climate target to at least 50% carbon dioxide emissions by 2030, revising the climate directives and energy taxes, developing a circular economy and introducing a carbon tax. The necessary funding will be required to realise these plans.

Carbon dioxide emissions neutral by 2050
Fossil fuels - including oil and natural gas - are still widely used today by companies and individuals. However, the consumption of these fuels releases large quantities of CO_2, making sustainability a necessity. One of the possibilities is to replace this fuel with sustainably generated electricity. As a result, we are already seeing the emergence of hybrid and full electric cars.
Because of this transition, the supply of electricity must be adapted and this has consequences for the energy transport. New demands will be made on the infrastructure for energy supplies regarding electricity but also for gas, heat and water.

In this context, Fluvius must evaluate its activities. Fluvius is closely following these issues and regulations in order to further shape and implement this EU policy together with its Belgian and European partners (Synergrid, CEDEC and the 'European DSO entity').
Fluvius therefore wants to cooperate with policymakers and the regulator to provide the necessary framework for these investment efforts.

2.7 Standards issued but not yet effective

The standards, amendments to standards and interpretations that were issued but not yet effective on the publication date of the Group's consolidated financial statements are not expected to have a significant impact on the Group's consolidated financial statements. The Group intends to adopt these standards and interpretations, if applicable, when they become effective.

- Amendments to IAS 1 *Presentation of Financial Statements* – Classification of Liabilities as Current or Non-current, effective 1 January 2023*

- Amendments to IAS 1 *Presentation of Financial Statements* and IFRS Practice Statement 2: *Disclosure of Accounting policies*, effective 1 January 2023*

- Amendments to IAS 8 *Accounting policies, Changes in Accounting Estimates and Errors*: Definition of Accounting Estimates, effective 1 January 2023*

- Amendments to IAS 12 *Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction*, effective 1 January 2023*

- Amendments to IAS 16 *Property, plant and equipment – Proceeds before intended use*, effective 1 January 2022

- Amendments to IAS 37 *Provisions, contingent liabilities and contingent assets* – onerous contracts—cost of fulfilling a contract, effective 1 January 2022

- Amendments to IFRS 3 *Business combinations* – References to the conceptual framework, effective 1 January 2022

- Amendments to IFRS 17 *Insurance contracts*: Initial Application of IFRS 17 and IFRS 9 – Comparative Information, effective 1 January 2023*

- IFRS 17 *Insurance Contracts*, effective 1 January 2023

- Annual Improvements Cycle - 2018-2020, effective 1 January 2022

* Not yet endorsed by the EU at 28 December 2021

Performance of the year

3 Operating revenue

(In thousands of EUR)	2021	2020
Recharge of costs to the distribution system operators	1.613.464	1.504.776
Construction works for third parties	148.859	157.285
Revenue from contracts with customers	**1.762.323**	**1.662.061**
Other operating revenue	**77.483**	**64.627**
Total	**1.839.806**	**1.726.688**

Operating revenue amounts to 1.839.806 k EUR at 31 December 2021 and 1.726.688 k EUR at 31 December 2020, an increase of 113.118 k EUR.

Revenue from contracts with customers
The income from recharging costs to the MEAs amounted to 1.613.464 k EUR at the end of 2021 and 1.504.776 k EUR at the end of 2020, an increase of 108.688 k EUR. This increase is the result of the increased costs (see note 4 to 7), which are passed on in full to mainly the MEAs.
Indeed, within the framework of the main assignment of Fluvius System Operator, tasks are performed for its shareholdering, MEAs and the associated costs are passed on to these shareholders at cost. Revenues therefore reflect the costs resulting from this transaction (see note 'Related parties').

The billing of **'Construction works for third parties**' amounts to 148.859 k EUR (2020: 157.285 k EUR) and contain mainly the interventions for investment works for third parties and various works executed by De Stroomlijn for its shareholders.

Below is the detail of the pass-through to the major customers (mainly MEAs) generating more than 10% during the period:

	2021		2020	
Company	**Revenue in k EUR**	**% relative to revenue**	**Revenue in k EUR**	**% relative to revenue**
Gaselwest	181.646	10,3%	181.727	10,9%
Imewo	275.280	15,6%	250.700	15,1%
Iverlek	219.972	12,5%	219.117	13,2%
Fluvius Limburg	279.642	15,9%	252.029	15,2%
Fluvius Antwerpen	263.617	15,0%	236.113	14,2%
Other	542.166	30,7%	522.375	31,4%
Total	**1.762.323**	**100,0%**	**1.662.061**	**100,0%**

The **'Other operating revenue'** mainly comprises recoveries (2021: 60.400 k EUR; 2020: 52.275 k EUR) from operating activities, including connections (2021: 24.049 k EUR; 2020: 19.614 k EUR), the recovery of overheads such as the installation of the digital meter whereby the other utility companies are charged for their respective share as well as recoveries from employees (2021:

10.918 k EUR; 2020: 20.304 k EUR). Furthermore, this item includes recoveries for grid-related costs as groundworks in synergy, supervision, site coordination and public service obligations (2021: 2.059 k EUR; 2020: 538 k EUR) and insurance (2021: 6.963 k EUR; 2020: 6.107 k EUR).

4 Cost of trade goods

Trade goods, raw materials and consumables amount to 204.565 k EUR on 31 December 2021 and 146.356 k EUR on 31 December 2020, an increase of 58.209 k EUR.

(in duizenden EUR)	**2021**	**2020**
Purchase of consumables	248.375	165.013
Inventory movements	-43.663	-18.549
Other	-147	-108
Total	**204.565**	**146.356**

During 2021, grid-related goods were taken into inventory in order to be able to monitor them better. As a result, the follow-up of these items is shifted from direct purchases (see note 'Cost for services and other consumables') to this section.

5 Cost for services and other consumables

(In thousands of EUR)	**2021**	**2020**
Cost contractors for grid construction and maintenance	544.235	493.287
Cost for direct purchases	83.454	111.480
Fee for usage of installations including charges	84.340	83.719
Advertising, information, documentation, receptions a.o.	5.085	4.359
Subsidy for rational use of energy (RUE)	70.903	51.311
Contracts and administration costs	26.579	23.599
Consultancy and other services	133.817	125.132
Other	48.237	48.953
Total	**996.650**	**941.840**

Cost for services and other consumables amount to 996.650 k EUR at 31 December 2021 and 941.840 k EUR at 31 December 2020, an increase of 54.810 k EUR.

The increase of this section is mainly due to the increase of the item ‘Cost contractors for grid construction and maintenance’ of networks by 50.945 k EUR and the item ‘Subsidy for rational energy’ consumption by 19.592 k EUR compensated by the decrease of the item Cost for direct purchases by 28.026 k EUR.

Cost contractors for grid construction and maintenance of grids increase due to the accelerated roll-out of digital meters.

The item Cost for direct purchases decreases due to the decrease in grid-related purchases (2021: 36.424 k EUR; 2020: 66.399 k EUR). This decrease is the result of taking these items into inventory (See note ' Cost of trade goods').
Furthermore, this item mainly contains the non-grid related purchases that remained almost stable (2021: 41.368 k EUR; 2020: 40.126 k EUR) and purchases of mobile equipment, IT materials, fixtures and other.
The fees including the use of installations and charges (2021: 83.340 k EUR; 2020: 83.719 k EUR) contain the fees for the use of various equipment and installations, contractual fees, license fees and fees for the use of the public domain.

Subsidy for rational use of energy (RUE) amounts to 70.903 k EUR at 31 December 2021 and 51.311 k EUR at 31 December 2020, an increase of 19.592 k EUR. These costs reflect the payment of the premiums for RUE applied for by individuals and companies.
During 2021, premiums could be requested for insulation (roof, floor and basement), high-efficiency glazing, heat pump, heat boiler and solar water heater.
During 2020 only high efficiency glazing and heat pumps could apply for premiums.

The item ‘Other’ comprises the costs for rent relating to low values and/or short-term rent and therefore does not qualify for inclusion as a right-of-use (2021: 3.319 k EUR; 2020: 2.966 k EUR), rental costs (2021:1.532 k EUR; 2020: 845 k EUR), communication (2021: 11.561 k EUR; 2020: 11.089 k EUR), transport (2021: 5.432 k EUR; 2020: 5.509 k EUR), insurance (2021: 4.436 k EUR; 2020: 3.658 k EUR), costs for studies and analyses (2021: 5.278 k EUR; 2020: 7.912 k EUR) and other.

All of these costs have been recharged mainly to the Mission Entrusted Associations.

6 Employee benefit expenses

(In thousands of EUR)	2021	2020
Remunerations	341.711	334.291
Social security contributions	81.982	80.768
Contributions to defined benefit plans and other insurances	44.909	75.331
Other personnel costs	127.811	126.874
Total	**596.413**	**617.264**

Employee benefit expenses amount to 596.413 k EUR at 31 December 2021 and 617.264 k EUR at 31 December 2020, a decrease of 20.851 k EUR This decrease is mainly explained by the decrease in costs for pension plans and other insurances and partly offset by a slight increase in all other items of this section.

The expenses for pension plans and other insurances decreased by 30.422 k EUR to 44.909 k EUR. This decrease is the result of the decrease in the provision for employee benefits mainly caused by the increase in the discount rates (see note ‘Provision for employee benefits’).

The energy decree stipulates that every MEA can rely on only one operating company. All MEAs, shareholders of the Group, have selected Fluvius System Operator cv to carry out their assignments with its own personnel. Fluvius System Operator can appeal to statutory (permanent) staff via secondment.

In order for the secondment to take place via a single company, all statutory staff of the ex-Infrax MEAs and ex-Integan have been transferred to Fluvius OV. This company passes on its costs to Fluvius System Operator cv.
The item ‘Other personnel costs’ includes these personnel costs as well as costs charged through by third parties.

The average number of employees amounted to 4.892 persons in 2021.

7 Depreciation, amortization, impairment and changes in provisions

(In thousands of EUR)	2021	2020
Amortization of intangible assets	610	645
Depreciation of property, plant and equipment	13.023	13.775
Total amortization and depreciation	**13.633**	**14.420**
Impairment of inventories and trade receivables	**12.562**	**-2.962**
Changes in provisions	**-115**	**-11.439**
Total	**26.080**	**19**

The depreciation contains the depreciations of property, plant and equipment (2021: 1.193 k EUR; 2020: 2.253 k EUR) and also of the right of use assets (2021: 11.830 k EUR; 2020: 11.523 k EUR).

The impairment losses on trade receivables include both additions and reversals of impairment losses. See notes 'Trade and other receivables' and 'Financial instruments: policy'.

The items Changes in provisions includes the write back of the provision, other (see note ‘Employee benefit provisions’) regarding pension benefits that do not qualify for recognition under IAS19.

8 Financial results

(In thousands of EUR)	2021	2020
Interest income Mission Entrusted Associations	114.207	121.081
Interest income banks	1	0
Interest income, derivative financial instruments	1.867	217
Other financial income	905	600
Total financial income	**116.980**	**121.898**
Interest expenses Mission Entrusted Associations	917	440
Interest expenses banks	1.903	2.098
Interest expenses bond loans	115.006	122.535
Interest expenses, derivative financial instruments	0	0
Other financial expenses	6.926	7.315
Total financial expenses	**124.752**	**132.388**

The interest income was principally realized from the interest on the loans to the Mission Entrusted Associations, as well as the interest on the cash pool activities with the Mission Entrusted Associations.

Other financial income mainly comprises financial discounts (176 k EUR in 2021 312 k EUR in 2020).

The interest expenses were the result of the interest on the bond loans, loans with the banks and partly from the cash pool activities with the Mission Entrusted Associations.

The other financial expenses mainly comprise costs for the issuing of loans (4.236 k EUR in 2021; 3.183 k EUR in 2020), interest on leasing (1.113 k EUR in 2021; 1.023 k EUR in 2020), interest costs on defined benefits liabilities (1.151 k EUR in 2021; 2.065 k EUR in 2020).

9 Income tax expenses

(In thousands of EUR)	2021	2020
Current income tax expenses	-6.950	-6.914
Current income tax expenses on previous year result	-192	-68
Total income tax expenses	**-7.142**	**-6.982**

(In thousands of EUR)	2021	2020
Taxable profit (loss) according to BEGAAP	7.142	6.982
Effect non-deductible expenses	20.658	20.674
Tax basis	**27.800**	**27.656**
Total current income tax expenses	**-6.950**	**-6.914**

* Subject to the Belgian legal tax rate of 25,00%

Income tax expenses on the result amount to 7.142 k EUR on 31 December 2021 and 6.982 k EUR on 31 December 2020, an increase of 160 k EUR.

These income tax expenses consist of prepaid taxes for the financial year 2021 (5.575 k EUR; 2020: 6.175 k EUR), the estimated income taxes for 1.375 k EUR (2020: 739 k EUR) and a regularisation for the previous financial years for 192 k EUR (2020: 68 k EUR).
In total, 7.039k EUR of taxes were paid during 2021 (2020: 7.759 k EUR) relating on the one hand to previous financial years (2021: 1.464 k EUR; 2020: 1.584 k EUR) and on the other hand to prepaid taxes (2021: 5.575 k EUR; 2020: 6.175 k EUR).

Assets

10 Intangible assets

(In thousands of EUR)	Licences and similar rights	Development costs	Total
Acquisition value at 1 January 2021	4.931	2.806	**7.737**
Acquisitions	93	0	**93**
Acquisition value at 31 December 2021	**5.024**	**2.806**	**7.830**
Amortization and impairment at 1 January 2021	4.834	1.398	**6.232**
Amortization	50	560	**610**
Amortization and impairment at 31 December 2021	**4.884**	**1.958**	**6.842**
Net book value at 31 December 2021	**140**	**848**	**988**

(In thousands of EUR)	Licences and similar rights	Development costs	Total
Acquisition value at 1 January 2020	4.931	2.806	**7.737**
Acquisition value at 31 December 2020	**4.931**	**2.806**	**7.737**
Amortization and impairment at 1 January 2020	4.750	837	**5.587**
Amortization	84	561	**645**
Amortization and impairment at 31 December 2020	**4.834**	**1.398**	**6.232**
Net book value at 31 December 2020	**97**	**1.408**	**1.505**

11 Property, plant and equipment

(In thousands of EUR)	Installation, machinery and equipment	Furniture and vehicles	Others	Total
Acquisition value at 1 January 2021	185	94.479	2.919	**97.583**
Acquisitions	14	137	90	**241**
Acquisition value at 31 December 2021	**199**	**94.616**	**2.996**	**97.811**
Depreciation and impairment at 1 January 2021	95	92.443	1.620	**94.158**
Depreciation	19	857	317	**1.193**
Depreciation and impairment at 31 December 2021	**114**	**93.300**	**1.924**	**95.338**
Net book value at 31 December 2021	**85**	**1.316**	**1.072**	**2.473**

(In thousands of EUR)	Installation, machinery and equipment	Furniture and vehicles	Others	Total
Acquisition value at 1 January 2020	185	94.273	2.898	**97.356**
Acquisitions	0	206	21	**227**
Acquisition value at 31 December 2020	**185**	**94.479**	**2.919**	**97.583**
Depreciation and impairment at 1 January 2020	76	90.512	1.317	**91.905**
Depreciation	19	1.931	303	**2.253**
Depreciation and impairment at 31 December 2020	**95**	**92.443**	**1.620**	**94.158**
Net book value at 31 December 2020	**90**	**2.036**	**1.299**	**3.425**

During the years 2021 and 2020, no impairment was to be taken.

As of 31 December 2021 and 2020 there were no limitations on ownership and on property, plant and equipment which serve as guarantee for obligations.

There were no engagements for the acquisition of property, plant and equipment at the end of 2021 and 2020.

12 Right-of-use assets and lease liabilities

(In thousands of EUR)	Land and buildings	Installation, machinery and equipment	Furniture and vehicles	Total
Acquisition value at 1 January 2021	22.750	1.182	31.896	55.829
Acquisitions	6.990	523	4.598	12.111
Sales and disposals	-5.460	0	-895	-6.355
Acquisition value at 31 December 2021	**24.280**	**1.705**	**35.599**	**61.585**
Depreciation and impairment at 1 January 2021	7.298	906	12.411	20.615
Depreciation	3.952	308	7.570	11.830
Sales and disposals	-4.236	0	-762	-4.997
Depreciation and impairment at 31 December 2021	**7.014**	**1.215**	**19.219**	**27.447**
Net book value at 31 December 2021	**17.267**	**491**	**16.380**	**34.138**

(In thousands of EUR)	Land and buildings	Installation, machinery and equipment	Furniture and vehicles	Total
Acquisition value at 1 January 2021	22.750	1.182	31.896	55.829
Acquisitions	6.990	523	4.598	12.111
Sales and disposals	-5.460	0	-895	-6.355
Acquisition value at 31 December 2021	**24.280**	**1.705**	**35.599**	**61.585**
Depreciation and impairment at 1 January 2021	7.298	906	12.411	20.615
Depreciation	3.952	308	7.570	11.830
Sales and disposals	-4.236	0	-762	-4.997
Depreciation and impairment at 31 December 2021	**7.014**	**1.215**	**19.219**	**27.447**
Net book value at 31 December 2021	**17.267**	**491**	**16.380**	**34.138**

Below are the lease commitments and the movements during 2021 and 2020:

(in thousands EUR)	2021	2020
Lease liabilities at 1 January	**35.917**	**37.410**
	0	
Additions	10.754	9.761
Accretion of interest	1.113	1.023
Payments	-12.825	-12.277
Lease liabilities at 31 December	**34.959**	**35.917**
Non-current lease liabilities	24.860	25.570
Current lease liabilities	10.099	10.347

The lease liabilities as at 31 December 2021 related to land and buildings for 17.529 k EUR (2020: 15.723 k EUR), plant, machinery and equipment for 494 k EUR (2020: 281 k EUR) and furniture and rolling stock for 16.936 k EUR (2020: 19.913 k EUR).

The following discount rates have been used to determine the lease liability:

- For buildings: 2,00% and 3,08%
- For IT equipment: 2,00%
- For vehicles: the discount rate used by the supplier

13 Investments in other companies

Investments in joint ventures and associates amount to 17 k EUR at the end of 2021 and 17 k EUR at the end of 2020. They are held in Atrias cv and Synductis cv.

On 9 May 2011, Atrias cv was established as a joint initiative of Belgium's largest energy distribution operators Fluvius, Ores, Sibelga and RESA.
Atrias is a central clearing house for the Distribution System Operators and is charged with the development of a Message Implementation Guide (MIG), the development of a clearing house application, and the management and maintenance of this application. MIG describes how the communication flow between the various players of the energy market should happen.
The Group has acquired 50% (2020: 50%) of the shares representing an amount of 9 k EUR (2020: 9 k EUR).
Atrias is an unlisted company and has no official price quotation.

Synductis cv was founded on 21 December 2012 and aims to coordinate the infrastructure works by various utility companies in the Flemish cities and municipalities and so reduce nuisance of the works.
Fluvius System Operator participates in Synductis for an amount of 8 k EUR and the share percentage amounts to 34,47 %.
Synductis is an unlisted company and has no official price quotation.

The Group receives its share of the operating costs of Atrias and Synductis. But the Group also grants services and funding (see note 'Related parties').

14 Other investments

Other investments amount to 828 k EUR at 31 December 2021 and 917 k EUR at 31 December 2020, a decrease of 89 k EUR.
The other investments comprise the participations held by the Group in the business centres situated in the distribution area of Gaselwest (business centres Kortrijk, Flemish Ardennes and Waregem) and Imewo (business centres Bruges and Ghent). During 2020 the business centre Ostend was sold. The effect of this transaction (3 k EUR loss) was recognised in the financial result. Also, the Group has a participation in the company Duwolim cv, which aims to reduce energy consumption at home.

15 Rights to reimbursement on post-employment employee benefits

The costs related to the employee benefit liabilities are recoverable from the Mission Entrusted Associations. Rights to reimbursement on post-employment employee benefits amount to 196.584 k EUR at 31 December 2021 and 288.395 k EUR at 31 December 2020, a decrease of 91.811 k EUR (see note 'Pensions and other post-employment benefit plans').

16 Short- and long-term receivables, other

(In thousands of EUR)	2021	2020
Receivable from MEA following lending-on funds from issuance bonds with European institutional investors (EMTN program*)	500.000	500.000
Total short-term receivables	**500.000**	**500.000**
Receivable from MEA following lending-on funds from issuance bonds with private investors (retail)	200.000	200.000
Receivable from MEA following lending-on funds from issuance bonds with European institutional investors (EMTN program*)	3.909.108	3.209.119
Receivable from MEA following lending-on funds from issuance bonds with institutional investors (stand alone)	440.000	440.000
Receivable from MEA following lending-on funds from bank loan with fixed interest rate)	200.000	0
Other	47.619	49.429
Total long-term receivables	**4.796.727**	**3.898.548**

*Euro Medium Term Note (EMTN) programme – see note 'Financial instruments'

The item 'Short-term and long-term receivables' includes the receivables to the MEAs following lending on the funds received from the issuance of the bond loans by the operating company since 2010.
The terms of the long-term loans to the Mission Entrusted Associations were identical to those of the respective bond loans (see note 'Interest bearing loans and borrowings').

The long-term receivables from the MEAs increase with 898.179 k EUR. During 2021 new bond loans of 1.200.000 k EUR and a bank loan of 200.000 k EUR were on-lent to the MEAs, increasing the receivables, but a bond loan of 500.000 k EUR will come to maturity in 2022 and therefore moved to short-term. The post ‘Other’ of the long-term receivables merely contain the financing lent on to a subsidiary (see note ‘Related parties’) and the costs passed through to MEAs.

17 Inventories

(In thousands of EUR)	2021	2020
Raw materials and consumables	146.331	102.705
Accumulated impairment on inventories	-5.215	-5.409
Total	**141.116**	**97.296**

The inventory increased as a result of the build-up of materials following the roll-out of digital meters, the installation of led for public lighting and the inventory of grid-related goods. Furthermore, longer delivery periods were anticipated due to the raw material shortage as a result of the economic recovery after the pandemic.

The net write-back on impairment losses amounted to 194 k EUR in 2021 (2020: 884 k EUR net write-back). These amounts were included in the profit or loss account.

18 Trade and other receivables, receivables cash pool activities

(In thousands of EUR)	2021	2020
Trade receivables - gross	331.940	407.799
Impairments on trade receivables	-38.419	-25.857
Trade receivables - net	**293.521**	**381.942**
Other receivables	**51.194**	**68.738**
Total trade and other receivables	**344.715**	**450.680**
Receivables cash pool activities	**417.318**	**561.516**

The **‘gross trade receivables**’ amount to 331.940 k EUR at the end of 2021 and 407.799 k EUR at the end of 2020, a decrease of 75.859 k EUR.
The trade receivables mainly consist of receivables with the Mission Entrusted Associations and energy suppliers. These trade receivables amounted to 244.752 k EUR at the end of 2021 and 239.114 k EUR at the end of 2020. The receivables from the MEAs are the result of passing on the costs of the operating company to the MEAs for which no settlement had yet taken place.
Besides, receivables are recorded relating to an external customer group. These receivables arise from the invoicing for work carried out (connections, installation of electricity and gas pipelines), damage claims, invoicing for Energy Services to Local Authorities and Energy Service Companies (EDLB/ESCO), maintenance of public lighting and invoicing to Ministries. These receivables decreased significantly at the end of 2021 as the gridfee was not longer handled through the operating company (decrease of .78.745 k euro) and it was necessary to recognise additional impairments (2021: 38.419 k EUR, 2020: 25.887 k EUR). These increased impairments of 12.562

k euro were the result of incorrectly requested contributions for green certificates (see note 'Financial instruments: risks and fair value').

The increase in trade receivables can further be explained by the credit notes to be issued, which increased from -2.213 k EUR at the end of 2020 to -4.384 k EUR at the end of 2021.

The '**Other receivables**' amount to 51.194 k EUR at the end of 2021 and 68.738 k EUR at the end of 2020. These receivables mainly include the amount of VAT for an amount of 5.895 k EUR at the end of 2021 (2020: 4.503 k EUR) and the accrued interest to be received from the MEAs in relation to the on-lending of the bonds for an amount of 31.896 k EUR (2020: 47.148 k EUR).

The item '**Receivables cash pool activities**' comprises the positve balances on the accounts of the Mission Entrusted Associations related to the cash pool and should be evaluated together with the item 'Liabilities cash pool activities' where the negative balances are included.

The information regarding outstanding balances with the associate was included in the note 'Related parties'.

Payment terms
The payment terms for private and professional customers are 30 days, for municipalities 60 days and Ministries 90 days.

19 Cash and cash equivalents

Cash and cash equivalents amount to 62.904 k EUR at 31 December 2021 and 1.690 k EUR at 31 December 2020, an increase of 61.214 k EUR. These comprise bank deposits, cash resources and fund investments that are readily exchangeable into cash.
Due to the borrowing during the year 2021, these 'surpluses' of cash were temporarily held as cash. All resources are reported in EUR.

Liabilities

20 Equity

The separate components of shareholders' equity and the movements therein from 1 January 2020 until 31 December 2021 are included in the 'Statement of changes in equity'.

Contributions excluding capital amount to 1.284 k EUR at 31 December 2021 and 1.284 k EUR at 31 December 2020. This capital is represented by A shares without nominal value. These A shares carry voting rights and are entitled to dividends. The contribution outside capital, other was fully issued and paid up.

The shares are nominative in the name of the Mission Entrusted Associations.

Below is the breakdown of the Contribution excluding capital, other per MEA.
The number of shares was confirmed in the course of 2020 between Fluvius Antwerpen and Iveka following area exchanges between them in 2019.
During 2021 a reallocation of shares took place as a result of the transfer of the city of Deinze from Gaselwest to Imewo.

Mission entrusted associations	Amount in EUR of voting shares	Amount of voting shares
Gaselwest	133.227	2.687.523
Fluvius Antwerpen	222.546	4.688.069
Fluvius Limburg	231.332	4.666.524
Imewo	186.744	3.767.084
Fluvius West	67.277	1.357.143
Intergem	91.258	1.840.902
Iveka	87.688	1.570.114
Iverlek	172.853	3.486.875
PBE	46.855	945.183
Riobra	19.551	394.394
Sibelgas	24.644	497.124
Total	**1.283.975**	**25.900.935**

The **reserves and the available contribution, issuance premium** remain unchanged and amount to 213 k EUR at 30 December 2021 and 31 December 2020.
The reserve was formed out of profits to be distributed at a rate of 5,00% up to a maximum of 10,00% of the assigned capital.

The Group's **results** are in all cases without profits or losses, since all operational costs can be billed through to mainly the Mission Entrusted Associations.

Non-controlling interest amounts to 100 k EUR at 31 December 2021 and 100 k EUR at 31 December 2020.
The non-controlling interest comprises the participation held by Farys/TMVW in De Stroomlijn cv and also the participation recorded during 2019 of De Watergroep in De Stroomlijn cv (7 k EUR).

21 Interest-bearing loans and borrowings

(In thousands of EUR)	2021	2020
Long-term loans	**4.810.494**	**3.919.032**
Current portion of long-term loans	502.958	503.293
Short-term loans	460.120	547.600
Short-term loans	**963.078**	**1.050.893**
Total	**5.773.572**	**4.969.925**

Long and short-term loans amount to 5.773.572 k EUR at 31 December 2021 and 4.969.925 k EUR at 31 December 2020, an increase of 803.647 k EUR.

This increase is primarily due to new long-term financing for a total nominal value of 1.400.000 k EUR, the repayment of long-term financing for 503.500 k EUR, the borrowing of short-term financing for 460.120 k EUR and the repayment of short-term financing for 547.600 k EUR. The cash and cash equivalents that had not yet been allocated at 31 December were held provisionally as cash.

The **movements of the long- and short-term loans** can be analyzed as follows:

(In thousands of EUR)	2021		2020	
	Cash	Non-cash	Cash	Non-cash
Total as at 1 January	**4.969.925**		**4.459.094**	
Movements on non-current loans (LT)				
Proceeds of non-current loans	1.391.044	0	598.608	0
Change in non-current loans	0	3.314	0	2.573
Transfer of short-term portion of LT loan to ST	0	-502.896	0	-503.257
Movements on current loans (ST)				
Proceeds of current loans	460.120	0	547.600	0
Transfer of short-term portion from LT loan to ST	0	502.896	0	503.257
Change in current loans	0	269	0	50
Repayment of short-term portion of long-term loan	-503.500	0	-173.500	0
Repayment current loans	-547.600	0	-464.500	0
Total movements	**800.064**	**3.583**	**508.208**	**2.623**
Total at end of reporting period	**5.773.572**		**4.969.925**	

Loans on long-term

This item **contains** the debts relating to the issue of private placements, bond loans since 2010 and the borrowing of bank loans.

The following additional loans were taken during 2021 and 2020:

(In thousands of EUR)	2021	2020	Initial amount	Interest rate %	Maturity
Bond issue - EMTN*	99.595	0	100.000	0,81	2033
Bond issue - EMTN*	496.597	0	500.000	0,25	2028
Bond issue - EMTN*	595.416	0	600.000	0,63	2031
Bank loans - Fixed interest rate	199.820	0	200.000	0,14	2028
Total 31 December 2021	**1.391.429**		**1.400.000**		
Bond issue - EMTN*	598.759	598.619	600.000	0,25	2030
Total 31 December 2020	**598.759**	**598.619**	**600.000**		

*EMTN = EUR Medium Term Note-**programme**

During 2021, long-term financing for a nominal amount of 1.400.000 k EUR was raised.
A private placement and institutional bond loans were issued under the EMTN programme of Fluvius for respectively 100.000 k euro, 500.000 k EUR and 600.000 k euro. Furthermore, two tranches of a loan were obtained from the European Investment Bank (EIB) for a total amount of 200.000 k euro.

At the end of 2020, an agreement was concluded with the EIB to provide a total withdrawable loan of 425.000 k EUR for the roll-out of digital electricity meters by Fluvius. Of this amount, 200.000 k EUR was drawn.
At the end of 2021, an agreement was reached with the EIB on a second loan contract for 150.000 k euro. This is a first tranche within a total loan facility of 350.000 k EUR made available by the EIB, which will be drawn by Fluvius in 2022. Fluvius is borrowing the amounts to finance investment works for the energy transition for its shareholders in the period 2022-2026. These investments should further prepare the Flemish grid infrastructure for the grid management of the future. With this, the European Investment Bank (EIB) wants to further support the green and sustainable transformation in Europe, which fits into the framework of the EU Green Deal.
The EIB loan is guaranteed by the ten individual MEAs of Fluvius S.O. with electricity activities each in proportion to the share that the relevant association holds in the total contribution but corrected for the exclusion of Riobra, which has no electricity activities.
The amounts drawn must never exceed 50% of the estimated total cost of the investment programme.

For all other the bond loans, the **principle** applies that, each of the MEAs is **guarantor** on a several but non-joint basis, limited to its proportional share in the contribution of its former working company (ex-Eandis or ex-Infrax). The portion in the contribution was set fixed at the moment of issuance and remains fixed over the remaining term of the bond loans.

As a result of the merger (ex-Eandis and ex-Infrax to Fluvius System Operator) dated 1 July 2018 the acquired EMTN bond loans registered on the name of Infrax cv only have the MEAs of ex-Infrax as guarantor. Similarly, for the bonds issued by Eandis System Operator cv, only the MEAs that belonged to the former Economic Group Eandis act as guarantors.
The new bond loans issued by Fuvius System Operator cv since 2020 have all of the Group's MEAs as guarantors.

The composition of the loans on long-term was as follows:
At the end of 2021

(In thousands of EUR)	2021	Initial amount	Current interest rate %	Maturity
Bond issue - retail	199.886	200.000	2,00 - 2,00	2025 - 2025
Bond issue - EMTN*	4.443.387	4.460.500	0,25 - 3,95	2022 - 2033
Bond issue - private**	436.233	440.000	2,60 - 3,55	2027 - 2044
Bank loans - with derivative instrument	34.125	70.000	3,31 - 3,31	2031 - 2031
Bank loans - with fixed interest rate	199.820	200.000	0,14 - 0,14	2028 - 2028
Total	**5.313.451**	**5.370.500**		
Current portion of long-term debt	-502.958	0		
Total long-term loans	**4.810.493**	**5.370.500**		

At the end of 2020

(In thousands of EUR)	2020	Initial amount	Current interest rate %	Maturity
Bond issue - retail	199.853	200.000	2,00 - 2,00	2025 - 2025
Bond issue - EMTN*	3.748.852	3.760.500	0,25 - 4,50	2021 - 2033
Bond issue - private**	435.995	440.000	2,60 - 3,55	2027 - 2044
Bank loans - with derivative instrument	37.625	70.000	3,31	2.031
Total	**4.422.325**	**4.470.500**		
Current portion of long-term debt	-503.293	0		
Total long-term loans	**3.919.032**	**4.470.500**		

* EMTN: EUR Medium Term Note (is a programme to provide to the Group the flexibility to issue bond loans with different maturities)
** Private: bond issues according to German law: Schuldschein and Namensschuldverschreibung as well as private issues to institutionals (stand alone)

The return at issue price represents the gross actuarial yield at issue.

The bonds are **listed** on the regulated market of the Luxembourg Stock Exchange and the issues have been listed on the Euronext and Euronext Growth Brussels markets since November 2012.

All outstanding loans are expressed in EUR and have a fixed interest rate.

All but 50.000 k EUR of the bond loans were **on-lent to the MEAs** under the same conditions as the issued bond loans. The resulting receivables for the Group are included in the item 'Long-term receivables, other'.
One bank loan (with derivative structure) was not on-lent and the EIB loans are not on-lent to Riobra.

The capital of the debenture and the green loans is repayable at maturity.
The bank loan (with derivative structure) has monthly maturities, whereby the variable interest rate was converted into a fixed interest rate via an **Interest Rate Swap**. This derivative was included in a separate item on the balance sheet and expressed at fair value amounting to 4.133 k EUR at 31 December 2021 (6.000 k EUR at 31 December 2020).

Loans on short-term
The loans on short-term contain the portion of the long-term loans which are repayable within one year (499.449 k EUR related to bond loans and 3.509 k EUR of a bank loan at the end of 2021; 499.793 k EUR of a bond loan and 3.500 k EUR of a bank loan at the end of 2020) and the loans drawn with financial institutions (460.120 k EUR at 31 December 2021 and 547.600 k EUR at 31 December 2020).

The Group has the following credit facilities:

(In thousands of EUR)	Maturity	Available amounts	Amounts used	Amounts not used	Average interest rate*
Commercial paper	(1)	500.000	300.000	200.000	NA
Fixed advances	NA	200.000	0	200.000	NA
Fixed loans/Bank overdraft	Daily	200.000	160.120	39.880	NA
Fixed loans	NA	25.000	0	25.000	NA
Total on 31 December 2021		**925.000**	**460.120**	**464.880**	
Commercial paper	(1)	500.000	500.000	0	-0,01%
Fixed advances	NA	200.000	0	200.000	NA
Fixed loans/Bank overdraft	Daily	200.000	47.600	152.400	0,40%
Fixed loans	NA	25.000	0	25.000	NA
Total on 31 December 2020		**925.000**	**547.600**	**377.400**	

* The average interest rate of the used amounts at the end of the period
(1) At 31 December 2021: maturity between 10 January 2022 and 8 February 2022; at 31 December 2020: maturity between 22 January 2021 and 12 February 2021
NA Not applicable

All short-term loans are subscribed by Fluvius System Operator cv in the name and on behalf of the Mission Entrusted Associations who stand surety for their part and act as joint co-debtor except for the bank overdrafts.

The fair value of the loans is included in the note 'Financial instruments: policy'.

22 Employee benefit liabilities

Defined contribution plans
Employees hired after 1 January 2002 and the executive staff hired after 1 May 1999 are entitled to defined contribution plans: these pension plans provide in a lump sum on retirement resulting from the contributions paid and the return granted by the pension institutions, as well as a lump sum and orphan interests in case of decease before retirement. The financing is carried out by

employee contributions and employer contributions that are deposited in pension funds (Powerbel and Enerbel) and group insurances.
The assets are managed within a Luxembourg Fund (Esperides), divided in 4 investment zones, each representing a different risk profile (low risk, medium risk, high risk and dynamic asset allocation). The risk level also has to be managed taking into account the age of the members. This is why the trustees of Powerbel have proposed to the members a new option (2015) to manage their assets. This option, called ‘Life-Cycle’, offers an evolution of the risk exposure from growth to more defensive throughout the member’s career. Each year the participant has the opportunity to change his investment strategy, for the future allowances of the employer or for the totality of the accumulated sums in his account.

As of 2018, the employer contributions with respect to O.F.P. Enerbel are calculated according to the PUC method with projection of future contributions. The employee contributions are still be valued according to the PUC method without projection of future contributions because those are independent to seniority.
The guaranteed interest is variable and each year aligned to 65% of the average return over the last 24 months of linear bonds of the Belgian State (OLOs) with a duration of 10 years (at least 1,75% and maximum 3,75%).
The applied interest rate starting from 2016 is 1,75% and is applied, according to the vertical method, for all contributions paid to the pension funds and in the insurance company (products of TAK 21 with interest guarantee).

The pension funds are not subject to the Solvency II regulation of insurance companies and can obtain better expected returns by diversification of their investments. Hence, the reserves and a compensation of the group insurance was transferred during 2016 to a pension fund (OFP Powerbel/OFP Enerbel) as a cash-balance plan with a minimum guaranteed return of 3,25%.

As from 2018, executives were offered the opportunity to move from pension fund Powerbel to the cash balanced plan Powerbel New. For the accumulated rights a “Cash Balance” system applies, meaning that the regulated formula determines the employer contributions and the return is fixed at 3,25%. No employee contributions are foreseen. Allowances in case of decease and incapacity are defined benefit, meaning that those different allowances are determined by a formula. The contributions to be paid will be adjusted to this target.

On April 1, 2019, the entire contractual staff of the ex-Infrax MEAs and of ex-Integan were taken over by Fluvius System Operator. The employees of ex-Infrax and ex-Integan retain their fixed contribution scheme at Ethias. The pension obligations of ex-Infrax executives, who have switched to the Fluvius SO status, and ex-Integan executives have been included in the existing structure Cash Balance Plan Powerbel New. The executives who have not switched to the Fluvius SO status, retain their fixed contribution scheme at Ethias. Ex-Infrax executives will each year be given the option to switch to Fluvius SO status. In that case they will be affiliated to the Cash Balance Powerbel New Plan. Employees who will be promoted to executives in the future will also be affiliated to the Cash Balance Powerbel New Plan.
The fixed contribution plan at Ethias is managed horizontally, as a result of which a return guarantee of 1,75% is applied to the premiums from 2016 and a return guarantee of 3,25% for the 2016 premiums. The evaluation of the plan is done according to the PUC method but without projection of future premiums.

Defined benefit plans
The Collective Labour Agreement of 2 May 1952 stipulated an additional pension equal to 75 % of the last annual salary after deduction of the legal pension at the end of a complete career, as well as a survival pension and an orphan allowance. This defined benefit plan has been fully paid up by the employer and the pensions have been paid out directly to the beneficiaries. The remaining subsequent obligations are for the largest part related to current pensions.

The majority of the employees hired before 1 January 2002 and the executive staff hired before 1 May 1999 are entitled to defined benefit plans which provide in the payment of a lump sum on retirement, and a lump sum and orphan interest in case of decease before retirement. These benefits are calculated taking into account the last annual salary and past service. The financing is carried out by employee contributions and employer contributions that are deposited in pension funds (OFP Elgabel and OFP Pensiobel) and group insurances.

Due to changes to the pension regulation in Belgium, the members of the pension plan Pensiobel were offered the opportunity to move as from 1 January 2015 to the defined contribution plan Powerbel. The accumulated and improved acquired rights (in Pensiobel) are capitalized at market returns but with a minimum return equal to 3,25% (the guaranteed return in a cash-balance Best-off plan is the maximum between 3.25% and the average return of the fund).

Following negotiations on sector level, an agreement was reached in 2020 on a "renewed" pension plan - the Master Plan. On 1 October 2020, the conditions of the Master Plan were fixed in a Collective Labour Agreement: as of 1 January 2022, changes will be effective to the defined benefit plan Elgabel for baremised employees with old employment conditions; also as of 1 January 2022 the solidarity fund within the O.F.P. Elgabel was abolished and became part of the O.F.P. Elgabel; the possibility was included to transfer possible surpluses of the O.F.P. Elgabel, under certain conditions, to another pension fund and improvements were also made to the fixed contribution plan-Enerbel.

The Group also grants **post-retirement allowances** being reimbursement of healthcare costs and tariff benefits.
The **other long-term employee benefits** contain provisions for retirement and jubilee bonuses and holidays carried over or overtime.

The current defined benefit plans are financed through pension funds in which the assets, dedicated to specific plans, are identified. Belgian legislation and the pension regulations provide that the dedicated assets should only finance the relevant benefits. This results in determining an **asset ceiling**. The determination of the asset ceiling takes into consideration the projected total benefit payable under the assumptions and as per the pension plan rules.

Right of reimbursement
Since the expenses related to the employee benefits are reclaimable from the Mission Entrusted Associations, rights of reimbursement, equal to the employee benefit liability reported in the balance sheet, are recognized.

The major actuarial assumptions used at balance sheet date to determine the provision for employee benefits and other allowances are summarized below.
Depending on the status of the staff members, the pension plans and the related discount rates differ, as do the expected salary increases and staff turnover.

	2021	2020
Discount rate - pensions DB, cash balance, other contributions	0,47%	0,00%
Discount rate - pensions DC, health benefits, tariff advantages, leave	1,02%	0,40%, 0,45%
Expected average salary increase (inflation excluded) - old*	0,40%, 2,10%	0,43%, 2,04%
Expected average salary increase (inflation excluded) - new**	1,91%, 2,15%	1,90%, 2,10%
Expected average salary increase (inflation excluded) - additional	1,75%	1,75%
Expected inflation	1,75%	1,75%
Expected increase of health benefits (inflation included)	2,75%	2,75%
Expected increase of tariff advantages	1,75%	1,75%
Average assumed retirement age	63	63 and 65
Mortality table used	IA|BE Prospective Tables	IA|BE Prospective Tables
Turnover - old*	0,36%, 0,54%	0,29%, 0,58%
Turnover - new**	2,20%, 2,85%	2,72%
Life expectancy in years of a pensioner retiring at age 65:		
For a Person aged 65 at closing date:		
- Male	20	20
- Female	24	24
For a Person aged 65 in 20 years:		
- Male	22	22
- Female	26	26

* Old: relates to executive staff recruited before 1 January 2002 and management staff recruited before 1 May 1999
** New: relates to executive staff hired after 1 January 2002 and management staff hired after 1 May 1999

Accounting treatment
Within the context of working longer, certain benefits which were granted for early retirement can no longer be recognised as a provision for employee benefits. The Group has developed a "renewed" pension plan to address this issue. The implementation of this plan was for the most part carried out in 2021.

The 2021 and 2020 figures take into account this renewed pension plan and its terms, but there remains a small part for which no agreement has been reached yet. The amounts of those anticipatory benefits for 1.321 k euro (2020: 1.436 k euro) were no longer included as a provision for employee benefits but recognised as a constructive obligation, as such they are presented on the balance sheet in the caption '**Other provisions'**.

The notes below include for 2021 and 2020 only the provision for employee benefits according to IAS19.
The movements of the other provisions (115 k euro for 2021) generate only a movement through the statement of profit or loss and is included in the note 'Depreciation and amortization, changes in provisions'.

Amounts recognized in the statement of comprehensive income

(In thousands of EUR)	2021	2020
Current Service cost (employer only) - tax on service cost included	-37.388	-35.896
Interest expense	-1.642	-5.733
Interest income - interest income from asset ceiling excluded	491	3.668
Past service cost	0	-42.925
Actuarial gains and (losses) recognised immediately in profit or loss	-8.341	-435
Total costs included in profit or loss	**-46.881**	**-81.321**
Actuarial (gains) losses on liabilities:		
changes in financial assumptions	-43.156	31.351
changes in demographic assumptions	1.343	-5.345
effect of experience adjustments	-19.695	-19.596
Actuarial (gains) losses on assets	-65.975	-6.294
Effect of variation of the asset ceiling	14.120	-16.017
Total costs included in other comprehensive income	**-113.363**	**-15.901**

Amounts recognized in the balance sheet

(In thousands of EUR)	Present value of funded defined benefit obligation	Fair value of plan assets	Total
Pensions - funded status	641.297	-773.778	-132.481
Pensions - unfunded status	30.586	0	30.586
Healthcare costs, tariff benefits - unfunded status	159.006	0	159.006
Other long-term employee benefits - funded status	25.626	-21.112	4.514
Other long-term employee benefits - unfunded status	97.404	0	97.404
Impact on minimum funding requirement/effect of asset ceiling	0	36.234	36.234
Total defined benefit obligation and long-term employee benefits at 31 December 2021	**953.919**	**-758.656**	**195.263**
Pensions - funded status	710.827	-741.394	-30.567
Pensions - unfunded status	38.434	0	38.434
Healthcare costs, tariff benefits - unfunded status	186.672	0	186.672
Other long-term employee benefits - funded status	27.318	-20.701	6.617
Other long-term employee benefits - unfunded status	63.689	0	63.689
Other	0	22.114	22.114
Total defined benefit obligation and long-term employee benefits at 31 December 2020	**1.026.940**	**-739.981**	**286.959**

Changes in the present value of the obligation

(In thousands of EUR)	2021	2020
Total at 1 January	-1.026.940	-986.606
Actuarial gains (losses) - financial assumptions	47.664	-32.984
Actuarial gains (losses) - demographic assumptions	-1.134	7.410
Actuarial gains (losses) - experience adjustments	6.636	9.695
Acquisitions/disposals	-112	-432
Current service cost & taxes included	-37.388	-35.896
Participant contributions	-2.120	-2.196
Interest cost	-1.642	-5.733
Benefit payments & taxes included	61.114	62.727
Past service cost	0	-42.925
Total at 31 December before tax on unfunded obligations	**-953.922**	**-1.026.940**
Taxes on unfunded obligations	0	0
Total at 31 December	**-953.922**	**-1.026.940**

Changes in the fair value of the plan assets

(In thousands of EUR)	2021	2020
Total at 1 January	762.095	778.929
Actuarial gains (losses) - correction on assets at 1 January	2.945	10.063
Return on plan assets (excluding interest income)	63.029	5.265
Acquisitions/disposals	94	718
Interest income	491	3.852
Employer contributions & taxes included	12.375	11.634
Participant contributions	2.120	2.196
Benefit payments & taxes included	-48.259	-50.562
Total at 31 December	**794.891**	**762.095**
Irrecoverable surplus (effect of asset ceiling)	-36.234	-22.114
Total at 31 December	**758.657**	**739.981**

Changes in the asset ceiling

(In thousands EUR)	2021	2020
Total at 1 January	22.114	37.948
Interest income	0	183
Changes in asset ceiling	14.120	-16.017
Total at 31 December	**36.234**	**22.114**

Changes in other comprehensive income

(In thousands EUR)	2021	2020
Total at 1 January	219.202	235.103
Other comprehensive loss (gain)	-113.363	-15.901
Total at 31 December	**105.839**	**219.202**

Classification of the plan investments on the balance sheet date

The classification of the plan investments in function of the major category at the end of 2021:

Category	Elgabel %	Other %	Pensiobel %	Insurance companies %	Powerbel and Enerbel %	Total %
Investments quoted in an active market	**78,28**	**76,70**	**81,80**	**84,85**	**83,06**	**80,09**
Shares (Eurozone)	16,29	17,28	9,04	12,52	12,45	13,88
Shares (Outside eurozone)	20,60	20,80	1,35	24,68	18,72	16,09
Government bonds (Eurozone)	0,00	0,00	21,29	0,00	13,65	7,72
Other bonds (Eurozone)	25,94	24,76	47,23	30,51	25,89	30,48
Other bonds (Outside eurozone)	15,45	13,87	2,90	17,15	12,34	11,92
Unquoted investments	**21,72**	**23,30**	**18,20**	**15,15**	**16,94**	**19,91**
Real estate	2,41	2,38	4,08	2,27	2,40	2,76
Cash and cash equivalents	3,71	5,96	1,36	3,08	4,38	3,54
Other	15,60	14,96	12,76	9,80	10,16	13,61
Total in %	**100,00**	**100,00**	**100,00**	**100,00**	**100,00**	**100,00**
Total (In thousands of EUR)	**363.757**	**66.822**	**171.244**	**10.525**	**182.543**	**794.891**

The classification of the plan investments in function of the major category at the end 2020.

Category	Elgabel %	Other %	Pensiobel %	Insurance companies %	Powerbel and Enerbel %	Total %
Investments quoted in an active market	**78,67**	**76,70**	**81,80**	**84,85**	**82,80**	**80,17**
Shares (Eurozone)	15,91	17,28	9,04	12,52	13,20	13,88
Shares (Outside eurozone)	21,96	20,80	1,35	24,68	21,44	17,23
Government bonds (Eurozone)	0,00	0,00	21,29	0,00	7,74	6,32
Other bonds (Eurozone)	26,15	24,76	47,23	30,51	26,83	30,94
Other bonds (Outside eurozone)	14,65	13,87	2,90	17,15	13,58	11,80
Unquoted investments	**21,33**	**23,30**	**18,20**	**15,15**	**17,20**	**19,83**
Real estate	2,52	2,38	4,08	2,27	2,49	2,84
Cash and cash equivalents	3,02	5,96	1,36	3,08	3,27	2,97
Other	15,80	14,96	12,76	9,80	11,45	14,02
Total in %	**100,00**	**100,00**	**100,00**	**100,00**	**100,00**	**100,00**
Total (In thousands of EUR)	**349.202**	**70.024**	**169.199**	**17.009**	**156.660**	**762.095**

Breakdown of the defined benefit obligation by type of plan participants and by type of benefits

(In thousands of EUR)	2021	2020
Breakdown of defined benefit obligation by type of plan participants	**-953.919**	**-1.026.940**
Active plan participants	-653.326	-683.063
Terminated plan participants with deferred benefit entitlements	-139.468	-154.681
Retired plan participants and beneficiaries	-161.126	-189.196
Breakdown of defined benefit obligation by type of benefits	**-953.919**	**-1.026.940**
Retirement and death benefits	-695.181	-749.261
Other post-employment benefits (medical and tariff reductions)	-159.006	-186.672
Jubilee bonuses (Seniority payments)	-99.735	-91.007

The results of the **sensitivity analysis** are included below to explain the impact of the assumptions.

(In thousands of EUR)	Effect: increase (-) / decrease (+)
Discount rate (+0,25%)	26.108
Inflation (+0,25%)	-18.834
Salary increase (+0,10%)	-5.811
Healthcare increase (+0,10%)	-215
Tariff advantages (+0,50%)	-10.583
Employee turnover (+0,50%)	-5.817
Life expectancy of pensioners (+1 year)	-10.504

The annual balance of the defined benefit lump sum is financed by the Group through a recurrent allocation expressed as a percentage of the total payroll. This percentage is defined by the aggregate cost method and is reviewed annually. This method of financing is used to smooth out future costs over the remaining period of the plan. The costs are estimated on projected bases (salary growth and inflation taken into account).
The assumptions related to salary increase, inflation, employee turnover and age-term are defined on the basis of historical statistics of the Group. The mortality tables used are the ones corresponding to the observed experience within the financing vehicle. The discount rate is established with regard to the investment strategy of the companies.
These assumptions are challenged on a regular basis.
Exceptional events (such as modification of the plan, change of assumptions, too short degree of coverage...) can eventually lead to additional payments by the Group.

The **average duration** of the defined benefit obligation at 31 December 2021 is 8 years (2020: 8 years) and 19 years at 31 December 2021 for the defined benefit obligations (2020: 20 years).

The Group estimates to contribute 563 k EUR to the defined benefit pension plans in 2022 and 12.135 k EUR to the defined contribution plans.

Actuarial risks
The defined benefit plans expose the Group to various actuarial risks:

Investment risk
The present value of the defined benefit plan liability is calculated using a discount rate determined to high quality corporate bond yields. If the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment which is reported in the table below ‘Classification of the plan investments on the balance sheet date’.

Due to the long-term nature of the plan liabilities, the pension fund’s board considers it appropriate that a reasonable portion of the plan assets should be invested in equity securities to leverage the return generated by the funds.

Interest rate risk
A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan’s debt investments.

Longevity risk
The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan’s liability.

From 2015 onwards, new prospective mortality tables are being used as proposed by the Institute of Actuaries in Belgium (IA|BE).

Salary risk
The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

23 Derivative financial instruments

The Group has entered into an interest rate swap in order to convert the variable interest rate on long-term loans into a fixed interest rate.
Derivative financial instruments amount to 4.133 k EUR at 31 December 2021 and 6.000 k EUR at 31 December 2020, a decrease of 1.867 k EUR.

The changes in the fair value are recognized in the income statement (see note 'Financial results').

The fair value of derivative financial instruments entered into for hedging the interest rate risk is calculated on the basis of the discounted expected future cash flows taking into account current market interest rates and the yield curve for the instrument's remaining maturity.

Overview of the derivative financial instruments as per 31 December 2021 and 2020
An interest rate swap within the framework of the original 70.000 k EUR loan with a maturity of 20 years concluded in September 2011 entered into force in September 2011.

24 Trade payables and other liabilities, liabilities cash pool activities, current tax liabilities

(In thousands of EUR)	**2021**	**2020**
Trade debts	121.692	236.376
Invoices to be received	66.745	48.930
Subtotal	**188.437**	**285.306**
VAT	33	63
Taxes payable on remuneration	9.535	2.409
Remuneration and social security	81.831	82.003
Other current liabilities	50.770	60.804
Other current liabilities	**142.169**	**145.279**
Total trade payables and other current liabilities	**330.606**	**430.585**
Liabilities cash pool activities	**154.030**	**104.561**
Current tax liabilities	**2.307**	**2.203**

Trade payables and other current liabilities amount to 330.606 k EUR at 31 December 2021 and 430.585 k EUR at 31 December 2020, a decrease of 99.979 k EUR.

The decrease in trade debts is mainly due to the exceptional early payment of outstanding debts following the implementation of a new creditor system. As a result, the outstanding items for the migration were significantly reduced.
The trade payables on the MEAs amounted to 16.613 k EUR at the end of 2021 and 123.047 k EUR at the end of 2020.

The ‘other current liabilities’ for an amount of 50.769 k euro at the end of 2021 and 60.804 k euro at the end of 2020 contain mainly accrued costs relating to the finance costs for issuing bonds, the car fleet and Information & Communication Technology projects (2021: 48.214 k euro; 2020: 57.782 k euro).

The **payable cash pool activities** amount to 154.030 k euro at the end of 2021 and 104.561 k EUR at year end of 2020 (see note ‘Trade and other receivables, receivables cash pool activities’).

The **payment term and conditions for these payables** are as follows:
For the standard trade contracts the average payment term was 30 days and the contractors were paid under the COVID-19 pandemic on 14 days during the period from April to the end of August 2020.
The Value Added Tax payable and the withholding tax payable were due 20 and 15 days respectively after the end of the month. All amounts were paid on their expiry date.

Financial instruments

25 Financial instruments: policy

Risks
It is the Group’s intention to understand all risks separately, as well as their mutual connections, and to define strategies in order to manage the economic impact on the Group’s results. The Audit Committee is responsible for reviewing the risk analysis, for the approval of the recommended risk management strategies, for compliance with the guidelines on risk management and reporting.

The Group’s functioning as the operating company for the Mission Entrusted Associations limits to a large degree the risks and their possible negative impact.

Equity structure
The Group’s equity structure consists of equity and the financial liabilities.
Apart from the legally required minimum levels for equity that are applicable for Fluvius System Operator and its subsidiaries, investments in joint ventures and associates, the Group is not subject to any externally required qualifications for its capital structure.

Within the Group short-term financing has been called upon to support the working capital. The long-term loans are contracted by Fluvius to finance the MEAs and are lent through at the same conditions as the contracted loans.

Credit risk
The credit risk comprises the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The maximum credit risk is each financial asset’s balance sheet value.
The Group recharges its costs mainly to its shareholders, its non-controlling interests and the associates, whereby it limits its credit risk.

As far as the bond loans are concerned, the principle is that the mandated associations each guarantee on a non-capital and non-solidarity basis but limited to the proportional share in the contribution (see note 'Interest-bearing borrowings and loans').

Movements in accumulated impairments on trade receivables

(In thousands of EUR)	**2021**	**2020**
Total at 1 January	-25.857	-28.778
Charge of impaired receivables	-16.031	-4.938
Write-back of impaired receivables	3.468	7.859
Total at 31 December	**-38.420**	**-25.857**

Currency risk
The Group is not substantially exposed to currency risk since transactions in currencies other than the euro are limited.

Liquidity risk
The liquidity risk implies the risk that the Group will encounter difficulties in meeting its obligations associated with financial liabilities. The Group limits this risk by continually scrutinizing cash flows and by taking care that a sufficient number of credit facilities are available.

The Group calls upon several banks to attract resources on short term. Commercial paper was issued within the framework of a treasury bill programme. Fixed advances and commercial papers can be called on with a maturity of one week up to twelve months, as well as fixed loans (straight loans) with a maturity between one day up to one year whereby the minimum maturity depends on the borrowing bank.
Fixed advances can be requested with a maturity from one week to twelve months. All loans have a fixed interest rate during the term of the loan except for the bank overdraft which has a variable interest rate.
These funds are mainly drawn to finance a negative cash pool balance (see note 'Interest-bearing borrowings and loans').

The Group enters into long-term loans to finance the MEAs. These long-term loans were fully lent on at the same conditions as the contracted loans.
The MEAs use these resources to finance the investments in the distribution grids including the rollout of the digital meter, the acquisition and replacement of the public lighting infrastructure, financing investments in other companies, to refinance loans and to pay interest as well as working capital. Ex-Eandis, however, also used a part of the net proceeds of these loans at the end of 2014 to pay the fee in the name and on behalf of the local aurhorities to Electrabel as part of the latter's exit out of the MEAs of ex-Eandis.

In 2010, the first bond loans were issued for private investors in Belgium and the Grand Duchy of Luxembourg.

To diversify and broaden its funding resources, so that a safe, reliable, efficient and innovative distribution of energy to the customers can be assured, a rating was requested.
In October 2011, 'Moody's Investors Service Ltd.' ("Moody's") granted Eandis System Operator a rating. Fluvius has chosen in 2018 to obtain a **rating** from the rating agencies Moody's and 'Creditreform Rating AG' (Creditreform).

On 10 September 2020, Moody's rating agency confirmed the **A3 rating** for Fluvius, but changed the rating outlook from stable to **negative**. This decision was mainly motivated by Moody's expectation that, without mitigating measures, the credit ratios of Fluvius's shareholders could come under pressure in the 2021-2024 tariff period as a result of the energy regulator VREG's decision on the adjusted 2021-2024 tariff methodology.
On 10 November 2021, Moody's confirmed that the rating outlook was adjusted to **stable**. This adjustment was due to the fact that Fluvius was able to take measures to counter the lower allowed income of the MEAs for the regulatory period 2021-2024, implement a change in dividend policy as from 2022 and obtain an allocation of EUR 22 million as advances from the Flemish energy regulator for the investments in smart meters. The assessment of the overall credit risk of Fluvius also took into account the fact that the Flemish Community (Aa3 stable as of 9 December 2021) has a strong interest in maintaining a solid financial strength of the MEAs, given their essential role in the Flemish economy.
Moody's also assigned an ESG (Environmental, Social and Governance) Credit Impact Score (CIS) of 3 (on a scale of 5).
Since January 2017, the rating with Creditreform is **A+** with stable outlook. Creditreform also adjusted the rating outlook to **negative** on 27 October 2020.

Fluvius, via Eandis, successfully issued bonds in the framework of its 5.000.000 k EUR Euro Medium Term Note (**EMTN) programme** launched in 2011 and which runs through 2021. At the

end of 2019, an amount of 2.980.500 k EUR or 59,61% had been issued. Since year end 2014 no more bonds were issued under this programme.
On top of this, Fluvius – via Infrax - issued in the framework of its 500.000 k EUR EMTN programme launched in 2013. A first part was issued for 250.000 k EUR in 2013 (to mature in 2023) and a second part of 250.000 k EUR was launched in 2014 (to mature in 2029). This EMTN programme was therefore fully utilised.
On 1 July 2020, a **new** EUR 5.000.000 EMTN programme was launched by Fluvius System Operator cv that has a maturity of 10 years, extendable by Fluvius to 24 months. The current loans are issued within this programme. The issues are guaranteed by the Group's eleven MEAs and will have a minimum maturity of one year.
At the end of 2021, an amount of 1.800.000 k EUR or 36,00 % of the programme’s total amount had already been issued.

The EMTN Base Prospectus also provides for the possibility to issue green bonds, whereby the net proceeds of an issue are used to finance (or refinance) eligible Green Projects. For this purpose, Fluvius has prepared a Green Financing Framework which contains a description of investment projects that are eligible for green financing, how the climate and sustainability benefits will be measured, and how verification and reporting will be undertaken.
All funds from the bond loans, except for 50.000 k EUR, were fully lent on to the MEAs at the same conditions as the bond loans. The resulting receivables for the Group are included in notes ‘Short-term receivables, other’ and ‘Long-term receivables, other’.
An overview of the loans is included in the note ‘Interest-bearing loans and borrowings’. The bank loan (2021: 34.125 k EUR; 2020: 37.625 k EUR) was not lent on.

The following schedule shows the maturity schedule (at nominal value) of the different loans.

At the end of 2021

(In thousands of EUR)	2021	1 year or less	2-3 year	4-5 year	More than 5 year
Bond issue - retail	200.000	0	0	200.000	0
Bond issue - EMTN	4.460.500	500.000	750.000	400.000	2.810.500
Bond issue - private	440.000	0	0	0	440.000
Bank loans - with derivative structure	34.125	3.500	7.000	7.000	16.625
Total	**5.334.625**	**503.500**	**757.000**	**607.000**	**3.467.125**

At the end of 2020

(In thousands of EUR)	2020	1 year or less	2-3 year	4-5 year	More than 5 year
Bond issue - retail	200.000	0	0	200.000	0
Bond issue - EMTN	3.759.119	500.000	1.250.000	0	2.009.119
Bond issue - private	440.000	0	0	0	440.000
Bank loans - with derivative structure	37.625	3.500	7.000	7.000	20.125
Total	**4.436.744**	**503.500**	**1.257.000**	**207.000**	**2.469.244**

Information regarding the repayment schedule
The lease obligations
The Group has lease obligations at 31 December 2021 for a total of 34.959 k EUR. Of this amount, 10.099 k EUR is payable within one year, 14.487 k EUR is payable within more than one to three years, 6.601 k EUR is payable within more than three to five years and the remainder of 3.772 k is payable after five years.
The Group has lease obligations at 31 December 2020 for a total of 35.917 k EUR. Of this amount 10.347 k EUR needs to be repaid within one year, 22.900 k EUR must be paid within a period of more than one to five years and the remainder of 2.670 k EUR is payable after five years.

Long-term receivables and short-term receivables, other from the DSOs
The Group has long-term receivables and short-term receivables at 31 December 2021 totalling 5.249.180 k. Of these, 500.000 k EUR is receivable within one year, 700.000 k EUR is receivable within more than one to three years, 600.000 k EUR is receivable within more than three to five years and 3.449.108 k EUR is receivable after five years.

Interest rate risk
The Group has entered into long-term loans with a fixed and variable interest rate. The loans with a variable interest rate have been swapped to a fixed interest rate (see note 'Derivative financial instruments').
The resulting financial costs for Fluvius System Operator are all passed on to MEAs and are reported as a financial income except for the financial costs related to the EMTN bond loan of 50.000 k EUR and the bank loan of 34.625 k EUR, which were not lent through.

The interest payment for the following years, calculated on the basis of the current interest rate is as follows:

(In thousands of EUR)	**2021**	**2020**
In 2021	0	117.844
In 2022	101.308	95.224
In 2023	87.441	81.357
In 2024	63.583	57.499
In 2025	63.459	57.375
In 2026	59.341	53.257
In 2027 and beyond	327.703	300.235
Total	**702.835**	**762.791**

Other
More information about the risks of the Group and its shareholders is included in the base prospectus of 17 November 2020 concerning the 5.000.000 k EUR EMTN programme and the investor presentation of November 2020. These documents can be consulted on our website www.fluvius.be.

Fair value
The fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties that are independent in a transaction at arm's length and not in a forced sale or liquidation sale.

Fair value hierarchy

The Group uses the following fair value hierarchy classification to determine and classify the fair value of the financial instruments by a valuation technique:
Level 1: valuation is based on quoted (unadjusted) prices in an active market for identical assets or liabilities
Level 2: other techniques for which all input with a significant impact on the recorded fair value can be observed either directly or indirectly
Level 3: techniques that use input with a significant impact on the recorded fair value that is not based on observable market data

The fair value of the outstanding listed bonds, issued for a total amount of 3.960,5 million EUR varies according to the market interest rate. The fair value at 31 December 2021 amounts to 4.341,2 million EUR and differs from the amount that will be reimbursed and the carrying value.

The fair values at 31 December 2021 are as follows:

(In thousands of EUR)	Fair value Level 1	Fair value Level 2	Fair value Level 3	Book value
Other investments	0	0	828	828
Long-term receivables, other	4.796.727	0	0	4.796.727
Short-term receivables, other	500.000	0	0	500.000
Cash and cash equivalents	62.904	0	0	62.904
Total receivables	344.715	0	0	344.715
Receivables cash pool activities	417.318	0	0	417.318
Total	**6.121.664**	**0**	**828**	**6.122.492**
Loans on long-term	5.057.647	0	0	4.810.494
Loans on short-term	974.190	0	0	963.078
Lease liabilities	34.959	0	0	34.959
Derivative financial instruments	0	4.133	0	4.133
Total current liabilities, other	332.913	0	0	332.913
Liabilities cash pool activities	154.030	0	0	154.030
Total	**6.553.739**	**4.133**	**0**	**6.299.607**

The fair values at 31 December 2020 are as follows

(In thousands of EUR)	Fair value Level 1	Fair value Level 2	Fair value Level 3	Book value
Other investments	0	0	917	917
Long-term receivables, other	3.898.548			3.898.548
Short-term receivables, other	500.000			500.000
Cash and cash equivalents	1.690	0	0	1.690
Total receivables	450.680	0	0	450.680
Receivables cash pool activities	561.516	0	0	561.516
Total	**5.412.434**	**0**	**917**	**5.413.351**
Loans on long-term	4.296.657	0	0	3.919.032
Loans on short-term	1.066.250	0	0	1.050.893
Lease liabilities	35.917	0	0	35.917
Derivative financial instruments	0	6.000	0	6.000
Total current liabilities, other	432.788	0	0	432.788
Liabilities cash pool activities	104.561	0	0	104.561
Total	**5.936.173**	**6.000**	**0**	**5.549.191**

Other information

26 Related parties

Transactions between Fluvius System Operator and its subsidiaries have been eliminated in the consolidation process and are therefore not included in the present note.
The total remunerations paid to the management committee and the directors for 2021 amounted to 4.264.522 l EUR and 3.987.593 k EUR for 2020. The post-employment benefits included in the total remuneration mentioned amounted to 205.203 k EUR for 2021 and 199.416 k EUR for 2020. There are no other benefits in kind, share options, credits or advances in favour of the directors.

Transactions of the Group with companies with a non-controlling interest (Farys/TMVW and De Watergroep) were as follows:

(In thousands of EUR)	2021	2020
Amount of the transactions		
Recharge of costs to non-controlling interest companies	89.292	80.941
Recharge of costs from non-controlling interest companies	1.864	1.619
Amount of outstanding balances		
Trade receivables	2.892	1.009
Trade payables	5	122

Transactions of the Group with other companies (Atrias and Synductis) were as follows:

(In thousands of EUR)	2021	2020
Amount of the transactions		
Recharge of costs to associates	1.906	2.179
Recharge of costs from associates	25.401	22.995
Amount of outstanding balances		
Trade receivables	46.482	45.400
Trade payables	2.757	417

Transactions of the Group with its shareholders (Mission Entrusted Associations) were as follows:

(In thousands of EUR)	2021	2020
Amount of the transactions		
Recharge of costs to the Mission Entrusted Associations	1.613.464	1.504.776
Recharge of costs from the Mission Entrusted Associations	33.715	21.228
Interest income Mission Entrusted Associations	114.207	121.081
Interest expenses Mission Entrusted Associations	-917	-440
Amount of outstanding balances		
Non-current assets, employee benefits	196.584	288.395
Non-current assets, other	4.752.983	3.854.897
Short-term receivable, other	500.000	500.000
Trade receivables, invoices to be issued	244.752	239.114
Other receivables, cash pool	273.017	459.491
Other receivables, accrued financial income bond loan	31.955	47.148
Trade payables	16.613	123.047
Guarantees and securities received		
Concerning financial obligations	725.000	725.000

All invoices to and from the Mission Entrusted Associations are payable within 30 days after invoice date.

Membership of professional organisations
Fluvius System Operator is a member of Synergrid vzw, which is the Belgian common interest federation of the electricity and gas transport and distribution grid operators.
Fluvius System Operator is a member of the European Distribution System Operators for Smart Grids (EDSO for Smart Grids).

During 2021, the parent company Fluvius System Operator paid fees of 75 k EUR to the statutory auditor supplemented with additional (legal) assignments as an extension of the mandate as auditor and with other assignments amounting in total 577 k EUR as well as with other assignments carried out by related persons amounting to 120 k euro. The other assignments were approved by the Audit Committee.

27 Commitments and contingencies

(In thousands of EUR)	2021	2020
Rent deposits, buildings	1.442	1.391
Other bank guarantees	0	0
Total guarantees given	**1.442**	**1.391**
Guarantees obtained from contractors and suppliers	**65.593**	**39.155**

Committed orders in 2021 amounted to 50.071 k EUR (2020: 16.348 k EUR).

The Group is involved in legal disputes for which the risk of loss is possible but not likely. Currently, the possible timing of the settlements cannot be estimated reliably.

On 3 September 2019, a gas explosion occurred in Wilrijk, Ridderveld. One fatality is regretted. At the hearing before the Antwerp Correctional Court on 17 March 2021, the Public Prosecutor asked for the acquittal of both managers (CEO and Director 'Grid operations'), because the Public Prosecutor believes that they cannot be held responsible for the events. For Fluvius System Operator itself, the Prosecutor demanded a simple declaration of guilt. Fluvius itself argued extensively to show that the company, its managers and employees were not at fault in these tragic events. The court judged on 27 April 2021, acquitting both managers criminally. Criminal suspension of sentence was pronounced for Fluvius System Operator and Fluvius was convicted of all civil claims. This conviction has since been appealed. The appeal hearing is scheduled for 18 May 2022.

28 Events after the reporting date

No material events occurred after the balance sheet date that would require disclosure or amendments of the financial statements as at 31 December 2021.

Volatility on (energy) markets
Since the last quarter of 2021 and even more so during the first quarter of 2022, we have noticed an increased volatility on the financial markets and the energy market. This is evidenced by a.o. increasing inflation and interest rates, and in sharp price rises for electricity and especially gas. Since the start of the armed conflict in Ukraine, these evolutions have even been more outspoken.

For Fluvius this means a.o. that:

- ✓ future financing and refinancing for (the entities of) the Fluvius Economic Group will probably become more expensive than in the recent past when interest rates were at low levels;
- ✓ meanwhile the fair value of the investments and the pension funds have substantially decreased since year-end 2021;
- ✓ the affordability of electricity and gas for more Flemish end users might become problematic, which increases the risk of non-payment of bills, and which will presumably push more end users temporarily into the system of the social energy supplier (i.e. the distribution system operator);

- ✓ specific energy suppliers might get into financial problems in the said circumstances, leading to them being denied access to the distribution grids and Fluvius having to take up the role of supplier-of-last-resort for their end customers;

- ✓ the global impact of the said market circumstances cannot be fully assessed at this moment; management is closely monitoring these evolutions and will take – whenever useful and needed – appropriate policy measures, in consultation with the relevant stakeholders.

29 List of group entities included in the consolidation

At 31 December 2021 and 31 December 2020

Subsidiary	Office	Number of shares owned %	voting rights %
Parent			
Fluvius System Operator cv	Brusselsesteenweg 199, B-9090 Melle		
Subsidiary			
De Stroomlijn cv	Brusselsesteenweg 199, B-9090 Melle	62,17	62,17
Investment in joint ventures and associates			
Synductis cv	Brusselsesteenweg 199, B-9090 Melle	34,47	34,47
Atrias cv	Kanselarijstraat 17a, B-1000 Brussel	50,00	50,00

Information concerning the parent company

The following information is extracted from the statutory Belgian GAAP financial statements of the parent company, Fluvius System Operator cv and is presented in abridged form.
These statutory financial statements, together with the report of the Board of Directors to the General Assembly of Shareholders as well as the auditor's report, will be filed with the National Bank of Belgium within the legally foreseen time limits according to the Belgian company code. These documents are also available as from 31 March 2022 on the website www.fluvius.be or on request at the following address: Brusselsesteenweg 199, 9090 Melle.

The statutory auditor's report is unqualified and certifies that the financial statements of Fluvius System Operator cv are prepared in accordance with Belgian GAAP.

Condensed balance sheet **In thousands of EUR**	**2021**	**2020**
Fixed assets	**3.408**	**4.553**
Intangible fixed assets	847	1.408
Tangible fixed assets	845	1.391
Financial fixed assets	1.716	1.754
Current assets	**6.453.852**	**5.791.389**
Amounts receivable after more than one year	4.791.858	3.891.864
Stocks and contracts in progress	141.116	97.296
Amounts receivable within one year	1.218.651	1.451.127
Cash at bank and in hand	65.916	5.123
Deferred charges and accrued income	236.311	403.761
Total assets	**6.457.260**	**5.795.942**
Equity	**1.517**	**1.517**
Contributions, other	1.284	1.284
Other equity components: reserves, share premiums, retained earnings	233	233
Provisions for liabilities and charges	**196.584**	**288.395**
Amounts payable	**6.259.159**	**5.506.030**
Amounts payable after more than one year	4.810.494	3.919.032
Amounts payable within one year	1.400.451	1.529.216
Accrued charges and deferred income	48.214	403.761
Total liabilities	**6.457.260**	**5.795.942**

Condensed income statement **In thousands of EUR**	**2021**	**2020**
Turnover	1.744.358	1.618.862
Operating profit (loss)	15.116	14.481
Financial result	-8.118	-7.652
Income taxes	-6.998	-6.829
Profit for the period	**0**	**0**

Auditor's report

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Building a better working world

Independent auditor's report to the general meeting of Fluvius System Operator CV for the year ended 31 December 2021

As required by law and the Company's articles of association, we report to you as statutory auditor of Fluvius System Operator CV (the "Company") and its subsidiaries (together the "Group"). This report includes our opinion on the consolidated statement of the financial position as at 31 December 2021, the consolidated statement of profit or loss, the consolidated statement of comprehensive income as at 31 December 2021, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 31 December 2021 and the disclosures (all elements together the "Consolidated Financial Statements") as well as our report on other legal and regulatory requirements. These two reports are considered one report and are inseparable.

We have been appointed as statutory auditor by the shareholders' meeting of 27 May 2020, in accordance with the proposition by the Board of Directors following recommendation of the Audit Committee and following recommendation of the workers' council. Our mandate expires at the shareholders' meeting that will deliberate on the Consolidated Financial Statements for the year ending 31 December 2022. We performed the audit of the Consolidated Financial Statements of the Group during 11 consecutive years.

Report on the audit of the Consolidated Financial Statements

Unqualified opinion

We have audited the Consolidated Financial Statements of Fluvius System Operator CV, that comprise of the consolidated statement of the financial position as at 31 December 2021, the consolidated statement of profit or loss, the consolidated statement of comprehensive income on 31 December 2021, the consolidated statement of changes in equity and the consolidated statement of cash flows of the year and the disclosures, which show a consolidated balance sheet total of € 6.497.808 thousands and of which the consolidated income statement shows a profit for the year of € 0.

In our opinion, the Consolidated Financial Statements give a true and fair view of the consolidated net equity and financial position as at 31 December 2021, and of its consolidated results for the year then ended, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS") and with applicable legal and regulatory requirements in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the Consolidated Financial Statements" section of our report.

We have complied with all ethical requirements that are relevant to our audit of the Consolidated Financial Statements in Belgium, including those with respect to independence.

We have obtained from the Board of Directors and the officials of the Company the explanations and information necessary for the performance of our audit and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current reporting period.

These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon, and consequently we do not provide a separate opinion on these matters.

Besloten vennootschap
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Employee benefit liability

Description of the key audit matter

The employee benefit net liability amounts to € 195,26 million as at 31 December 2021. The Group recognizes the provision for the long-term employee benefits based on the requirements of IAS19. The plans of the Group are described in note 22 of the Consolidated Financial Statements.

The valuation of this provision is complex and requires judgments of management. Due to its complexity, the Company is assisted by an external actuary for the calculation of the provision. The valuation of the provision is based on the personnel data included in the pension plans and to which certain actuarial assumptions are applied such as expected inflation, discount rates, projected average salary increases and personnel turnover. A change in these assumptions or the use of incorrect personnel data would have a material impact on the Consolidated Financial Statements. Therefore, the valuation of the employee benefit liability is a key audit matter in our audit.

Summary of the procedures performed

Our audit procedures included, amongst others:

- An analysis of the existing plans within the Group and discussion with management of potential changes to these plans.
- Testing of the underlying personnel data by means of an analytical review compared to prior year and by a reconciliation (of o.a. gender, salary, age and gender) of a sample of personnel data to underlying documentation.
- Assessing the competence and independence of the external actuary.
- Involving our internal actuarial specialists to assess the appropriateness of the actuarial models used in accordance with IAS19 and to assess the reasonableness of the significant assumptions used to value the provision (expected inflation, discount rates, projected average salary increases, mortality tables and personnel turnover).
- Assessment of the adequacy and completeness of the Group's disclosures in note 22 of the Consolidated Financial Statements.

Financing activities

Description of the key audit matter

The balance sheet of the Group is significantly affected by the Group's financing activity. As at 31 December 2021, the long term interest bearing loans and borrowings of the Group amount to € 4.810,5 million (74,0% of total equity and liabilities) and the short term interest bearing loans and borrowings to € 963,0 million (14,8% of total equity and liabilities), as described in note 21 of the Consolidated Financial Statements.

These interest bearing loans and borrowings are subsequently used to grant interest bearing loans to the Distribution System Operators ("DSO's"), for a total amount of € 4.796,7 million classified as long term receivable outstanding and of € 500,0 million classified as short term receivable, as described in note 16 of the Consolidated Financial Statements. Given the magnitude of these amounts compared to total assets and total liabilities on the one hand and the follow-up and the assessment of management regarding the repayment capacity of the DSO's on the other hand, this is considered as a key audit matter for our audit.

Summary of the procedures performed

We performed following procedures:

- Assessing the accounting treatment of the interest bearing loans and receivables and corresponding transaction costs.
- Reconciling the nominal amounts of the loans with underlying contracts, confirmations and payments.
- Reviewing the long term financing plan for the Group, including those of the Distribution System Operators in order to determine the repayment capacities of the latter based on the underlying long term financing targets of the DSO's as well as discussions with management and those charged with governance.
- Assessing the adequacy and completeness of notes 16 and 21 of the Consolidated Financial Statements.

Responsibilities of the Board of Directors for the preparation of the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the Consolidated Financial Statements that give a true and fair view in accordance with IFRS and with applicable legal and regulatory requirements in Belgium and for such internal controls relevant to the preparation of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of Consolidated Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, and provide, if applicable, information on matters impacting going concern, The Board of Directors should prepare the financial statements using the going concern basis of accounting, unless the Board of Directors either intends to liquidate the Company or to cease business operations, or has no realistic alternative but to do so.

Our responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance whether the Consolidated Financial Statements are free from material misstatement, whether due to fraud or error, and to express an opinion on these Consolidated Financial Statements based on our audit. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

In performing our audit, we comply with the legal, regulatory and normative framework that applies to the audit of the Consolidated Financial Statements in Belgium. However, a statutory audit does not provide assurance about the future viability of the Company and the Group, nor about the efficiency or effectiveness with which the board of directors has taken or will undertake the Company's and the Group's business operations. Our responsibilities with regards to the going concern assumption used by the board of directors are described below.

As part of an audit in accordance with ISAs, we exercise professional judgment and we maintain professional skepticism throughout the audit. We also perform the following tasks:

- identification and assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, the planning and execution of audit procedures to respond to these risks and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatements resulting from fraud is higher than when such misstatements result from errors, since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining insight in the system of internal controls that are relevant for the audit and with the objective to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluating the selected and applied accounting policies, and evaluating the reasonability of the accounting estimates and related disclosures made by the Board of Directors as well as the underlying information given by the Board of Directors;
- conclude on the appropriateness of the Board of Directors' use of the going-concern basis of accounting, and based on the audit evidence obtained, whether or not a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going-concern;

- evaluating the overall presentation, structure and content of the Consolidated Financial Statements, and evaluating whether the Consolidated Financial Statements reflect a true and fair view of the underlying transactions and events.

We communicate with the Audit Committee within the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the audits of the subsidiaries. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities.

We provide the Audit Committee within the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee within the Board of Directors, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our report, unless the law or regulations prohibit this.

Report on other legal and regulatory requirements

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and the content of the Board of Directors' report on the Consolidated Financial Statements.

Responsibilities of the auditor

In the context of our mandate and in accordance with the additional standard to the ISAs applicable in Belgium, it is our responsibility to verify, in all material respects, the Board of Directors' report on the Consolidated Financial Statements, the non-financial information attached to the Board of Directors' report, as well as to report on these matters.

Aspects relating to Board of Directors' report and other information included in the annual report

In our opinion, after carrying out specific procedures on the Board of Directors' report, the Board of Directors' report is consistent with the Consolidated Financial Statements and has been prepared in accordance with article 3:32 of the Code of companies and associations.

In the context of our audit of the Consolidated Financial Statements, we are also responsible to consider whether, based on the information that we became aware of during the performance of our audit, the Board of Directors' report and other information included in the annual report, being:

- The consolidated financial results
- The statutory financial statements

contain any material inconsistencies or contains information that is inaccurate or otherwise misleading. In light of the work performed, there are no material inconsistencies to be reported.

The non-financial information required by article 3:32, § 2, of the Code of companies and associations has been included in the Board of Directors' report on the Consolidated Financial Statements. The Company has prepared this non-financial information based on the Global Reporting Initiative ("GRI") Standards. However, we do not comment on whether this non-financial information has been prepared, in all material respects, in accordance with the Global Reporting Initiative ("GRI") Standards.

Independence matters

Our audit firm and our network have not performed any services that are not compatible with the audit of the Consolidated Financial Statements and have remained independent of the Company during the course of our mandate.

The fees related to additional services which are compatible with the audit of the Consolidated Financial Statements as referred to in article 3:65 of the Code of companies and associations were duly itemized and valued in the notes to the Consolidated Financial Statements.

European single electronic format ("ESEF")

In accordance with the standard on the audit of the conformity of the financial statements with the European single electronic format (hereinafter "ESEF"), we have carried out the audit of the compliance of the ESEF format with the regulatory technical standards set by the European Delegated Regulation No 2019/815 of 17 December 2018 (hereinafter: "Delegated Regulation").

The board of directors is responsible for the preparation, in accordance with the ESEF requirements, of the consolidated financial statements in the form of an electronic file in ESEF format (hereinafter 'the digital consolidated financial statements') included in the annual financial report.

It is our responsibility to obtain sufficient and appropriate supporting evidence to conclude that the format and markup language of the digital consolidated financial statements comply in all material respects with the ESEF requirements under the Delegated Regulation.

The digital consolidated financial statements have not yet been provided to us at the date of this report.

If, in the course of our audit of the digital consolidated financial statements, we conclude that a material misstatement exists, we will be required to report the matter to the board of directors and request them to make the necessary changes. In case those changes are not made, we will be required to re-issue this report to reflect the fact that the format and tagging of information contained in the digital consolidated financial statements included in the annual report of Fluvius System Operator CV are not prepared, in all material respects, with the ESEF requirements under the Delegated Regulation.

Other communications.

- This report is consistent with our supplementary declaration to the Audit Committee as specified in article 11 of the regulation (EU) nr. 537/2014.

Gent, 31 March 2022

EY Bedrijfsrevisoren BV
Statutory auditor
Represented by

marnix van dooren

Marnix Van Dooren *
Partner
*Acting on behalf of a BV/SRL

22MVD0135

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Report of the statutory auditor to the general meeting of shareholders, in accordance with article 4 of the Transparency Directive 12, on the compliance of the consolidated financial statements in the form of an electronic file of Fluvius System Operator CV as of 31 December 2021 with the ESEF requirements under the delegated regulation (EU) 2019/81511

Mission

In accordance with Article 4 of the Transparency Directive 12, the statutory auditors' mission is to report on the compliance of the format and mark-up language of the digital consolidated financial statements in the form of an electronic file (hereinafter 'digital consolidated financial statements') in accordance with the ESEF requirements and the ESEF regulatory technical standards (ESEF Regulatory Technical Standard, "RTS") as adopted by the European Delegated Regulation No. 2019/815 of 17 December 2018 applicable to the digital consolidated financial statements as at 31 December 2021.

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation of the digital consolidated financial statements included in the annual financial report in accordance with the ESEF requirements applicable to the digital consolidated financial statements as at 31 December 2021.

This responsibility includes the selection and application of the most appropriate methods to prepare the digital consolidated financial statements. In addition, the responsibility of the Board of Directors includes the design, implementation and maintenance of systems and processes relevant in the preparation of the digital consolidated financial statements, that do not contain material misstatements due to fraud or error. The Board of Directors should verify that the digital consolidated financial statements are consistent with the user-readable consolidated financial statements.

Responsibilities of the statutory auditor

Based on the work carried out by us, it is our responsibility to conclude as to whether the format and mark-up language of the digital consolidated financial statements of Fluvius System Operator CV as at 31 December 2021 complies in all material respects with the ESEF requirements under the Delegated Regulation.

We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 (Revised) "*Assurance Engagements other than Audits or Reviews of Historical Financial Information*". This standard requires us to comply with ethical requirements and to plan and execute the assignment to obtain a reasonable assurance e that the digital consolidated financial statements, in all material respects, have been prepared in accordance with the ESEF requirements applied by the issuer.

Besloten vennootschap
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*handelend in naam van een vennootschap/agissant au nom d'une société

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The choice of procedures performed depends on the judgment we apply and on the assessment of the risk of material misstatement in the digital consolidated financial statements and in the statements made by the Board of Directors. The procedures performed included, amongst others:

- Verify that the digital consolidated financial statements have been prepared in XHTML format in accordance with Article 3 of the Delegated Regulation;
- Obtain an understanding of the processes of the issuer's tagging for the XBRL mark-up language of its digital consolidated financial statements and of the internal controls relevant to the certification, with the aim of establishing audit procedures that are appropriate in the circumstances but are not intended to express an opinion on the effectiveness of controls that should provide reasonable assurance that the XBRL mark-up language of the digital consolidated financial statements is in all material respects in accordance with the ESEF regulatory technical standards;
- Reconciling the tagged data with the audited consolidated financial statements of Fluvius System Operator CV as at 31 December 2021;
- Assessing the completeness and reliability of the issuer's mark-up language of the digital consolidated financial statements;
- Assessing the appropriateness of the issuer's use of the XBRL elements of the ESEF taxonomy and assessing the creation of the taxonomy extension.

Our independence and internal quality control

We have complied with the independence requirements and other ethical requirements of the legislation and regulations in force in Belgium that apply in the context of our engagement. These are based on the fundamental principles of integrity, objectivity, professional competence and vigilance, confidentiality and professional conduct.

Our audit firm applies the International Standard on Quality Control (ISQC) 1 and maintains a comprehensive system of internal quality control including documented policies and procedures regarding ethical requirements, professional standards, and applicable legal and regulatory requirements.

Conclusion

Based on the work performed by us, we conclude that the format and tagging of information in the digital consolidated financial statements of Fluvius System Operator CV as at 31 December 2021 are, in all material respects, in accordance with the ESEF requirements under the Delegated Regulation.

We do not express in this report an audit opinion, a review conclusion, nor any other assurance conclusion about the consolidated financial statements themselves. Our audit opinion with regard to the consolidated financial statements is set out in the statutory auditor's report dated 31 March 2022.

Other matter

The consolidated financial statements of Fluvius System Operator CV were prepared by the issuer's Board of Directors on 30 March 2022 and have been the subject to a statutory audit. The present report is not a reissuance of our statutory audit report. Our statutory audit report (signed 31 March 2022) contains an unqualified opinion on the true and fair view of the assets and liabilities and the consolidated financial situation as at 31 December 2021, as well as its consolidated results and consolidated cash flows for the financial year ended on that date, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Ghent, 18 May 2022

EY Bedrijfsrevisoren BV
Statutory auditor
Represented by

Marnix Van Dooren *
Partner
*Acting on behalf of a BV/SRL

Ref. 22MVD0193