



## FLUVIUS SYSTEM OPERATOR CV

organised as a cooperative company (coöperatieve vennootschap/société coopérative) under Belgian law  
Brusselsesteenweg 199, 9090 Melle, Belgium  
BE 0477.445.084 (RLE Ghent, section Ghent)

**EUR 5,000,000,000**

### Guaranteed Euro Medium Term Note Programme

guaranteed on a several but not joint basis by

Fluvius Antwerpen, Fluvius Limburg, Fluvius West, Gaselwest, Imewo, Intergem, Iveka, Iverlek, PBE, Riobra and Sibelgas

Under the EUR 5,000,000,000 Guaranteed Euro Medium Term Note Programme (the “**Programme**”) described in this base prospectus (which expression shall include this base prospectus as amended and/or supplemented from time to time and all documents incorporated by reference herein, the “**Base Prospectus**”), Fluvius System Operator CV (the “**Issuer**”) may from time to time issue notes denominated in any currency agreed between the Issuer and the relevant Dealer(s) (as defined below) (the “**Notes**”). The aggregate nominal amount of Notes outstanding will not at any time exceed EUR 5,000,000,000 (or its equivalent in any other currencies). The Notes are guaranteed by Fluvius Antwerpen, Fluvius Limburg, Fluvius West, Gaselwest, Imewo, Intergem, Iveka, Iverlek, PBE, Riobra and Sibelgas (each a “**Guarantor**” and together the “**Guarantors**”), each on a several but not joint basis, subject to the *pro rata* limitations set out in their respective guarantee (each a “**Guarantee**”).

Any Notes issued under the Programme on or after the date of this Base Prospectus are issued subject to the provisions herein. Notes to be issued under the Programme may be Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes (each as defined in Part IV – ‘Terms and conditions of the Notes’) or a combination of the foregoing, depending on the Interest and Redemption basis (each as defined in Part IV – ‘Terms and conditions of the Notes’) specified in the relevant Final Terms (as defined below). The Notes will be issued in the Specified Denomination(s) specified in the relevant Final Terms. The minimum Specified Denomination of the Notes shall be at least EUR 1,000 (or its equivalent in any other currency). The Notes have no maximum Specified Denomination.

The Notes may be issued on a continuing basis to the Dealers specified below and any additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis (each a “**Dealer**” and together the “**Dealers**”). References in this Base Prospectus to the relevant Dealer shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

The English version of this Base Prospectus has been approved on 6 June 2023 by the Belgian Financial Services and Markets Authority (*Autoriteit voor Financiële Diensten en Markten/Autorité des Services et Marchés Financiers*) (the “**FSMA**”) in its capacity as competent authority under Regulation (EU) 2017/1129, as amended (the “**Prospectus Regulation**”). It contains information relating to the issue by the Issuer of Notes under the Programme and must be read in conjunction with the documents incorporated by reference herein. The FSMA has only approved this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. This approval should not be considered as an endorsement of the Issuer or the Guarantors nor of the quality of the Notes that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in any Notes. This Base Prospectus has been prepared in English and has been translated into Dutch. Although Noteholders may base themselves on the translated version of the Base Prospectus in the context of their contractual relationship with the Issuer and the Guarantors, without prejudice to the responsibility of the Issuer and the Guarantors for inconsistencies between the different language versions of the Base Prospectus, in case of inconsistencies between the English and Dutch language versions of the Base Prospectus, the English version will prevail.

Application has been made to Euronext Brussels (“**Euronext Brussels**”) for Notes issued under the Programme during the period of twelve months from the date of approval of the Base Prospectus to be listed on Euronext Brussels and to be admitted to trading on the regulated market of Euronext Brussels. References in this Base Prospectus to Notes being “listed” (and all related references) shall mean that such Notes are to be listed and admitted to trading on the regulated market of Euronext Brussels. The regulated market of Euronext Brussels is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, as amended (“**MiFID II**”). The Issuer may also issue Notes which are not listed or request the listing of Notes on any other stock exchange or market.

**This Base Prospectus is valid for twelve months from its date of approval. The obligation to supplement the Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.** The Notes will be issued in dematerialised form in accordance with the provisions of the Belgian Companies and Associations Code (*Wetboek van Vennootschappen en Verenigingen/Code des Sociétés et des Associations*), as amended (the “**Belgian Companies and Associations Code**”) and cannot be physically delivered. The Notes will be represented exclusively by book entry in the records of the securities settlement system operated by the National Bank of Belgium (the “**NBB**”) or any successor thereto (the “**NBB-SSS**”). The Notes can be held by their holders through direct participants in the NBB-SSS, whose membership extends to securities such as the Notes (each a “**Participant**”) and through other financial intermediaries which in turn hold the Notes through any Participant.

Information on the aggregate nominal amount of Notes, interest (if any) payable in respect of such Notes, the issue price of such Notes and other information which is applicable to each Tranche (as defined in Part IV – ‘Terms and conditions of the Notes’) of such Notes will be set out in a final terms document (the “**Final Terms**”) which will be delivered to the FSMA and Euronext Brussels on or before the date of issue of the Notes of such Tranche. Copies of Final Terms in relation to Notes to be listed on Euronext Brussels will be published on the website of the Issuer (<https://over.fluvius.be/en/thema/investor-relations/ratings-and-bonds/bonds>).

The Issuer has been rated A3 by Moody’s France SAS (“**Moody’s**”) and A by Creditreform Rating AG (“**Creditreform**”). The Guarantors are not rated. Each of Moody’s and Creditreform is established in the European Union (the “**EU**”) and registered under Regulation (EC) No 1060/2009 on credit rating agencies, as amended (the “**EU CRA Regulation**”). Notes issued under the Programme may be rated or unrated. When an issue of a certain Series (as defined in Part IV – ‘Terms and conditions of the Notes’) of Notes is rated, its rating will not necessarily be the same as the credit rating applicable to the Issuer and such rating will be specified in the relevant Final Terms. Whether or not a rating in relation to any Series of Notes will be treated as having been issued by a credit rating agency established in the EU and registered under the EU CRA Regulation will be disclosed in the relevant Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

**Notes issued under this Programme constitute debt instruments. An investment in such Notes involves risks. By subscribing to the Notes, investors lend money to the Issuer who undertakes to pay interest (if any) and to reimburse the principal on the maturity date. In case of bankruptcy or default by the Issuer or the Guarantors, however, investors may not recover the amounts they are entitled to and risk losing all or a part of their investment. Prospective investors should furthermore take into account the risks relating to the enforcement of the Guarantees as indicated in the risk factor entitled “The enforcement of the Guarantees is subject to limitations stemming from the particular nature of the Guarantors” in Part II – ‘Risk factors’. Each prospective investor must carefully consider whether it is suitable for that investor to invest in the Notes in light of its knowledge and financial experience and should, if required, obtain professional advice. Prospective investors should read the Base Prospectus in its entirety and, in particular, the risk factors described under Part II – ‘Risk factors’ before making an investment decision in order to fully understand the potential risks and rewards associated with the decision to invest in the Notes. In case of an issue of Green Notes, investors should in particular read the risk factors entitled “Notes issued as Green Notes may not meet investor expectations or requirements (including any green or sustainable performance objective) and/or may not be aligned with the final version of the European green bond standard or any other sustainability-related regulations, each of which would not amount to an Event of Default or a breach of contract by the Issuer, may affect the value of such Green Notes and/or may have adverse consequences for investors.”, “The application of an amount equal or equivalent to the net proceeds of Green Notes to finance and/or refinance Eligible Green Projects may not be capable of being (timely) implemented or may not be totally or partially disbursed as planned for reasons that are outside the Issuer’s control or which the Issuer is not able to anticipate as at the Issue Date of the relevant Green Notes, which would not amount to an Event of Default or a breach of contract by the Issuer and may impact the value of the Green Notes” and “The Second Party Opinion does not reflect the potential impact of all risks related to Green Notes and any withdrawal of such opinion may affect the value of Green Notes” which set out, among other things, the risk that the use of proceeds of any Green Notes does not necessarily meet the requirements set out in the Green Financing Framework of the Issuer or certain investor expectations or requirements (including under any future applicable regulations).**

Co-Arrangers of the Programme

BELFIUS BANK

BNP PARIBAS FORTIS

BELFIUS BANK

Dealers of the Programme  
BNP PARIBAS FORTIS

BNP PARIBAS

The date of this Base Prospectus is 6 June 2023.

## **IMPORTANT INFORMATION**

### **IMPORTANT INFORMATION RELATING TO THE USE OF THIS BASE PROSPECTUS**

In this Base Prospectus, references to the “**Fluvius Economic Group**” are to the Issuer, its subsidiaries, joint ventures and associated companies (being, on the date of this Base Prospectus, Atrias CV, De Stroomlijn CV, Fluvius OV, Interkabel and Synductis CV) and the Guarantors.

This Base Prospectus comprises a base prospectus for the purposes of Article 8 of the Prospectus Regulation and for the purpose of giving the necessary information with regard to the Issuer, the Guarantors and the Notes which, according to the particular nature of the Issuer, the Guarantors and the Notes, is material to enable investors to make an informed assessment of the assets and liabilities, profits and losses, financial position and prospects of the Issuer and the Guarantors, the rights attaching to the Notes and the reasons for the issuance of the Notes and its impact on the Issuer and the Guarantors.

Each Tranche of Notes will be issued on the terms set out in Part IV – ‘Terms and Conditions of the Notes’, as completed by the relevant Final Terms.

This Base Prospectus is to be read in conjunction with any supplements thereto and all documents which are incorporated herein by reference (see Part III – ‘Documents incorporated by reference’) and, in relation to any Tranche of Notes, is to be read and construed together with the relevant Final Terms. Unless specifically incorporated by reference into this Base Prospectus, information contained on websites mentioned herein does not form part of this Base Prospectus and has not been scrutinised or approved by the FSMA.

To the fullest extent permitted by law, none of the Co-Arrangers or the Dealers accepts any responsibility for the contents of this Base Prospectus or for any other statement, made or purported to be made by a Co-Arranger or a Dealer or on its behalf in connection with the Issuer, the Guarantors or the issue and offering of the Notes or for the acts or omissions of the Issuer, the Guarantors or any other person (other than the relevant Co-Arranger or Dealer) in connection with the issue and offering of the Notes. Each of the Co-Arrangers and the Dealers accordingly disclaims all and any liability whether arising in tort or contract or otherwise which they might otherwise have in respect of this Base Prospectus, any such statement or any such act or omission. Neither this Base Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Guarantors, the Co-Arrangers or the Dealers that any recipient of this Base Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Co-Arrangers or the Dealers undertakes to review the financial condition or affairs of the Issuer or the Guarantors during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Co-Arrangers or the Dealers. None of the Issuer, the Guarantors, the Co-Arrangers or the Dealers makes any representation as to the suitability of any Notes issued as “Green Notes” to fulfil environmental and sustainability criteria required by prospective investors. None of the Co-Arrangers or the Dealers have undertaken, or are responsible for, any assessment of the eligibility criteria, any verification of whether the Eligible Green Projects (as defined in Part IX – ‘Green Financing Framework’) meet the eligibility criteria or any monitoring of the use of proceeds. Nothing in this Base Prospectus should however be construed as limiting the protections given to potential investors under mandatory investor protection rules, including such rules under MiFID II (as defined below).

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer or the Guarantors or such other information as is in the public domain and, if

given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantors or any of the Co-Arrangers or the Dealers.

Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Guarantors since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer or the Guarantors since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. If at any time during the life of the Programme the Issuer shall be required to prepare a supplement pursuant to Article 23 of the Prospectus Regulation, the Issuer will prepare and make available an appropriate supplement to this Base Prospectus.

Neither this Base Prospectus nor any Final Terms should be considered as a recommendation by the Issuer, the Guarantors, the Co-Arrangers or the Dealers or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms should make its own investigation and appraisal of the condition (financial or otherwise) of the Issuer and the Guarantors.

The Notes may not be a suitable investment for all investors. In particular, each potential investor should:

- (i) make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement and all information contained in the relevant Final Terms;
- (ii) assess and evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- (iii) consider whether it has sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where the currency for principal and/or interest payments is different from the potential investor's currency;
- (iv) assess and evaluate thoroughly the terms of the relevant Notes and make themselves familiar with the behaviour of any relevant indices, interest rates and financial markets; and
- (v) evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation, by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (a) Notes are legal investments for it, (b) Notes can be used as collateral for various types of borrowing and (c) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

## **RESTRICTIONS ON DISTRIBUTION AND OFFERS AND SALES OF NOTES**

The distribution of this Base Prospectus and any Final Terms and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms come, are required by the Issuer, the Guarantors, the Co-Arrangers and the Dealers to inform themselves about and to observe any such restriction. For a description of certain restrictions on offers and sales of Notes and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see Part XI – 'Subscription and sale'.

The Notes and the Guarantees have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or any U.S. State securities laws. Subject to certain exceptions, the Notes and the Guarantees may not be offered or sold within the United States. The Notes and the Guarantees are being offered and sold outside the United States in reliance on Regulation S.

**Prohibition of sales to EEA retail investors** – If the Final Terms in respect of any Notes includes a legend entitled “Prohibition of Sales to EEA Retail Investors”, such Notes are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any retail investor in the European Economic Area (the “**EEA**”). For these purposes, a retail investor means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”), (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, the Issuer has not prepared a key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling such Notes or otherwise making them available to retail investors in the EEA and therefore offering or selling such Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**Prohibition of sales to UK retail investors** – The Notes are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any retail investor in the United Kingdom (the “**UK**”). For these purposes, a retail investor means a person who is one (or more) of the following: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”), (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA 2000**”) and any rules or regulations made under the FSMA 2000 to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA. Consequently, the Issuer has not prepared a key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**Prohibition of sales to consumers in Belgium** – If “Prohibition of Sales to Consumers” is specified as applicable in the relevant Final Terms, such Notes are not intended to be offered, sold or otherwise made available, and will not be offered, sold or otherwise made available, in Belgium by any Dealer to any “consumer” (*consument/consommateur*) within the meaning of the Belgian Code of Economic Law (*Wetboek van economisch recht/Code de droit économique*), as amended.

**Eligible investors** – If “X-only Issuance” is specified as applicable in the relevant Final Terms, the relevant Notes may be held only by, and transferred only to, eligible investors referred to in Article 4 of the Belgian Royal Decree of 26 May 1994, holding their securities in an exempt securities account that has been opened with a financial institution that is a direct or indirect participant in the NBB-SSS.

## **BENCHMARK REGULATION**

Amounts payable under the Notes may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011, as amended (the “**Benchmark Regulation**”). If any such reference rate does constitute such a benchmark, the relevant Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (“**ESMA**”) pursuant to

Article 36 of the Benchmark Regulation. Not every reference rate will fall within the scope of the Benchmark Regulation. Transitional provisions in the Benchmark Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the relevant Final Terms (or, if located outside the European Union, recognition, endorsement or equivalence). The registration status of any administrator under the Benchmark Regulation is a matter of public record and, save where required by applicable law, the Issuer and the Guarantors do not intend to update the Final Terms to reflect any change in the registration status of the administrator.

## **MIFID II PRODUCT GOVERNANCE AND TARGET MARKET ASSESSMENT**

For each issue of Notes, the Dealers acting as manufacturers in respect of the Notes pursuant to MiFID II will produce and communicate to the Issuer the target market assessment in respect of the Notes and determine which channels for distribution of the Notes are appropriate. The Final Terms in respect of such Notes will include a legend entitled “*MiFID II product governance*” which will outline the relevant target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate.

Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the target market assessment, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable. However, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593, as amended (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Co-Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

Any determination of the target market by the Dealers acting as manufacturers in respect of an issue of Notes does not affect the requirements of any contractual, legal or regulatory selling restriction applicable to the relevant issuance or offer of Notes. In order to avoid any doubt, any such determination may not be considered as (a) an evaluation of the suitability or of the appropriateness of an investment in the Notes for a particular investor for the purpose of MiFID II or (b) a recommendation to any investor or group of investors to invest in, to purchase or to take any other measure relating to the Notes, and is the exclusive responsibility of the Dealers acting as manufacturers in respect of the that issue of Notes.

Nothing stated herein should be construed as limiting the protections granted to potential investors under mandatorily applicable investor protection rules, including any such rules included in MiFID II.

## **UK MIFIR PRODUCT GOVERNANCE AND TARGET MARKET ASSESSMENT**

For each issue of Notes, the Dealers acting as manufacturers in respect of the Notes pursuant to Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA (“**UK MiFIR**”) will produce and communicate to the Issuer the target market assessment in respect of the Notes and determine which channels for distribution of the Notes are appropriate. The Final Terms in respect of such Notes will include a legend entitled “*UK MiFIR product governance*” which will outline the relevant target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate.

Any person subsequently offering, selling or recommending the Notes (a “**UK distributor**”) should take into consideration the target market assessment, subject to the UK distributor’s suitability and appropriateness obligations under UK MiFIR, as applicable. However, a UK distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its

own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a UK manufacturer in respect of such Notes, but otherwise neither the Co-Arrangers nor the Dealers nor any of their respective affiliates will be a UK manufacturer for the purpose of the UK MiFIR Product Governance Rules.

Any determination of the target market by the Dealers acting as manufacturers in respect of an issue of Notes does not affect the requirements of any contractual, legal or regulatory selling restriction applicable to the relevant issuance or offer of Notes. In order to avoid any doubt, any such determination may not be considered as (a) an evaluation of the suitability or of the appropriateness of an investment in the Notes for a particular investor for the purpose of UK MiFIR or (b) a recommendation to any investor or group of investors to invest in, to purchase or to take any other measure relating to the Notes, and is the exclusive responsibility of the Dealers acting as manufacturers in respect of the that issue of Notes.

Nothing stated herein should be construed as limiting the protections granted to potential investors under mandatorily applicable investor protection rules, including any such rules included in UK MiFIR.

## **PRESENTATION OF INFORMATION**

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to “euro”, “EUR” and “€” are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

This Base Prospectus contains various amounts and percentages which have been rounded and, as a result, when those amounts and percentages are added up, they may not total.

The statements in this Base Prospectus with respect to market and other industry data have been accurately reproduced from independent industry publications and reports by research firms or other published independent sources and, as far as the Issuer is aware and is able to ascertain from such sources, no facts have been omitted which would render such information inaccurate or misleading.

## **RESPONSIBILITY STATEMENT**

Each of the Issuer and the Guarantors accepts responsibility for the information contained in this Base Prospectus, provided that each of the Guarantors will only be responsible for the information relating to itself and its respective Guarantee, being the information contained in the section entitled ‘Risk factors relating to the Issuer, the Guarantors and the Fluvius Economic Group’ of Part II – ‘Risk Factors’, the information contained in Part III – ‘Documents incorporated by reference’ relating to each relevant Guarantor, the information contained in Part VI – ‘Form of the Guarantee and the Guarantee Confirmation Letters’, the information contained in Part VII – ‘Description of the Issuer and the Guarantors’ relating to each relevant Guarantor, the information contained in Part XIV – ‘General Information’ and the information contained in the Annex – ‘Balance sheet and income statement of each Guarantor’ relating to each Guarantor. To the best of the knowledge of the Issuer and the Guarantors (each of the Guarantors however only with respect to the information for which it is responsible), the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Base Prospectus has been prepared in English and has been translated into Dutch. The Issuer and the Guarantors are responsible for the consistency between the English and the Dutch language versions of this Base Prospectus, provided that each of the Guarantors will only be responsible for the translation of the information relating to itself and its respective Guarantee. Although Noteholders may base themselves on the translated version of the Base Prospectus in the context of their contractual relationship with the Issuer and the Guarantors, without prejudice to the responsibility of the Issuer and the Guarantors for inconsistencies between the different language versions of the

Base Prospectus, in case of inconsistencies between the English and Dutch language versions of the Base Prospectus, the English language version will prevail.

The Final Terms relating to a particular Tranche of Notes will be prepared in English. For Notes which have a denomination of less than EUR 100,000 (or its equivalent in any other currency), a summary will be prepared in English and will be annexed to the relevant Final Terms in accordance with Articles 8 *j*° 7 of the Prospectus Regulation. To the extent required by Article 27 of the Prospectus Regulation, a translation of the summary will be prepared. The summary shall, pursuant to Article 9 of the Belgian Law of 11 July 2018 on the offer of investment instruments to the public and the admission of investment instruments to trading on a regulated market, be translated either in Dutch and French or, if the marketing materials and other documents and notices are disseminated in Dutch or French only, in that language only. Although Noteholders will be able to base themselves on the translated versions of the summary in the context of their contractual relationship with the Issuer and the Guarantors, without prejudice to the responsibility of the Issuer and the Guarantors for inconsistencies between the different language versions of the summary, in case of inconsistencies between the different language versions of the summary, the English language version will prevail.

### **FORWARD-LOOKING STATEMENTS**

This Base Prospectus contains or incorporates by reference certain statements that constitute forward-looking statements. Such forward-looking statements may include, without limitation, statements relating to the Issuer's or Guarantors' business strategies, trends in its business, competition and competitive advantage, regulatory changes and restructuring plans.

Words such as "believes", "expects", "projects", "anticipates", "seeks", "estimates", "intends", "plans" or similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. The Issuer nor the Guarantors intend to update these forward-looking statements except as may be required by applicable securities laws.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other outcomes described or implied in forward-looking statements will not be achieved. A number of important factors could cause actual results, performance or achievements to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include: (i) the ability to maintain sufficient liquidity and access to capital markets; (ii) market and interest rate fluctuations; (iii) the strength of the global economy in general and the strength of the economy of Belgium and the Flemish Region; (iv) the potential impact of sovereign risk in certain European Union countries; (v) adverse rating actions by credit rating agencies; (vi) the ability of counterparties to meet their obligations to the Issuer, the Guarantors or the Fluvius Economic Group; (vii) the effects of, and changes in, fiscal, monetary, trade and tax policies, financial and company regulation and currency fluctuations; (viii) the possibility of the imposition of foreign exchange controls by government and monetary authorities; (ix) operational factors, such as systems failure, human error, or the failure to implement procedures properly; (x) actions taken by regulators with respect to the Issuer's, the Guarantors' and/or the Fluvius Economic Group's business and practices; (xi) the adverse resolution of litigation and other contingencies; (xii) the medium- to long-term impact of the Covid-19 pandemic on the Fluvius Economic Group's operations and financial position; (xiii) geopolitical developments which have a negative impact on financial markets in general and the bond markets in particular and (xiv) the Issuer's, the Guarantors' and/or the Fluvius Economic Group's success at managing the risks involved in the foregoing.

The foregoing list of important factors is not exclusive. When evaluating forward-looking statements, investors should carefully consider the foregoing factors and other uncertainties and events, as well as the other risks identified in this Base Prospectus.

## **BASE PROSPECTUS SUPPLEMENT**

If at any time during the duration of the Programme there is a significant new factor, material mistake or material inaccuracy relating to information contained in this Base Prospectus which may affect the assessment of any Notes, the Issuer shall prepare a supplement to this Base Prospectus for use in connection with any subsequent offering of the Notes.

In case of an offer of Notes to the public, investors shall have the right, exercisable within two working days after the publication of the supplement, to withdraw their acceptances, provided that the significant new factor, material mistake or material inaccuracy referred to above arose or was noted before the closing of the offer period or the delivery of the relevant Notes, whichever occurs first, in accordance with Article 23(2) of the Prospectus Regulation. The supplement shall in such case include information on the right of withdrawal, including the final date of the right of withdrawal. In case the relevant Notes are purchased or subscribed through a financial intermediary, that financial intermediary shall (i) inform investors of the possibility of a supplement being published, where and when it would be published and that the financial intermediary would assist them in exercising their right to withdraw acceptances in such case and (ii) contact investors on the day when a supplement is published, each in accordance with Article 23(3) of the Prospectus Regulation.

## **STABILISATION**

In connection with the issue of any Tranche, the Dealer or Dealers (if any) named as the stabilising manager(s) (the “**Stabilising Manager(s)**”) (or any person acting on behalf of any Stabilising Manager(s)) in the relevant Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche.

Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.



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## PART I – OVERVIEW OF THE PROGRAMME

*The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the relevant Final Terms. This overview must be read as an introduction in conjunction with the other parts of the Base Prospectus (including any documents incorporated therein). Any decision to invest in the Notes should be based on a consideration by the investor of the Base Prospectus as a whole and the relevant Final Terms.*

*This overview constitutes a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) 2019/980, as amended.*

*Words and expressions defined in Part IV – ‘Terms and Conditions of the Notes’ shall have the same meanings in this overview.*

### INFORMATION RELATING TO THE ISSUER AND THE GUARANTORS

**Issuer:** Fluvius System Operator CV, a cooperative company (*coöperatieve vennootschap/société cooperative*) organised under the laws of Belgium, having its registered office at Brusselsesteenweg 199, 9090 Melle, Belgium and registered with the Crossroads Bank for Enterprises (*Kruispuntbank van Ondernemingen/Banque-Carrefour des Entreprises*) under number 0477.445.084 (RLE Ghent, section Ghent). The Legal Entity Identifier (LEI) of the Issuer is 549300WSQWO0M3PK2J78.

**Guarantors:** Notes issued by the Issuer are guaranteed on a several but not joint basis, subject to the *pro rata* limitations as set out in the Guarantees and the relevant Final Terms (provided that, in aggregate, the sum of the amounts of the Notes covered by such Guarantees in each case adds up to 100% of the amount of the Notes issued), by each of:

Fluvius Antwerpen, a mission entrusted association (*opdrachthoudende vereniging/association chargée de mission*) organised under the laws of Belgium, having its registered office at Antwerpsesteenweg 260, 2660 Antwerp (Hoboken), Belgium and registered with the Crossroads Bank for Enterprises (*Kruispuntbank van Ondernemingen/Banque-Carrefour des Entreprises*) under number 0212.704.370 (RLE Antwerp, section Antwerp).

Fluvius Limburg, a mission entrusted association (*opdrachthoudende vereniging/association chargée de mission*) organised under the laws of Belgium, having its registered office at Trichterheideweg 8, 3500 Hasselt, Belgium and registered with the Crossroads Bank for Enterprises (*Kruispuntbank van Ondernemingen/Banque-Carrefour des Entreprises*) under number 0207.165.769 (RLE Antwerp, section Hasselt).

Fluvius West, a mission entrusted association (*opdrachthoudende vereniging/association chargée de mission*) organised under the laws of Belgium, having its registered office at Noordlaan 9, 8820 Torhout, Belgium and registered with the Crossroads Bank for Enterprises (*Kruispuntbank van Ondernemingen/Banque-Carrefour des Entreprises*) under number 0205.157.176 (RLE Ghent, section Ostend).

Intercommunale Maatschappij voor Gas en Elektriciteit van het Westen (Gaselwest), a mission entrusted association (*opdrachthoudende vereniging/association chargée de mission*) organised under the laws of Belgium, having its registered office at President Kennedypark 12, 8500 Kortrijk, Belgium and registered with the Crossroads Bank for

Enterprises (*Kruispuntbank van Ondernemingen/Banque-Carrefour des Entreprises*) under number 0215.266.160 (RLE Ghent, section Kortrijk).

Intercommunale Maatschappij voor Energievoorziening in West- en Oost-Vlaanderen (Imewo), a mission entrusted association (*opdrachthoudende vereniging/association chargée de mission*) organised under the laws of Belgium, having its registered office at Brusselsesteenweg 199, 9090 Melle, Belgium and registered with the Crossroads Bank for Enterprises (*Kruispuntbank van Ondernemingen/Banque-Carrefour des Entreprises*) under number 0215.362.368 (RLE Ghent, section Ghent).

Intercommunale Vereniging voor Energieleveringen in Midden-Vlaanderen (Intergem), a mission entrusted association (*opdrachthoudende vereniging/ association chargée de mission*) organised under the laws of Belgium, having its registered office at Franz Courtensstraat 11, 9200 Dendermonde, Belgium and registered with the Crossroads Bank for Enterprises (*Kruispuntbank van Ondernemingen/Banque-Carrefour des Entreprises*) under number 0220.764.971 (RLE Ghent, section Dendermonde).

Intercommunale Vereniging voor de Energiedistributie in de Kempen en het Antwerpse (Iveka), a mission entrusted association (*opdrachthoudende vereniging/association chargée de mission*) organised under the laws of Belgium, having its registered office at Koningin Elisabethlei 38, 2300 Turnhout, Belgium and registered with the Crossroads Bank for Enterprises (*Kruispuntbank van Ondernemingen/Banque-Carrefour des Entreprises*) under number 0222.030.426 (RLE Antwerp, section Turnhout).

Iverlek, a mission entrusted association (*opdrachthoudende vereniging/ association chargée de mission*) organised under the laws of Belgium, having its registered office at Aarschotsesteenweg 58, 3012 Leuven (Wilsle), Belgium and registered with the Crossroads Bank for Enterprises (*Kruispuntbank van Ondernemingen/Banque-Carrefour des Entreprises*) under number 0222.343.301 (RLE Leuven).

Provinciale Brabantse Energiemaatschappij (PBE), a mission entrusted association (*opdrachthoudende vereniging/association chargée de mission*) organised under the laws of Belgium, having its registered office at Diestsesteenweg 126, 3210 Lubbeek, Belgium and registered with the Crossroads Bank for Enterprises (*Kruispuntbank van Ondernemingen/ Banque-Carrefour des Entreprises*) under number 0203.563.111 (RLE Leuven).

Riobra, a mission entrusted association (*opdrachthoudende vereniging/ association chargée de mission*) organised under the laws of Belgium, having its registered office at Oude Baan 148, 3210 Lubbeek, Belgium and registered with the Crossroads Bank for Enterprises (*Kruispuntbank van Ondernemingen/Banque-Carrefour des Entreprises*) under number 0878.051.819 (RLE Leuven).

Sibelgas, a mission entrusted association (*opdrachthoudende vereniging/ association chargée de mission*) organised under the laws of Belgium, having its registered office at Stadhuis, Grote Markt, 1800 Vilvoorde, Belgium and registered with the Crossroads Bank for Enterprises (*Kruispuntbank van Ondernemingen/Banque-Carrefour des Entreprises*) under number 0229.921.078 (RLE Brussels, Dutch-speaking division).

**Principal activities of the Issuer and the Guarantors:**

The management and operation of multi-utility grids (distribution of electricity and gas, district heating, sewerage, cable TV infrastructure and data).

## INFORMATION RELATING TO THE PROGRAMME

<b>Description:</b>	Euro Medium Term Note Programme (the “ <b>Programme</b> ”).
<b>Co-Arrangers:</b>	Belfius Bank SA/NV and BNP Paribas Fortis SA/NV.
<b>Dealers:</b>	<p>Belfius Bank SA/NV, BNP Paribas Fortis SA/NV and BNP Paribas.</p> <p>The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches (as defined below) or in respect of the whole Programme. References in this Base Prospectus to “<b>Permanent Dealers</b>” are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to “<b>Dealers</b>” are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.</p>
<b>Paying Agent, Calculation Agent and Listing Agent:</b>	Belfius Bank SA/NV.
<b>Size:</b>	Up to EUR 5,000,000,000 (or its equivalent in any other currencies) aggregate nominal amount of Notes outstanding at any one time pursuant to the Programme. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement (as defined in Part XI – ‘Subscription and sale’).
<b>Method of Issue:</b>	<p>The Notes will be issued on a syndicated or a non-syndicated basis.</p> <p>The Notes will be issued in series (each a “<b>Series</b>”). Each Series may comprise one or more tranches (each a “<b>Tranche</b>”) issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will be subject to identical terms in all respects.</p>
<b>Currencies:</b>	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer and the relevant Dealer.
<b>Maturity:</b>	Subject to compliance with all relevant laws, regulations and directives and unless previously redeemed or purchased and cancelled, each Note will have the maturity as specified in the relevant Final Terms, provided that no Notes will be issued with a maturity of less than one year.
<b>Issue Price:</b>	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount as specified in the relevant Final Terms.
<b>Interest:</b>	<p>Notes to be issued under the Programme (i) bear interest calculated by reference to a fixed rate of interest (such Note, a “<b>Fixed Rate Note</b>”), (ii) bear interest calculated by reference to a floating rate of interest (such Note, a “<b>Floating Rate Note</b>”), (iii) do not bear interest (such Note, a “<b>Zero Coupon Note</b>”) or (iv) are a combination of the foregoing, depending on the Interest and Redemption basis specified in the relevant Final Terms.</p> <p>The method of calculating interest (if any) may vary between the issue date and the maturity date of the relevant Series.</p>
<b>Fixed Rate Notes:</b>	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.

<b>Floating Rate Notes:</b>	<p>Floating Rate Notes will bear interest at a rate determined:</p> <ul style="list-style-type: none"><li>(a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as supplemented, amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms)) as published by the International Swaps and Derivatives Association, Inc., including, if specified in the relevant Final Terms, the ISDA Benchmark Supplement; or</li><li>(b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service set out in the relevant Final Terms.</li></ul> <p>The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.</p> <p>Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.</p> <p>Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.</p>
<b>Zero Coupon Notes:</b>	<p>Zero Coupon Notes will be offered and sold at a discount or premium to their nominal amount and will not bear interest.</p>
<b>Specified Denomination:</b>	<p>The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer and as specified in the relevant Final Terms, save that the minimum denomination of each Note will be (i) such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency and (ii) in any case, not less than EUR 1,000 (or its equivalent in any other currency).</p>
<b>Status of the Notes:</b>	<p>The Notes constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 3 (<i>Negative Pledge</i>)) unsecured obligations of the Issuer and rank and shall at all times rank <i>pari passu</i> and rateably, without any preference among themselves, and equally with all other existing and future unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, save for such obligations that may be preferred by provisions of law that are mandatory and of general application.</p>
<b>Status of the Guarantees:</b>	<p>The obligations of each Guarantor under the Guarantee are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3 (<i>Negative Pledge</i>)) unsecured obligations of such Guarantor and rank and shall at all times rank equally with all other existing and future unsecured and unsubordinated obligations of the relevant Guarantor from time to time outstanding (save for certain obligations required to be preferred by law).</p>
<b>Redemption:</b>	<p>The relevant Final Terms will specify the basis for calculating the redemption amounts payable. Notes will be redeemed either (i) at 100 per cent. of the Calculation Amount or (ii) at an amount per Calculation Amount specified in the relevant Final Terms.</p>
<b>Optional Redemption:</b>	<p>The relevant Final Terms will state either that the relevant Notes cannot be redeemed prior to their stated maturity (other than following an Event of Default) or that such Notes will be redeemable, as the case may be (i) at the option of the Issuer (either in</p>

whole or in part), (ii) at the option of the Noteholders, (iii) for taxation reasons, (iv) at a make whole redemption amount on the Make Whole Call Redemption Date (as defined in Part IV – ‘Terms and conditions of the Notes’), (v) on a Residual Maturity Call Optional Redemption Date (as defined in Part IV – ‘Terms and conditions of the Notes’) and/or (vi) upon a Substantial Repurchase Event (as defined in Part IV – ‘Terms and conditions of the Notes’). In case the Notes may be redeemed prior to their stated maturity, the relevant Final Terms will state the terms applicable to such redemption.

**Withholding Tax:**

All payments of principal and interest by or on behalf of the Issuer and/or by a clearing system and/or a participant in a clearing system in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Belgium or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

The Issuer will not be required to pay any additional or further amounts in respect of such withholding or deduction.

Notwithstanding the foregoing, if both “Tax Call Option” and “Prohibition of Sales to Consumers” are specified as applicable in the relevant Final Terms, the Issuer shall, subject to customary exceptions provided in Condition 7 (*Taxation*), pay such additional amounts as shall result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required.

**Negative Pledge:**

The Terms and Conditions of the Notes contain a negative pledge provision as further described in Condition 3 (*Negative Pledge*).

**Cross-Default:**

The Terms and Conditions of the Notes contain a cross-default provision as further described in Condition 9(c) (*Cross-Default*).

**Form of Notes:**

The Notes are issued in dematerialised form in accordance with the Belgian Companies and Associations Code (*Wetboek van Vennootschappen en Verenigingen/Code des Sociétés et des Associations*), as amended, and cannot be physically delivered. The Notes will be represented exclusively by book entry in the records of the NBB-SSS operated by the National Bank of Belgium (the “**NBB**”) or any successor thereto (the “**NBB-SSS**”). The Notes can be held by their holders through direct participants in the NBB-SSS, whose membership extends to securities such as the Notes (each a “**Participant**”) and through other financial intermediaries which in turn hold the Notes through any Participant. The Notes are accepted for settlement through the NBB-SSS and are accordingly subject to the applicable Belgian regulations, including the Belgian Act of 6 August 1993 on transactions in certain securities, its implementing Belgian Royal Decrees of 26 May 1994 and 14 June 1994 (each as amended or re-enacted or as their application is modified by other provisions from time to time) and the Terms and Conditions governing the participation in the NBB-SSS and its annexes, as issued or modified by the NBB from time to time. The Noteholders will not be entitled to exchange the Notes into notes in bearer form.

<b>Governing Law and Jurisdiction:</b>	<p>The Notes and the Guarantees and any non-contractual obligations arising out of or in connection with the Notes and the Guarantees are governed by, and shall be construed in accordance with, Belgian law.</p> <p>The courts of Brussels, Belgium have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes and any non-contractual obligations arising out of or in connection with the Notes. If the “Prohibition of Sales to Consumers” is specified as not applicable in the relevant Final Terms, the submission to jurisdiction is without prejudice to Article 624, 1°, 2° and 4° of the Belgian Judicial Code.</p>
<b>Ratings:</b>	<p>Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is to be rated, such rating will be specified in the relevant Final Terms.</p> <p>A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.</p>
<b>Listing and Admission to Trading:</b>	<p>Application has been made to Euronext Brussels for Notes issued under the Programme to be listed on Euronext Brussels and to be admitted to trading on the regulated market of Euronext Brussels.</p> <p>The Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.</p> <p>The relevant Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchange and/or market.</p>
<b>US Selling Restrictions:</b>	<p>Regulation S, Category 1. TEFRA is not applicable to the Notes, as specified in the relevant Final Terms.</p>
<b>Selling Restrictions:</b>	<p>There are restrictions on the offer, sale and transfer of the Notes.</p> <p>See Part XI – ‘Subscription and sale’.</p>

## PART II – RISK FACTORS

*This section sets out the risks which the Issuer and the Guarantors believe are specific to them, the Fluvius Economic Group and/or the Notes and which are deemed to be material to investors for making an informed investment decision in respect of Notes issued under the Programme. Any such factors may affect the Issuer's and the Guarantors' ability to fulfil their obligations under such Notes. All of these factors are contingencies which may or may not occur and the inability of the Issuer and the Guarantors to fulfil their obligations under any Notes may occur for other reasons which may not be considered material risks by the Issuer and the Guarantors based on the information currently available to them or which they may not currently be able to anticipate.*

*In accordance with the requirements of the Prospectus Regulation, the most material risk factors within each category have been presented first according to an assessment made by the Issuer and the Guarantors based on the probability of their occurrence and the expected magnitude of their negative impact. The exact order in which the remaining risk factors are presented is not necessarily indicative of the probability of those risks actually occurring or of the scope of any potential negative impact thereof.*

*Prospective investors should carefully assess all of the risk factors described in this section and should also read the detailed information set out elsewhere in this Base Prospectus, including in any documents incorporated by reference herein, and reach their own views prior to making any investment decision, and should consult with their own professional advisers if they consider it necessary.*

*Terms defined in Part IV – 'Terms and Conditions of the Notes' shall have the same meaning where used in this section. Any reference to any code, law, decree, regulation, directive or any implementing or other legislative measure shall be construed as a reference to such code, law, decree, regulation, directive or implementing or other legislative measure as the same may be amended, supplemented, restated and/or replaced from time to time.*

*Due to the particular structure of the Fluvius Economic Group, all risk factors set out below relate to this economic group as a whole and not just to the Issuer and the Guarantors.*

### **RISKS RELATING TO THE ISSUER, THE GUARANTORS AND THE FLUVIUS ECONOMIC GROUP**

#### **Risks related to the regulatory and legislative framework**

The Issuer's and the Guarantors' revenues, and the conduct of their activities, are dependent on actions and decisions of regulatory and legislative bodies. As for the year 2022, 94.7% of the Fluvius Economic Group's turnover was derived from regulated activities (being the distribution of electricity and gas). In the same year, approximately another 3.2% of the Fluvius Economic Group's turnover was derived from sewerage, which is also subject to tariff regulations. The related risks mainly include the following:

*The Issuer and the Guarantors are subject to extensive and evolving regulations and legislation which may affect their operational and financial performance.*

The Issuer's and Guarantors' activities are subject to extensive regulations and legislation at three levels: European, Belgian federal and Flemish regional. For an overview of the current regulatory and legislative framework applicable to the Guarantors, please refer to section 4 – 'Regulatory and contractual framework applicable to the Guarantors' in Part VII – 'Description of the Issuer and the Guarantors'.

The applicable regulatory and legislative framework for gas and electricity distribution has been amended over the course of 2021 and 2022, amongst other things to implement elements of the Clean Energy Package<sup>1</sup> that fall within

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<sup>1</sup> Please see section 9.2 – 'Trends in the energy sector' of Part VII – 'Description of the Issuer and the Guarantors' for further information on the Clean Energy Package.



the regional competences, which have led to increased requirements and obligations on distribution system operators (“DSOs”) such as certain of the Guarantors, including regarding energy efficiency and performance, and onshore renewables. It is expected to further evolve in the future. In the coming years, further amendments can in particular be expected to the Flemish legislative framework, notably in response to anticipated future European legislation that may result from the vast set of legislative proposals (including on carbon pricing, energy efficiency, energy performance and renewables) that have been published by the European Commission to achieve its Green Deal targets (as set out in the EU Climate Law) and which are in various stages of the legislative process (i.e. the “Fit for 55” package, as amended by the REPowerEU proposals), as well as the recently proposed Electricity Market Design reform.<sup>2</sup> Given its role as operator of critical infrastructure in the distribution of electricity and gas, the Fluvius Economic Group is bound to play an important role in the decarbonisation of society. While it has an ambitious plan to fulfil that role, including an ambitious capex plan, the timely achievement of the EU’s Green Deal goals and targets will depend on many different actors and circumstances, including legislative change, which are beyond the Issuer’s influence. In addition, there is a risk that the implementation of the 2023-2032 Energy & Climate Transition investment plan, which has been approved by the VREG (but is subject to annual updates), incurs substantial delays due to, among other things, a shortage of materials and components. The Issuer follows all these developments closely as a key stakeholder and remains committed to complying with its evolving legal and regulatory obligations in the most timely and efficient manner.

Other aspects related to the Issuer’s and the Guarantors’ activities that might change due to legislative or regulatory measures (often resulting from the transposition of European legislation as referred to above) are, for example, the public service obligations (the introduction of new public service obligations and the extension or withdrawal of existing ones), additional capex requirements for the Guarantors and restrictions within the frameworks of the energy transition, the climate objectives, technological progress and others.<sup>3</sup> All of such amendments may negatively impact the Issuer’s and the Guarantors’ operations and profitability or impose substantial encumbrances on the operational efficiency of the Issuer and Guarantors. Please also refer to the risk factor entitled “*Future changes in public service obligations may require the Issuer and the Guarantors to pre-finance certain costs vis-à-vis their customers, having a negative impact on their liquidity position*”.

The Fluvius Economic Group is also subject to regulatory and legislative requirements in relation to their sewerage activities. For these activities, the applicable European and Flemish legislation requires that the existing sewerage systems are enhanced and that large parts of the current sewerage infrastructure are gradually replaced by a split system for wastewater and rain. There remain uncertainties about the timeline and volume of the investments that will be required for implementing these obligations and the modifications to the tariffs that subsequently will have to be implemented to absorb these investments. Depending on the measures which would be imposed and how they will be financed, such investments might lead to an adverse change in the Issuer’s and the Guarantors’ financial position and outcomes. For more information, please refer to section 3.4 – ‘Organisation of the Flemish sewerage market’ in Part VII – ‘Description of the Issuer and the Guarantors’.

For the cable television activity, the Belgian Institute for Postal Services & Telecommunication (the “BIPT”) takes up the role of regulator. BIPT’s regulatory impact on the Issuer is currently limited and is expected to remain limited (or even be further reduced) in the context of the development of the deployment of NetCo (as further described in section 2.2 – ‘A brief history of the Guarantors’ and under the heading “Fast data network” of section 4.3 – ‘Regulatory and contractual framework for Flemish CATV intermunicipalities’ of Part VII – ‘Description of the

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<sup>2</sup> Please see section 9.2 – ‘Trends in the energy sector’ of Part VII – ‘Description of the Issuer and the Guarantors’ for further information on the Fit for 55 package, REPowerEU and the proposed Electricity Market Design reform.

<sup>3</sup> One recent change introduced on 18 March 2022 and amended on 17 June 2022, which is worth mentioning, is the end of the right to connect to the public gas distribution system of residential and non-residential buildings for which an environment (single) permit for new constructions is requested as of 1 January 2025.

Issuer and the Guarantors'). Depending on the portion of "operator"<sup>4</sup> activities then transferred to NetCo, the Issuer and/or the Guarantors will be less engaged in activities of data communication networks.

Any further developments of, and changes to, the regulatory and legislative framework governing the activities of the Issuer and the Guarantors, including those adopted in the context of the EU's climate agenda and the energy transition and energy independence aims, as well as the interplay between regulations and legislations at the various levels, may cause uncertainty and can affect the activities, financial condition and results of the Issuer and the Guarantors as such developments and changes can impose more extensive requirements and obligations on the Issuer and the Guarantors. Failure to meet such regulatory and legislative requirements could also result in administrative actions and sanctions, which could adversely affect the Issuer and the Guarantors and, therefore, the position of the Noteholders, as this can lead to difficulties in satisfying the payment obligations under the Notes. In addition, any amendment to the Belgian institutional framework, including in relation to the division of competences between the federal and the regional level, may also impact the Issuer's and the Guarantors' roles and responsibilities. Finally, future evolutions in the Flemish context for regulating utility services, such as the possible merger of regulators (for energy, water, telecom, etc.) or more intense data exchanges between these regulators, might also impact the Issuer's and/or Guarantors' operations and, therefore, their financial position and results.

*Future changes to gas, electricity and/or sewerage tariffs or tariff methodologies, for example if these are not in line with the European internal energy market (if applicable), may have an adverse effect on the Issuer's and the Guarantors' assigned credit ratings, ability to obtain funding and, hence, on their operational performance.*

The revenue and profitability of the Issuer and the Guarantors are to a large extent dependent on a tariff methodology applied during a set tariff period (for electricity and gas distribution this is typically 4 years), which will drive the financial income which the Issuer and the Guarantors can accumulate in relation to their activities.

The competence relating to the grid distribution tariffs for electricity and gas sits with the regional regulators. In the Flemish Region, the Flemish Regulator of the Electricity and Gas Market (the "VREG") is fully vested with the powers to determine the tariff methodology and approve the distribution tariffs, including the tariff methodology for the upcoming regulatory period 2025-2028.

Both the VREG and the Flemish Government are, however, bound by the general principles enshrined in the Third Energy Package<sup>5</sup>, (for electricity) the Clean Energy Package (and to extent the proposals become law, the Fit for 55 package and proposed Electricity Market Design reform), all consisting of a set of (amendments to) EU Directives and Regulations relating to the European internal energy market. In particular, the VREG needs to bear in mind that the tariff methodology should guarantee the long-term ability of the system to meet reasonable demands for the distribution of electricity and gas. In addition, the tariff methodology should allow the Guarantors to ensure the necessary investments in their networks to be carried out in a manner allowing those investments to ensure the viability of the networks. Increasingly, tariff legislation places a focus on the facilitation and incentivising of flexibility, demand-response, distributed generation, storage and energy efficiency services, including through aggregation or via energy sharing/communities, by providers independent from the DSOs (including non-discriminatory network access for these providers and their customers).

The parameters of a future tariff methodology established by the VREG, including the methodology for the next regulatory period 2025-2028, may lead to a reduction of the allowed income or otherwise have adverse consequences for the Issuer and the Guarantors. For example, for the current regulatory period 2021-2024, the tariff methodology

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<sup>4</sup> An operator is "a person or an undertaking providing a public electronic communications network or a publicly available electronic communications service" (Article 2,11°, of the Telecom Act of 13 June 2005).

<sup>5</sup> Please see section 2.4 – 'Regulatory framework for the Flemish energy DSOs (electricity and gas)' of Part VII – 'Description of the Issuer and the Guarantors' for further information on the Third Energy Package. The Clean Energy Package did not substantially change these principles.

provides for a fixed cost of debt that is taken into account when calculating the allowed income of the Issuer and the Guarantors. Any real cost of debt in excess of the percentage predetermined by the VREG cannot be recovered through the distribution tariffs, with adverse consequences for the Issuer and the Guarantors. The adverse consequences of the 2021-2024 tariff methodology may be further exacerbated by the more volatile macroeconomic environment and rising inflation and interest rates. Furthermore, the methodology for the regulatory period 2021-2024 has resulted and is expected to continue to result in a downward trend for the revenues and cash flows that can be generated by the Guarantors in their regulated businesses of electricity and gas distribution. It also inspired Moody's and Creditreform's decisions at that time to lower the Issuer's credit rating outlook, which called for a number of mitigating actions taken by the Issuer and the Guarantors. For more information in relation to the current tariff methodology for grid distribution and the underlying principles of the methodology, please refer to section 4.1.3 – 'Tarification principles (2021-2024) – allowed income model' of Part VII – 'Description of the Issuer and the Guarantors'.

Even though the Issuer and Guarantors are of the opinion that the 2021-2024 tariff methodology negatively impacts the Guarantors' financial position, the VREG argues that the general principles of the Third Energy Package and the Clean Energy Package are still respected and that the methodology allows the necessary investments to be made in order to ensure the long-term viability of the energy distribution grids. Accordingly, it is uncertain to what extent the general principles will still be taken into account by the Flemish Government and/or by the VREG with respect to future regulatory and/or legislative changes and tariff methodologies.

Neither the Issuer nor the Guarantors can predict how the Flemish Government, the VREG or any other competent authority will establish future tariff frameworks and, in particular, what the impact will be on the then applicable distribution tariffs. Future actions and/or interpretations by the Flemish Government and/or by the VREG may impact the financial condition, the assigned credit rating and the quality of service of the Issuer and/or the Guarantors and impact their capacity to invest in their activities and obtain funding. As a result, this could adversely affect the position of the Noteholders as this could limit the possibility for the Issuer and the Guarantors to meet their obligations under the Notes.

As to the sewerage tariffs, the sewerage operators themselves can decide on the tariffs, albeit within the limits set by the applicable tariff structure and the applicable maximum tariff. Please refer to the paragraph entitled 'Contribution and compensation' in section 3.4 – 'Organisation of the Flemish Sewerage Market' of Part VII – 'Description of the Issuer and the Guarantors' for further details in this respect. The future evolution of the maximum tariff, if negative or insufficient to cover increased investments, entails a particular risk for the financial position of the Guarantors with such sewerage activities and, therefore, of the Issuer.

*The settlement of deviations from budgeted values and actual values may impact the financial condition of the Issuer and the Guarantors and, more specifically, their liquidity position and profitability.*

Grid distribution tariffs are set pursuant to forecasts of volumes of gas and electricity distributed over the grids, costs and revenues. Deviations between real volumes of gas and electricity distributed and budgeted volumes and between effectively incurred costs and revenues and budgeted costs and revenues can result in a "regulated debt" or a "regulated receivable", which is recognised on an accrual account. The financial settlement of any such deviations is taken into account when setting the tariffs for the next period. In the short term, this process may, however, have important temporary effects on the liquidity position of the Issuer and/or the Guarantors. For 2022, the Fluvius Economic Group noticed a decline in the volumes of gas consumption compared to 2021. Please also refer to the risk factor "*Risk of financial impact due to general sharp increases in energy prices*".

Regardless of deviations between forecasted parameters and actually incurred costs and revenues, the VREG takes the final decision as to whether the incurred costs and revenues are deemed reasonable to be included in the tariff calculation. This decision can result in the acceptance or rejection of such costs or revenues. To the extent that certain elements are rejected, the corresponding amounts will not be taken into account for the setting of tariffs for the next

period. While the Issuer and/or the Guarantors can ask for a judicial review of any such decision by the VREG, any such rejection of costs (if confirmed) may be more significant in the future and have an overall negative impact on the Issuer's and the Guarantors' profitability and, therefore, on the Noteholders (in particular where Notes are issued with a long maturity). For further information on how the distribution tariffs are applied, please refer to section 4.1.3 – 'Tarification principles (2021-2024) – allowed income model' of Part VII – 'Description of the Issuer and the Guarantors'.

*The Issuer's approval as operating company and the Guarantors' DSO licenses may be terminated early or not renewed, which would have negative consequences on the Issuer's and the relevant Guarantors' activities and revenue streams.*

The Guarantors<sup>6</sup> were originally appointed ("licensed") as DSOs on 5 September 2002 (for electricity) and on 14 October 2003 (for gas) for a period of 12 years, each time pursuant to a decision of the VREG. These appointments were renewed upon the expiry of the 12-year period.

The relevant Guarantors' DSO licenses for electricity were renewed on 30 September 2014 (PBE), 27 January 2015 (Fluvius West), 3 February 2015 (Gaselwest, Intergem, Imewo, Iverlek, Iveka and Sibelgas), 24 February 2015 (Fluvius Limburg) and 25 April 2019 (Fluvius Antwerpen). All renewals are for a twelve-year period starting on 5 September 2014 and expiring on 5 September 2026.<sup>7</sup> All relevant Guarantors' DSO licenses for gas were renewed on 29 September 2015, except for Fluvius Antwerpen, whose license was renewed on 25 April 2019. All renewals are for a twelve-year period starting on 14 October 2015 and expiring on 14 October 2027.

The Issuer was approved as the operating company of the individual Guarantors pursuant to a decision of the VREG of 26 June 2018 for a duration parallel to the duration of the appointment of the individual Guarantors as DSO for electricity and/or gas. The VREG can withdraw its approval of the Issuer as operating company if the Issuer no longer complies with the criteria of its appointment (i.e., the same as for the DSO license and regarding the control of the DSO over the operating company) and the unbundling requirements.

The DSO license is automatically terminated in the event of bankruptcy<sup>8</sup>, liquidation or merger. In addition, the VREG can revoke a Guarantor's DSO license in accordance with the Flemish Decree of 8 May 2009 containing general provisions on energy policy, as amended<sup>9</sup> (the "**Energy Decree**") in each of the following circumstances:

- (i) a significant change in the shareholding of the DSO or its operating company that may jeopardise the independent grid operation or the data management activities;
- (ii) a heavy breach by the DSO or its operating company of its obligations under the Energy Decree and implementing legislation; and
- (iii) a heavy breach of compliance with the General Data Protection Regulation<sup>10</sup> (the "**GDPR**").

If the license of a Guarantor as a DSO or the approval of the Issuer as the Guarantors' operating company is terminated before the expiry of the appointment or approval or is not renewed upon termination, there may be material, negative consequences on the Issuer's and the relevant Guarantors' activities and revenue streams. As a

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<sup>6</sup> This excludes, in relation to electricity and gas distribution, Riobra, and in relation to gas distribution only, PBE.

<sup>7</sup> For the sake of completeness, it can be noted that Fluvius Limburg was finally appointed as DSO for the territory of the municipality of Voeren by a decision of the VREG of 7 November 2016, for a twelve-year period starting on 1 January 2016 and expiring on 1 January 2028.

<sup>8</sup> It should be noted that in their current capacity the Guarantors are not subject to bankruptcy proceedings. Please also refer to the risk factor entitled "*The Guarantors cannot be subject to bankruptcy proceedings and, potentially along with the Issuer, benefit from immunity of execution, which limits the enforcement options of the Noteholders*".

<sup>9</sup> *Decreet van 8 mei 2009 houdende algemene bepalingen betreffende het energiebeleid.*

<sup>10</sup> Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC.

consequence, this could lead to the Issuer and/or the Guarantors being unable to satisfy their payment obligations under the Notes, including the reimbursement of the Notes upon their maturity, and may therefore adversely impact the return which a Noteholder may receive. Any such impact would be even more significant where the licenses of the Guarantors and the approval of the Issuer as the Guarantors' operating company would be terminated at the same time.

*The Guarantors cannot be subject to bankruptcy proceedings and, potentially along with the Issuer, benefit from immunity of execution, which limits the enforcement options of the Noteholders.*

The Guarantors, which are public law entities pursuant to the Flemish Decree of 22 December 2017 on local government, as amended<sup>11</sup> (the “**Local Government Decree**”), cannot be subject to bankruptcy proceedings under Book XX of the Belgian Code of Economic Law. Investors should, however, note that the winding-up or dissolution of any of the Guarantors or any of the Guarantors ceasing or threatening to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger, consolidation or solvent reorganisation, constitutes an Event of Default under the Conditions of the Notes.

In addition, the Guarantors are public law entities. Under Belgian law, such entities have the duty at all times to perform their tasks of public service (based on the concept of the continuity of the public service). Pursuant to Article 1412*bis* of the Belgian Judicial Code, assets owned by a public law entity (such as the Guarantors) benefit from an immunity of execution as a result of which they cannot be seized. This immunity of execution does not apply to assets that are manifestly not useful for the performance or the continuity of the public service, and is not to be considered as an immunity of jurisdiction. Investors should note that almost all of the assets for electricity distribution, gas distribution, public lighting and sewerage are deemed to fall within this category of non-seizable assets, amounting to more than 80% of the Guarantors' total assets as at the date of this Base Prospectus.

The above has as a consequence that for example the distribution grid infrastructure (such as cables and pipelines) owned by a Guarantor cannot be seized by the Noteholders in case of a default. Although this limits the enforcement by creditors of the obligations of the Guarantors, the benefit is that the relevant Guarantor will be in a position to continue performing its duties of public service and, thus, generating revenues.

Given the Issuer's activities, there may be an argument that the Issuer's assets would also benefit from immunity of execution. This argument is not entirely convincing, mainly because the Issuer is not a public law entity. The immunity of execution of the Issuer can, however, not be excluded if and to the extent the Issuer's properties or assets are deemed essential for the performance of its public service obligations.

Any of the circumstances set out above limit to a large extent the enforcement possibilities of Noteholders in case of a default of any of the Guarantors or the Issuer, which can impact the return they would receive on their Notes. Please also refer to the risk factor entitled “*The enforcement of the Guarantees is subject to limitations stemming from the particular nature of the Guarantors*”.

*The Issuer, regulatory changes or legislative changes may initiate a possible merger of DSOs leading to a likely tariff harmonisation which may alter the Fluvius Economic Group's financial position and prospects.*

It cannot be excluded that the Issuer will in the future initiate a process for merging some or all of the current Guarantors, with a potential impact on the tariffs applicable at the date of this Base Prospectus. While such a merger, either involving some or all DSOs, would be intended to generate more efficiency and synergies in grid operations and in the administrative support, it may, if implemented, also lead to the competent regulator(s) imposing additional

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<sup>11</sup> *Decreet van 22 december 2017 over het lokaal bestuur.*

measures on the Issuer and/or the relevant Guarantors, e.g. in the form of extra cost savings, additional restrictions on operations, etc. Such measures might be harmful to the Issuer's and or the Guarantors' financials and prospects.

In this respect, regulatory or legislative changes could also put forward the requirement of mergers and/or restructurings. This could then have an impact on the revenues and, therefore, the financial position of the Issuer and/or the Guarantors, potentially impacting their possibility to satisfy the obligations under the Notes.

*A failure of the Issuer to remain appointed as operating company of the Guarantors would seriously endanger the Issuer's viability.*

The Guarantors as the Issuer's shareholders have appointed the Issuer as their operating company. This appointment is in line with the Energy Decree, which enables DSOs to make use of a common operating company.

There is, however, a risk that some or all of the Guarantors which are currently using the Issuer as their operating company decide to terminate their cooperation with the Issuer. Any such termination would seriously endanger the Issuer's viability and its ability to repay the principal and/or the interest (if any) on the Notes, as this would impact its revenues from the Guarantors and, therefore, its overall financial position.

In practice, this risk is mitigated for Noteholders by the continued existence of the Guarantees and the fact that, pursuant to the Local Government Decree, every termination of cooperation by a Guarantor requires the approval by the General Shareholders' Meeting of the relevant Guarantor with a majority of at least 75 per cent. It is, however, not excluded that notwithstanding these restrictions the appointment of the Issuer as operating company would be terminated. In such case, the position and duties of the Guarantors would in principle not be called into question as the Guarantees would remain binding contractual obligations notwithstanding such termination. Noteholders could therefore, in case the Issuer cannot satisfy its obligations under the Notes, call upon the Guarantees. A Noteholder who wishes to call upon the Guarantees by the Guarantors will, however, be required to proceed individually against each Guarantor. In this respect, please also refer to the risk factor entitled "*The enforcement of the Guarantees is subject to limitations stemming from the particular nature of the Guarantors*". Investors should furthermore note that failure to remain appointed as operating company constitutes an Event of Default under the Conditions of the Notes.

Please also refer to the risk factor entitled "*The Issuer's approval as operating company and the Guarantors' DSO licenses may be terminated early or not renewed, which would have negative consequences on the Issuer's and the relevant Guarantors' activities and revenue streams*".

*The fixed duration of a Guarantor may not be extended, or the Guarantors may fail to retain their participating members, which could weaken their overall credit quality.*

In line with their legal obligations and the requirements of the Local Government Decree, the Guarantors have been established for a limited but renewable term of 18 years. As at the date of this Base Prospectus, the statutory end dates of the respective Guarantors are as follows: 29 March 2037 for Fluvius Antwerpen, Fluvius Limburg, Fluvius West, Gaselwest, Intergem, Imewo, Iveka, Iverlek, PBE and Sibelgas and 24 November 2023 for Riobra. The proposed renewal of the term of Riobra until 29 March 2037, is scheduled for approval at its general shareholders' meeting taking place on 28 June 2023. For further information, please refer to section 2.4 – 'The status of the Guarantors under public law and the regulatory regime' of Part VII – 'Description of the Issuer and the Guarantors'.

If the shareholders of a Guarantor do not decide, in accordance with the procedure contained in the relevant articles of association and the Local Government Decree, to renew the term of the relevant Guarantor at its then current statutory end date, the relevant Guarantor will be dissolved and put into liquidation. Furthermore, even if a Guarantor's shareholders decide to renew the term of that Guarantor, each of the municipalities has the right to step out of a Guarantor effective as at its then current statutory end date.

If the decision is made not to renew the term or if a municipality decides to step out of the Guarantor, this may lead to a loss or reduction of the relevant Guarantor's operating profits and scale, with commensurate impact on the Issuer.

If a municipality were to resign from a Guarantor, it will be entitled to its proportional share in the net assets of that Guarantor (including any proceeds of the Notes that may have been on-lent by the Issuer to the relevant Guarantors). The Noteholders would not have a direct claim against the resigning municipality and will only retain recourse against the relevant Guarantor.

Any of the above circumstances may negatively impact the relevant Guarantor's and the Issuer's financial condition and liquidity position and their ability to meet their (re-)payment obligations under the Notes.

*Future changes in public service obligations may require the Issuer and the Guarantors to pre-finance certain costs vis-à-vis their customers, having a negative impact on their liquidity position.*

The Flemish Government has imposed a number of public service obligations on the Issuer and the Guarantors. These obligations are, amongst other things, related to public lighting, the rollout of digital meters, social measures (such as the placement of budget meters), the financial support for the development of renewable energy and rational use of energy (RUE) and the Guarantors' role as supplier of last resort. It should be noted that, by decision of the Flemish Government, the public service obligation of operating the municipal public lighting was abolished as from 1 January 2022 onwards. For further information on certain of these obligations, please also refer to section 3.6 – 'Other activities of the Issuer and the Guarantors' of Part VII – 'Description of the Issuer and the Guarantors'.

Such future public service obligations can potentially lead to substantial pre-financing needs at the level of the Issuer and/or the Guarantors and therefore the incurrence of additional debt on a short and/or long term, which may occur at less favourable terms. A deteriorating debt profile may lead to a lower credit rating and higher funding costs for the Fluvius Economic Group.

For example, as a financial support mechanism, the Flemish Government has introduced a system of green certificates and combined heat and power (CHP) certificates. To support the secondary market for these certificates (which had become inefficient) and incentivise investment in renewables, an obligation was placed on the Guarantors to purchase those certificates at a guaranteed minimum price, combined with a temporary immobilisation (banking) obligation pursuant to which those certificates are gradually released back into the market, or as the case may be permanently immobilised (cancelled). This entails a mechanism whereby financial expenses are incurred, which can only be recovered (wholly or in part) by the Guarantors at a later date (i.e., in the next tariff period), therefore impacting their liquidity position. For further information in relation to the impact of the green and co-generation certificate support mechanism imposed by the Flemish authorities, please also refer to section 4.1.3 – 'Tarification principles (2021-2024) – allowed income model' of Part VII – 'Description of the Issuer and the Guarantors'.

Another example of such public service obligation is the fact that, under the current legislative and regulatory framework, the Guarantors also act as social supplier for end consumers. The potential impact of this obligation has increased due to an increasing number of residential consumers in Flanders facing payment difficulties in light of recent increases of the energy prices and, subsequently, their commercial energy suppliers terminating their energy contracts. In addition, in case of bankruptcy of commercial energy suppliers, the Guarantors become the responsible supplier of last resort for the affected end consumers, which entails a pre-financing risk for the Guarantors. In this respect, please also refer to the risk factor entitled "*Risk of financial impact due to general sharp increases in energy prices*".

The costs (including prepayments) incurred for the performance of any public service obligations by the Issuer and the Guarantors are, in principle, passed on to the end consumers through the distribution tariffs, either directly as exogenous costs or indirectly as endogenous costs taken into account for the calculation of the allowed income for the next tariff period. The Issuer and the Guarantors can ask the VREG to adapt the tariffs to cover any gaps between expenses and tariff revenues caused by the performance of certain public service obligations. However, due to the timing difference which generally occurs between the incurrence and the recovery of such costs (as the case may be, in the next tariff period), the costs of performing the public service obligation are usually pre-financed by the Issuer

and/or the Guarantors which, consequently and depending on the overall debt profile of the Issuer and related funding costs, may negatively impact the Issuer's and/or the Guarantors' financial position.

### **Operational risks related to the business activities of the Fluvius Economic Group**

*The Issuer operates facilities that may cause significant harm to its personnel or third parties, which may expose the Issuer to claims for damages, or that may be subject to service disruptions in case of accidents, impact of climate change or external attacks.*

The Issuer operates facilities that may cause significant harm to the human environment or for which accidents or external attacks may have serious consequences. Incidents in this respect might also have judicial consequences and result in claims by third parties for damage compensation payments. The Issuer permanently tries to mitigate this type of risks by investing in the training of its own staff and personnel of the subcontractors it employs in the areas of security processes, the correct use of infrastructure and tools, and correct signalisation. Despite all of these precautionary measures, however, incidents cannot be entirely ruled out.

Since the gas and electricity distribution systems operated by the Issuer cover large geographic areas, and although all reasonable precautions and safety measures have been put in place, these are vulnerable to possible acts of sabotage, terrorism and cyber-attacks. Any such acts may significantly disrupt the continuity of service and impact the Issuer's and the Guarantors' businesses, with potentially adverse consequences for the Noteholders if the Issuer and the Guarantors are as a consequence thereof not able to satisfy their obligations under the Notes.

Furthermore, the Issuer and the Guarantors' assets could in the future be impacted and damaged by the effect of extreme weather conditions. While the flooding in the summer of 2021 mainly affected the Walloon region, it cannot be excluded that similar or comparable events resulting from the impact of climate change could affect the Issuer and the Guarantors' infrastructure and assets in the future. Moreover, extreme rainfall may in the future require further investments in the sewerage systems in order to enable them to better cope with the risk of flooding.

*The ICT systems and processes used by the Issuer, which are essential for its operations, may fail.*

The Issuer's operations depend, to a large extent, on ICT systems (including hardware and software, but also a telecommunications network used for communication purposes). These ICT systems are essential for an efficient and reliable operation of the electricity and gas networks operated by the Issuer. A failure in its ICT systems or processes may result in below-par quality of service and a discontinuity of service delivery to end consumers with the potential to negatively impact the financial performance of the Issuer. This financial impact could, for example, follow from the requirement for the Issuer to undertake (substantial) investments in order to solve the relevant problems and/or from penalisations imposed by the regulator. Any failure may furthermore lead to a negative market perception of the Issuer.

The Issuer has taken extensive protective measures with a view to safeguard its ICT systems. These measures cannot, however, guarantee that system failures will not occur. The Issuer has furthermore prepared a business continuity planning which contains an extensive set of measures in case of a failure of its ICT systems and processes. This tool should enable the Issuer to resume its activities as soon as possible and to the largest extent possible in the case of a calamity, but it will likely not be able to prevent all possible impact of such failure on the Issuer's systems and the Fluvius Economic Group's activities as a whole. Hence, the risk remains that the protective measures and the business continuity planning of the Issuer would prove to be inadequate and that the Issuer and the Fluvius Economic Group are negatively affected.

*The Fluvius Economic Group databases may be deficient, hacked or subject to cyber-attacks; the data managed by it may be incorrect and it may be in breach of GDPR.*

The Fluvius Economic Group collects and stores sensitive data, its own business data, data relating to its customers and data of its suppliers and business partners in internal databases. Such data relate, for example, to usage, customer



addresses and the status of customers as protected customer. The sensitivity of these data increases with the rollout of the digital meters, as this allows the Fluvius Economic Group to collect additional and more detailed usage data per end customer.

In this respect, the different entities of the Fluvius Economic Group are subject to several privacy and data protection rules and regulations, including the GDPR. The Energy Decree lists a number of tasks of the Issuer and the Guarantors in relation to data management. In addition, it imposes specific obligations in relation to confidentiality of commercially sensitive information, non-discrimination and the processing of personal data obtained from digital, electronic and analogous meters, in accordance with the GDPR. Compliance with these obligations is monitored and sanctioned by the VREG (subject to certain specific powers of the responsible officer for data protection and the Flemish Privacy Commission) and require continuous adaptation of the processes and the putting in place of new processes to ensure compliance. Non-compliance can have a far-reaching impact, taking into account the fact that the VREG can revoke a Guarantor's DSO license in accordance with the Energy Decree in case of a heavy breach of compliance with the GDPR. In this respect, please also refer to the risk factor entitled "*The Issuer's approval as operating company and the Guarantors' DSO licenses may be terminated early or not renewed, which would have negative consequences on the Issuer's and the relevant Guarantors' activities and revenue streams*".

If the data in the databases turn out to be insufficient or incorrect, such a situation may severely hinder the Issuer and the Guarantors in carrying out their duties, which is expected to result in additional costs or losses. In this respect, contractual agreements have been put in place between the grid operators and the relevant commercial energy suppliers regarding incorrect data being supplied by the former to the latter. The information contained in the databases might furthermore lead to possible intrusions on privacy of consumers, in particular taking into account the potentially sensitive nature thereof. Finally, important system hardware and software failures, failure of compliance processes, computer viruses, malware, cyber-attacks, accidents or security breaches could occur. Any such events could impair the ability of the Issuer and/or the Guarantors to provide all or part of their services and may in general result in a breach of their legal and/or contractual obligations. This could furthermore lead to reputational damage for the Issuer and the Guarantors.

The escalating tensions between Russia and Western countries and, more generally, the increased geopolitical instability, have increased the threat of cyber-attacks on operators of vital infrastructure for the economy. In this context, the Issuer augmented in February 2022 the detection capacity for cyber intrusion with respect to essential business processes to a higher state of alert. The Issuer does not have direct connections to Ukraine or Russia.

Due to the essential activities of the Issuer in relation to public safety, the Issuer aligns with the Network and Information Security Directive (Directive (EU) 2016/1148 or the "**NIS Directive**")<sup>12</sup> as adopted by the European Union and transposed by the Belgian governments. Although the Issuer has taken extensive precautions to keep its databases up-to-date and protected and to prevent breaches of privacy, it cannot be excluded that such breaches do occur and that, consequently, the Issuer will be faced with claims in this respect. In case of inadequacies or loss, the Issuer's operations may be severely hindered, which can potentially adversely affect its financial position and therefore hamper its potential to satisfy its obligations under the Notes.

*Risk of financial impact due to general sharp increases in energy prices.*

Since September 2021, the commodity prices on the global electricity and gas trading markets started showing substantial increases, which may have a number of consequences. This trend has been reinforced by the conflict between Russia and Ukraine that started in February 2022 and the consecutive global geopolitical tensions and by the sharp increase of inflation rates over the second half of 2022. This has contributed to an increase of approximately

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<sup>12</sup> As part of the EU Cybersecurity Strategy, the European Union adopted the NIS Directive. The NIS Directive is the first piece of EU-wide cybersecurity legislation. The goal is to enhance cybersecurity across the EU. The NIS Directive was adopted in 2016 and subsequently transposed into national legislation by the EU Member States.

10% (compared to 2021) in the number of residential consumers in Flanders facing payment difficulties and, accordingly, having their energy contracts terminated by their commercial energy suppliers. Under the current legislative and regulatory framework, the Guarantors act as the supplier of last resort for such end consumers, until they regain access to the commercial supply market.

In addition, if certain commercial energy suppliers were to be forced into bankruptcy (a risk more likely to materialise as a result of the rising wholesale energy prices, combined with fixed price retail contracts and price ceilings that could be imposed on flexible price contracts), the Guarantors would also become the responsible supplier of last resort for the affected end consumers<sup>13</sup>. This scenario materialised in December 2021, with the Guarantors becoming responsible for the customers of the commercial suppliers “*Vlaamse Energieleverancier*” and “*Watz*” (with approximately 129,000 and 34,000 end EANs respectively<sup>14</sup>), and during March 2022, for the customers of “*AECO/Energie2030*” (with 201 EANs). A sudden and sharp increase in the number of direct (social) customers of the Guarantors as a result of such payment difficulty or bankruptcy of their commercial supplier, can lead to the need for pre-financing of substantial additional expenses by the Guarantors. While the Guarantors would ultimately be compensated for these increased costs, because of the trend methodology used by the VREG, the timing difference between the pre-financing and restitution may have a negative effect on the Guarantors’ liquidity and financial position and, accordingly, the pre-financing may occur at less favourable terms. The volatility of energy prices increases the risk of commercial energy suppliers becoming insolvent and the Guarantors serving as temporary suppliers of last resort for the relevant end consumers. Please also refer to the risk factor entitled “*Future changes in public service obligations may require the Issuer and the Guarantors to pre-finance certain costs vis-à-vis their customers, having a negative impact on their liquidity position*” in this respect.

The increased energy prices have also led to volume declines due to reduced energy consumption in 2022. These volume declines amounted to a decrease of 3.6% for electricity and 14.8% for gas, in each case compared to the 2021 volumes. In principle the financial impact should ultimately be recovered by the Guarantors, but this will only be the case with a delay, given that the tariffs and annual grid fees in relation to any given period are set in advance on a forecast of volumes. The difference between forecasted and actual volumes is then used for the determination of the tariffs in the subsequent two-year period and counted as an exogenous cost. Accordingly, volume risks are fully recovered through the tariffs within a three-year period. The recovery of volume risks are reflected in the regulatory transfers / regulatory balances on the Fluvius Economic Group’s financial statements. These balance sheet items cover various corrections to revenue that qualify to be recognised as recovery via the distribution network tariffs in subsequent years and may take the form of a positive balance (i.e., the Issuer will have received less during a particular year than it should have been entitled to and, to compensate, can recuperate additional revenue in the subsequent two-year period) or a negative balance (i.e., the Issuer will have received more during a particular year and needs to deduct an amount from its revenue in the subsequent two-year period), depending on a variety of circumstances including weather and inflation rates.

Accordingly, in case of a positive balance, the (pre-)financing risk of the Fluvius Economic Group may increase and affect its liquidity in the course of a three-year period following the year in which the positive balance occurred. For an overview of the settlements of regulatory balances in the previous years, please refer to note 36 (*Operating in a regulated environment – Electricity and gas*) of the audited consolidated annual financial statements of the Fluvius Economic Group as of and for the financial year ended 31 December 2022 which are incorporated by reference into this Base Prospectus. As can be seen in these statements, the balances were negative in 2021, mainly as a result of higher-than-expected volumes (i.e., more was charged through the tariffs, as more was consumed, than was foreseen in the budget) and lower than foreseen exogenous costs. This is partly explained by periods with slightly colder and

<sup>13</sup> The maximum period for the Guarantors to operate as supplier of last resort to household consumers was brought from 60 days to 12 months on 28 January 2022, with retro-active effect as of 7 December 2021.

<sup>14</sup> European Article Numbering. One EAN corresponds to one physical connection to a distribution grid operated by the Issuer. Accordingly, a grid user with a connection for both electricity and gas counts as two EANs.

rainier weather and less sunshine hours in 2021 which led to fewer green certificates. In contrast, the balances from 2022 were positive due to lower-than-expected volumes (i.e., less was charged through the tariffs, as less was consumed, than foreseen in budget) and a higher than budgeted inflation rate due to the sudden increase in inflation. This has led to an ex-post adjustment of the allowed income which has not yet been covered by the tariffs, but will be recovered in the coming two years.

Increases in energy prices could furthermore increase the risk of suppliers encountering financial difficulty or not meeting their contractual obligations, which would increase the workload and costs for the Guarantors and, consequently, for the Issuer.

Any of the above circumstances may negatively impact the Issuer's financial condition and liquidity position and therefore also have an adverse effect on the Noteholders.

*A failure to achieve the cost savings target from the integration process of Eandis System Operator and Infrac into the Issuer may negatively affect the Issuer's operational and financial position.*

The integration process for both ex-companies, being Eandis System Operator CVBA and Infrac CVBA, into the Issuer involves a number of operational and policy related challenges and risks including, among others, the integration of ICT systems, operational procedures and processes. Through its tariff methodology for the distribution of gas and electricity, the VREG has set a concrete cost savings target for the Issuer and the Guarantors, amounting to EUR 56 million in relation to electricity and EUR 27.5 million in relation to gas distribution activities for the tariff methodology established for the period 2021-2024<sup>15</sup>. A substantial portion of these savings still need to be realised by the end of 2024, at which point the VREG is expected to make an assessment as to whether or not the relevant targets have been met. If the VREG then determines that the Issuer and/or the Guarantors did not succeed in reaching these cost savings targets during the 2021-2024 tariff period, the Guarantors may have to bear the balance between the cost savings imposed by the VREG and the actual cost savings realised based on the evaluation by the VREG. Such a situation would negatively impact the Issuer's and/or the Guarantors' operational and financial position, which may hamper their ability to satisfy their obligations under the Notes.

*The Issuer's financial position may be impacted by the development of new, non-regulated activities.*

Other than its core regulated activities (i.e., the distribution of electricity and gas, public lighting<sup>16</sup>, sewerage and cable television infrastructure), the Issuer is currently developing and might in the future develop a number of new, non-regulated activities, such as the building of an advanced and fast data network. For further information on the fast data network, please refer to section 4.3 – 'Regulatory and contractual framework for Flemish CATV intermunicipalities' of Part VII – 'Description of the Issuer and the Guarantors'.

Although at the date of this Base Prospectus these activities only account for a marginal part of the Issuer's revenues, it cannot be ruled out that any such activities or the development of additional non-regulated activities might have an adverse impact on the Issuer's financial position, as these could require additional and potentially substantial investments. Consequently, this can impact the Noteholders if these activities are not successful from either a technical, commercial and/or financial point of view, given that this might then hamper the possibility for the Issuer to satisfy its payment obligations under the Notes.

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<sup>15</sup> Source: paragraph 5.5.3.4.1 of VREG Decision of 13 August 2020 'BESL-2020-31' (available at <https://www.vreg.be/nl/document/besl-2020-31>), as amended. Information contained on this website does not form part of this Base Prospectus.

<sup>16</sup> It should be noted that, by decision of the Flemish Government, the public service obligation of operating the municipal public lighting has been abolished as from 1 January 2022 onwards.

*The Issuer may incur significant losses if it cannot succeed in attracting, retaining and contracting (as applicable) enough qualified and competent personnel and third-party suppliers and sub-contractors.*

The Issuer pursues an active recruitment policy which aims at maintaining an appropriate level of expertise and knowhow in a tight labour market, given the highly specialised nature of its businesses. The correct execution and quality of the Issuer's operational tasks and, thus, its financial results, depend to a certain degree on the knowhow, expertise and level of training of technical and other employee profiles. This dependency will even increase in relation to the quality incentive which has been incorporated in the regulated tariff methodology for electricity and gas distribution as from 2021 onwards.

If, however, the Issuer does not succeed in attracting and retaining the staff required for its activities and, potentially, the expansion of its operations, the Issuer might be faced with additional expenses for outsourcing, intensified recruitment, training, etc., which may prove to be substantial. Furthermore, if the Issuer unexpectedly loses the services of one or more key individuals from a managerial or operational point of view, this may hamper the Issuer's ability to successfully execute its business strategy and to maintain its current or expected operational activity level, which may also give rise to a negative market perception.

In addition, the Issuer relies on various suppliers, sub-contractors and other third-party service providers for the implementation of certain aspects of its operational tasks. Demand for such professional services has increased over the past years and is expected to increase even further. Any failure to contract and rely on suppliers, third-party service providers and sub-contractors may negatively affect the Issuer's ability to effectively execute its operational tasks.

Any such circumstances may thereby also have an adverse effect on the Noteholders if these would negatively impact the Issuer's financial condition.

*Failures of corporate governance may occur at the level of the Issuer and/or the Guarantors, which may lead to suboptimal operational performance, penalisations from public authorities and/or reputational damages.*

Although the Issuer and the Guarantors have put in place an extensive set of detailed governance rules and procedures, it cannot be completely ruled out that for example an inadequate treatment of complaints, an inadequate functioning of their audit or governance bodies, an inefficiency in their company administration or other corporate governance elements materialise. For the Fluvius Economic Group, a set of specific corporate governance rules and obligations apply, which are issued by competent legislators and regulators, due to their public service tasks and monopoly status. If any such risk materialises, this may have adverse consequences on the Issuer's and/or the Guarantors' interests or on the licenses awarded to the Issuer and/or the Guarantors. A corporate governance failure may also lead to fines or other penalties imposed by the competent regulators as well as reputational damages. Any of these events may potentially adversely affect the interests of the Noteholders. In relation to the licenses of the Guarantors, please also refer to the risk factor entitled "*The Issuer's approval as operating company and the Guarantors' DSO licenses may be terminated early or not renewed, which would have negative consequences on the Issuer's and the relevant Guarantors' activities and revenue streams*".

For further information on the Issuer's and the Guarantors' corporate governance rules, please refer to section 1.3 – 'The Issuer's corporate structure' and section 2.4 – 'The status of the Guarantors under public law and the regulatory regime' of Part VII – 'Description of the Issuer and the Guarantors'.

*Insufficient technical updates and investments to the electricity grid to satisfy the needs of recent and future trends in electricity generation and usage may lead to fall-outs, grid disturbances and a poorer quality of electricity delivery.*

The Fluvius Economic Group is faced with risks relating to a number of recent evolutions in the production and consumption of electricity, which, if these trends are to continue, will necessitate certain changes to the architecture and technical capabilities of the Fluvius Economic Group's infrastructure for electricity distribution. For instance,

the proliferation of installations for decentralised electricity generation (e.g. solar modules, CHP, wind turbines and others) as well as the increasing electrification of transportation and buildings are not yet fully compatible with the traditional design of the electricity distribution grid. Any failure by the Fluvius Economic Group to adequately invest in and implement the necessary changes to the electricity distribution grid going forward may increase the risk of fall-outs, grid disturbances and a poorer quality of electricity delivery, which could expose the Issuer to a risk of losses, potential liability as well as reputational damage.

For further information on the challenges caused by the decentralisation of electricity generation, please refer to section 9.2 – ‘Trends in the energy sector’ – ‘Decentralised Electricity Generation’ of Part VII – ‘Description of the Issuer and the Guarantors’.

### **Risks related to the financial situation of the Fluvius Economic Group**

*The level of outstanding financial debt of the Issuer and the Guarantors and their ability to issue further debt or securities or borrow additional funds may impact their ability to satisfy their payment obligations under the Notes and may increase the risk that the Issuer’s credit rating will be downgraded.*

As at 31 December 2022, the aggregate financial indebtedness<sup>17</sup> of the Fluvius Economic Group, calculated according to IFRS, amounted to EUR 7,613 million (compared to EUR 7,196.1 million as at 31 December 2021). As at 31 December 2022, EUR 958 million of long-term loans was due within one year (compared to EUR 733.5 million as at 31 December 2021). As at 31 December 2022, the ratio of long-term and short-term interest-bearing debt to equity of the Fluvius Economic Group, calculated according to IFRS, was 0.973 (compared to 0.993 as at 31 December 2021). For further information on the financial debt of the Fluvius Economic Group, please refer to section 5.3 – ‘Financing policy of the Fluvius Economic Group’ of Part VII – ‘Description of the Issuer and the Guarantors’.

The outstanding level of debt of the Issuer and the Guarantors might:

- make it more difficult for the Issuer and the Guarantors to satisfy their obligations under the Notes, including with respect to interest payments (if any);
- somewhat limit their ability to obtain additional financing to operate their business;
- to a certain degree limit their financial flexibility in planning for and reacting to industry changes;
- increase their vulnerability to general adverse economic and industry conditions; and
- require them to dedicate a substantial portion of their cash flows to payments on debt, reducing the availability of their cash flows for other purposes.

The Conditions do not prohibit the Issuer or the Guarantors from issuing further debt or securities or contracting additional indebtedness in the form of bank loans, which, in each case, may or may not be secured. Condition 3 (*Negative Pledge*) only requires the Issuer and the Guarantors to grant the same security (or other security approved by the Noteholders by way of an Extraordinary Resolution) to the Noteholders in respect of the Notes in the event that security is granted for other indebtedness in the form of capital markets instruments (subject to certain exceptions set out in Condition 3 (*Negative Pledge*)), but not when the Issuer or the Guarantors grant any security for bank loans. If the Issuer or the Guarantors would grant security for any bank loans contracted by any of them, the creditors of such secured loans would in case of enforcement have priority over the secured assets. As at the date of this Base Prospectus, the Issuer and the Guarantors do not have secured financings and it is not the policy of the Issuer or the Guarantors to grant security in relation to their financings.

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<sup>17</sup> Defined as the aggregate of current and non-current interest-bearing loans and borrowings.

Any financings currently outstanding and any future financings of the Issuer and the Guarantors may include similar but also different terms than the Notes. They typically include customary events of default, such as in relation to insolvency proceedings and cross-defaults. In circumstances where such events of default are triggered, this will impact the Issuer's and/or the relevant Guarantors' financial position and their potential to satisfy their obligations under the Notes. While as at the date of this Base Prospectus none of the financings include financial covenants, it cannot be excluded that future financings may include specific financial covenants. In this respect, please also refer to the risk factor entitled "*Potential conflicts of interest could have an adverse effect to the interests of the Noteholders*".

Given the Fluvius Economic Group's ambitious capex plan to, amongst others, realise the investments needed in light of the envisaged future decarbonisation of society, the Issuer's overall level of indebtedness is likely to further increase in the coming years. A significant increase of the overall indebtedness of the Issuer and/or the Guarantors may negatively affect the market value of the Notes, may increase the risk that the credit rating of the Issuer will be downgraded and may have as a consequence that the Issuer and the Guarantors will be unable to meet their debt obligations. In this respect, please also refer to the risk factors entitled "*Credit ratings may not reflect all risks and a negative change in or withdrawal of a credit rating may adversely affect the trading price of the Notes*", "*If the Issuer and/or the Guarantors do not generate positive cash flows, potentially because of deteriorating market conditions, they will be unable to fulfil their debt obligations*" and "*Difficulties in accessing funding or receiving funding against acceptable terms may have an adverse impact on the investment possibilities of the Issuer and/or the Guarantors and on the possibility for the Issuer and/or the Guarantors to satisfy their payment obligations under their outstanding debt instruments*".

*If the Issuer and/or the Guarantors do not generate positive cash flows, potentially because of deteriorating market conditions, they will be unable to fulfil their debt obligations.*

The ability of the Issuer and the Guarantors to pay principal and interest (if any) on the Notes and to pay outstanding amounts on their other debt depends primarily on the regulatory framework and the regulated tariffs, as well as on their future operating performance. In this respect, investors should note that the Issuer generates cash flows on behalf of the Guarantors whereby its services are charged at zero-margin and with a net result of zero. Please also refer to the risk factors entitled "*The Issuer and the Guarantors are subject to extensive and evolving regulations and legislation which may affect their operational and financial performance*" and "*The Issuer's approval as operating company and the Guarantors' DSO licenses may be terminated early or not renewed, which would have negative consequences on the Issuer's and the relevant Guarantors' activities and revenue streams*".

The potential for the Issuer and the Guarantors to generate positive cash flows will also be impacted by changing circumstances in the credit markets (as far as access to financing is concerned) and the level of the outstanding debt of the Issuer and the Guarantors, which, together with the increased volatility and price increases experienced in recent months as well as the anticipated increase in overall debt levels as a result of the contemplated ambitious capex plans and investments needed to bring about the energy transition, can make the access to financing more expensive than anticipated and could result in greater financial vulnerability. In addition, there is a risk that the Issuer's additional 2023-2032 Energy & Climate Transition investment plan, which has been approved by the VREG on 31 March 2023 but remains subject to annual updates, turns out to be more expensive than initially anticipated due to operational and technical constraints. Consequently, it is possible that the Issuer and/or the Guarantors will not have sufficient cash flows to pay the principal, premium (if any) and interest (if any) on their debt. If the cash flows and capital resources are insufficient to allow the Issuer and/or the Guarantors to make scheduled payments on their debt, the Issuer and the Guarantors may have to reduce or delay capital expenditures, sell assets, seek additional capital or restructure or refinance their debt. It is, however, possible that the terms of their debt do not allow these alternative measures or that such measures would not satisfy their scheduled debt service obligations.

If the Issuer and/or the Guarantors cannot make scheduled payments on their debt because they are not able to generate positive cash flows, also taking into account potential deteriorating market conditions affecting such cash flows, they will be in default and, as a result thereof:

- their debt holders could declare all outstanding principal and interest (if any) to be due and payable; and
- their lenders could terminate their commitments.

This will then impact the Issuer's and/or the Guarantors' financial position and their potential to satisfy their obligations under the Notes.

*Difficulties in accessing funding or receiving funding against acceptable terms may have an adverse impact on the investment possibilities of the Issuer and/or the Guarantors and on the possibility for the Issuer and/or the Guarantors to satisfy their payment obligations under their outstanding debt instruments.*

Funding risk is the risk that the Issuer and/or the Guarantors will be unable to access the funds that they need when it comes to refinance their debt, to attract new funding if needed or through the failure to meet the terms of their credit facilities.

In this respect, the Issuer and the Guarantors also face a certain degree of market risk insofar that they are constrained by prevailing market conditions (on interest rates, market volatility and others) when they contemplate the issuance of debt, whether for a short term or for a long term. These market conditions might temporarily hamper or rule out the possibility for the Issuer and the Guarantors to attract the necessary funding at the appropriate moment and at attractive pricing levels.

As part of the mitigation efforts regarding the funding risk, the Issuer and the Guarantors aim at a diversification of financing sources. Short-term liquidity risk is managed on a daily basis with funding needs being fully covered through the availability of committed credit lines and a non-committed commercial paper programme. Cash is maintained, where necessary, to guarantee the solvency and flexibility of the Issuer and the Guarantors at all times. For further information on the financial debt and the financing policy of the Issuer and the Guarantors, please refer to section 5.3 – 'Financing policy of the Fluvius Economic Group' of Part VII – 'Description of the Issuer and the Guarantors'.

Any funding difficulties may hamper the execution of the necessary grid or other investments and/or limit the Issuer's and/or the Guarantors' possibility to satisfy their payment obligations under their outstanding debt instruments, including the Notes. Please also refer to the risk factors entitled "*The level of outstanding financial debt of the Issuer and the Guarantors and their ability to issue further debt or securities or borrow additional funds may impact their ability to satisfy their payment obligations under the Notes and may increase the risk that the Issuer's credit rating will be downgraded*" and "*A failure of the Issuer to remain appointed as operating company of the Guarantors would seriously endanger the Issuer's viability*".

*Interest rate fluctuations may negatively impact the Issuer taking into account the fact that the Fluvius Economic Group borrows both at fixed and variable interest rates.*

The Fluvius Economic Group is exposed to interest rate risk because entities in the Fluvius Economic Group borrow funds at both fixed and variable interest rates. Taking into account market circumstances, fluctuations may have a significant negative impact. In 2022, an increased volatility has been observed on the financial markets which further increased in the beginning of 2023, amongst others as a result of the conflict in Ukraine, inflationary pressures and general economic volatility. In light of the changed interest rate environment, future (re)financings are expected to be at higher interest rates than the ones raised in recent years (until 2021). For an overview of the financial debt outstanding at the level of the Issuer and the Guarantors, please refer to section 5.3 – 'Financing policy of the Fluvius Economic Group' of Part VII – 'Description of the Issuer and the Guarantors'.

The cost of debt which the Fluvius Economic Group is able to recover through the tariffs is based on parameters which are pre-determined by the VREG in the tariff methodology for the relevant regulatory period. This is based on a (fixed) cost of debt for the relevant period on the basis of (among other factors) the historical cost of debt. As set out in more detail in section 4.1.4(a) – ‘The regulatory tariff period 2021-2024’ of Part VII – ‘Description of the Issuer and the Guarantors’, the overall cost of debt for the distribution of electricity and gas which the Fluvius Economic Group is able to recover for the current regulatory period is 2.14%, to be computed on the basis of the applicable RAB (Regulatory Asset Base) and certain other parameters. For financial year 2022, the average cost of debt for the long-term debt of the entire Fluvius Economic Group amounted to 2.21%. If the current trend of higher interest rates were to continue during the current regulatory period, the average cost of debt is likely to further increase resulting in a negative impact on the profits of the Fluvius Economic Group. See also the risk factor entitled “*Future changes to gas, electricity and/or sewerage tariffs or tariff methodologies, for example if these are not in line with the European internal energy market (if applicable), may have an adverse effect on the Issuer’s and the Guarantors’ assigned credit ratings, ability to obtain funding and, hence, on their operational performance*” for further details on the risk of a mismatch between the pre-determined cost of debt and the actual cost of debt incurred during a certain tariff period.

To minimise the potential negative impact of interest rate fluctuations, the Issuer’s and the Guarantors’ management strive to achieve an optimal ratio of fixed and variable interest rates. Furthermore, interest rate swaps have been entered into in relation to the vast majority of its outstanding loans with a variable interest rate. Nevertheless, it is not certain whether this will fully eliminate the risk of interest rate fluctuations and a sustained increase of interest rates may affect the Issuer’s and the Guarantors’ liquidity, profitability and financial position and, thus, the Issuer’s and/or the Guarantors’ possibility to satisfy their payment obligations under the Notes.

*Post-retirement arrangements may lead to investment risks and interest rate risks for the Issuer.*

At the level of the Fluvius Economic Group, a number of post-retirement arrangements (pensions and other compensations) are in place for the benefit of its former and current employees. These arrangements are both of the ‘defined benefit’ and ‘defined contribution’ type. These arrangements are financed by contributions by employer and employees alike which are being collected in pension funds. As at 31 December 2022, the employee benefit liabilities totalled EUR 290.4 million (compared to EUR 559.4 million as at 31 December 2021). Since the start of 2022, the real value of the pension funds has decreased due to the generally deteriorated market conditions. For further information on the employee benefit liabilities, please refer to the Fluvius Economic Group’s financial statements which are incorporated by reference into this Base Prospectus.

For the ‘defined benefits’ arrangements, the Fluvius Economic Group is faced with an investment risk, in that the beneficiaries have a right to a pre-defined financial target amount at retirement which the Fluvius Economic Group is guaranteeing irrespective of the market interest rates. The defined benefit schemes can also be impacted by the risk of future wage evolutions, since every wage increase results in an increase of the Issuer’s financial obligations towards the relevant participants.

For the ‘defined contribution’ arrangements, the Fluvius Economic Group faces the risk of having to meet the interest rates guaranteed by Belgian law, irrespective of financial market conditions.

In addition to these risks, the Fluvius Economic Group’s obligations for pension and related post-retirement benefits are also impacted by the estimates on life expectancy used. A rise in life expectancy for the participants in the pension schemes results in an increase of the Fluvius Economic Group’s financial obligations.

The Issuer, with the assistance of the pension fund managers involved, tries to mitigate these risks by closely monitoring the evolutions of the underlying parameters and to take all appropriate actuarial measures best suited to minimise the risks and to ensure that the value of the pension funds exceed the underlying benefit plan liabilities at all times.



If, however, such measures would not be sufficient in the future to mitigate the negative impact of investment and interest rate risks on the pension liabilities and assets, resulting in uncovered pension fund liabilities, this could negatively impact the financial position of the Fluvius Economic Group and hamper the Issuer's and/or the Guarantors' ability to satisfy their obligations under the Notes.

For further information, please refer to note 24 (*Employee benefit liabilities*) of the audited consolidated annual financial statements of the Fluvius Economic Group as of and for the financial year ended 31 December 2022 which are incorporated by reference into this Base Prospectus.

*The Issuer and the Guarantors may encounter difficulties in meeting their financial liabilities because of credit risk and issues in relation to their capital structure.*

In the framework of their normal business, the Issuer and the Guarantors face credit, capital structure and liquidity risk.

The credit risk faced by the Issuer and the Guarantors stems from uncertainties on the liquidity and solvability of their counterparties. In 2022, the two largest customers together represented 56% of the turnover for the electricity segment and the three largest customers together represented 58% of the turnover for the gas segment (compared to 2021, when the two largest customers together represented 57% of the turnover for the electricity segment and the three largest customers together represented 55% of the turnover for the gas segment). For more details on the amounts of receivables, please refer to the financial accounts of the Fluvius Economic Group which are incorporated by reference into this Base Prospectus. The Issuer and the Guarantors periodically assess their balance sheet structure in this respect, but have no certainty as to the appropriateness of this structure in relation to their activities and funding needs. In this regard, there is a risk that the Issuer and/or the Guarantors may encounter difficulties in meeting their financial liabilities. The Issuer and the Guarantors try to limit this risk to the extent possible by scrutinising cash flows continually and by making sure that credit facilities are available, but it is not certain whether these factors will fully eliminate the risks.

Furthermore, the capital structure of the Issuer and the Guarantors might – at any given time – prove to be suboptimal in light of regulatory requirements or the applicable tariff methodology. If and when such a situation occurs, it poses a risk for the Issuer and the Guarantors as the regulatory tariffs are based on a ratio of 60 per cent. debt and 40 per cent. equity, and any suboptimal capital structure may result in adverse consequences for the Issuer and the Guarantors.

## **RISKS RELATING TO THE NOTES AND THE GUARANTEES**

### **Risks relating to the Notes and the Guarantees generally**

*The market value of the Notes may be affected by the creditworthiness of the Fluvius Economic Group and other factors.*

The value of the Notes may be affected by the creditworthiness of the Issuer and the Guarantors, including a change in credit ratings, and a number of additional factors, such as market interest and yield rates and the time remaining to the maturity date and, more generally, all economic, financial and political events in any country, including factors affecting capital markets generally and the stock exchanges on which the Notes are traded. The degree to which the Issuer and the Guarantors are permitted to issue additional indebtedness may affect such creditworthiness. In this respect, please also refer to the risk factor entitled “*The level of outstanding financial debt of the Issuer and the Guarantors and their ability to issue further debt or securities or borrow additional funds may impact their ability to satisfy their payment obligations under the Notes and may increase the risk that the Issuer's credit rating will be downgraded*”.

The structure of a particular series of Notes may also cause certain Series of Notes to be more vulnerable to changes in market value. In this respect, please also refer to the risk factors entitled “*Optional redemption options of the Issuer*”.

may affect the market value of the Notes” and “The market value of Notes issued at a substantial discount or premium may fluctuate more than Notes issued without a substantial discount or premium”. The price at which a Noteholder will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

*The payment of all amounts in respect of the Notes is guaranteed on a several but not joint basis, subject to the pro rata limitations as set out in the Guarantees.*

The obligations of each Guarantor under its respective Guarantee are guaranteed on a several but not joint basis. This means that if the Issuer does not comply with its payment obligations under the Notes, a Noteholder will need to make a claim against each of the Guarantors, each claim for a portion of the total claim of such Noteholder against the Issuer. The obligations of each Guarantor under its respective Guarantee shall, at all times, be limited to the proportional share of contributions which such Guarantor has made in the Issuer as of the date of the issue of the relevant Notes as set out in the relevant Final Terms, taking into account that, in aggregate, the sum of the amounts of the Notes covered by such Guarantees in each case adds up to 100% of the amount of the Notes issued. As of the date of publication of this Base Prospectus, the contributions in the Issuer are as set out in section 1.3 – ‘The Issuer’s corporate structure’ in Part VII – ‘Description of the Issuer and the Guarantors’. The contributions in the Issuer may, however, evolve over time.

The fact that a Noteholder who wishes to call upon the Guarantees by the Guarantors will be required to proceed individually against each Guarantor will be more cumbersome and costly for Noteholders than would be the case if the Guarantees were given by the Guarantors on a joint and several basis. In addition, in the event that one of the Guarantors would be unable to pay the amounts due by it under its Guarantee, the Noteholder would not have recourse against the other Guarantors for such unpaid amounts.

Please also refer to the risk factor entitled “*The enforcement of the Guarantees is subject to limitations stemming from the particular nature of the Guarantors*”.

*The enforcement of the Guarantees is subject to limitations stemming from the particular nature of the Guarantors.*

Given the particular nature of the Guarantors, the enforcement of the Guarantees against each of them will be subject to limitations. Enforcement against the assets of the Guarantors will be limited because of the immunity of execution that applies to the assets of the Guarantors which are used for public services. Investors should note that almost all of the assets for electricity distribution, gas distribution, public lighting and sewerage are deemed to fall within this category of non-seizable assets, amounting to more than 80% of the Guarantors’ total assets as at the date of this Base Prospectus. For further information, please refer to the risk factor entitled “*The Guarantors cannot be subject to bankruptcy proceedings and, potentially along with the Issuer, benefit from immunity of execution, which limits the enforcement options of the Noteholders*”.

Investors should also take into account that for purposes of the concept of the ‘Fluvius Economic Group’ all assets and liabilities of the Guarantors are taken into account to determine the financial position. The obligations of the Issuer under the Notes are, however, only guaranteed by each Guarantor up to the proportional share of contributions which such Guarantor has made in the Issuer as of the date of the issue of the relevant Notes, taking into account that, in aggregate, the sum of the amounts of the Notes covered by such Guarantees in each case adds up to 100% of the amount of the Notes issued. Please refer to the risk factor entitled “*The payment of all amounts in respect of the Notes is guaranteed on a several but not joint basis, subject to the pro rata limitations as set out in the Guarantees*” in this respect.

Enforcement possibilities of Noteholders are furthermore limited because of the fact that the Guarantors cannot be subject to bankruptcy proceedings under Book XX of the Belgian Code of Economic Law. Please also refer to the risk factor entitled “*The Guarantors cannot be subject to bankruptcy proceedings and, potentially along with the Issuer, benefit from immunity of execution, which limits the enforcement options of the Noteholders*”.

In addition, the Guarantors have only been established for a limited but renewable duration of eighteen years. Where the duration would not be renewed or terminated early, this may impair the Noteholders' enforcement options against such Guarantor and/or impact the income which the Issuer would receive with potentially adverse consequences to the Noteholders. In this respect, please also refer to the risk factor entitled "*The fixed duration of a Guarantor may not be extended, or the Guarantors may fail to retain their participating members, which could weaken their overall credit quality*".

*Fees, commissions and/or inducements included in the issue price and/or the offer price may negatively affect the yield on the Notes.*

Investors should note that the issue price and/or the offer price of any issue of Notes may include subscription fees, placement fees, direction fees, structuring fees and/or other additional costs. Any such fees may not be taken into account for the purposes of determining the price of such Notes on the secondary market and could result in a difference between the original issue price and/or offer price, the theoretical value of such Notes and/or the actual bid/offer price quoted by any intermediary in the secondary market. Any such difference may have an adverse effect on the value of Notes, particularly immediately following the offer and the issue date relating to such Notes, where any such fees and/or costs may be deducted from the price at which such Notes can be sold by the initial investor in the secondary market.

*Limited secondary market liquidity may render it difficult for investors to sell their Notes or may negatively affect the price of such sale.*

Notes may have no established trading market when issued, and one may never develop, even if such Notes are listed on Euronext Brussels or any other stock exchange or multilateral trading facility. Liquidity and volatility may be affected if Notes are allocated to a single investor or to a limited number of investors only or if a market for the Notes does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

*Decisions of Noteholders may bind Noteholders who were absent or voted in a manner contrary to the majority.*

Noteholders acting by defined majorities as provided in Condition 10(a) (*Meetings of Noteholders*) and Schedule 1 (*Provisions on meetings of Noteholders*) to the Conditions, whether at duly convened meetings of the Noteholders or by way of written resolutions or electronic consents, may take decisions that are binding on all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority or, as the case may be, who did not sign the relevant written resolution or provide their electronic consents for the passing of the relevant resolution. Such decisions relate to matters affecting the Noteholders' interests generally, including the modification or waiver of any provisions of the Conditions. This may, for example, include decisions relating to (a reduction of) the interest payable on the Notes (if any) and/or the amount to be paid by the Issuer or the Guarantors upon redemption of the Notes.

*The transfer of the Notes, any payments made in respect of the Notes and all communications with the Issuer will occur through the NBB-SSS and Noteholders may not have a direct claim against the Issuer.*

A Noteholder must rely on the procedures of the NBB-SSS to receive payment under the Notes or communications from the Issuer. In the event that a Noteholder does not receive such payment or communications, its rights may be prejudiced but it may not have a direct claim against the Issuer therefor. The Issuer and the Agent will have no responsibility or liability for the records relating to, or payments made in respect of, the Notes within, or any other

improper functioning of, the NBB-SSS and Noteholders should in such case make a claim against the NBB-SSS. Any such risk may adversely affect the rights and/or return on investment of a Noteholder.

*Potential conflicts of interest could have an adverse effect to the interests of the Noteholders.*

Potential investors should be aware that the Fluvius Economic Group is involved in a general business relation or/and in specific transactions with the Co-Arrangers and the Dealers and that they might have conflicts of interests which could have an adverse effect to the interests of the Noteholders. In this respect, the Issuer takes into account the applicable conflict of interest procedures as set out in the Belgian Companies and Associations Code.

As at the date of this Base Prospectus, the Co-Arrangers and Dealers provide, among other things, payment services, investments of liquidities, short- and long-term credit facilities, bank guarantees, hedging products and assistance in relation to commercial paper, bonds and structured products to the Fluvius Economic Group for which certain fees and commissions are being paid. These fees represent recurring costs which are being paid to the Co-Arrangers and the Dealers as well as to other banks which offer similar services. As per 31 March 2023, the existing financial indebtedness of the Fluvius Economic Group outstanding towards and/or committed by Belfius Bank SA/NV amounted to approximately EUR 671.4 million, BNP Paribas Fortis SA/NV amounted to approximately EUR 600.2 million and BNP Paribas amounted to EUR 0. This may, however, evolve over time. Each of the Co-Arrangers and Dealers may also hold from time to time debt securities and/or other financial instruments of the Fluvius Economic Group. Furthermore, the Dealers and the Agent receive customary commissions in relation to the offer of Notes and, to the extent that any such commissions are borne by the Noteholders, such commissions may reduce the yield of the Notes for the relevant Noteholders. Please also refer to the risk factor entitled “*Fees, commissions and/or inducements included in the issue price and/or the offer price may negatively affect the yield on the Notes*”.

Certain parties involved in the issuance of the Notes may act in different capacities and may also be engaged in other commercial relationships, in particular, be part of the same group, be lenders, provide banking, investment banking or other services (whether or not financial) to other parties involved in the issuance of Notes. In such relationships the relevant parties may not be obliged to take into consideration the interests of the Noteholders. Accordingly, because of these relationships, potential conflicts of interest may arise out of the transaction. In particular, the loan agreements between the Co-Arrangers or the Dealers and the Fluvius Economic Group may contain terms, including (financial) covenants, different from or not included in the conditions of the proposed Notes and may have different maturity dates or repayment events than those of the Notes. To the extent that a payment is to be made by the Issuer and/or the Guarantors in respect of such loan agreements prior to the maturity of Notes, this will affect the liquidity position of the Issuer and/or the relevant Guarantor and may to some extent adversely affect the possibility of the Issuer to make payments due on such Notes or of the relevant Guarantor to comply with its obligations under its Guarantee. The Noteholders should be aware of the fact that the Co-Arrangers or the Dealers, when they act as lenders to the Fluvius Economic Group (or when they act in any other way as a counterparty to the Fluvius Economic Group), have no fiduciary duties or other duties of any nature whatsoever vis-à-vis the Noteholders and that they are under no obligation to take into account the interests of the Noteholders and may therefore act in a manner that is contrary to the interests of the Noteholders.

### **Risks relating to Notes which qualify as Green Notes**

The Issuer has established a Green Financing Framework (as defined in Part IX – ‘Green Financing Framework’) and the Final Terms relating to a specific issue of Notes may provide that the Issuer will use an amount equal to the net proceeds of the offer (as at the date of issuance of such Notes) to finance and/or refinance, in whole or in part, Eligible Green Projects (as defined in Part IX – ‘Green Financing Framework’) that satisfy the eligibility criteria set out in the Green Financing Framework (such Notes being referred to as Green Notes). The related risks mainly include the following:

*Notes issued as Green Notes may not meet investor expectations or requirements (including any green or sustainable performance objective) and/or may not be aligned with the final version of the European green bond standard or any*

*other sustainability-related regulations, each of which would not amount to an Event of Default or a breach of contract by the Issuer, may affect the value of such Green Notes and/or may have adverse consequences for investors..*

Investors should take into account that there is currently no clear definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a “green” or “sustainable” or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as “green” or “sustainable” or to receive such other equivalent label. The European Union is currently developing and has already adopted various sustainability related rules and regulations, including Regulation (EU) No 2020/852 on the establishment of a framework to facilitate sustainable investment (the “**EU Taxonomy Regulation**”), establishing the criteria for determining whether an economic activity qualifies as environmentally sustainable for the purposes of establishing the degree to which an investment is environmentally sustainable. The EU Taxonomy Regulation is subject to further development through delegated regulations and also gives rise to interpretation questions in its implementation, as experienced by the Issuer and the Fluvius Economic Group in its 2021 annual report which included reporting on the taxonomy-eligibility of its activities for the first time, while the 2022 annual report also includes more extensive results on both taxonomy eligibility and alignment. The European Commission furthermore published a legislative proposal for a European green bond standard. Provisional political agreement on the legislative proposal for a European green bond standard has been reached in February 2023, which will be a voluntary label for issuers of green use of proceeds bonds (such as Green Notes) where the proceeds will be invested in economic activities aligned with the EU Taxonomy Regulation. However, the provisional political agreement remains subject to change and there is no assurance if or when such European green bond standard will be confirmed and adopted by the European Council and European Parliament. Green Notes issued under this Programme may not be aligned with such European green bond standard as they are intended to comply with the criteria and processes set out in the Issuer’s Green Financing Framework only, which predates the potential adoption of the European green bond standard. The Green Financing Framework has already been updated to reflect, to the extent possible, certain aspects of the legislative proposal for the European green bond standard dated 6 July 2021 and may be further updated in the future to take into account the final legislative text in light of the potential amendments that may still be made to the original draft of the European green bond standard. Any such later amendments to the original legislative proposal, including the provisional agreement announced on 28 February 2023, have not yet been taken into account for purposes of the Green Financing Framework. It is nevertheless not clear at this stage which impact the European green bond standard, if and when implemented, may have on investor demand for, and pricing of, green use of proceeds bonds (such as the Green Notes) that do not meet such standard. It could reduce demand and liquidity for the Green Notes and their price.

In light of the continuing development of legal, regulatory and market conventions in the green and sustainable market and the interpretation questions and uncertainties that issuers may face while implementing the various rules, there is a risk that any Eligible Green Projects will not satisfy, whether in whole or in part, any future legislative or regulatory requirements (including, without limitation, the criteria for taxonomy alignment in accordance with the EU Taxonomy Regulation), or any present or future investor expectations or requirements with respect to investment criteria, any taxonomy alignment or guidelines with which any investor or its investments are required to comply under applicable sustainability related rules and regulations, its own by-laws or other governing rules or investment portfolio mandates. Moreover, the way in which issuers report under the EU Taxonomy Regulation and other EU sustainable finance regulations may evolve in the coming years and, given the many uncertainties and outstanding questions, it cannot be excluded that this may result in a different classification or result than the one used for the first reports under these legislations.

The failure of any of the Eligible Green Projects to meet any or all investor expectations regarding such ‘green’ or other equivalently-labelled performance objectives (including, but without limitation, any taxonomy alignment) and/or the non-alignment of any Green Notes with the final version of the European green bond standard or any other sustainability-related regulations will not amount to an Event of Default or a breach of contract by the Issuer under

the relevant Green Notes, may affect the value of such Green Notes and/or may have adverse consequences for investors, including investors with portfolio mandates to invest in green or sustainable assets.

*The application of an amount equal or equivalent to the net proceeds of Green Notes to finance and/or refinance Eligible Green Projects may not be capable of being (timely) implemented or may not be totally or partially disbursed as planned for reasons that are outside the Issuer's control or which the Issuer is not able to anticipate as at the Issue Date of the relevant Green Notes, which would not amount to an Event of Default or a breach of contract by the Issuer and may impact the value of the Green Notes.*

Prospective investors should have regard to the information set out in the relevant Final Terms regarding the use of proceeds for any Eligible Green Projects in the case of Green Notes. While the Issuer will, in case of an issuance of Green Notes, apply an amount equal or equivalent to the net proceeds of such Green Notes in the manner described under Part VIII – ‘Use of Proceeds’ and Part IX – ‘Green Financing Framework’, including in relation to the applicable timeframe, the application of such amount to finance and/or refinance, in whole or in part, any relevant Eligible Green Projects may not be capable of being implemented in such manner and/or in accordance with any timeframe, or such amounts may not be totally or partially disbursed as planned, for reasons that are outside the Issuer's control or which the Issuer is not able to anticipate as at the Issue Date of the relevant Green Notes<sup>18</sup>. Accordingly, the use of proceeds by the Issuer for any Eligible Green Projects may not necessarily meet the requirements set out in the Green Financing Framework, whether in whole or in part, for reasons that are outside the Issuer's control or which the Issuer is not able to anticipate as at the Issue Date of the relevant Green Notes. If the relevant Final Terms include information regarding the use of proceeds for any Eligible Green Project, that does not mean that no adverse environmental and/or other impacts will occur during the implementation of any projects or uses the subject of, or related to, any Eligible Green Projects. Furthermore, although the Issuer may agree at the Issue Date of any Green Notes to allocate the proceeds of the Notes to finance Eligible Green Projects or to provide annual progress reports, investors should note that they will not be able to call upon an Event of Default or any other breach of contract by the Issuer under the Green Notes (i.e., they will not be able to request repayment pursuant to Condition 9 or to exercise any other contractual remedy under any Condition) if the Issuer would fail to do so as this is not provided for in the Conditions. The Issuer may nevertheless incur reputational damages if it fails to comply with the principles of its Green Financing Framework, the allocation of the proceeds of the Notes to finance Eligible Green Projects or any reporting as set out in its Green Financing Framework and this may make it more difficult for the Issuer to access green financing and green listing venues in the future. Any such failure may also negatively impact the value of Green Notes. For the avoidance of doubt, the above is without prejudice to the responsibility of the Issuer for the information contained in this Base Prospectus as indicated in the section ‘Important information’ and for the information contained in the applicable Final Terms as indicated therein.

*The Second Party Opinion does not reflect the potential impact of all risks related to Green Notes and any withdrawal of such opinion may affect the value of Green Notes.*

In connection with the potential issuance of any Green Notes, the Issuer has requested ISS ESG (a business unit of ISS Corporate Solutions) to issue an independent opinion (the “**Second Party Opinion**”) confirming that the Green Financing Framework is aligned with the Green Bond Principles (version June 2021, including Appendix 1 dated June 2022) developed by the International Capital Markets Association and the Green Loan Principles (version February 2023) developed by the Loan Market Association. In addition, in its Second Party Opinion, ISS ESG assesses the alignment of the eligibility and selection criteria for Eligible Green Projects with the criteria set out in the EU Taxonomy Regulation purely on an indicative and best-efforts basis (given the currently-existing discretion on the methodologies in determining alignment with the EU Taxonomy Regulation technical screening criteria). This assessment, on a best-efforts basis, confirmed alignment of the Green Financing Framework's selection criteria and

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<sup>18</sup> Pending such allocation, the net proceeds of any Green Notes are expected to be managed in the Issuer's treasury liquidity portfolio, in cash or in other short-term instruments, in accordance with the Issuer's Green Financing Framework.

policies with the relevant Climate Change Mitigation/Adaptation and Do No Significant Harm (DNSH) technical screening criteria and indicated non-alignment with the Minimum Safeguards (mainly due to the absence of a formal human rights due diligence policy), each as described in the EU Taxonomy Regulation. As further set out in the Second Party Opinion, the Issuer has a priority plan in place to remedy the non-alignment with the Minimum Safeguards by the end of 2023.

The Second Party Opinion does not reflect the potential impact of all risks related to the structure of the relevant Series of Green Notes, their marketability, trading price or liquidity or any other factors that may affect the price or value of the Green Notes. Any such Second Party Opinion is not a recommendation to buy, sell or hold securities, is only current as of its date of issue and does not provide an opinion on the compliance of any Green Notes with the Green Financing Framework. Prospective investors must determine for themselves the relevance, suitability and reliability for any purpose whatsoever of the Second Party Opinion, the Green Financing Framework or any other opinion, report or certification (whether or not solicited by the Issuer and/or the Guarantors and subject to any (limitation of) liability statement contained in such opinion, report or certification – the Second Party Opinion provides for example that “*Neither ISS or ICS will have any liability in connection with the use of these Second Party Opinions, or any information provided therein*”) and/or the information contained therein and/or the provider of any opinion, report or certification for the purpose of any investment in any Green Notes. Without prejudice to the responsibility of the Issuer for the information contained in this Base Prospectus as indicated in the section ‘Important information’ and for the information contained in the applicable Final Terms as indicated therein, the Noteholders have no recourse against the Issuer, any Guarantor or the provider of any such opinion or certification for the contents of any such opinion or certification. Moreover, a withdrawal of any such opinion or certification may affect the value of any Green Note and/or may have consequences for certain investors with portfolio mandates to invest in green assets. Investors should note that they will not be able to call upon an Event of Default or any other breach of contract by the Issuer under the Green Notes (i.e., they will not be able to request repayment pursuant to Condition 9 or to exercise any other contractual remedy under any Condition) if the Second Party Opinion would be withdrawn as this is not provided for in the Conditions.

#### **Risks relating to the structure of a particular issue of Notes**

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

*The value of the Notes may be adversely affected by movements in market interest rates.*

Investment in Notes exposes the relevant investor to the risk that the price of such Note falls as a result of changes in the current interest rate on the capital markets (the “**Market Interest Rate**”). In particular, in respect of Fixed Rate Notes (for which the nominal rate is fixed for a specified period) investors are exposed to variations in the Market Interest Rate, which typically changes on a daily basis. As the Market Interest Rate changes, the price of such security is likely to change in the opposite direction. If the Market Interest Rate increases, the price of such security typically falls until the yield of such security is approximately equal to the Market Interest Rate. If the Market Interest Rate falls, the price of a security with a fixed compensation rate typically increases until the yield of such security is approximately equal to the Market Interest Rate.

Investors should be aware that the movements of the Market Interest Rate can adversely affect the price of the Notes and can lead to losses for the Noteholders if they sell such Notes. The materiality of this risk may be reinforced in respect of Notes which have a longer maturity.

In this respect, please also refer to the risk factor entitled “*A Noteholder’s return on the Notes may be affected by inflation*”.

*A Noteholder's real return on the Notes may be affected by inflation.*

The real return (i.e., the return earned on a certain investment over a specified period of time adjusted for inflation and taxes) which an investor will receive on its Notes may be affected by inflation. Inflation risk is the risk that the future real value of an investment will be reduced by inflation over time, which could be caused by an increase in prices or a decrease in the value of money. In this respect, the return on Notes would be reduced due to the effect of inflation. The higher the inflation, the lower the return of a Note. If the inflation is equal to or higher than the interest rate applicable to the Notes, then the return is equal to zero or could be negative.

Inflation can adversely affect the return on the Notes, including the purchasing power of interest payments made on the Notes, and can lead to losses for the Noteholders. The materiality of this risk may be reinforced in respect of Notes which have a longer maturity.

In this respect, please also refer to the risk factor entitled "*The value of the Notes may be adversely affected by movements in market interest rates*".

*Credit ratings may not reflect all risks and a negative change in or withdrawal of a credit rating may adversely affect the trading price of the Notes.*

The Issuer has been rated and one or more independent credit rating agencies may assign credit ratings to the Notes, as will be set out in the relevant Final Terms. The credit ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed in this section, and other factors that may affect the Issuer and/or the value of the Notes. Conversely, the absence of a credit rating may also render it more difficult for Noteholders to benchmark their investment in the Notes against other debt securities and to become aware of any adverse change in the credit risk of the Issuer. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. For an overview of the credit ratings of the Issuer, please refer to section 1.4 – 'The Issuer's corporate credit ratings' in Part VII – 'Description of the Issuer and the Guarantors'.

In addition, any negative change in or withdrawal of a credit rating assigned to the Issuer could adversely affect the trading price of the Notes, including where this would lead to a negative change in or withdrawal of a credit rating assigned to such Notes, if any.

*Optional redemption options of the Issuer may affect the market value of the Notes.*

An optional redemption feature of Notes benefiting the Issuer may affect the market value of the Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Issuer may, for example, be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

*Notes that have a fixed to floating interest rate or a floating to fixed interest rate may result in a yield for investors lower than market rates at the time of conversion.*

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this is expected to affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be



lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

*The regulation and reform of “benchmarks”, including EURIBOR, may adversely affect the value of Notes linked to or referencing such “benchmarks”.*

The Euro Interbank Offered Rate (“**EURIBOR**”) and other interest rate benchmarks or other types of rates and indices (as defined in Article 3 of Regulation (EU) No. 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, as amended (the “**Benchmark Regulation**”)), which can be used to determine the amounts payable under Notes linked to such benchmark, are the subject of ongoing national and international regulatory discussions and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented.

The Benchmark Regulation became applicable from 1 January 2018 and applies to the provision and use of benchmarks as well as the contribution of input data to a benchmark within the EU. The Benchmark Regulation is subject to changes and reforms from time to time. Any such further reforms or changes in the future could have a material impact on any Notes linked a benchmark rate or index (including EURIBOR), in particular if the methodology or other terms of the benchmark are subsequently changed in order to comply with the terms of the Benchmark Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level, of the benchmark. More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain “benchmarks,” trigger changes in the rules or methodologies used in certain “benchmarks” or lead to the discontinuance or unavailability of quotes of certain “benchmarks”.

Any such change or elimination of a benchmark or index could require or result in an adjustment to the interest calculation provisions of the Conditions (as further described in Condition 4(j)), or result in adverse consequences to holders of any Notes linked to such benchmark (including Floating Rate Notes whose interest rates are linked to EURIBOR or any other such benchmark that is subject to reform). Furthermore, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmarks may adversely affect the trading market for and return on the relevant Notes.

The Conditions provide for certain fallback arrangements in the event that a published benchmark, such as EURIBOR (or its publication channel or replacement service), becomes unavailable, unlawful or unrepresentative, including the possibility that the rate of interest could be set by reference to a successor rate or an alternative rate, possibly adjusted in accordance with any recommendation of a relevant governmental body or in order to reduce or eliminate any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark. However, any such adjustments to the Notes may not achieve this objective and any such changes may result in the Notes performing differently (which may include payment of a lower interest rate) than if the original benchmark continued to apply. In certain circumstances the ultimate fallback of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of successor rates and alternative rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value of and return on any such Notes.

*The market value of Notes issued at a substantial discount or premium may fluctuate more than Notes issued without a substantial discount or premium.*

The market values of securities issued at a substantial discount or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

**Risks relating to the status of the investor**

*The Notes may be subject to withholding taxes in circumstances where the Issuer is not obliged to make gross-up payments and this would result in Noteholders receiving less interest than expected and could significantly adversely affect their return on the Notes.*

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. Investors should consult Part X – ‘Taxation’ for certain summary information about the Belgian taxation. All interest payments in respect of the Notes are in principle subject to Belgian withholding tax, currently at a rate of 30% on the gross amount of the interest, subject to such relief as may be available under applicable domestic law or applicable tax treaties. Payments of interest made through non-exempt securities accounts in the NBB-SSS are in principle subject to such withholding tax, while payments of interest made through exempt securities accounts are free of withholding tax.

Potential investors should be aware that if the “Tax Call Option” and the “Prohibition of Sales to Consumers” are specified as not applicable in the relevant Final Terms, the Conditions do not require the Issuer to gross up the net payments received by a Noteholder in relation to the Notes with the amounts withheld or deducted for Belgian tax purposes.

Potential investors should also be aware that if the “Tax Call Option” and the “Prohibition of Sales to Consumers” are specified as applicable in the relevant Final Terms, a tax gross-up requirement applies, but this is subject to certain exceptions as set out in the Conditions. In such case, the Issuer and the Guarantors will, among other things, not be obliged to pay any additional amounts with respect to any Note to a Noteholder who, at the time of acquisition of the Notes, was not an Eligible Investor or to a Noteholder who was such an Eligible Investor at the time of acquisition of the Notes but, for reasons within the relevant Noteholders' control, either ceased to be an Eligible Investor or, at any relevant time on or after its acquisition of the Notes, otherwise failed to meet any other condition for the exemption of Belgian withholding tax pursuant to the Belgian Law of 6 August 1993 on transactions in certain securities.

The application of this Condition, and the exemptions included therein, may therefore have a significant impact on the net amounts the investors will receive pursuant to the payments to be made under the Notes and could also materially adversely affect the value of such Notes.

### **PART III – DOCUMENTS INCORPORATED BY REFERENCE**

The following documents shall be incorporated in, and form part of, this Base Prospectus (it being understood that only the pages of the relevant documents cross-referred below shall be deemed to be incorporated in, and form part of, this Base Prospectus):

- (a) the audited consolidated annual financial statements of the Fluvius Economic Group as of and for the financial year ended 31 December 2021, together with the auditor's report thereon (available on [https://over.fluvius.be/sites/fluvius/files/2022-04/economic-group-fluvius-consolidated-financial-statements-ifs-31-12-2021\\_0\\_0.pdf](https://over.fluvius.be/sites/fluvius/files/2022-04/economic-group-fluvius-consolidated-financial-statements-ifs-31-12-2021_0_0.pdf));
- (b) the audited consolidated annual financial statements of the Fluvius Economic Group as of and for the financial year ended 31 December 2022, together with the auditor's report thereon (available on <https://over.fluvius.be/sites/fluvius/files/2023-03/economic-group-fluvius-consolidated-financial-statements-ifs-31-12-2022.pdf>);
- (c) the audited consolidated annual financial statements of the Issuer as of and for the financial year ended 31 December 2021, together with the auditor's report thereon (<https://over.fluvius.be/sites/fluvius/files/2022-05/fluvius-so-group-consolidated-financial-statements-ifs-2021-en.pdf>);
- (d) the audited consolidated annual financial statements of the Issuer as of and for the financial year ended 31 December 2022, together with the auditor's report thereon (available on <https://over.fluvius.be/sites/fluvius/files/2023-03/fluvius-system-operator-annual-report-2022.pdf>, as from page 64 of the PDF file);
- (e) the audited annual financial statements of Fluvius Antwerpen as of and for the financial year ended 31 December 2020, together with the auditor's report thereon (only available in Dutch on <https://over.fluvius.be/sites/fluvius/files/2021-06/fluvius-antwerpen-financieel-verslag-2020.pdf>);
- (f) the audited annual financial statements of Fluvius Antwerpen as of and for the financial year ended 31 December 2021, together with the auditor's report thereon (only available in Dutch on <https://over.fluvius.be/sites/fluvius/files/2022-05/fluvius-antwerpen-financieel-verslag-2021.pdf>);
- (g) the audited annual financial statements of Fluvius Limburg as of and for the financial year ended 31 December 2020, together with the auditor's report thereon (only available in Dutch on <https://over.fluvius.be/sites/fluvius/files/2021-06/fluvius-limburg-financieel-verslag-2020.pdf>);
- (h) the audited annual financial statements of Fluvius Limburg as of and for the financial year ended 31 December 2021, together with the auditor's report thereon (only available in Dutch on <https://over.fluvius.be/sites/fluvius/files/2022-06/fluvius-limburg-financieel-verslag-2021.pdf>);
- (i) the audited annual financial statements of Fluvius West as of and for the financial year ended 31 December 2020, together with the auditor's report thereon (only available in Dutch on <https://over.fluvius.be/sites/fluvius/files/2021-06/fluvius-west-financieel-verslag-2020.pdf>);
- (j) the audited annual financial statements of Fluvius West as of and for the financial year ended 31 December 2021, together with the auditor's report thereon (only available in Dutch on <https://over.fluvius.be/sites/fluvius/files/2022-06/fluvius-west-financieel-verslag-2021.pdf>);
- (k) the audited annual financial statements of Gaselwest as of and for the financial year ended 31 December 2020, together with the auditor's report thereon (only available in Dutch on <https://over.fluvius.be/sites/fluvius/files/2021-06/gaselwest-financieel-verslag-2020.pdf>);

- (l) the audited annual financial statements of Gaselwest as of and for the financial year ended 31 December 2021, together with the auditor's report thereon (only available in Dutch on <https://over.fluvius.be/sites/fluvius/files/2022-06/gaselwest-financieel-verslag-2021.pdf>);
- (m) the audited annual financial statements of Imewo as of and for the financial year ended 31 December 2020, together with the auditor's report thereon (only available in Dutch on <https://over.fluvius.be/sites/fluvius/files/2021-06/imewo-financieel-verslag-2020.pdf>);
- (n) the audited annual financial statements of Imewo as of and for the financial year ended 31 December 2021, together with the auditor's report thereon (only available in Dutch on <https://over.fluvius.be/sites/fluvius/files/2022-06/imewo-financieel-verslag-2021.pdf>);
- (o) the audited annual financial statements of Intergem as of and for the financial year ended 31 December 2020, together with the auditor's report thereon (only available in Dutch on <https://over.fluvius.be/sites/fluvius/files/2021-06/intergem-financieel-verslag-2020.pdf>);
- (p) the audited annual financial statements of Intergem as of and for the financial year ended 31 December 2021, together with the auditor's report thereon (only available in Dutch on <https://over.fluvius.be/sites/fluvius/files/2022-06/intergem-financieel-verslag-2021.pdf>);
- (q) the audited annual financial statements of Iveka as of and for the financial year ended 31 December 2020, together with the auditor's report thereon (only available in Dutch on <https://over.fluvius.be/sites/fluvius/files/2021-06/iveka-financieel-verslag-2020.pdf>);
- (r) the audited annual financial statements of Iveka as of and for the financial year ended 31 December 2021, together with the auditor's report thereon (only available in Dutch on <https://over.fluvius.be/sites/fluvius/files/2022-06/iveka-financieel-verslag-2021.pdf>);
- (s) the audited annual financial statements of Iverlek as of and for the financial year ended 31 December 2020, together with the auditor's report thereon (only available in Dutch on <https://over.fluvius.be/sites/fluvius/files/2021-06/iverlek-financieel-verslag-2020.pdf>);
- (t) the audited annual financial statements of Iverlek as of and for the financial year ended 31 December 2021, together with the auditor's report thereon (only available in Dutch on <https://over.fluvius.be/sites/fluvius/files/2022-05/iverlek-financieel-verslag-2021.pdf>);
- (u) the audited annual financial statements of PBE as of and for the financial year ended 31 December 2020, together with the auditor's report thereon (only available in Dutch on <https://over.fluvius.be/sites/fluvius/files/2021-06/pbe-financieel-verslag-2020.pdf>);
- (v) the audited annual financial statements of PBE as of and for the financial year ended 31 December 2021, together with the auditor's report thereon (only available in Dutch on <https://over.fluvius.be/sites/fluvius/files/2022-06/pbe-financieel-verslag-2021.pdf>);
- (w) the audited annual financial statements of Riobra as of and for the financial year ended 31 December 2020, together with the auditor's report thereon (only available in Dutch on <https://over.fluvius.be/sites/fluvius/files/2021-07/riobra-financieel-verslag-2020.pdf>);
- (x) the audited annual financial statements of Riobra as of and for the financial year ended 31 December 2021, together with the auditor's report thereon (only available in Dutch on <https://over.fluvius.be/sites/fluvius/files/2022-06/riobra-financieel-verslag-2021.pdf>);

- (y) the audited annual financial statements of Sibelgas as of and for the financial year ended 31 December 2020, together with the auditor's report thereon (available on <https://over.fluvius.be/sites/fluvius/files/2021-06/jaarverslag-sibelgas-2020.pdf>);
- (z) the audited annual financial statements of Sibelgas as of and for the financial year ended 31 December 2021, together with the auditor's report thereon (only available in Dutch on <https://over.fluvius.be/sites/fluvius/files/2022-07/jaarverslag-sibelgas-2021.pdf>).

Any statement contained in a document or part of a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, form part of this Base Prospectus.

Following the publication of this Base Prospectus, a supplement may be prepared by the Issuer and approved by the FSMA in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in a document incorporated by reference therein) shall be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus to the extent that a statement contained in any such supplement (or contained in a document incorporated by reference therein) modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, form part of this Base Prospectus.

This Base Prospectus and the documents incorporated by reference herein can be obtained free of charge from the website of the Issuer (<https://over.fluvius.be/en/thema/investor-relations>). The information on the website of the Issuer does not form part of this Base Prospectus, except to the extent that such information is explicitly incorporated by reference in this Base Prospectus, and has not been scrutinised or approved by the FSMA.

The Issuer confirms that it has obtained the approval from (i) its auditor to incorporate by reference into this Base Prospectus the auditor's reports relating to the audited consolidated annual financial statements of the Fluvius Economic Group and of the Issuer as of and for the financial years ended 31 December 2021 and 31 December 2022 and (ii) the auditors of the Guarantors to incorporate by reference into this Base Prospectus the auditor's reports relating to the audited annual financial statements of the Guarantors as of and for the financial years ended 31 December 2020 and 31 December 2021.

The tables below set out the relevant page references for (i) the audited consolidated financial statements of the Fluvius Economic Group as of and for the financial years ended 31 December 2021 and 31 December 2022, (ii) the audited consolidated financial statements of the Issuer as of and for the financial years ended 31 December 2021 and 31 December 2022 and (iii) the audited financial statements of the Guarantors as of and for the financial years ended 31 December 2020 and 31 December 2021. Information included in these documents which is not included in the below cross-reference lists is not incorporated in, and does not form part of, this Base Prospectus and is considered to be additional information which is either not relevant for investors, is covered elsewhere in this Base Prospectus or is not required by the relevant schedules of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004.

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## PART IV – TERMS AND CONDITIONS OF THE NOTES

*The following (excluding italicised paragraphs) is the text of the terms and conditions which, as completed by the relevant Final Terms, will apply to the Notes. In the case of any Tranche of Notes which are being offered to the public in a Member State or are being admitted to trading on a regulated market in a Member State in circumstances where a prospectus is required to be published under the Prospectus Regulation, the relevant Final Terms shall not amend or replace any information in this Base Prospectus. Subject to this, to the extent permitted by applicable law and/or regulation, the Final Terms in respect of any Tranche of Notes may supplement, amend or replace any information in this Base Prospectus.*

Fluvius System Operator CV, a Belgian cooperative company with its registered office at Brusselsesteenweg 199, 9090 Melle, Belgium and enterprise number 0477.445.084 (RLE Ghent, division Ghent) (the “**Issuer**”) has established a Euro Medium Term Note programme (the “**Programme**”) for the issuance of up to EUR 5,000,000,000 (or its equivalent in any other currency) in aggregate principal amount of notes (the “**Notes**”) guaranteed by the Guarantors (as defined below) in accordance with, and subject to the pro rata limitation of, its respective Guarantee (as defined below).

Notes issued under the Programme are issued in series (each a “**Series**”) and each Series may comprise one or more tranches (each a “**Tranche**”) of Notes. Each Tranche is the subject of final terms (the “**Final Terms**”) which supplement these terms and conditions (the “**Conditions**”). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as supplemented, amended and/or replaced by the relevant Final Terms. Without prejudice to Article 26(5) of Commission Delegated Regulation (EU) 2019/980, in the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.

The Notes are the subject of an agency agreement (the “**Agency Agreement**”) dated on or about 6 June 2023 between the Issuer and Belfius Bank SA/NV as paying agent, calculation agent and listing agent (the “**Listing Agent**”) and a service contract for the issuance of fixed income securities (the “**Clearing Services Agreement**”) dated 16 November 2020 between the Issuer, the National Bank of Belgium and Belfius Bank SA/NV as paying agent. The paying agent and the calculation agent(s) for the time being (if any) are referred to below respectively as the “**Paying Agent**” and the “**Calculation Agent(s)**” and references to the “**Agent**” shall include a reference to the Listing Agent, the Paying Agent and/or the Calculation Agent as the context requires.

The Notes are the subject of the Guarantees. The original of each Guarantee is held by the Paying Agent on behalf of the Noteholders at its specified office.

All subsequent references in these Conditions to “Notes” are to the Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms will be made available on the website of the Issuer at <https://over.fluvius.be/en/thema/investor-relations/ratings-and-bonds/bonds>.

Copies of the Agency Agreement, the Clearing Services Agreement and the Guarantees are available for inspection free of charge at the specified office of the Paying Agent.

Where these Conditions refer to any computation of a term or period of time, Article 1.7 of the Belgian Civil Code shall not apply.

In these Conditions, any reference to any code, law, decree, regulation, directive or any implementing or other legislative measure shall be construed as a reference to such code, law, decree, regulation, directive or implementing or other legislative measure as the same may be amended, supplemented, restated or replaced from time to time.

Any Condition may derogate either expressly or implicitly from applicable legal provisions. Even if there is no express derogation from a specific legal provision, the relevant Condition may still implicitly derogate from legal provisions (for instance by providing for a different contractual regime).

## 1 Form, Denomination and Title and Transfer Restrictions

- (a) **Form:** The Notes are issued in dematerialised form in accordance with the Belgian Companies and Associations Code (*Wetboek van Vennootschappen en Verenigingen/Code des Sociétés et des Associations*), as amended (the “**Belgian Companies and Associations Code**”) and cannot be physically delivered. The Notes will be represented exclusively by book entry in the records of the securities settlement system operated by the National Bank of Belgium (the “**NBB**”) or any successor thereto (the “**NBB-SSS**”). The Notes can be held by their holders through direct participants in the NBB-SSS, whose membership extends to securities such as the Notes (each a “**Participant**”) and through other financial intermediaries which in turn hold the Notes through any Participant. The Notes are accepted for settlement through the NBB-SSS and are accordingly subject to the applicable Belgian regulations, including the Belgian law of 6 August 1993 on transactions in certain securities, its implementing Belgian Royal Decrees of 26 May 1994 and 14 June 1994 (each as amended or re-enacted or as their application is modified by other provisions from time to time) and the Terms and Conditions governing the participation in the NBB-SSS and its annexes, as issued or modified by the NBB from time to time (the laws, decrees and rules mentioned in this Condition 1(a) being referred to herein as the “**NBB-SSS Regulations**”). The Noteholders will not be entitled to exchange the Notes into notes in bearer form.

If at any time, the Notes are transferred to another clearing system, not operated or not exclusively operated by the NBB, these provisions shall apply *mutatis mutandis* to such successor clearing system and successor clearing system operator or any additional clearing system and additional clearing system operator.

- (b) **Denomination:** The Notes are issued in the Specified Denomination(s) specified in the relevant Final Terms (the “**Specified Denomination**”). The minimum Specified Denomination(s) shall be at least (i) such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency and (ii) in any case, not less than EUR 1,000 (or its equivalent in any other currency). The Notes may have multiple Specified Denominations, provided that the larger Specified Denominations are integral multiples of the smaller Specified Denominations. Notes will only be tradeable in their minimum Specified Denomination or in integral multiples of their minimum Specified Denomination.
- (c) **Title:** Title to the Notes will pass by account transfer. Noteholders are entitled to exercise the rights they have, including voting rights, making requests, giving consents and other associative rights (as defined for the purposes of the Belgian Companies and Associations Code) upon submission of an affidavit drawn up by the NBB (or any Participant duly licensed in Belgium as a recognised accountholder for the purposes of the Belgian Companies and Associations Code (a “**Recognised Accountholder**”) (or the position held by the financial institution through which such holder’s Notes are held with such Recognised Accountholder, in which case an affidavit drawn up by that financial institution will also be required). The person who is for the time being shown in the records of the NBB-SSS or of a Recognised Accountholder as the holder of a particular nominal amount of Notes, shall for all purposes be treated by the Issuer and the Paying Agent as the holder of such nominal amount of Notes, and the expressions “**Noteholders**” and “**holders of Notes**” and related expressions shall be construed accordingly.
- (d) **X-only Issuance:** If “X-only Issuance” is specified as applicable in the relevant Final Terms, the Notes may be held only by, and transferred only to, Eligible Investors.

As used in these Conditions:

“**Eligible Investor**” means those entities which are referred to in Article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax and which hold the Notes in an exempt account in the NBB-SSS.

## 2 Status of the Notes and the Guarantees

- (a) **Status of the Notes:** The Notes constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 3 (*Negative Pledge*)) unsecured obligations of the Issuer and rank and shall at all times rank *pari passu* and rateably, without any preference among themselves, and equally with all other existing and future unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, save for such obligations that may be preferred by provisions of law that are mandatory and of general application.
- (b) **Guarantees:** Each of Fluvius Antwerpen, Fluvius Limburg, Fluvius West, Gaselwest, Imewo, Intergem, Iveka, Iverlek, PBE, Riobra and Sibelgas (each a “**Guarantor**”) has unconditionally and irrevocably guaranteed the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Notes in accordance with, and subject to the pro rata limitation of, its respective guarantee dated 17 November 2020, as confirmed pursuant to a guarantee confirmation letter dated 9 November 2021 and a second guarantee confirmation letter dated 6 June 2023 (each a “**Guarantee**” and together the “**Guarantees**”). The obligations of each Guarantor under its respective Guarantee are limited to the proportional share of contributions which such Guarantor has made in the Issuer as of the date of the issue of the relevant Notes as set out in the relevant Final Terms.
- (c) **Status of the Guarantees:** The obligations of each Guarantor under the Guarantee are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3 (*Negative Pledge*)) unsecured obligations of such Guarantor and rank and shall at all times rank equally with all other existing and future unsecured and unsubordinated obligations of the relevant Guarantor from time to time outstanding (save for certain obligations required to be preferred by law).

*As of the date of publication of the Base Prospectus, the contributions in the Issuer are as set out in section 1.3 – ‘The Issuer’s corporate structure in Part VII – ‘Description of the Issuer and the Guarantors’. The contributions in the Issuer may evolve over time.*

## 3 Negative Pledge

- (a) **Negative pledge:** So long as any of the Notes remains outstanding, neither the Issuer nor any of its Subsidiaries (as defined below) nor any Guarantor will create or have outstanding any Security Interest (other than a Permitted Security Interest) upon or with respect to the whole or any part of its present or future business, undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Debt, or to secure any guarantee or indemnity in respect of any Relevant Debt, without at the same time or prior thereto according to the Notes the same security as is created or subsisting to secure any such Relevant Debt, guarantee or indemnity or such other security as shall be approved by an Extraordinary Resolution (as defined in Schedule 1 (*Provisions on meetings of Noteholders*)).
- (b) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“**Outstanding**” means all the Notes issued other than (a) those that have been redeemed in accordance with the Conditions, (b) those in respect of which the date for redemption has occurred and the redemption moneys (including all interest accrued on such Notes to the date for such redemption and any interest payable after such date) have been duly paid to the Agent as provided in the Agency Agreement, (c) those which have become void or in respect of which claims have become prescribed, and (d) those which have been purchased and cancelled as provided in the Conditions; provided that, for the purposes of (i) ascertaining the right to attend and vote at any meeting of Noteholders and (ii) the determination of how many Notes are outstanding for the purposes of Condition 3 (*Negative Pledge*), Condition 10 (*Meeting of Noteholders and Modifications*) and Schedule 1 (*Provisions on meetings of Noteholders*), those Notes that are held by, or are held on behalf

of, the Issuer, any Guarantor or any of their respective Subsidiaries and not cancelled shall (unless and until ceasing to be so held) be deemed not to be outstanding.

“**Permitted Security Interest**” means any Security Interest securing any Relevant Debt issued for the purpose of financing all or part of the costs of the acquisition, construction or development of any project if the person or persons providing such financing expressly agree to limit their recourse to the project financed and the revenues derived from such project as the sole source of repayment for such Relevant Debt.

“**Relevant Debt**” means any present or future indebtedness (whether being principal, premium, interest or other amounts), in the form of or evidenced by notes, bonds, debentures, loan stock or other similar debt instruments, whether issued for cash or in whole or in part for a consideration other than cash, and which are, or are capable of being, quoted, listed or ordinarily dealt in or traded on any stock exchange, or in any securities market (including, without limitation, any over the counter market); for the avoidance of any doubt, any bank loan or intra-group loan that is granted on the basis of a loan agreement is not Relevant Debt.

“**Security Interest**” means any mortgage, charge, lien, pledge or other security interest.

“**Subsidiary**” means, at any particular time, a company or other entity which is then directly or indirectly controlled, or more than 50 per cent. of whose issued share capital (or equivalent) is then beneficially owned by the Issuer and/or one or more of its respective Subsidiaries. For this purpose, for a company to be “controlled” by another means that the other (whether directly or indirectly and whether by ownership of share capital, the possession of voting power, contract or otherwise) has the power to appoint and/or remove all or the majority of the members of the board of directors or other governing body of that company or otherwise controls or has the power to control the affairs and policies of that company.

#### **4 Interest and other Calculations**

The Notes are fixed rate notes (the “**Fixed Rate Notes**”), floating rate notes (the “**Floating Rate Notes**”), zero coupon notes (the “**Zero Coupon Notes**”) or a combination of the foregoing, depending on the Interest and Redemption basis specified in the relevant Final Terms.

- (a) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“**Adjustment Spread**” means either (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate);
- (ii) the Independent Adviser determines is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Reference Rate; or (if the Independent Adviser determines that no such spread is customarily applied);
- (iii) the Independent Adviser determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be).

“**Alternative Rate**” means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 4(j)(ii) is customary in market usage in the international debt capital markets



for the purposes of determining floating rates of interest (or the relevant component part thereof) in the Specified Currency.

“**Applicable Maturity**” means: (a) in relation to Screen Rate Determination, the period of time designated in the Reference Rate, and (b) in relation to ISDA Determination, the Designated Maturity.

“**Benchmark Amendments**” has the meaning given to it in Condition 4(j)(iv).

“**Benchmark Event**” means:

- (i) the relevant Reference Rate has ceased to be published on the Relevant Screen Page for a period of at least 5 Business Days as a result of such benchmark ceasing to be calculated or administered; or
- (ii) a public statement by the administrator of the relevant Reference Rate that (in circumstances where no successor administrator has been or will be appointed that will continue publication of such Reference Rate) it has ceased publishing such Reference Rate permanently or indefinitely or that it will cease to do so by a specified future date (the “**Specified Future Date**”); or
- (iii) a public statement by the supervisor of the administrator of the relevant Reference Rate that such Reference Rate has been or will, by a specified future date (the “**Specified Future Date**”), be permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the relevant Reference Rate that such Reference Rate will, by a specified future date (the “**Specified Future Date**”), be prohibited from being used or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Notes; or
- (v) a public statement by the supervisor of the administrator of the relevant Reference Rate (as applicable) that, in the view of such supervisor, such Reference Rate is or will, by a specified future date (the “**Specified Future Date**”), be no longer representative of an underlying market; or
- (vi) it has or will, by a specified date within the following six months, become unlawful for the Calculation Agent, the Issuer or any other party appointed by the Issuer to calculate any payments due to be made to any Noteholder using the relevant Reference Rate (as applicable) (including, without limitation, under the Benchmark Regulation (EU) 2016/1011, if applicable).

Notwithstanding the sub-paragraphs above, where the relevant Benchmark Event is a public statement within sub-paragraphs (ii), (iii), (iv) or (v) above and the Specified Future Date in the public statement is more than six months after the date of that public statement, the Benchmark Event shall not be deemed to occur until the date falling six months prior to such Specified Future Date.

“**Business Centre**” has the meaning given to it in the relevant Final Terms.

“**Business Day**” means:

- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency and/or
- (ii) in the case of euro, a day on which the NBB-SSS and T2 are operating (a “**TARGET Business Day**”) and/or
- (iii) in the case of a currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

“**Calculation Amount**” has the meaning given to it in the relevant Final Terms.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest on any Note for any period of time (the “**Calculation Period**”), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (i) if “**Actual/ Actual**” or “**Actual/Actual - ISDA**” is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365).
- (ii) if “**Actual/365 (Fixed)**” is so specified, means the actual number of days in the Calculation Period divided by 365.
- (iii) if “**Actual/360**” is so specified, means the actual number of days in the Calculation Period divided by 360.
- (iv) if “**30/360**”, “**360/360**” or “**Bond Basis**” is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

“**Y1**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y2**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M1**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M2**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D1**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

“**D2**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30.

- (v) if “**30E/360**” or “**Eurobond Basis**” is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

“**Y1**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y2**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M1**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M2**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D1**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

“**D2**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30.

- (vi) if “**30E/360 (ISDA)**” is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

“**Y1**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y2**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M1**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M2**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D1**” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

“**D2**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30.

- (vii) if “**Actual/Actual-ICMA**” is so specified means:

(a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(b) if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

- (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year,

where:

“**Determination Period**” means the period from and including a Determination Date in any year to but excluding the next Determination Date and

“**Determination Date**” means the dates specified as such in the relevant Final Terms or, if none is so specified, the Interest Payment Dates,

provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period.

“**Early Redemption Amount**” has the meaning given to it in Condition 5(b).

“**Euro-zone**” means the region comprised of member states of the European Union that have the single currency as their lawful currency in accordance with the Treaty establishing the European Community, as amended.

“**Independent Adviser**” means an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, in each case appointed by the Issuer at its own expense under Condition 4(j)(i).

“**Interest Accrual Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

“**Interest Amount**” means:

- (i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified in the relevant Final Terms as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and
- (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

“**Interest Commencement Date**” means the Issue Date or such other date as may be specified in the relevant Final Terms.

“**Interest Determination Date**” means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the relevant Final Terms or, if none is so specified, (i) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) the first day of such Interest Accrual Period if the Specified Currency is Sterling.

“**Interest Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

“**Interest Period Date**” means each Interest Payment Date unless otherwise specified in the relevant Final Terms.

**“ISDA Benchmarks Supplement”** means the Benchmarks Supplement (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms)) published by the International Swaps and Derivatives Association, Inc.

**“ISDA Definitions”** means the 2006 ISDA Definitions as supplemented, amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc. including, if specified in the relevant Final Terms, the ISDA Benchmarks Supplement.

**“Issue Date”** has the meaning given to it in the relevant Final Terms.

**“Maturity Date”** has the meaning given to it in the relevant Final Terms.

**“Optional Redemption Amount”** means the amount specified for the relevant occurrence in the relevant Final Terms.

**“Rate of Interest”** means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms.

**“Reference Banks”** has the meaning given in the relevant Final Terms or, if none, four major banks selected by the Calculation Agent or the Issuer in the market that is most closely connected with the Reference Rate.

**“Reference Rate”** means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes.

**“Relevant Nominating Body”** means, in respect of a benchmark or screen rate (as applicable):

- (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

**“Relevant Screen Page”** means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate.

**“Specified Currency”** has the meaning given to it in the relevant Final Terms.

**“Successor Rate”** means a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

**“T2”** means the real time gross settlement system operated by the Eurosystem, or any successor system.

- (b) **Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrears on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 4(g).

(c) **Interest on Floating Rate Notes:**

- (i) **Interest Payment Dates:** Each Floating Rate Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrears on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 4(g). Such Interest Payment Date(s) is/are either shown in the relevant Final Terms as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown in the relevant Final Terms, “Interest Payment Date” shall mean each date which falls the number of months or other period shown in the relevant Final Terms as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
- (ii) **Business Day Convention:** If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is:
  - (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment;
  - (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day;
  - (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day; or
  - (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.
- (iii) **Rate of Interest for Floating Rate Notes:** The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the relevant Final Terms and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the relevant Final Terms.
  - (A) **ISDA Determination for Floating Rate Notes**

Where ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), “ISDA Rate” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

    - (1) the Floating Rate Option is as specified in the relevant Final Terms;
    - (2) the Designated Maturity is a period specified in the relevant Final Terms; and

- (3) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the relevant Final Terms.

For the purposes of this sub-paragraph (A), “Floating Rate”, “Calculation Agent”, “Floating Rate Option”, “Designated Maturity”, “Reset Date” and “Swap Transaction” have the meanings given to those terms in the ISDA Definitions.

(B) *Screen Rate Determination for Floating Rate Notes*

- (1) Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

(X) the offered quotation; or

(Y) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (Brussels time in the case of EURIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

- (2) if the Relevant Screen Page is not available or if sub-paragraph (1)(X) above applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (1)(Y) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent;
- (3) if paragraph (2) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, or, if fewer than two of the Reference Banks provide

the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Calculation Agent and the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

- (C) *Linear Interpolation:* Where Linear Interpolation is specified in the relevant Final Terms as applicable in respect of an Interest Accrual Period, the Rate of Interest for such Interest Accrual Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified hereon as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified hereon as applicable), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Accrual Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Accrual Period provided, however, that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.
- (d) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 5(b)(i)).
- (e) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless the Issuer defaults in making due provision for their redemption on said date (subject to the applicable grace period), in which event interest shall continue to accrue (as well after as before judgement) at the Rate of Interest in the manner provided in this Condition 4 (*Interest and other Calculations*) until the Relevant Date (as defined in Condition 7 (*Taxation*)).
- (f) **Margin, Maximum/Minimum Rates of Interest and Redemption Amounts and Rounding:**
- (i) If any Margin is specified in the relevant Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in



accordance with (b) above by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin, subject always to the next paragraph.

- (ii) If any Maximum or Minimum Rate of Interest or Redemption Amount is specified in the relevant Final Terms, then any Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
  - (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “unit” means the lowest amount of such currency that is available as legal tender in the country(ies) of such currency.
- (g) **Calculations:** The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified in the relevant Final Terms, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.
- (h) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts and Optional Redemption Amounts:** The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 4(c)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 9 (*Events of Default*), the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or

amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

- (i) **Calculation Agent:** The Issuer shall procure that there shall at all times be one or more Calculation Agents, if provision is made for them in the relevant Final Terms and for so long as any Note is outstanding (as defined in the Agency Agreement). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

- (j) **Benchmark discontinuation:**

- (i) *Independent Adviser:* If a Benchmark Event occurs in relation to the Reference Rate when the Rate of Interest (or any component part thereof) for any Interest Accrual Period remains to be determined by reference to such Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4(j)(ii)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 4(j)(iii)) and any Benchmark Amendments (in accordance with Condition 4(j)(iv)). In making such determination, the Independent Adviser appointed pursuant to this Condition 4(j) shall act in good faith and in a commercially reasonable manner as an expert. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Agent or the Noteholders for any determination made by it pursuant to this Condition 4(j).

If (i) the Issuer is unable to appoint an Independent Adviser or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 4(j) prior to the relevant Interest Determination Date, the Reference Rate applicable to the immediately following Interest Accrual Period shall be the Reference Rate applicable as at the last preceding Interest Determination Date. If there has not been a first Interest Payment Date, the Reference Rate shall be the Reference Rate applicable to the first Interest Period. Where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period shall be substituted in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period. For the avoidance of doubt, this Condition 4(j)(i) shall apply to the relevant next succeeding Interest Accrual Period only and any subsequent Interest Accrual Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 4(j).

- (ii) *Successor Rate or Alternative Rate:* If the Independent Adviser determines in its discretion that:
- (A) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Reference Rate to determine the Rate of Interest

(or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 4(j)); or

- (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 4(j)).
- (iii) *Adjustment Spread*: The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Independent Adviser is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or the Alternative Rate (as the case may be) will apply without an Adjustment Spread.
- (iv) *Benchmark Amendments*: If any relevant Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 4(j) and the Independent Adviser determines in its discretion (i) that amendments to these Conditions are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and, in either case, the Adjustment Spread (such amendments, the “Benchmark Amendments”) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, following consultation with the Calculation Agent (or the person specified in the relevant Final Terms as the party responsible for calculating the Rate of Interest and the Interest Amount(s)), subject to giving notice thereof in accordance with Condition 4(j)(v), without any requirement for the consent or approval of relevant Noteholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice (and for the avoidance of doubt, the Agent shall, at the direction and expense of the Issuer, consent to and effect such consequential amendments to the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 4(j)).
- (v) *Notices*: Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 4(j) will be notified promptly by the Issuer to the Agent, the Calculation Agent and, in accordance with Condition 12 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any. No later than notifying the Agent of the same, the Issuer shall deliver to the Agent a certificate signed by two authorised signatories of the Issuer:
  - (A) confirming (i) that a Benchmark Event has occurred, (ii) the relevant Successor Rate or, as the case may be, the relevant Alternative Rate, (iii) and, in either case, the Adjustment Spread and (iv) the specific terms of any relevant Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 4(j); and
  - (B) certifying that the relevant Benchmark Amendments (if any) are necessary to ensure the proper operation of such relevant Successor Rate or relevant Alternative Rate and (in either case) the applicable Adjustment Spread.

The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of such Successor Rate or Alternative Rate and the Adjustment Spread and such Benchmark Amendments (if any)) be binding on the Issuer, the Agent, the Calculation Agent, and the Noteholders.

- (vi) *Survival of Reference Rate*: Without prejudice to the obligations of the Issuer under Condition 4(j)(i), (ii), (iii) and (iv), the Reference Rate and the fall-back provisions provided for in Condition 4(c)(iii) will continue to apply unless and until a Benchmark Event has occurred.

## 5 Redemption, Purchase and Options

- (a) **Final Redemption**: Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified in the relevant Final Terms at its Final Redemption Amount (which, unless otherwise provided in the relevant Final Terms, is its nominal amount).
- (b) **Early Redemption**:
- (i) *Zero Coupon Notes*:
- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, upon redemption of such Zero Coupon Note pursuant to Condition 5(c), (d) or (e) or upon it becoming due and payable as provided in Condition 9 (*Events of Default*) shall be the Amortised Face Amount (calculated as provided below) of such Zero Coupon Note unless otherwise specified in the relevant Final Terms.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Zero Coupon Note shall be the scheduled Final Redemption Amount of such Zero Coupon Note on the Maturity Date discounted at a rate *per annum* (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown in the relevant Final Terms, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Zero Coupon Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Early Redemption Amount payable in respect of any such Zero Coupon Note upon its redemption pursuant to Condition 5(c), (d) or (e) or upon it becoming due and payable as provided in Condition 9 (*Events of Default*) is not paid when due, the Early Redemption Amount due and payable in respect of such Zero Coupon Note shall be the Amortised Face Amount of such Zero Coupon Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Zero Coupon Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgement) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Zero Coupon Note on the Maturity Date together with any interest that may accrue in accordance with Condition 4(d).
- Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown in the relevant Final Terms.
- (ii) *Other Notes*: The Early Redemption Amount payable in respect of any Note (other than Zero Coupon Notes described in (i) above), upon redemption of such Note pursuant to Condition 5(c), (d) or (e) or upon it becoming due and payable as provided in Condition 9 (*Events of Default*), shall be the Final Redemption Amount together with accrued interest, if applicable unless otherwise specified in the relevant Final Terms.
- (c) **Redemption for Taxation Reasons**: If both the “Tax Call Option” and “Prohibition of Sales to Consumers” are specified as applicable in the relevant Final Terms, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is a Floating Rate Note) or at any time (if

this Note is not a Floating Rate Note) on giving not less than 15 nor more than 30 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (as described in Condition 5(b) above) (together with interest accrued to the date fixed for redemption, if applicable), if:

- (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of Belgium or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date, and
  - (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Before the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Paying Agent a certificate signed by two authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.
- (d) ***Redemption at the Option of the Issuer:*** If both the “Call Option” and “Prohibition of Sales to Consumers” are specified as applicable in the relevant Final Terms, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified in the relevant Final Terms) redeem all or, if so provided, some of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount specified in the relevant Final Terms (which may be the Early Redemption Amount (as described in Condition 5(b) above)) together with interest accrued to the date fixed for redemption, if applicable. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified in the relevant Final Terms and no greater than the Maximum Redemption Amount to be redeemed specified in the relevant Final Terms.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption or a partial exercise of an Issuer's option, the Notes to be redeemed will be selected in accordance with the NBB-SSS Regulations.

- (e) ***Redemption at the Option of Noteholders:*** If “Put Option” is specified as applicable in the relevant Final Terms, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified in the relevant Final Terms) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount specified in the relevant Final Terms (which may be the Early Redemption Amount (as described in Condition 5(b) above)) together with interest accrued to the date fixed for redemption, if applicable.

To exercise such option the Noteholder must (i) deliver or cause to deliver to the Paying Agent a certificate issued by the relevant recognised accountholders certifying that the relevant Note is held to its order or under its control and blocked by it or transfer the relevant Note to the Paying Agent and (ii) deposit with the Paying Agent a duly completed option exercise notice (“**Exercise Notice**”) in the form obtainable from the Paying Agent in which the Noteholder must specify a bank account to which payment is to be made under this Condition.

No option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

- (f) **Make Whole Redemption at the Option of the Issuer:** If both “Make Whole Call Option” and “Prohibition of Sales to Consumers” are specified as applicable in the relevant Final Terms, the Issuer may, on giving not less than 15 nor more than 30 days’ notice (or such other notice period as may be specified in the relevant Final Terms) to the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption (the “**Make Whole Call Redemption Date**”)), redeem all, but not some only, of the Notes at a redemption price per Note equal to such amount per Note as is equal to the higher of the amounts in (i) and (ii) below, as calculated by the Calculation Agent, in each case together with interest accrued to but excluding the Make Whole Call Redemption Date, if applicable:

- (i) the nominal amount outstanding of the Notes so redeemed; and
- (ii) the sum of the then current values of the remaining scheduled payments of principal and interest (not including any interest accrued on the Notes to, but excluding, the Make Whole Call Redemption Date) discounted to the Make Whole Call Redemption Date on an annual basis (based on the Day Count Fraction specified in the relevant Final Terms) at the Reference Dealer Rate (as defined below) plus any Margin specified in the relevant Final Terms, in each case as determined by the Reference Dealers,

provided, however, that if the Make Whole Call Redemption Date occurs on or after the earliest date on which the Notes may be redeemed in accordance with Condition 5(g), the redemption price will be such amount per Note as is equal to the nominal amount outstanding of the relevant Note together with interest accrued to but excluding the Make Whole Call Redemption Date, if applicable.

Any notice of redemption given under this Condition 5(f) will override any notice of redemption given (whether previously, on the same date or subsequently) under Condition 5(e).

In this Condition:

“**Reference Bond**” means the Reference Bond specified in the relevant Final Terms;

“**Reference Dealers**” means those Reference Dealers specified in the relevant Final Terms; and

“**Reference Dealer Rate**” means with respect to the Reference Dealers and the Make Whole Call Redemption Date, the average of the five quotations of the mid-market annual yield to maturity of the Reference Bond or, if the Reference Bond is no longer outstanding, a similar security in the reasonable judgement of the Reference Dealers, at the Determination Time and on the Determination Date in each case specified in the relevant Final Terms, quoted in writing to the Calculation Agent (with a copy to the Issuer) by the Reference Dealers.

- (g) **Residual Maturity Call:** If both “Residual Maturity Call Option” and “Prohibition of Sales to Consumers” are specified as applicable in the relevant Final Terms, the Issuer may, on giving not less than 15 nor more than 30 days’ notice (or such other notice period as may be specified in the relevant Final Terms) to the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption (which shall be within the Residual Maturity Call Period specified in the relevant Final Terms) (the “**Residual Maturity Call Optional Redemption Date**”)), redeem all, but not some only, of the Notes at a redemption price per Note equal to the nominal amount of the relevant Note together with interest accrued to but excluding the Residual Maturity Call Optional Redemption Date, if applicable.

Any notice of redemption given under this Condition 5(g) will override any notice of redemption given (whether previously, on the same date or subsequently) under Condition 5(e).

- (h) **Substantial Repurchase Event:** If both “Substantial Repurchase Event” and “Prohibition of Sales to Consumers” are specified as applicable in the relevant Final Terms, the Issuer may, provided immediately

prior to such notice a Substantial Repurchase Event has occurred, on giving not less than 15 nor more than 30 days' (or such other notice period as may be specified in the relevant Final Terms) to the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all, but not some only, of the Notes at a redemption price per Note equal to the nominal amount of the relevant Note together with interest accrued to but excluding the date fixed for redemption, if applicable.

In this Condition, a “**Substantial Repurchase Event**” shall be deemed to have occurred if at least the Applicable Percentage specified in the relevant Final Terms of the aggregate principal amount of the Notes (which for these purposes shall include any Notes issued pursuant to Condition 11 (*Further Issues*)) is purchased by the Issuer or any subsidiary of the Issuer (or redeemed by the Issuer in accordance with Condition 5(e)) (and in each case is cancelled in accordance with Condition 5(j)).

- (i) **Purchases:** The Issuer may at any time purchase Notes in the open market or otherwise at any price.
- (j) **Cancellation:** All Notes so redeemed or purchased by or on behalf of the Issuer under this Condition will forthwith be cancelled. Any Notes so cancelled may not be reissued or resold and the obligations of the Issuer in respect of any such Notes pursuant to these Conditions shall be discharged.

## **6 Payments**

- (a) **Payments in euro:** All payments in euro of principal or interest owing under the Notes shall be made through the Paying Agent and the NBB-SSS in accordance with the NBB-SSS Regulations and the Clearing Services Agreement.
- (b) **Payment in other currencies:** All payments in any currency other than euro of principal or interest owing under the Notes shall be made through the Paying Agent and the NBB-SSS or through the Paying Agent and any Participants (in accordance with the rules of such Participant, and in accordance with the NBB-SSS Regulations and the Clearing Services Agreement).
- (c) **Payment subject to fiscal laws:** All payments in respect of the Notes will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 7 (*Taxation*)) any law implementing an intergovernmental approach thereto.
- (d) **Appointment of Agents:** The Paying Agent and the Calculation Agent(s) act solely as agent of the Issuer and do not assume any obligations towards or relationship of agency with any of the Noteholders. The Issuer reserves the right at any time to vary or terminate the appointment of the Paying Agent and the Calculation Agent(s), provided, however, that the Issuer shall at all times maintain a Paying Agent which is a Participant in the NBB-SSS, one or more calculation Agent(s) where the Conditions so require, and such other agents as may be required by any stock exchange on which the Notes may be listed. Notice of any such change shall promptly be given to the Noteholders in accordance with Condition 12 (*Notices*).
- (e) **Non-Business Days:** If any date for payment in respect of any Note is not a Business Day, the holder shall not be entitled to payment until the next following Business Day nor to any interest or other sum in respect of such postponed payment.

## **7 Taxation**

All payments of principal and interest by or on behalf of the Issuer and/or by a clearing system and/or a participant in a clearing system in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied,

collected, withheld or assessed by or within Belgium or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

The Issuer will not be required to pay any additional or further amounts in respect of such withholding or deduction.

Notwithstanding the foregoing, if both “Tax Call Option” and “Prohibition of Sales to Consumers” are specified as applicable in the relevant Final Terms, the Issuer shall pay such additional amounts as shall result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note:

- (a) **Other connection:** to, or to a third party on behalf of, a holder who is (i) entitled to avoid such deduction or withholding by making a declaration of non-residence or other similar claim for exemption, or (ii) liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection with Belgium other than by reason of (a) the mere holding of or (b) the receipt of principal, interest or other amount in respect of the Note, or
- (b) **Payment to non-Eligible Investors:** to, or to a third party on behalf of, a holder who on the date of acquisition of such Note, was not an Eligible Investor or who was an Eligible Investor on the date of acquisition of such Note but, for reasons within the Noteholder’s control, ceased to be an Eligible Investor or at any relevant time on or after its acquisition of the Notes, for reasons within the Noteholder’s control, otherwise failed to meet any other condition for the exemption of Belgian withholding tax pursuant to the law of 6 August 1993 relating to certain securities, or
- (c) **Payment by another financial institution:** held by or on behalf of a holder who would have been able to avoid such withholding or deduction by holding the relevant Note in a securities account with another financial institution in a member state of the European Union; or
- (d) **Conversion into registered securities:** to, or to a third party on behalf of, a holder who is liable to such Taxes because the Notes were upon his/her request converted into registered form and could no longer be cleared through the NBB-SSS.

As used in these Conditions:

“**Relevant Date**” in respect of any Note, means whichever is the later of (i) the date on which payment in respect of it first becomes due or (ii) (if the Issuer defaults in making due provision for their redemption on said date) the date on which payment in full of the amount outstanding is made. References in these Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Notes, all Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 5 (*Redemption, Payment and Options*) or any amendment or supplement to it, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 (*Interest and other Calculations*) or any amendment or supplement to it and (iii) “**principal**” and/or “**interest**” shall be deemed to include any additional amounts that may be payable under this Condition.

## **8 Prescription**

Claims against the Issuer for payment in respect of the Notes shall be prescribed and become void unless made within ten years (in the case of principal (or any other amount (other than interest)) payable in respect of the Notes) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

## **9 Events of Default**

If and only if any of the following events (“**Events of Default**”) occurs:



- (a) **Non-Payment:** the Issuer fails to pay the principal of or premium or interest on any of the Notes when due and such failure continues for a period of 7 days in the case of principal or premium and 14 days in the case of interest; or
- (b) **Breach of Other Obligations:** the Issuer does not perform or comply with any one or more of its other covenants, agreements or undertakings under or in respect of the Notes which default is incapable of remedy or, if capable of remedy, is not remedied within 20 Business Days after notice of such default shall have been given to the Issuer by any Noteholder; or
- (c) **Cross-Default:** (i) any other present or future indebtedness of the Issuer or any Guarantor for or in respect of moneys borrowed or raised being declared due and payable prior to its stated maturity by reason of any event of default (however described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or within five Business Days in Brussels of becoming due if a longer grace period is not applicable or (iii) the Issuer or any Guarantor fails to pay when due or, as the case may be, within any applicable grace period or within five Business Days if a longer grace period is not applicable, any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, provided that none of the events mentioned above in this paragraph (c) shall give rise to an Event of Default if the aggregate amount of the relevant indebtedness, guarantees and indemnities is less than EUR 25,000,000 or its equivalent in any other currency (on the basis of the middle spot rate for the relevant currency against the Euro as quoted by any leading bank on the day on which this paragraph operates); or
- (d) **Security Enforced:** any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any Guarantor in respect of any of its property or assets for an amount at the relevant time of at least EUR 25,000,000 or its equivalent in any other currency (on the basis of the middle spot rate for the relevant currency against the Euro as quoted by any leading bank on the day on which this paragraph operates) becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person); or
- (e) **Insolvency:** the Issuer is declared bankrupt or unable to pay its debts as they fall due, stops, suspends or announces its intention to stop or suspend payment of all or, a material part of (or of a particular type of) its debts or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type of) its debts (or any particular debt, in each case which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is declared or comes into effect in respect of all or any part of (or of a particular type of) the debts of the Issuer or any of its Subsidiaries; or
- (f) **Winding-up:** an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer or any of the Guarantors or the Issuer or any of the Guarantors ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger, consolidation or solvent reorganisation; or
- (g) **Electricity and gas distribution:** the Issuer ceases to be the operating company (*werkmaatschappij*) of the electricity and gas DSOs in the designated areas in Flanders or undergoes a reorganisation whereby its tasks in relation to the management of the electricity and gas grids are transferred to a third party, or any of the Guarantors loses its license of DSO in the designated areas in Flanders or undergoes a reorganisation whereby its tasks in relation to the electricity and gas grids are transferred to a third party (to the extent relevant); or
- (h) **Guarantee:** any of the Guarantees ceases to be valid, enforceable or in full force and effect; or

- (i) **Authorisation and Consents:** any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, license, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Notes, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Notes admissible in evidence in the courts of Belgium is not taken, fulfilled or done; or
- (j) **Illegality:** it is or will become unlawful for the Issuer to perform or comply with any or more of its obligations under any of the Notes; or
- (k) **Delisting of the Notes:** the listing of the Notes on the regulated market of Euronext Brussels is withdrawn or suspended during at least thirty consecutive Business Days as a result of a failure by the Issuer, provided that this paragraph shall not apply if the Issuer obtains the listing of the Notes on another regulated market in the European Economic Area at the latest on the last day of this period of thirty Business Days,

then any Note may, by notice in writing given to the Paying Agent at its specified office by the holder, be declared immediately due and payable whereupon the Early Redemption Amount of such Note shall become immediately due and payable without further formality unless such event of default shall have been remedied prior to the receipt of such notice by the Paying Agent.

## **10 Meeting of Noteholders and Modifications**

- (a) **Meetings of Noteholders:** All meetings of Noteholders will be held in accordance with the provisions on meetings of Noteholders set out in Schedule 1 (*Provisions on meetings of Noteholders*) to these Conditions (the “**Noteholders’ Provisions**”). Meetings of Noteholders may be convened to consider matters in relation to the Notes, including the modification or waiver of the Notes or any of the Conditions applicable to the Series. For the avoidance of doubt, any modification or waiver of the Notes or the Conditions shall always be subject to the consent of the Issuer.

A meeting of Noteholders may be convened by the Issuer and shall be convened by the Issuer upon the request in writing of Noteholders holding at least 20 per cent. of the aggregate nominal amount of the outstanding Notes. Any modification or waiver of the Notes or the Conditions of the Notes proposed by the Issuer may be made if sanctioned by an Extraordinary Resolution (as defined in the Noteholders’ Provisions). However, any such proposal to (i) amend the dates of maturity or redemption of the Notes or any date for payment of interest or any other amounts due or payable under the Notes, (ii) assent to an extension of an interest period, a reduction of the applicable interest rate or a modification of the method of calculating the amount of any payment in respect of the Notes on redemption or maturity or the date for any such payment in circumstances not provided for in the Conditions, (iii) assent to a reduction of the nominal amount of the Notes, a decrease of the principal amount payable by the Issuer under the Notes or a modification of the conditions under which any redemption, substitution or variation may be made, (iv) amend Condition 2 (*Status of the Notes and the Guarantees*) or effect the exchange, conversion or substitution of the Notes for, or the conversion of the Notes into, shares, bonds or other obligations or securities of the Issuer or any other person (it being understood, for the avoidance of any doubt, that no such resolution or consent of Noteholders shall be required for any exchange offer, tender offer or other form of liability management exercise by the Issuer or any other person that allows each Noteholder to individually decide to participate), (v) change the currency of payment of the Notes, (vi) modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution or a Special Quorum Resolution or (vii) amend this provision, may only be sanctioned by a Special Quorum Resolution.

Resolutions duly passed by a meeting of Noteholders of a Series in accordance with the Noteholders' Provisions shall be binding on all Noteholders of that Series, whether or not they are present at the meeting and whether or not they vote in favour of such a resolution.

The Noteholders' Provisions furthermore provide that, for so long as the Notes are in dematerialised form and settled through the NBB-SSS, in respect of any matters proposed by the Issuer, the Issuer shall be entitled, where the terms of the resolution proposed by the Issuer have been notified to the Noteholders through the relevant clearing systems as provided in the Noteholders' Provisions, to rely upon approval of such resolution given by way of electronic consents communicated through the electronic communications systems of the relevant securities settlement system(s) by or on behalf of the holders of not less than 75 per cent. in principal amount of the Notes outstanding. To the extent such electronic consent is not being sought, the Noteholders' Provisions provide that, if authorised by the Issuer and to the extent permitted by Belgian law, a resolution in writing signed by or on behalf of holders of Notes of a Series of not less than 75 per cent. of the aggregate nominal amount of the outstanding Notes of that Series shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of holders of Notes of that Series duly convened and held, provided that the terms of the proposed resolution shall have been notified in advance to those Noteholders of that Series through the relevant settlement system(s). Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more holders of Notes of that Series.

- (b) **Modification of Agency Agreement:** The Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement and/or the Clearing Services Agreement, if to do so could not reasonably be expected to be materially prejudicial to the interests of the Noteholders or which in the Agent's opinion is of a formal, minor or technical nature or is made to correct a manifest error to comply with mandatory provisions of law.

## **11 Further Issues**

The Issuer may from time to time without the consent of the Noteholders create and issue further notes having the same terms and conditions as the Notes (except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches) and so that the same shall be consolidated and form a single Series with such Notes, and references in these Conditions to "Notes" shall be construed accordingly.

## **12 Notices**

Notices to Noteholders shall be valid if (i) delivered by or on behalf of the Issuer to the NBB-SSS for communication by it to the Participants and (ii) published on the website of the Issuer. Any such notice shall be deemed given on the date falling three Business Days after the date of its delivery to the NBB-SSS.

The Issuer shall also ensure that all notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed and complies with all legal requirements, including the information obligations under Article 10 of the Law of 2 August 2002 on the supervision of the financial sector and on financial services and the Royal Decree of 14 November 2007 on issuer's information obligations.

## **13 Currency Indemnity**

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note is due (whether as a result of, or of the enforcement of, a judgement or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer or otherwise) by any Noteholder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer, as the case may be, to the extent of the amount in the currency of payment under the relevant Note that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not

practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note, the Issuer shall indemnify it against any loss sustained by it as a result. In any event, the Issuer shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition, it shall be sufficient for the Noteholder to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder and shall continue in full force and effect despite any other judgement, order, claim or proof for a liquidated amount in respect of any sum due under any Note or any other judgement or order.

#### **14 No hardship**

The Issuer acknowledges that the provisions of Article 5.74 of the Belgian Civil Code shall not apply to it with respect to its obligations under these Terms and Conditions and that it shall not be entitled to make any claim under Article 5.74 of the Belgian Civil Code.

#### **15 Governing Law, Jurisdiction and Waiver of immunity**

- (a) **Governing Law:** The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by, and shall be construed in accordance with, Belgian law.
- (b) **Jurisdiction:**
  - (i) The courts of Brussels (Belgium) are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes and, accordingly, any legal action or proceedings arising out of or in connection with the Notes (“**Proceedings**”) may be brought in such courts. The Issuer and the Guarantors irrevocably submit to the jurisdiction of such courts and waive any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.
  - (ii) If “Prohibition of Sales to Consumers” is specified as not applicable in the relevant Final Terms, paragraph (i) is without prejudice to the jurisdiction of any courts pursuant to Article 624, 1°, 2° and 4° of the Belgian Judicial Code.
- (c) **Waiver of immunity:** The Issuer and the Guarantors hereby irrevocably and unconditionally to the fullest extent possible waive with respect to the Notes any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence and irrevocably and unconditionally consent, to the fullest extent possible, to the giving of any relief or the issue of any process, including without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgement made or given in connection with any suit, action or proceeding.

## SCHEDULE 1 PROVISIONS ON MEETINGS OF NOTEHOLDERS

### Interpretation

1. In this Schedule:
  - 1.1 references to a “**meeting**” are to a meeting of Noteholders of a single Series of Notes and include, unless the context otherwise requires, any adjournment;
  - 1.2 references to “**Notes**” and “**Noteholders**” are only to the Notes of the Series and in respect of which a meeting has been, or is to be, called and to the holders of those Notes, respectively;
  - 1.3 “**agent**” means a holder of a Voting Certificate or a proxy for, or representative of, a Noteholder;
  - 1.4 “**Block Voting Instruction**” means a document issued by a Recognised Accountholder or the NBB-SSS in accordance with paragraph 9;
  - 1.5 “**Electronic Consent**” has the meaning set out in paragraph 31.1;
  - 1.6 “**Extraordinary Resolution**” means a resolution passed (a) at a meeting of Noteholders duly convened and held in accordance with this Schedule 1 (*Provisions on meetings of Noteholders*) by a majority of at least 75 per cent. of the votes cast or (b) by a Written Resolution or (c) by an Electronic Consent;
  - 1.7 “**NBB-SSS**” means the securities settlement system operated by the NBB or any successor thereto;
  - 1.8 “**Ordinary Resolution**” means a resolution with regard to any of the matters listed in paragraph 4 and passed or proposed to be passed by a majority of at least 50 per cent. of the votes cast;
  - 1.9 “**Recognised Accountholder**” means an entity recognised as accountholder in accordance with the Belgian Companies and Associations Code with whom a Noteholder holds Notes;
  - 1.10 “**Voting Certificate**” means a certificate issued by a Recognised Accountholder or the NBB-SSS in accordance with paragraph 8;
  - 1.11 “**Written Resolution**” means a resolution in writing signed by the holders of not less than 75 per cent. in principal amount of the Notes outstanding; and
  - 1.12 references to persons representing a proportion of the Notes are to Noteholders, proxies or representatives of such Noteholders holding or representing in the aggregate at least that proportion in nominal amount of the Notes for the time being outstanding.

### General

2. All meetings of Noteholders will be held in accordance with the provisions set out in this Schedule.

### Powers of meetings

3. A meeting shall, subject to the Conditions and (except in the case of sub-paragraph 3.5) only with the consent of the Issuer and without prejudice to any powers conferred on other persons by this Schedule, have power by Extraordinary Resolution:

- 3.1 to sanction any proposal by the Issuer for any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Noteholders against the Issuer (other than in accordance with the Conditions or pursuant to applicable law);
- 3.2 to assent to any modification of this Schedule or the Notes proposed by the Issuer or the Agent;
- 3.3 to authorise anyone to concur in and do anything necessary to carry out and give effect to an Extraordinary Resolution;
- 3.4 to give any authority, direction or sanction required to be given by Extraordinary Resolution;
- 3.5 to appoint any person or persons (whether Noteholders or not) as an individual or committee or committees to represent the Noteholders' interests and to confer on them any powers or discretions which the Noteholders could themselves exercise by Extraordinary Resolution;
- 3.6 to approve the substitution of any entity for the Issuer (or any previous substitute) as principal debtor under the Notes in circumstances not provided for in the Conditions or under applicable law; and
- 3.7 to accept any security interests established in favour of the Noteholders or a modification to the nature or scope of any existing security interest or a modification to the release mechanics of any existing security interests.

provided that the special quorum provisions in paragraph 19 shall apply to any Extraordinary Resolution (a "**Special Quorum Resolution**") for the purpose of making a modification to this Schedule or the Notes which would have the effect (other than in accordance with the Conditions or pursuant to applicable law):

- (i) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or any other amounts due or payable under the Notes;
- (ii) to assent to an extension of an interest period, a reduction of the applicable interest rate or a modification of the method of calculating the amount of any payment in respect of the Notes on redemption or maturity or the date for any such payment in circumstances not provided for in the Conditions;
- (iii) to assent to a reduction of the nominal amount of the Notes, a decrease of the principal amount payable by the Issuer under the Notes or a modification of the conditions under which any redemption, substitution or variation may be made;
- (iv) to amend Condition 2 (*Status of the Notes and the Guarantees*) or to effect the exchange, conversion or substitution of the Notes for, or the conversion of the Notes into, shares, bonds or other obligations or securities of the Issuer or any other person (it being understood, for the avoidance of any doubt, that no such resolution or consent of Noteholders shall be required for any exchange offer, tender offer or other form of liability management exercise by the Issuer or any other person that allows each Noteholder to individually decide to participate);
- (v) to change the currency of payment of the Notes;
- (vi) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution or a Special Quorum Resolution; or

- (vii) to amend this provision.

### **Ordinary Resolution**

- 4. Notwithstanding any of the foregoing and without prejudice to any powers otherwise conferred on other persons by this Schedule, a meeting of Noteholders shall have power by Ordinary Resolution:
  - 4.1 to assent to any decision to take any conservatory measures in the general interest of the Noteholders;
  - 4.2 to assent to the appointment of any representative to implement any Ordinary Resolution; or
  - 4.3 to assent to any other decisions which do not require an Extraordinary Resolution or a Special Quorum Resolution to be passed.

Any modification or waiver of any of the Conditions shall always be subject to the consent of the Issuer.

- 5. No amendment to this Schedule or the Notes which in the opinion of the Issuer relates to any of the matters listed in paragraph 4 above shall be effective unless approved at a meeting of Noteholders complying in all respect with the requirements of Belgian law and the provisions set out in this Schedule.

### **Convening a meeting**

- 6. The Issuer may at any time convene a meeting. A meeting shall be convened by the Issuer upon the request in writing of Noteholders holding at least 20 per cent. in principal amount of the Notes for the time being outstanding. Every meeting shall be held at a time and place approved by the Agent.
- 7. Convening notices for meetings of Noteholders shall be given to the Noteholders in accordance with Condition 12 (*Notices*) not less than fifteen days prior to the relevant meeting. The notice shall specify the day, time and place of the meeting and the nature of the resolutions to be proposed and shall explain how Noteholders may appoint proxies or representatives obtain Voting Certificates and use Block Voting Instructions and the details of the time limits applicable.

### **Arrangements for voting**

- 8. A Voting Certificate shall:
  - 8.1 be issued by a Recognised Accountholder or the NBB-SSS;
  - 8.2 state that on the date thereof (i) the Notes (not being Notes in respect of which a Block Voting Instruction has been issued which is outstanding in respect of the meeting specified in such Voting Certificate and any such adjourned meeting) of a specified principal amount outstanding were (to the satisfaction of such Recognised Accountholder or the NBB-SSS) held to its order or under its control and blocked by it and (ii) that no such Notes will cease to be so held and blocked until the first to occur of:
    - (i) the conclusion of the meeting specified in such certificate or, if applicable, any such adjourned meeting; and
    - (ii) the surrender of the Voting Certificate to the Recognised Accountholder or the NBB-SSS who issued the same; and

- 8.3 further state that until the release of the Notes represented thereby the bearer of such certificate is entitled to attend and vote at such meeting and any such adjourned meeting in respect of the Notes represented by such certificate.
9. A Block Voting Instruction shall:
- 9.1 be issued by a Recognised Accountholder or the NBB-SSS;
- 9.2 certify that the Notes (not being Notes in respect of which a Voting Certificate has been issued and is outstanding in respect of the meeting specified in such Block Voting Instruction and any such adjourned meeting) of a specified principal amount outstanding were (to the satisfaction of such Recognised Accountholder or the NBB-SSS) held to its order or under its control and blocked by it and that no such Notes will cease to be so held and blocked until the first to occur of:
- (i) the conclusion of the meeting specified in such document or, if applicable, any such adjourned meeting; and
  - (ii) the giving of notice by the Recognised Accountholder or the NBB-SSS to the Issuer, stating that certain of such Notes cease to be held with it or under its control and blocked and setting out the necessary amendment to the Block Voting Instruction;
- 9.3 certify that each holder of such Notes has instructed such Recognised Accountholder or the NBB-SSS that the vote(s) attributable to the Note or Notes so held and blocked should be cast in a particular way in relation to the resolution or resolutions which will be put to such meeting or any such adjourned meeting and that all such instructions cannot be revoked or amended during the period commencing three (3) Business Days prior to the time for which such meeting or any such adjourned meeting is convened and ending at the conclusion or adjournment thereof;
- 9.4 state the principal amount of the Notes so held and blocked, distinguishing with regard to each resolution between (i) those in respect of which instructions have been given as aforesaid that the votes attributable thereto should be cast in favour of the resolution, (ii) those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution and (iii) those in respect of which instructions have been so given to abstain from voting; and
- 9.5 naming one or more persons (each hereinafter called a “**proxy**”) as being authorised and instructed to cast the votes attributable to the Notes so listed in accordance with the instructions referred to in paragraph 9.4 above as set out in such document.
10. If a holder of Notes wishes the votes attributable to it to be included in a Block Voting Instruction for a meeting, he must block such Notes for that purpose at least three (3) Business Days before the time fixed for the meeting to the order of the Agent with a bank or other depository nominated by the Agent for the purpose. The Agent or such bank or other depository shall then issue a Block Voting Instruction in respect of the votes attributable to all Notes so blocked.
11. No votes shall be validly cast at a meeting unless in accordance with a Voting Certificate or Block Voting Instruction.
12. The proxy appointed for purposes of the Block Voting Instruction or Voting Certificate does not need to be a Noteholder.
13. Votes can only be validly cast in accordance with Voting Certificates and Block Voting Instructions in respect of Notes held to the order or under the control and blocked by a Recognised Accountholder or the



NBB-SSS and which have been deposited at the registered office at the Issuer not less than three (3) and not more than six (6) Business Days before the time for which the meeting to which the relevant voting instructions and Block Voting Instructions relate, has been convened or called. The Voting Certificate and Block Voting Instructions shall be valid for as long as the relevant Notes continue to be so held and blocked. During the validity thereof, the holder of any such Voting Certificate or (as the case may be) the proxies named in any such Block Voting Instruction shall, for all purposes in connection with the relevant meeting, be deemed to be the holder of the Notes to which such Voting Certificate or Block Voting Instruction relates.

14. In default of a deposit, the Block Voting Instruction or the Voting Certificate shall not be treated as valid, unless the chairman of the meeting decides otherwise before the meeting or adjourned meeting proceeds to business.
15. A corporation which holds a Note may, by delivering at least three (3) Business Days before the time fixed for a meeting to a bank or other depositary appointed by the Agent for such purposes a certified copy of a resolution of its directors or other governing body or another certificate evidencing due authorisation (with, in each case, if it is not in English, a translation into English), authorise any person to act as its representative in connection with that meeting.

### **Chairman**

16. The chairman of a meeting shall be such person as the Issuer may nominate, but if no such nomination is made or if the person nominated is not present within 15 minutes after the time fixed for the meeting the Noteholders or agents present shall choose one of their number to be chairman, failing which the Issuer may appoint a chairman. The chairman need not be a Noteholder or agent. The chairman of an adjourned meeting need not be the same person as the chairman of the original meeting.

### **Attendance**

17. The following may attend and speak at a meeting:
  - 17.1 Noteholders and their respective agents, financial and legal advisers;
  - 17.2 the chairman and the secretary of the meeting;
  - 17.3 the Issuer and the Agent (through their respective representatives) and their respective financial and legal advisers; and
  - 17.4 any other person approved by the Meeting.

No one else may attend or speak.

### **Quorum and Adjournment**

18. No business (except choosing a chairman) shall be transacted at a meeting unless a quorum is present at the commencement of business. If a quorum is not present within 15 minutes from the time initially fixed for the meeting, it shall, if convened on the requisition of Noteholders, be dissolved. In any other case it shall be adjourned until such date, not less than 14 nor more than 42 days later, and time and place as the chairman may decide. If a quorum is not present within 15 minutes from the time fixed for a meeting so adjourned, the meeting shall be dissolved.
19. One or more Noteholders or agents present in person shall be a quorum:

19.1 in the cases marked “**No minimum proportion**” in the table below, whatever the proportion of the Notes which they represent

19.2 in any other case, only if they represent the proportion of the Notes shown by the table below.

Purpose of meeting	Any meeting except for a meeting previously adjourned through want of a quorum	Meeting previously adjourned through want of a quorum
	Required proportion	Required proportion
To pass a Special Quorum Resolution	75 per cent.	25 per cent.
To pass any other Extraordinary Resolution	A majority	No minimum proportion
To pass an Ordinary Resolution	A majority	No minimum proportion

20. The chairman may with the consent of (and shall if directed by) a meeting adjourn the meeting from time to time and from place to place. Only business which could have been transacted at the original meeting, may be transacted at a meeting adjourned in accordance with this paragraph or paragraph 18.

21. At least ten (10) days’ notice of a meeting adjourned due to the quorum not being present shall be given in the same manner as for an original meeting and that notice shall state the quorum required at the adjourned meeting. Subject as aforesaid, it shall not be necessary to give any other notice of an adjourned general meeting.

**Voting**

22. Each question submitted to a meeting shall be decided by a show of hands, unless a poll is (before, or on the declaration of the result of, the show of hands) demanded by the chairman, the Issuer or one or more persons representing 2 per cent. of the Notes.

23. Unless a poll is demanded, a declaration by the chairman that a resolution has or has not been passed shall be conclusive evidence of the fact without proof of the number or proportion of the votes cast in favour of or against it.

24. If a poll is demanded, it shall be taken in such manner and (subject as provided below) either at once or after such adjournment as the chairman directs. The result of the poll shall be deemed to be the resolution of the meeting at which it was demanded as at the date it was taken. A demand for a poll shall not prevent the meeting continuing for the transaction of business other than the question on which it has been demanded.

25. A poll demanded on the election of a chairman or on a question of adjournment shall be taken at once.

26. On a show of hands or a poll every person has one vote in respect of each Note so produced or represented by the voting certificate so produced or for which he is a proxy or representative. Without prejudice to the obligations of proxies, a person entitled to more than one vote need not use them all or cast them all in the same way.
27. In case of equality of votes the chairman shall both on a show of hands and on a poll have a casting vote in addition to any other votes which he may have.

### **Effect and Publication of an Extraordinary Resolution, a Special Quorum Resolution and an Ordinary Resolution**

28. An Extraordinary Resolution, a Special Quorum Resolution and an Ordinary Resolution shall be binding on all the Noteholders, whether or not present at the meeting, and each of them shall be bound to give effect to it accordingly. The passing of such a resolution shall be conclusive evidence that the circumstances justify its being passed. The Issuer shall give notice of the passing of an Extraordinary Resolution, a Special Quorum Resolution or an Ordinary Resolution to Noteholders within fourteen (14) days but failure to do so shall not invalidate the resolution.

### **Minutes**

29. Minutes shall be made of all resolutions and proceedings at every meeting and, if purporting to be signed by the chairman of that meeting or of the next succeeding meeting, shall be conclusive evidence of the matters in them. Until the contrary is proved, every meeting for which minutes have been so made and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.
30. The minutes must be published on the website of the Issuer within fifteen (15) days after they have been passed.

### **Written Resolutions and Electronic Consent**

31. For so long as the Notes are in dematerialised form and settled through the NBB-SSS, then in respect of any matters proposed by the Issuer:
  - 31.1 Where the terms of the resolution proposed by the Issuer have been notified to the Noteholders through the relevant securities settlement system(s) as provided in sub-paragraphs (a) and/or (b) below, the Issuer shall be entitled to rely upon approval of such resolution given by way of electronic consents communicated through the electronic communications systems of the relevant securities settlement system(s) to the Agent or another specified agent in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding (the “**Required Proportion**”) by close of business on the Specified Date (“**Electronic Consent**”). Any resolution passed in such manner shall be binding on all Noteholders, even if the relevant consent or instruction proves to be defective. The Issuer shall not be liable or responsible to anyone for such reliance.
    - (a) When a proposal for a resolution to be passed as an Electronic Consent has been made, at least fifteen (15) days’ notice (exclusive of the day on which the notice is given and of the day on which affirmative consents will be counted) shall be given to the Noteholders through the relevant securities settlement system(s). The notice shall specify, in sufficient detail to enable Noteholders to give their consents in relation to the proposed resolution, the method by which their consents may be given (including, where applicable, blocking of their accounts in the relevant securities settlement system(s)) and the time and date (the “**Specified Date**”) by which they must be received

in order for such consents to be validly given, in each case subject to and in accordance with the operating rules and procedures of the relevant securities settlement system(s).

- (b) If, on the Specified Date on which the consents in respect of an Electronic Consent are first counted, such consents do not represent the Required Proportion, the resolution shall be deemed to be defeated. Such determination shall be notified in writing to the Agent. Alternatively, the Issuer may give a further notice to Noteholders that the resolution will be proposed again on such date and for such period as determined by the Issuer. Such notice must inform Noteholders that insufficient consents were received in relation to the original resolution and the information specified in sub-paragraph (a) above. For the purpose of such further notice, references to “Specified Date” shall be construed accordingly.

For the avoidance of doubt, an Electronic Consent may only be used in relation to a resolution proposed by the Issuer which is not then the subject of a meeting that has been validly convened in accordance with paragraph 7 above, unless that meeting is or shall be cancelled or dissolved.

- 31.2 Unless Electronic Consent is being sought in accordance with paragraph 31.1, a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution, a Special Quorum Resolution or an Ordinary Resolution passed at a meeting of Noteholders duly convened and held, provided that the terms of the proposed resolution have been notified in advance to the Noteholders through the relevant securities settlement system(s). Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders. For the purpose of determining whether a resolution in writing has been validly passed, the Issuer shall be entitled to rely on consent or instructions given in writing directly to the Issuer (a) by accountholders in the securities settlement system(s) with entitlements to the Notes or (b) where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, the NBB-SSS, Euroclear, Clearstream or any other relevant alternative securities settlement system (the “**relevant securities settlement system**”) and, in the case of (b) above, the relevant securities settlement system and the accountholder identified by the relevant securities settlement system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Noteholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant securities settlement system (including Euroclear’s EUCLID or Clearstream’s CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of Notes is clearly identified together with the amount of such holding. The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.
32. A Written Resolution or Electronic Consent shall take effect as an Extraordinary Resolution, a Special Quorum Resolution or an Ordinary Resolution. A Written Resolution and/or Electronic Consent will be binding on all Noteholders whether or not they participated in such Written Resolution and/or Electronic Consent.

## PART V – SETTLEMENT

The Notes will be accepted for settlement through the NBB-SSS and will accordingly be subject to the NBB-SSS Regulations.

The number of Notes in circulation at any time will be registered in the register of securities of the Issuer in the name of the NBB.

Access to the NBB-SSS is available through direct Participants in the NBB-SSS, whose membership extends to securities such as the Notes, and through other financial intermediaries which in turn hold the Notes through any Participant. Participants include certain banks, stockbrokers (*beursvennootschappen/sociétés de bourse*) as well as certain central securities depositories (the latter being, on the date of this Base Prospectus, Euroclear Bank SA/NV (“**Euroclear**”), Euroclear France SA (“**Euroclear France**”), Clearstream Banking AG, Frankfurt (“**Clearstream**”), SIX SIS AG (“**SIX SIS**”), Monte Titoli S.p.A. (“**Euronext Securities Milan**”), Interbolsa S.A. (“**Euronext Securities Porto**”) and LuxCSD S.A. (“**LuxCSD**”). The current list of any central securities depositories or any other institutions that are, at any time, a Participant of the NBB-SSS can be found on the website of the NBB. Accordingly, the Notes will be eligible to clear through, and therefore be accepted by, any such central securities depository that is a Participant of the NBB-SSS.

Transfers of interests in the Notes will be effected between Participants in accordance with the rules and operating procedures of the NBB-SSS. Transfers between investors will be effected in accordance with the respective rules and operating procedures of the Participants through which they hold their Notes.

The Agent will perform the obligations of paying agent included in the service contract for the issuance of fixed income securities dated 16 November 2020 between the Issuer, the NBB and the Agent.

The Issuer and the Agent will not have any responsibility for the proper performance by the NBB-SSS or its Participants of their obligations under their respective rules and operating procedures.

## PART VI – FORM OF THE GUARANTEE AND THE GUARANTEE CONFIRMATION LETTERS

### 1 Form of the Guarantee

*This is the form of the Guarantee which was granted by each of the Guarantors on 17 November 2020 in the context of the establishment of the Programme. Please refer to sections 2 and 3 below for the forms of the Guarantee Confirmation Letter and the Second Guarantee Confirmation Letter, respectively.*

#### **Abstract and Non-Accessory Guarantee of [name of the Guarantor]**

For the benefit of: Any person (each, a “**Noteholder**”) holding directly or indirectly any of the notes issued under the Programme (as defined below) (the “**Notes**”)

Date: 17 November 2020

In consideration of:

- Fluvius System Operator CV acting as issuer (the “**Issuer**”) under the EUR 5,000,000,000 Guaranteed Euro Medium Term Note programme (the “**Programme**”); and
- Fluvius System Operator CV as issuer, Fluvius Antwerpen, Fluvius Limburg, Fluvius West, Gaselwest, Imewo, Intergem, Iveka, Iverlek, PBE, Riobra and Sibelgas as guarantors and Belfius Bank SA/NV and BNP Paribas Fortis SA/NV as co-arrangers and dealers entering into a programme agreement dated 17 November 2020 relating to the Programme (including its schedules) (the “**Programme Agreement**”).

[name of the Guarantor], organised as an “*opdrachthoudende vereniging*” under the laws of Belgium, having its registered office at [registered office of the Guarantor], Belgium and registered with the Crossroads Bank of Enterprises (*Kruispuntbank van Ondernemingen/Banque-Carrefour des Entreprises*) under the number [registration number of the Guarantor] (RLE [relevant reference of the Guarantor]), (the “**Guarantor**”) unconditionally and irrevocably guarantees to each Noteholder the due and punctual payment, in accordance with the terms and conditions of the Notes (the “**Terms and Conditions**”) (terms defined in the Terms and Conditions shall, insofar as the context so admits, have the same meaning when used herein), of the Proportional Share (as defined below) of the principal of, interest (if any) on, and any other amounts payable under the Notes to the Noteholders on the date specified for such payment (whether on the normal due date, on acceleration or otherwise) (the “**Guarantee**”) upon the following terms:

- (i) in the event of any failure by the Issuer to pay punctually any such principal, interest or other amount, the Guarantor agrees to cause each and every such payment to be made as if the Guarantor is, instead of the Issuer, expressed to be the primary obligor of the Notes with the intent that the Noteholder shall receive the same amounts in respect of principal, interest or such other amount as would have been received by it had such payments been made by the Issuer;
- (ii) the Guarantor agrees that its obligations under this Guarantee shall be abstract, non-accessory, independent, unconditional and irrevocable and on a first demand basis without raising any objections of whatever nature arising out of the underlying obligation of the Issuer relating to the Notes, irrespective of the absence of any action to enforce the same, the recovery of any judgment against the Issuer or any action to enforce the same or any other circumstance relating to the underlying Note which might otherwise constitute a discharge or defence of a guarantor, it being understood that no demand shall be

accepted in the event that all payments of principal, interest or other amount due under the Notes have been punctually made by the Issuer;

- (iii) the Guarantor agrees that nothing in this Guarantee shall be construed so that this Guarantee constitutes a surety (*borgtocht/cautionnement*) and that nothing in this Guarantee will affect its intention to grant an independent and abstract guarantee pursuant to this Guarantee and not a surety (*borgtocht/cautionnement*);
- (iv) the Guarantor confirms, and by accepting the benefit of this Guarantee each Noteholder acknowledges and agrees, that the Guarantor's obligations under this Guarantee in respect of the Notes shall, at all times, be limited to the proportional share it holds in the share capital of the Issuer as of the date of the issue of such Notes, as set out in the relevant Final Terms applicable to such Notes (the "**Proportional Share**");
- (v) the Guarantor confirms, with respect to each Note, that it does not have and will not assert as a defence to any claim hereunder any right to require any proceedings to be first commenced or made against the Issuer nor will it assert as a defence to any claim hereunder any lack of diligence, presentment to the Issuer or the Agents of any demand for payment from the Issuer or the Agents, any filing of claims with any court in the event of merger, insolvency or bankruptcy of the Issuer, any protest, notice or any other demand whatsoever (other than a demand for payment of this Guarantee in compliance with the terms hereof) and the Guarantor confirms that this Guarantee will not be discharged except by complete performance of the obligations contained in each Note and in this Guarantee;
- (vi) this Guarantee constitutes an abstract, non-accessory, independent, direct, unconditional, irrevocable, first demand, unsubordinated and unsecured obligation of the Guarantor and ranks *pari passu* (subject to mandatorily preferred debts under applicable laws), equally and rateably with all other present and future outstanding unsecured and unsubordinated obligations of the Guarantor;
- (vii) the Guarantor agrees that it shall comply with and be bound by those provisions contained in the Terms and Conditions, the Agency Agreement and the Programme Agreement of the Notes which relate to it;
- (viii) this Guarantee shall be to the benefit of each Noteholder and its (and any subsequent) successor and assigns, each of which shall be entitled severally to enforce this Guarantee against the Guarantor;
- (ix) the records of the securities settlement system operator shall, in the absence of manifest error, be conclusive evidence of the identity of the Noteholder, the number of entries credited to the securities account of such Noteholder with such securities settlement system operator at the relevant time and the amounts represented by such entries, as set forth in the Terms and Conditions;
- (x) the Guarantor represents and warrants (which representations and warranties shall be deemed to be repeated on each day that this Guarantee continues in force) that:
  - (a) the Guarantor is a mission entrusted association (*opdrachthoudende vereniging*) (or, in the case of a future change of the law, an equivalent or similar legal entity) with the power to enter into and to perform the obligations expressed to be assumed by it under the agreements to which it is expressed to be a party in connection with the Programme and the issue of the Notes; the Guarantor has the power to execute and deliver this Guarantee and to perform its obligations under this Guarantee and has taken all necessary action to authorise such execution and delivery and performance of such obligations;
  - (b) the Guarantor is aware of the representations made and warranties given by the Issuer under the Programme Agreement;

- (c) this Guarantee constitutes the legal, valid and binding obligations of the Guarantor duly enforceable in accordance with its terms; the Guarantor shall not in any circumstances challenge the legality, validity or enforceability of this Guarantee;
  - (d) the execution and performance of this Guarantee does not contravene any provision of any existing law, decree or regulation or of its constitutive documents or of any agreement to which it is a party;
  - (e) it is not engaged in or under threat of any litigation nor is it in default in respect of any financial commitment which might in either case affect its ability to perform its obligations under this Guarantee; and
  - (f) all payments of principal and interest by or on behalf of the Guarantor in respect of any Note while it is held by an eligible investor (as defined in Article 4 of the Belgian Royal Decree of 26 May 1994, as in force on the date hereof) in the securities settlement system operated by the National Bank of Belgium shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Belgium or any authority therein or thereof having power to tax;
- (xi) in the event of the liquidation of the Issuer if any moneys are payable by the Guarantor under this Guarantee, the Guarantor shall, until all moneys due from the Issuer to the Noteholders shall have been paid in full, hold the benefit of all its claims against the Issuer for the account of the Noteholders to pay the same to the Noteholders and the Guarantor hereby irrevocably authorises and requires the Issuer and any liquidator of the Issuer to pay the Noteholders to the extent that all moneys due under the Notes shall not have been paid in full, all moneys payable to the Guarantor in respect of such claims;
  - (xii) the Guarantor shall not be subrogated in the rights of any Noteholder, make any claim against the Issuer in connection with this Guarantee or its enforcement or receive the benefit of any security enjoyed in connection with the Notes by any Noteholder until any principal, interest or other amount payable under the Notes to the Noteholders has been finally discharged and there is no possibility of any further payment under the Guarantee coming into existence. The Guarantor shall not be entitled to claim against any other guarantor for a contribution towards the payments that it has made to the Noteholders;
  - (xiii) a demand or notice hereunder shall be in writing signed by a duly authorised officer, representative or agent of the Noteholder and specify name, address and bank account details of the relevant Noteholder and the number of Notes such Noteholder owns; the demand or notice must be sent to the Guarantor by registered mail with a form for acknowledgement of receipt, at the following address:  
  

*[notice details of the Guarantor]*
- If a Noteholder fails to exercise or delays the exercise of its rights under this Guarantee, this shall under no circumstances constitute a waiver of its rights; if a Noteholder partly exercises any rights in respect of this Guarantee, this shall not prevent the future or further exercise of such rights or the exercise of any other rights by a Noteholder;
- (xiv) references to the Noteholders, the Issuer and the Guarantor include their respective successors and assigns; references to persons include references to companies, corporations, firms, governments, states or state agencies, associations and any other legal entities; and (where the context so permits) the singular includes the plural and vice versa;
  - (xv) this Guarantee and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, the laws of Belgium; claims against the Guarantor



thereunder may be brought before the courts in Brussels, Belgium, which shall have exclusive competence;

- (xvi) the Guarantor shall not be entitled to assign or transfer all or any of its rights, benefits and obligations hereunder, without prejudice to its ability to merge or engage in any other form of reorganisation in accordance with the Terms and Conditions; and
- (xvii) the Guarantor hereby (a) waives, to the fullest extent permitted by applicable law, with respect to itself and its revenues and assets (irrespective of their use or intended use), all immunity on the grounds of sovereignty or other similar grounds from (I) suit, (II) jurisdiction of any court, (III) relief by way of injunction, order for specific performance or for recovery of property, (IV) attachment of its assets (whether before or after judgement) and (V) execution or enforcement of any judgement to which it or its revenues or assets might otherwise be entitled in any proceedings in the courts of any jurisdiction and (b) irrevocably agrees, to the extent permitted by applicable law, that it will not claim any such immunity in any proceedings.

This abstract and non-accessory Guarantee has been executed on 17 November 2020.

**[name of the Guarantor]**

as Guarantor

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Name:

Title:

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Name:

Title:

## 2 Form of the Guarantee Confirmation Letter

*This is the form of the Guarantee Confirmation Letter which was granted by each of the Guarantors on 9 November 2021 in the context of the first annual update of the Programme to confirm that the Guarantors' obligations under their respective Guarantee in respect of any Notes issued after the date of the relevant Guarantee Confirmation Letter shall, at all times, be limited to the proportional share of contributions which the relevant Guarantor has made in the Issuer as of the date of the issue of such Notes. Please refer to section 1 above for the form of the Guarantee and to section 3 below for the form of the Second Guarantee Confirmation Letter, respectively.*

### **Confirmation Letter in relation to the Abstract and Non-Accessory Guarantee of [name of the Guarantor] originally granted on 17 November 2020**

For the benefit of: Any person (each, a “**Noteholder**”) holding directly or indirectly any of the notes issued under the Programme (as defined below) (the “**Notes**”)

Date: 9 November 2021

In consideration of:

- Fluvius System Operator CV acting as issuer (the “**Issuer**”) under the EUR 5,000,000,000 Guaranteed Euro Medium Term Note programme originally established on 17 November 2020 (the “**Programme**”);
- Fluvius System Operator CV as issuer, Fluvius Antwerpen, Fluvius Limburg, Fluvius West, Gaselwest, Imewo, Intergem, Iveka, Iverlek, PBE, Riobra and Sibelgas as guarantors and Belfius Bank SA/NV and BNP Paribas Fortis SA/NV as co-arrangers and dealers having entered into a programme agreement relating to the Programme on 17 November 2020, as will be amended and restated from time to time during the term of the Programme and which was most recently amended and restated pursuant to an amendment and restatement agreement dated 9 November 2021 (including its schedules); and
- **[name of the Guarantor]**, organised as an “*opdrachthoudende vereniging*” under the laws of Belgium, having its registered office at *[registered office of the Guarantor]*, Belgium and registered with the Crossroads Bank of Enterprises (*Kruispuntbank van Ondernemingen/Banque-Carrefour des Entreprises*) under the number *[registration number of the Guarantor]* (RLE *[relevant reference of the Guarantor]*), (the “**Guarantor**”) having unconditionally and irrevocably guaranteed on 17 November 2020 to each Noteholder the due and punctual payment, in accordance with the terms and conditions of the Notes (the “**Terms and Conditions**”) (terms defined in the Terms and Conditions shall, insofar as the context so admits, have the same meaning when used herein), of the Proportional Share (as defined below) of the principal of, interest (if any) on, and any other amounts payable under the Notes to the Noteholders on the date specified for such payment (whether on the normal due date, on acceleration or otherwise) (the “**Guarantee**”).

Reference is made to the Guarantee. This confirmation of the Guarantee is given upon the following terms:

- (i) the Guarantor confirms that the Guarantee shall continue to remain in full force and effect in respect of, and shall apply on the terms thereof to, any Notes issued under the Programme, and notwithstanding any changes that have been made to the Terms and Conditions since the date of the Guarantee;
- (ii) the Guarantor confirms that the Guarantee has been approved by its Board of Directors for any issuance of Notes under the Programme for a term of the Programme of ten years as from its establishment;
- (iii) the Guarantor confirms, and by accepting the benefit of the Guarantee as confirmed by this confirmation letter each Noteholder acknowledges and agrees, that the Guarantor's obligations under the Guarantee in respect of any Notes issued after the date of this confirmation letter shall, at all times,

*Form of the Guarantee and the Guarantee Confirmation Letters*

be limited to the proportional share of contributions which the Guarantor has made in the Issuer as of the date of the issue of such Notes, as set out in the relevant Final Terms applicable to such Notes (the “**Proportional Share**”); and

- (iv) this confirmation letter and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, the laws of Belgium; claims against the Guarantor thereunder may be brought before the courts in Brussels, Belgium, which shall have exclusive competence.

This confirmation letter has been executed on 9 November 2021.

**[name of the Guarantor]**

as Guarantor

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Name:

Title:

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Name:

Title:

### 3 Form of the Second Guarantee Confirmation Letter

This is the form of the Second Guarantee Confirmation Letter which was granted by each of the Guarantors on 6 June 2023 in the context of the annual update of the Programme which expanded the Programme to allow for issuances to retail investors and to consumers to confirm that the Guarantors' obligations under their respective Guarantee in respect of any Notes issued after the date of the relevant Second Guarantee Confirmation Letter shall extend to obligations under such Notes. Please refer to section 1 above for the form of the Guarantee and to section 2 above for the form of the Guarantee Confirmation Letter, respectively.

#### **Second Guarantee Confirmation Letter in relation to the Abstract and Non-Accessory Guarantee of [name of the Guarantor] originally granted on 17 November 2020 and confirmed pursuant to a guarantee confirmation letter dated 9 November 2021**

For the benefit of: Any person (each, a “**Noteholder**”) holding directly or indirectly any of the notes issued under the Programme (as defined below) (the “**Notes**”)

Date: 6 June 2023

In consideration of:

- Fluvius System Operator CV acting as issuer (the “**Issuer**”) under the EUR 5,000,000,000 Guaranteed Euro Medium Term Note programme originally established on 17 November 2020 (the “**Programme**”);
- Fluvius System Operator CV as issuer, Fluvius Antwerpen, Fluvius Limburg, Fluvius West, Gaselwest, Imewo, Intergem, Iveka, Iverlek, PBE, Riobra and Sibelgas as guarantors and Belfius Bank SA/NV and BNP Paribas Fortis SA/NV as co-arrangers and dealers having entered into a programme agreement relating to the Programme on 17 November 2020, as will be amended and restated from time to time during the term of the Programme and which was most recently amended and restated pursuant to an amendment and restatement agreement dated 6 June 2023 (including its schedules);
- **[name of the Guarantor]**, organised as an “*opdrachthoudende vereniging*” under the laws of Belgium, having its registered office at *[registered office of the Guarantor]*, Belgium and registered with the Crossroads Bank of Enterprises (*Kruispuntbank van Ondernemingen/Banque-Carrefour des Entreprises*) under the number *[registration number of the Guarantor]* (RLE *[relevant reference of the Guarantor]*), (the “**Guarantor**”) having unconditionally and irrevocably guaranteed on 17 November 2020 (as confirmed for the first time pursuant to a guarantee confirmation letter dated 9 November 2021) to each Noteholder the due and punctual payment, in accordance with the terms and conditions of the Notes (the “**Terms and Conditions**”) (terms defined in the Terms and Conditions shall, insofar as the context so admits, have the same meaning when used herein), of the proportional share of contributions which it has made in the Issuer as of the date of the issue of such Notes, as set out in the relevant Final Terms applicable to such Notes, of the principal of, interest (if any) on, and any other amounts payable under the Notes to the Noteholders on the date specified for such payment (whether on the normal due date, on acceleration or otherwise) (the “**Guarantee**”); and
- on or about the date of this Second Guarantee Confirmation Letter, a number of changes having been made to the Programme and the Terms and Conditions, including (without limitation), among other things, (i) to expand the Programme to allow for certain Series of Notes to be issued in Specified Denominations of less than EUR 100,000 (or its equivalent in any other currency) and/or to be offered, sold or otherwise made available to retail investors and/or to “consumers” (*consumenten/consommateurs*) within the meaning of the Belgian Code of Economic Law (*Wetboek van economisch recht/Code de droit économique*), as amended (the “**Retail Expansion**”) and (ii) to comply

with certain rules and regulations, including under the Belgian Code of Economic Law, that are applicable to the Programme due to the Retail Expansion.

Reference is made to the Guarantee. This Second Guarantee Confirmation Letter is given upon the following terms:

- (i) the Guarantor confirms that the Guarantee shall continue to remain in full force and effect in respect of, and shall apply on the terms thereof to, any Notes issued under the Programme, and notwithstanding any changes that have been made to the Programme and the Terms and Conditions since the date of the Guarantee or that may be made in the future;
- (ii) the Guarantor confirms that the Guarantee has been approved by its Board of Directors for any issuance of Notes under the Programme, as amended from time to time, for a term of the Programme of ten years as from its establishment 17 November 2020;
- (iii) this Second Guarantee Confirmation Letter and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, the laws of Belgium; claims against the Guarantor thereunder may be brought before the courts in Brussels, Belgium, which shall have exclusive competence; and
- (iv) the Guarantor acknowledges that the provisions of Article 5.74 of the Belgian Civil Code shall not apply to it with respect to its obligations under the Guarantee and that it shall not be entitled to make any claim under Article 5.74 of the Belgian Civil Code.

This confirmation letter has been executed on 6 June 2023.

**[name of the Guarantor]**

as Guarantor

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Name:  
Title:

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Name:  
Title:

## PART VII – DESCRIPTION OF THE ISSUER AND THE GUARANTORS

### 1 General information on the Issuer

#### 1.1 General information

##### *Legal name, form and place of registration*

The Issuer's legal name is Fluvius System Operator CV (“**Fluvius**”, “**Fluvius System Operator**” or the “**Issuer**”). The abbreviated and commercial name of the Issuer is “Fluvius”.

The Issuer is registered with the register of legal entities (*rechtspersonenregister/registre des personnes morales*) of Ghent (section Ghent) under enterprise number (*ondernemingsnummer/numéro d'entreprise*) 0477.445.084. Its Legal Entity Identifier (LEI) code is 549300WSQW00M3PK2J78.

The Issuer is organised as a cooperative company (*coöperatieve vennootschap/société coopérative*) under Belgian law for an unlimited duration.

The Issuer's registered office is at Brusselsesteenweg 199, 9090 Melle, Belgium. The general telephone number is +32 78 353534. The current articles of association of Fluvius System Operator were approved on 23 December 2020 and have been most recently updated on 14 December 2022 to reflect the renewal of the sub-delegation regarding real estate transactions for the Guarantors.

The Issuer's website can be accessed via [www.fluvius.be](http://www.fluvius.be). Information contained on websites mentioned in this Base Prospectus does not form part of this Base Prospectus, unless that information is incorporated by reference into this Base Prospectus.

##### *Summary of the principal activities of the Issuer and its role within the Fluvius Economic Group*

The Issuer develops, manages and maintains utility networks for electricity and gas distribution, public lighting, sewerage, CATV and district heating and the data management related to these activities. Almost all network infrastructure is owned by the Guarantors. Fluvius System Operator has been mandated as the operating company (*werkmaatschappij*) of the eleven Flemish intermunicipal companies that are the Guarantors. Its role relates to operating and maintaining the networks, preparing the decision-making process at the level of the Guarantors, undertaking all tasks of corporate secretariat for the Guarantors and undertaking other tasks for the Guarantors, such as relating to human resources, payroll and accounting support (taking into account the fact that the Guarantors do not have their own staff). In the intermunicipalities' name and for their account, Fluvius System Operator operates the networks for electricity, gas and sewerage and exercises public service obligations in relation to electricity and gas. Fluvius System Operator carries out its operational activities at cost without charging any commercial margin to the Guarantors. This means that all costs incurred by Fluvius System Operator (materials and services, personnel costs, etc.) are passed through to the Guarantors according to fixed allocation rules. Each month Fluvius System Operator invoices each of the Guarantors for the operational services rendered.

The Issuer currently has three consolidated subsidiaries: De Stroomlijn CV (“**De Stroomlijn**”), Atrias CV (“**Atrias**”) and Synductis CV (“**Synductis**”) (together, the “**Subsidiaries**”). De Stroomlijn is integrally consolidated with Fluvius System Operator. Atrias and Synductis are consolidated with Fluvius System Operator according to the equity method. Please refer to section 1.6 – ‘The Issuer's Subsidiaries’ for more information on this topic.

The Issuer, the Guarantors, the Issuer's Subsidiaries, Fluvius Oudrachthoudende Vereniging ("**Fluvius OV**") and Interkabel together form the "**Fluvius Economic Group**". Please refer to section 1.7 – 'The Fluvius (consolidated) group and the Fluvius Economic Group'.

As further outlined in article 2 of the Issuer's articles of association, the corporate object of Fluvius System Operator has been defined as follows:

- executing all operational activities related to the distribution of electricity and (natural) gas<sup>19</sup>;
- executing all activities related to the development, the operations, the usage and the maintenance of other cables-and-pipes utility activities, such as sewerage networks, water distribution networks, public lighting networks, public electronic communication cable networks and heating grid distribution networks;
- executing all activities of data manager;
- executing all activities of heating grid manager;
- executing all activities related to the management of the (strategic) participations and financings;
- carrying out connections, installing and putting into service meters (digital meters, analogue meters and electronic meters) and the management of the access register;
- delivering a qualitative service to the grid users and other market players in general;
- registering or recording the meter readings, either from a distance or at the grid users, the validation and the management of these metering data and supplying them to the relevant market parties;
- executing all activities related to rendering energy services and facilities to distribution grid users, amongst others within the framework of its shareholders' activities, from an administrative, technical, commercial and social viewpoint;
- executing all activities related to providing information to energy service providers (ESCOs), aggregators, the competent regulator and the authorities, for the performance of their tasks;
- in general, delivering management and other services to and putting its know-how at the disposal of its shareholders;
- the preparation and the implementation of all decisions taken by the governing bodies of its shareholders; and
- the consultation on distribution grid problems and the promotion of the cooperation between shareholders.

#### *Relevant markets*

Fluvius System Operator operates in all 300 Flemish cities and communities (the "**Flemish Region**") in Belgium. Fluvius System Operator has no activities outside Belgium.

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<sup>19</sup> As at the date of this Base Prospectus, "gas" refers to a mixture of "natural gas", "biogas" and/or "synthetic gas", to the extent that the latter two are allowed to be injected and are effectively injected into the gas distribution networks of the Guarantors. Natural gas refers to fossil gas found underground in nature. Biogas refers to forms of renewable gas extracted from biological processes (e.g. using organic waste material as source). Synthetic gas refers to gas obtained from a chemical reaction. Since recent years, other forms of gas (e.g. biomethane) are effectively being injected into the gas distribution grids of the Guarantors. For the sake of simplicity, "gas" is used throughout this document to point at the mixture described above.

## 1.2 A brief history of the Issuer

The Issuer was incorporated under Belgian law as a limited liability company (*naamloze vennootschap/société anonyme*) named “Electrabel Netmanagement Flanders”, abbreviated to “ENF”, by a notarial deed of 29 April 2002, drawn up by Mr Thierry Van Halteren, associated notary public in Brussels, and published in the Annexes to the Belgian State Gazette on 11 May 2002 under number 20020511-609.

The name “Electrabel Netmanagement Flanders – ENF” was changed into “Electrabel Netten Vlaanderen - ENV” by a decision of the Extraordinary General Meeting of Shareholders on 22 September 2003.

The company’s name was subsequently changed into “Eandis” by a decision of the General Assembly on 30 March 2006. At this same date, the company took the form of a limited liability cooperative society and a merger was realised with GeDIS and Indexis’s Flemish platform by a notarial deed of the same date, drawn up by Mr Xavier Desmet, notary public in Antwerp, and published in the Annexes to the Belgian State Gazette on 27 April 2006 under number 06074304.

The company’s name was changed into “Eandis System Operator cvba” on 30 December 2015.

The company’s name was changed into its current name “Fluvius System Operator” by a decision of its General Assembly on 28 June 2018, with effect as from 1 July 2018. This change of name was part of a merger transaction (merger by absorption (*fusie door opsploring/fusion par absorption*)), also with effect as from 1 July 2018, in which Eandis System Operator cvba (“**Eandis System Operator**”) absorbed Infracx cvba (“**Infracx**”). At that time, Eandis System Operator and Infracx were the two operating companies working on behalf of a number of DSOs in the Flemish Region. The merger transaction was a share-based transaction only, without any cash transfers between the parties and/or shareholders involved. On 1 April 2019, the Issuer also became responsible for the network operations of former Integan (around 150 people were allocated to the Issuer at that time), as a consequence of the merger of Integan with Imea and IVEG into Fluvius Antwerpen, one of the Guarantors.

Finally, the current articles of association of the Issuer were adopted by the Extraordinary General Meeting of Shareholders held on 14 December 2022 with a view to, almost exclusively, aligning them with recent changes to the activity of public electronic communication (cable) networks. They anticipate the transfer of the public electronic communication networks activity (cable distribution cable infrastructure) to the independent entity to be created together with the telecom company Telenet (with the working name 'NetCo' and with a private limited liability company (*besloten vennootschap/société à responsabilité limitée*) as legal form). The amended articles of association mainly define the financial and other arrangements for the 'K' shares relating to the public electronic communication networks activity, *e.g.*, cost and revenue sharing, profit distribution mechanism, etc. The amendments to the articles of association also include a number of textual and rather technical corrections and refinements.

## 1.3 The Issuer’s corporate structure

### *Corporate organisation of the Issuer*

At 31 December 2022, Fluvius System Operator<sup>20</sup> employed 4,770 people corresponding to 4,574.22 full-time equivalents.

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<sup>20</sup> Excluding the statutory staff employed by Fluvius OV. At 31 December 2022, Fluvius OV’s staff amounted to 667 employees (643,81 full-time equivalents). For more details on Fluvius OV, see section 1.8 – ‘Fluvius OV’.



The Guarantors are Fluvius System Operator's sole shareholders. No shareholder exercises control over the Issuer. The table below reflects the Guarantors' shareholding in Fluvius System Operator as at the date of this Base Prospectus (in terms of contribution (*inbreng/apport*)):

Shareholder	"A" shares with voting rights	%	Contribution (in EUR)
Fluvius Antwerpen	4,688,069	18.10%	232,400
Fluvius Limburg	4,666,524	18.02%	231,332
Imewo	3,767,084	14.54%	186,744
Iverlek	3,486,875	13.46%	172,853
Gaselwest	2,687,523	10.38%	133,227
Intergem	1,840,902	7.11%	91,258
Iveka	1,570,114	6.06%	77,835
Fluvius West	1,357,143	5.24%	67,277
PBE	945,183	3.65%	46,855
Sibelgas	497,124	1.92%	24,644
Riobra	394,394	1.52%	19,551
<b>TOTAL</b>	<b>25,900,935</b>	<b>100.00%</b>	<b>1,283,976</b>

As at the date of this Base Prospectus, the Issuer has only issued A shares with voting rights, all of which are ordinary nominative shares, each representing an equal share in the Issuer's contributions totalling EUR 1,283,975.84 as at the date of this Base Prospectus. All shares have been fully paid up and are registered in Fluvius System Operator's shareholder register. Each shareholder of an A share is entitled to one vote per share in Fluvius System Operator's General Assembly.

As of the date of this Base Prospectus, Fluvius System Operator has not issued any profit-sharing certificates.

The shareholding of the respective Guarantors in Fluvius System Operator is based on the number of EANs<sup>21</sup> as at 31 December 2016.

#### Board of Directors

The Board of Directors of Fluvius System Operator, which according to Fluvius System Operator's articles of association consists of a maximum of twenty members, is responsible for Fluvius System Operator's general policy and corporate decisions. The nineteen members of the Issuer's Board of Directors<sup>22</sup> at the date of this Base Prospectus are listed in the table below. As at the date of this Base Prospectus, one board mandate remains open pending the proposal (by Fluvius Antwerpen) of a new director.

Name and function within the Issuer's Board of Directors (represented shareholder) / municipality and function in the municipality at the date of this Base Prospectus:

Wim DRIES, chairman (Fluvius Limburg)	Genk, mayor
Koen KENNIS, 1st vice-chairman (Fluvius Antwerpen)	Antwerp, alderman

<sup>21</sup> European Article Numbering. One EAN corresponds to one physical connection to a distribution grid operated by the Issuer.

<sup>22</sup> As at the date of this Base Prospectus, these 20 board mandates are distributed among the shareholders as follows: Fluvius Antwerpen: 3 mandates; Fluvius Limburg: 3 mandates; Gaselwest: 2 mandates; Iverlek: 2 mandates; Iveka: 2 mandates; Fluvius West: 1 mandate; Imewo: 2 mandates; Sibelgas: 1 mandate; Intergem: 2 mandates; PBE: 1 mandate; and Riobra: 1 mandate.

*Description of the Issuer and the Guarantors*

Christophe PEETERS, 2nd vice-chairman (Imewo)	Ghent, city councillor
Hans BONTE, 3rd vice-chairman (Sibelgas)	Vilvoorde, mayor
Piet BUYSE (Intergem)	Dendermonde, mayor
Geert CLUCKERS (PBE)	Diest, alderman
Lieven COBBAERT (Gaselwest)	Ichtegem, mayor
David COPPENS (Intergem)	Aalst, chairman of the city council
Jan DALEMANS (Fluvius Limburg)	Hechtel-Eksel, mayor
Charlotte DE BACKER (Imewo)	Ostend, councillor
Christof DEJAEGHER (Gaselwest)	Poperinge, mayor
Jan DESMETH (Iverlek)	Sint-Pieters-Leeuw, mayor
Ine FRANSEN (Fluvius Limburg)	Maaseik, city councillor
Greet GEYPEN (Iverlek)	Mechelen, alderman
Tom KERSEMANS (Iveka)	Lille, alderman
Lies LARIDON (Fluvius West)	Diksmuide, mayor
Nicky MARTENS (Riobra)	Tienen, city councillor
Guy VAN DE PERRE (Iveka)	Kasterlee, alderman
Adinda VAN GERVEN (Fluvius Antwerpen)	Brasschaat, alderman
Open position in replacement of Kristien VINGERHOETS <sup>23</sup> (Fluvius Antwerpen)	Hemiksem, councillor

Bruce Almey was appointed as Secretary to the Board of Directors. He is the department head of the corporate secretariat at Fluvius System Operator and, in that capacity, bears responsibility for corporate affairs.

The above Directors, as well as the Secretary of the Board of Directors, have their business address at Brusselsesteenweg 199, 9090 Melle, Belgium.

*Management Committee*

The Board of Directors has entrusted the Management Committee with the day-to-day management and the operational leadership of Fluvius System Operator from an operational and organisational perspective. The day-to-day execution of the decisions taken by the Guarantors and certain daily management tasks of these Guarantors have also been entrusted to the Management Committee. The members of the Management Committee participate in the Fluvius System Operator's Board of Directors meetings, solely with an advisory role and without exercising any voting rights.

At the date of this Base Prospectus, the ten members of the Management Committee are:

**Frank Vanbrabant**, CEO and Chairman of the Management Committee

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<sup>23</sup> Mrs Vingerhoets resigned in March 2022 and still has to be replaced in the Board of Directors. Fluvius Antwerpen is to propose a new director, but has not yet done so as at the date of this Base Prospectus.

Mr Vanbrabant was born in 1962. After exercising a number of functions in administration and logistics, he joined the energy sector as Infrac's purchasing and logistics manager in 1999. In 2007, he headed the Customer Department at Infrac. Prior to his current function as Fluvius's CEO since 1 July 2018, he was CEO at Infrac. Mr Vanbrabant is a commercial engineer with a specialty in business informatics.

Areas of responsibility: CEO, chairman of the Management Committee

Other positions: Chairman of the Board and member of the HR Committee and Market Committee at Atrias; Board Member at Synergrid

**Raf Bellers**, member of the Management Committee (Director Grid Management)

Mr Bellers (b. 1971) was appointed as Chief Supply Chain Officer at Fluvius in 2018. Prior to the merger, he worked at Infrac with responsibilities for grid synergies and as manager of the knowledge centre on sewerage. Before his career at Infrac, he worked at Aquafin in technical planning and business development. Mr Bellers holds a civil engineering degree. Since 1 July 2022, Mr Bellers also holds the position of Director Net Management.

Areas of responsibility: supply chain & procurement, materials & methods, digital metering, logistics and facilities

Other positions: Board member at Vlario, Board member of Scameleon

**Tom Ceuppens**, member of the Management Committee (Director Customer Service)

Mr. Ceuppens (b. 1971) holds a master's degree in civil engineering. He joined Fluvius from Infrac at the latter's merger with Eandis (on 1 July 2018) and became responsible for Fluvius's Customer Department. At Infrac, he was responsible for customer affairs as well as for operations. Before his switch to the energy sector in 2015, Mr. Ceuppens was active in several international functions in the dredging sector for 20 years.

Areas of responsibility: customer services, contact centres, social energy supply, key accounts, product management, promotion of rational use of energy

Other positions: member of the Board at De Stroomlijn

**Guy Cosyns**, member of the Management Committee (Director Data Management)

Mr Cosyns (b. 1962) is an electrotechnical engineer. He has built a long career in the energy sector in several commercial, technical and regulatory affairs management positions. In 2005, he became responsible for Eandis's operating area Leie-Schelde. He joined the Eandis's Management Committee in 2013 as Director Customer Operations. Since 2018, he is in charge of Fluvius's Data Management Department.

Areas of responsibility: dataroom, market data operations, market data coordination

Other positions: board member and member of the Market Committee at Atrias; board member of VOKA Chambre of Commerce West - Flanders; board member at Business Centres Waregem and Kortrijk

**Wim Den Roover**, member of the Management Committee (Director Network Operations)

Mr Den Roover (b. 1961) is currently responsible for the Department Network Operations at Fluvius. He obtained an engineering degree. Prior to his current function at Fluvius, he was responsible for the Smart Programmes at Eandis. He has developed his career in several infrastructure areas and was also responsible for a number of internal projects.

Areas of responsibility: grid operations, telecom operations

Other positions: Member of the Executive Committee at Synductis

**Jean Pierre Hollevoet**, member of the Management Committee (Director Energy and Climate Transition)

Mr Hollevoet (b. 1962), who holds a technical engineering degree, is currently responsible for energy and climate transition initiatives at Fluvius. Previous to his current position, he was a.o. responsible for an operational infrastructure area, for asset management, for supply chain & facility management and procurement and for grid management at Eandis and Fluvius. On 1 July 2022, he was appointed to the newly created position of Director Energy and Climate Transition, aimed at strengthening the Issuer's focus on this topic.

Areas of responsibility: energy and climate transition

Other positions: Mr Hollevoet is a Member of the Executive Committee at Synductis, Board Member of Gas.be and member of the International Gas Union's Executive Committee and the LUCI's Executive Committee.

**David Termont**, member of the Management Committee, CFO (Director Financial Management, Legal and IT)

Mr Termont (b. 1970) is currently responsible for the Finance & ICT Departments at Fluvius. He holds an Economics Degree. He started his professional career as advisor to an Alderman and later as a director of the Economy Dept. at the City of Ghent. Prior to his CFO and ICT role at Fluvius, he was in charge of GeDIS's and Eandis's Customer Care Department and the Finance & ICT Department at Eandis.

Areas of responsibility: finance, ICT

Other positions: chairman of the Board at De Stroomlijn; member of the Board and Chairman of the Audit Committee at Atrias; member of the Board at Contassur; Member of the Board at Arteveldestadion CVBA.

**Filip Van Rompaey**, member of the Management Committee (Director Strategy)

Mr Van Rompaey (b. 1962), is responsible for the Fluvius Strategy Department. Prior to joining the utility sector at Infracore, he worked in the steel, insurance and banking sector. Mr Van Rompaey holds degrees in IT and commercial engineering.

Areas of responsibility: strategy, business development, corporate transformations, information security, digitalisation

Other positions: Member of the Board at s-Lim

**Ilse Van Belle**, member of the Management Committee (Director HR & Communication)

Mrs Van Belle (b. 1968) holds a Commercial Engineering degree and she has obtained an HRM Executive Master Class certification. Mrs Van Belle was appointed as Fluvius's director of HR & Communication in February 2019. Prior to her Fluvius position, she worked as external auditor at KPMG and in different management positions at the telecom operator Proximus a.o. with responsibilities in the fields of internal auditing, strategy development and HR.

Areas of responsibility: human resources, communication

Other positions: none

#### *Audit Committee*

Fluvius System Operator has established an Audit Committee. Currently, its members are Jan Desmeth (Chairman), Lieven Cobbaert and Lies Laridon. The Issuer's articles of association allow for a maximum of six members for the Audit Committee to be appointed by the board of directors of Fluvius System Operator amongst its members.

The Audit Committee has an advisory competence and reports its findings to the Board of Directors. The responsibilities of the Audit Committee relate to control over the Issuer's accountancy, its control systems, the proper application of accounting rules, financial reporting and budgeting.

#### *HR Committee*

Fluvius System Operator has also installed an HR Committee. It is chaired by Ms Greet Geypen. Its other members are currently Piet Buyse and Adinda Van Gerven.

The HR Committee has an advisory competence and reports its findings and guidelines to the Board of Directors. The HR Committee's tasks include monitoring developments in the HR policy of Fluvius System Operator and advising on Fluvius System Operator's general remuneration and benefits policy. The Committee is also consulted on nominations of managers within the company.

Fluvius System Operator's current articles of association stipulate that the HR Committee is composed of a maximum of six members to be appointed by the board of directors of Fluvius System Operator amongst its members.

#### *Strategic Committee*

The Strategic Committee functions as a consultation platform between Fluvius System Operator and its shareholders to prepare decisions on policy and strategic options. The Strategic Committee outlines the general strategy for Fluvius System Operator and the entire Fluvius Economic Group. Special attention is paid to the Issuer's relationship with the authorities and regulator, with shareholders and with the other stakeholders in operating distribution systems in Flanders. It is composed of six members. According to the articles of association of Fluvius System Operator, this committee has a maximum of ten members to be appointed by the board of directors of Fluvius System Operator amongst its members and it is being chaired by the Chairman of the Board of Directors, currently Mr Wim Dries. Its other members are Hans Bonte, Piet Buyse, David Coppens, Koen Kennis and Christophe Peeters.

#### *Conflicts of interest*

As at the date of this Base Prospectus, there are no conflicts of interest between the duties of the persons listed above in this section 1.3 – 'The Issuer's corporate structure' vis-à-vis the Issuer and/or their private interests or other duties. It should be noted that possible conflicts of interest between the duties of the directors of the Guarantors and their private investments or other duties are permanently being scrutinised by the Flemish authorities and by the regional energy regulator, the VREG.

#### *Corporate governance*

As the Belgian Corporate Governance Code for Listed Companies (the "Code 2020") is primarily aimed at companies with listed shares and given the extensive legal and regulatory requirements applicable to Fluvius System Operator, the Issuer has published its own Corporate Governance Charter, which was inspired both by the Code 2020 and the Corporate Governance Code for Non-listed Companies (the "Code Buyse"). This Corporate Governance Charter, of which the current edition was approved by the Issuer's Board of Directors on 17 June 2021, is updated on a regular basis when required by internal or external elements. The Corporate Governance Charter clearly states that the Issuer always

strives to be compliant with the generally accepted principles of corporate governance. The Board of Directors is responsible for the Corporate Governance Charter. The topics covered in this Corporate Governance Charter are: (i) the company's mission, vision and values, (ii) its corporate social responsibility and sustainability policy, (iii) the relationship between the General Assembly, the Board of Directors, the dedicated committees (Strategic, Audit, HR) and the Management Committee, as well as the relationship between the operating company and its shareholding intermunicipalities, (iv) the operational responsibilities of the Issuer and (v) internal audit, business continuity management, complaints handling and the protection of corporate information. The annual reports contain specific reporting on the implementation of corporate governance principles in everyday practice.

*Corporate Social Responsibility (CSR) & sustainability policies*

As a regulated entity in the energy and utilities sector with public shareholders, Fluvius is fully aware of its responsibilities in the areas of CSR and sustainability. Its commitments in this respect have been set out in the Fluvius CSR Charter, approved by the Board of Directors on 4 December 2019. This document can be accessed on the Issuer's website: <https://over.fluvius.be/sites/fluvius/files/2019-12/9010106-mvo-charter-2019-en.pdf>. Information contained on this website does not form part of this Base Prospectus.

Furthermore, the Issuer has published its Ethical Charter, in which the rules and guidelines for ethical behaviour by the Issuer's staff has been outlined in line with legislation, general practice and the Issuer's values.

*The Issuer's strategy*

In working out the strategic options for the Issuer, the Board of Directors and the management of the Issuer carefully consider all relevant policy measures taken by the Flemish government and the VREG, as well as the evolving economic, technical, operational, regulatory and legal context for the Issuer. The Issuer is always careful, however, not to compromise the current reliability and quality of the grids it operates and the services it delivers by implementing policy changes. It therefore considers every implementation option in light of its financial, technical and logistical feasibility and reassures itself that any strategic choice to be made should be socially acceptable to grid users. A second foundation for outlining the mid-term strategic options is evidently the Issuer's mission, vision, strategy and values taken as a whole, as approved by the Board of Directors.

The Issuer's strategy has four distinct elements: (i) we go all out for one Fluvius (ii) we create a maximum of synergies across the different networks (iii) we ensure future-proof networks and (iv) we put the customer and the employee first. The Issuer's mission has been defined as "to sustainably connect society with our multi-utility networks" and its vision is the following: "*Fluvius wants to become, in collaboration with all stakeholders, the Flemish multi-utility company*".

The outlined strategy is complemented by the Issuer values which can be considered as the DNA of the Issuer:

- Stronger together!: we strengthen each other in order to achieve our goal together and as one team.
- Driven by professionalism: we put safety first. We rely on each other's expertise, strive for quality and go for continuous improvement.
- Customer centric: our biggest motivation is our customers' satisfaction. We do our utmost to help them.

- Commitment: we are prepared to go the extra mile, and we do what we promise.
- Respect: we are honest, show empathy and take responsibility for each other and the society.

#### **1.4 The Issuer's strategy and commitment on CSR and sustainability**

At the date of this Base Prospectus, the Issuer's commitment on Corporate Social Responsibility ("CSR") and sustainability is laid down in its CSR Charter (which was approved by the Board of Directors on 4 December 2019).

The Issuer takes on the role of the preferred partner of the Flemish local authorities in their sustainability efforts, especially in the field of the energy and climate transition and energy efficiency. The Issuer supports the local authorities in their own initiatives to reach the Flemish climate objectives and the targets set in the Covenant of Mayors.

With its CSR and sustainability ambitions, policies and actions, the Issuer tries to be in line with the fundamentals of the EU Green Deal, especially with its general objectives of (i) Europe becoming climate-neutral by 2050 and (ii) protecting human life, animals and plants by cutting pollution. In order to align its sustainability ambitions with the EU Green Deal, the Issuer reports on its actions and performance by making use of the EU Taxonomy, which is a classification system for sustainable (or 'green') economic activities. Under the EU Taxonomy, an economic activity is deemed to be sustainable if it provides a significant contribution one of the following six environmental objectives: (i) climate change mitigation, (ii) climate change adaptation, (iii) sustainable use and protection of water and marine resources, (iv) transition to a circular economy, (v) prevention and control of pollution and (vi) protection and restoration of biodiversity and ecosystems. Simultaneously, the sustainable activities under consideration should respect the principle of 'do no significant harm' to the other objectives and comply with minimum safeguards on social norms such as human rights and labour rights.

The Issuer has defined four strategic objectives for its sustainability policies:

1. Energy transition: in these times, we are all obliged to rethink how we use energy. So the Issuer analyses how the whole of Flanders can reduce energy consumption and the Issuer actively looks for alternative and renewable energy sources that can be applied immediately or that offer opportunities in the future.
2. Climate adaptation: because the changing climate has more and more impact, we have to take into account more intense rain showers and longer periods of drought. So the Issuer refurbishes the sewerage system in a smarter way and proposes solutions for more sustainable use of water.
3. Digitisation: corporate sustainable responsibility is impossible without the data to support our efforts and to bring them to higher levels of efficiency. The Issuer puts those data at the disposal of customers and partners so that their ideas for a more sustainable world get all the space to grow.
4. Working sustainably: finally, the Issuer also strives towards more sustainability within our own company. The Issuer do not limit itself to installing solar panels on the rooftops of our buildings or greening our vehicle fleet. We resolutely go for a circular economy and stimulate our partners to do the same.

In 2022, the Issuer took concrete steps in further strengthening and deepening its policy on sustainability and CSR. For the coming years, the Issuer has defined its sustainability policy priorities. Spearheads in this respect are: (1) reducing the ecological footprint (CO<sub>2</sub>) of its own activities and (2) making its supply

chain more sustainable. These fit into the SDGs 13 (Climate action) and 12 (Responsible consumption and production).

The Issuer has now also decided in principle to fully align the Fluvius Economic Group’s investment plans with the Flemish Energy & Climate Plan 2021-2030. All investment decisions in the future will have to contribute to the overall climate objectives set by Flanders in this plan. This principle policy decision is now being quantified concretely in terms of budgetary impact and financing needs and concrete investment projects are also now being delineated. These investments are also expected to involve significant recruitment and employment of personnel (both directly and through third-party suppliers and sub-contractors).

Based on the principle of leading by example, the Issuer has set itself a number of clear sustainability targets, brought together in its “Vision 2050 – the Flemish energy grids of the future” policy document. The overriding ambition is to reach climate-neutrality in Flanders by 2050, irrespective of the different energy disciplines in which the company is involved (electricity grids, district heating grids, gas grids, public lighting). In doing so, The Issuer is responsible for implementing the Flemish Energy & Climate Plan which aims at: (i) switching passenger transport to electric (company cars starting in 2026), (ii) making maximum use of residual heat in district heating grids, (iii) a maximum focus on electric heating through heat pumps in new buildings and major renovations, (iv) accelerating the growth of solar and wind energy, (v) realising an increase in electricity use in the industry and (vi) focusing on the accelerated sustainable character of local authorities and public buildings. All of this means that Fluvius will have to set priorities. We have unequivocally opted for a pro-active approach in the adaptation of the utility grids for we which we are responsible. That is why mid-2022 Fluvius released its 2023-2032 Energy & Climate Transition investment plan, which is subject to annual updates. This plan outlines and quantifies in detail what investments are needed to bring about the energy and climate transition in Flanders.

The overhaul of the Issuer’s grids, which will be required to that effect, is substantial. Based on current predictions, the Issuer’s engineers estimated the following:

<i>Per year</i>	<i>Today</i>	<i>Evolution</i>	<i>By 2025</i>
<i>Transformers</i>	500	x6	3.000
<i>Mid-voltage grid (kms)</i>	900	+600	1.500
<i>Electricity cables (kms)</i>	1.200	+3.000	4.200

1. For the activities under the Issuer’s direct control, it aims at a minimum reduction of carbon emissions by 30% by 2030 (compared to the base year 2020);
2. For all of the activities, the Issuer aims at being a net-zero organisation by 2050.

Furthermore, the Issuer’s 2023-2032 Energy & Climate Transition investment plan anticipates that the number of electric cars in Flanders grows to 1.5 million by 2030, as well as massive numbers of heat pumps and solar panels and rising industrial power consumption.

To cope with all this, the Issuer is investing an additional EUR 4 billion (on top of the EUR 7 billion for regular investments) to reinforce 40 per cent of the low-voltage grid, 13 per cent of the medium-voltage

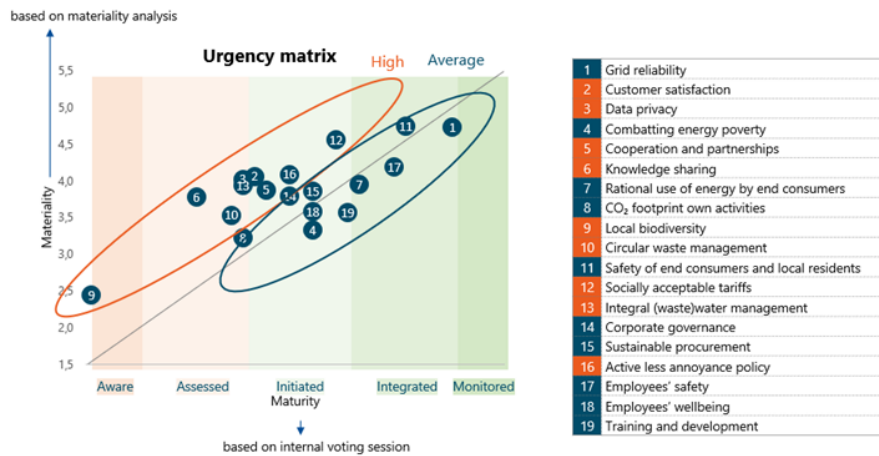


grid and one-third of the transformers that distribute power in the streets over the next ten years following the date of this Base Prospectus.

By way of background information, the Issuer has carried out an extensive materiality and urgency analysis, based on a stakeholder consultation and internal discussions. The stakeholders consulted in this exercise were a.o.: employees, representatives of the Issuer’s shareholders, investors, interest groups, suppliers and energy suppliers. This materiality analysis was finalised at the end of 2018<sup>24</sup>. The result of this exercise is summarized in the graphs below. First, the materiality matrix as it is derived from the results of the stakeholder consultation:



The six items indicated in green were scored as the most material topics out the list of 19 material topics. Taking into account the internal scoring of the process maturity for each of the 19 material topics identified, the urgency was charted as follows:



All material topics, but especially the six most material ones, identified during this analysis have been linked to the UN Sustainable Development Goals (SDGs):

<sup>24</sup> The survey with the employees was repeated in July/August 2020 (1250 participants)

1	Grid reliability	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 
2	Customer satisfaction	8 DECENT WORK AND ECONOMIC GROWTH 
3	Data privacy	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 
11	Safety of end consumers and local residents	11 SUSTAINABLE CITIES AND COMMUNITIES 
12	Socially acceptable tariffs	7 AFFORDABLE AND CLEAN ENERGY 
17	Employees' safety	8 DECENT WORK AND ECONOMIC GROWTH 

For the implementation process, the company's CSR Roadmap indicates the priorities between the relevant SDGs and the detailed targets to be pursued.

### 1.5 The Issuer's corporate credit ratings

At the date of this Base Prospectus, the Issuer has two long-term corporate credit ratings, i.e., at Moody's Investors Service Ltd. ("**Moody's**") and at Creditreform Rating AG ("**Creditreform**"). The history of these ratings is as follows:

#### Moody's

Fluvius System Operator (and before 1 July 2018, its predecessor Eandis System Operator) is rated at Moody's since 12 October 2011:

- 12 October 2011 – 13 March 2014: A1 negative outlook
- 13 March 2014 – 2 December 2014: A1 stable outlook
- 2 December 2014 – 14 December 2016: A1 negative outlook
- 14 December 2016 – 29 June 2018: A3 stable outlook
- 29 June 2018 – 25 July 2019: A3 positive outlook
- 25 July 2019 – 10 September 2020: A3 stable outlook

- 10 September 2020 – 29 October 2021: A3 negative outlook
- 29 October 2021 – present: A3 stable outlook

In Moody's methodology, an A3 credit rating means that the Issuer is situated in the upper-medium grade, subject to low credit risk; the modifier "3" indicates that it ranks in the lower end of its generic rating category. The stable rating outlook reflects the rating agency's opinion regarding the likely stable trend of the Issuer's credit rating, typically based on an 18-month horizon.

The rationale for the rating downgrade in December 2016 from A1 to A3 was inspired by Moody's anticipation that measures aimed at restoring the company's credit quality would not be implemented as foreseen after the planned merger of the DSOs and the planned entry of a private partner were both aborted.

Between December 2016 and the date of this Base Prospectus, Moody's announced several consecutive changes in the rating outlook. These changes were mostly based on Moody's expectations on the future developments of credit ratios, either positive or negative. Certain negative outlook changes reflected Moody's expectation that the VREG's decision on the adjusted 2021-2024 tariff methodology would cause key financial metrics to deteriorate and render balance sheet strengthening unlikely. In light of the mitigating measures put in place by the Issuer to limit the impact of the VREG's decision, Moody's however decided on 29 October 2021 to reinstate the Issuer's stable credit rating outlook.

On 7 December 2021, Moody's published its inaugural Credit Impact Score (CIS) for the Issuer. This CIS reflects the rating agency's assessment of the impact that environmental, social and governance risks might have on an issuer's overall credit profile. On a scale from CIS-1 (positive impact) to CIS-5 (very highly negative impact), the Issuer obtained a CIS-3 score (moderately negative) with a score of E-3 for environmental issues, S-3 on social items and G-2 for governance-related items.

#### Creditreform

Fluvius System Operator (and before 1 July 2018, its predecessor Eandis System Operator) is rated at Creditreform since 18 January 2017:

- 18 January 2017 – 30 October 2020: A+ stable outlook
- 30 October 2020 – 22 August 2022: A+ negative outlook
- 22 August 2022 – present: A stable outlook

The rating downgrade in August 2022 was driven, according to Creditreform, by the combined effect of the more restrictive tariff methodology 2021-2024 (see section 4.1.4 – 'The regulatory tariff period 2021-2024' of this Part VII – 'Description of the Issuer and the Guarantors' for more information) and a more volatile macroeconomic environment, as evidenced by the rapidly rising inflation and interest rates, which could potentially increase the mismatch between allowed income and the Issuer's operating and financing costs, exerting additional negative pressure on its results in the short-term.

In Creditreform's rating methodology, an A-rating means that the rated entity is assumed to possess a high level of creditworthiness and a low default risk. The absence of a modifier "+" or "-" indicates that the credit rating is in the middle part of its category. The stable outlook has a time horizon of one year, forecasting the likely course of developments for the period of twelve months after the date of the credit rating.

A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

## **1.6 The Issuer's Subsidiaries**

### ***De Stroomlijn***

De Stroomlijn CV was established as a limited liability cooperative society (*coöperatieve vennootschap met beperkte aansprakelijkheid/société coopérative à responsabilité limitée*) on 28 December 2006 by a notarial deed of the same date, published in the Annexes to the Belgian State Gazette of 22 January 2007 under number 07012863. Its registered office is at Brusselsesteenweg 199, 9090 Melle, Belgium. De Stroomlijn is registered in the legal enterprise register of Ghent under number 0886.337.894.

As at the date of this Base Prospectus, Fluvius System Operator possesses 1,650 shares out of the total of 2,654 shares in De Stroomlijn, or 62.17 per cent. of the contributions. The other shares are owned by TMVW/Farys, an intermunicipal company active in the distribution and treatment of water (850 shares), Synductis (77 shares) and De Watergroep, another drinking water and waste water utility company (77 shares).

De Stroomlijn's articles of association give Fluvius System Operator the right to nominate four of the eight members of the Board of Directors. David Termont, member of the Issuer's Management Committee, is chairman of the Board of Directors of De Stroomlijn. The other director on behalf of Fluvius is Tom Ceuppens. At the date of this Base Prospectus, there are two vacancies for a director mandate for which the Issuer can suggest someone. However, the Issuer does not currently intend to do so in the short term. Bruce Almey, secretary to the Board of Directors of Fluvius System Operator, holds the same position in De Stroomlijn's Board of Directors.

De Stroomlijn's financial statements are consolidated with Fluvius System Operator according to the integral method.

De Stroomlijn operates as the independent customer contact centre that handles calls from end customers for distribution grid-related matters. On 31 December 2022, the company employed 332 people corresponding to 300.4 full-time equivalents.

### ***Atrias***

Atrias CV was established as a limited liability partnership (*coöperatieve vennootschap met beperkte aansprakelijkheid/société cooperative à responsabilité limitée*) on 9 May 2011 by a notarial deed of the same date, published in the Annexes to the Belgian State Gazette of 25 May 2011. Its registered office is at Kanselarijstraat 17A, 1000 Brussels, Belgium. Atrias is registered with the legal enterprise register of Brussels under number 0836.258.873.

As at the date of this Base Prospectus, Fluvius System Operator owns 50% of Atrias's contributions. The remaining Atrias shares are owned by other entities in the Belgian energy distribution sector, being ORES Assets, Resa, Sibelga, AIEG, AIESH and Régie de Wavre.

Fluvius System Operator has the statutory right to nominate three of the nine Board members and has appointed Guy Cosyns, David Termont and Frank Vanbrabant in those positions. Fluvius System Operator also has the statutory right to nominate the Chairman of the Board of Directors. Frank Vanbrabant currently serves as Atrias chairman. Mr Géry Vanlommel, a Fluvius executive, is secretary to Atrias's Board of Directors.

Atrias's financial statements are consolidated with Fluvius System Operator according to the equity method.

Atrias's mission is defined as assuming the function of a central clearing house for the benefit of the DSOs and, as such, it is charged with the project for the development of the Message Implementation Guide (MIG) version 6, the development of a central Clearing House application and the management and maintenance of this application. MIG is a data transmission protocol being used for the structured data exchange between suppliers, DSOs and regional regulators on the liberalised energy market in Belgium. Through this role, Atrias will play a crucial role in data exchanges between energy market parties (primarily the DSOs and the energy suppliers). Atrias is now the central hub for information exchanges between those parties regarding all data changes in the characteristics of individual connections for electricity and gas throughout Belgium: registered consumption volumes, switches of energy supplier by the end consumers, end consumers moving house, installation of solar panels, adaptations to the technical characteristics of a connection, etc. During November-December 2021, the Central Clearing House application went live, thus implementing MIG6.

As at 31 December 2022, Atrias employed 29 people or 27.8 full-time equivalents.

### ***Synductis***

Synductis was established on 21 December 2012 as a limited liability cooperative society (*coöperatieve vennootschap met beperkte aansprakelijkheid/société cooperative à responsabilité limitée*) by a notarial deed of the same date, published in the Annexes to the Belgian State Gazette of 25 January 2013. Its registered office is at Brusselsesteenweg 199, 9090 Melle, Belgium. Synductis is registered with the legal enterprise register of Ghent under number 0502.445.845.

The founding partners of Synductis are Eandis, TMVW/Farys and IWVA/Aquaduin. Its current shareholders are Fluvius System Operator (holding 34.47% of the shares as at the date of this Base Prospectus), the water companies TMVW/Farys, Pidpa, IWVA/Aquaduin, De Watergroep, wastewater treatment company Aquafin, telecom operator Proximus and, finally, AGSO Knokke-Heist. Furthermore, Synductis is closely collaborating on a contractual basis with the Flemish public transport company De Lijn and with the Flemish Agency for Roads and Traffic (*Agentschap voor Wegen en Verkeer – AWW*).

The eight-member Board of Directors at Synductis is currently being chaired by Mr Christophe Peeters, director at Fluvius System Operator. The other director on behalf of Fluvius is Mr Tom Kersemans, who is also a member of the Issuer's Board of Directors. Bruce Almey is secretary to the Board of Synductis.

Synductis's accounts are being consolidated with Fluvius System Operator according to the equity method.

Synductis has no staff of its own. Its activities are carried out by employees seconded by its shareholders.

Synductis has the mission to better coordinate infrastructure works with an impact on the public domain. The coordination of planning and execution of infrastructure works by Synductis should lead to more synergies between utilities, minimal costs for grid operators and local authorities, and less hindrance for the population. A timely and clear communication with local authorities and neighbours is essential.

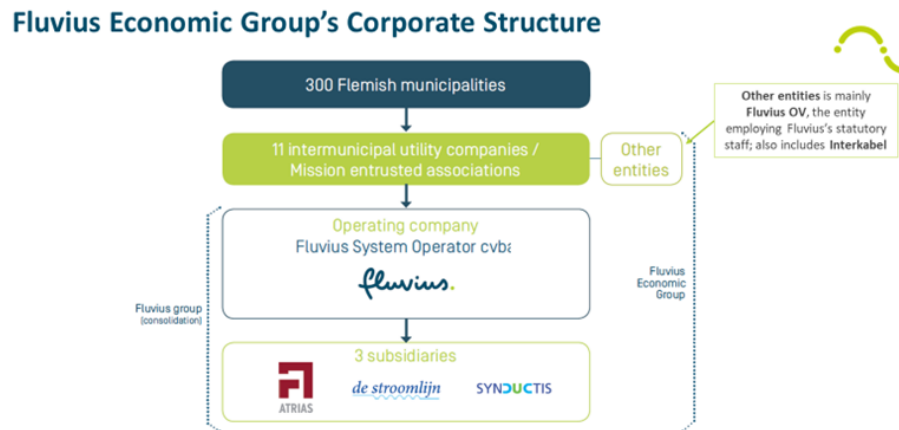
## **1.7 The Fluvius (consolidated) group and the Fluvius Economic Group**

The operating company Fluvius System Operator and its consolidated Subsidiaries Atrias, De Stroomlijn and Synductis (see also section 1.6 – 'The Issuer's Subsidiaries' above) constitute the "Fluvius (consolidated) group". This concept is entirely in line with the consolidation principles laid down in the Belgian accounting legislation.

When the Fluvius consolidated group is considered together with the eleven shareholders of the operating company, Fluvius OV (see section 1.8 – 'Fluvius OV') and Interkabel, the intermediate

structure of the Fluvius CATV entities (see section 4.3 – ‘Regulatory and contractual framework for Flemish CATV intermunicipalities’), the concept of the “Fluvius Economic Group” is introduced. It should be pointed out that the Fluvius Economic Group is not a legal entity, but that this concept is used for reporting purposes, taking into account that the Fluvius Economic Group includes both the asset owners and license holders (i.e., the Guarantors) and the entities which employ the staff and where the operational activities are being carried out (i.e., the operating company Fluvius System Operator, Fluvius OV and its consolidated Subsidiaries).

Schematically:



## 1.8 Fluvius OV

At the occasion of the legal merger by absorption of the former operating company Infracx by Eandis System Operator on 1 July 2018, all staff of the Infracx group entities had to be integrated into the newly created Fluvius System Operator. This posed no problems for the contractually employed Infracx staff, but the same procedure could not be followed for the statutory staff of the former Infracx entities. The said merger could not change their statute, nor their individual and collective rights and obligations. Therefore, these statutory employees were assembled within the entity Fluvius OV.

Fluvius OV’s enterprise number is 0201.311.226. Its registered office is at Trichterheideweg 8, 3500 Hasselt, Belgium. The current legal entity Fluvius OV was created by a partial split-up of the former Infracx Limburg as registered in two notarial deeds executed by notary Vanderstraeten at Opglabbeek, dated 20 June 2018 and 25 June 2018.

All staff on Fluvius OV’s pay-roll is, however, fully integrated into the organisational scheme and the different teams of the operating company Fluvius System Operator. The distinction between Fluvius System Operator and Fluvius OV was created solely for reasons of employment legislation. It should be pointed out that there will be no future growth in the number of staff, since no new statutory employees are or will be hired by Fluvius OV. Fluvius OV will cease to exist as soon as the last statutory employee leaves the company through retirement or otherwise.

At 31 December 2022, Fluvius OV employed 667 employees (i.e., 643.81 full-time equivalents).

On a monthly basis, the costs generated by Fluvius OV are passed through to Fluvius System Operator, which functions as the collection point for all costs generated for the operating company’s statutory operational activities on behalf of the eleven DSOs/Guarantors. The operating company Fluvius System Operator sends out a monthly ‘management invoice’, calculated on the basis of all costs generated including those of Fluvius OV, to each of its DSOs/Guarantors.

Fluvius OV is included in the IFRS financial reporting of the Fluvius Economic Group.

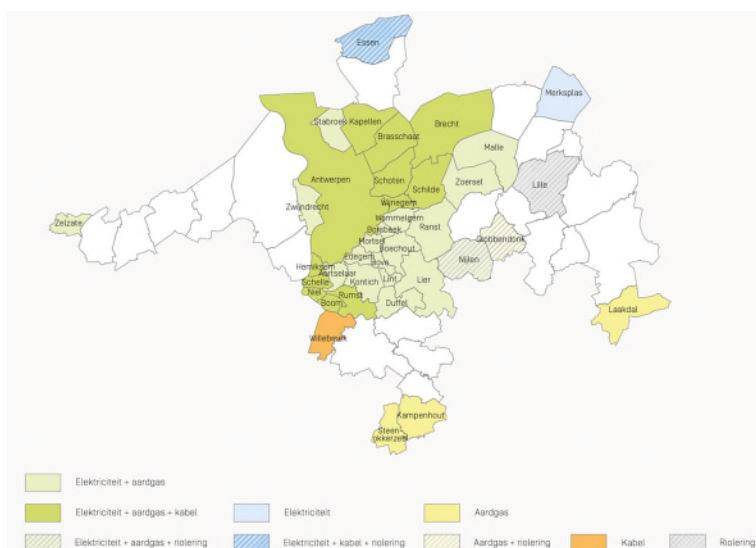
## 2 General information on the Guarantors

### 2.1 General information

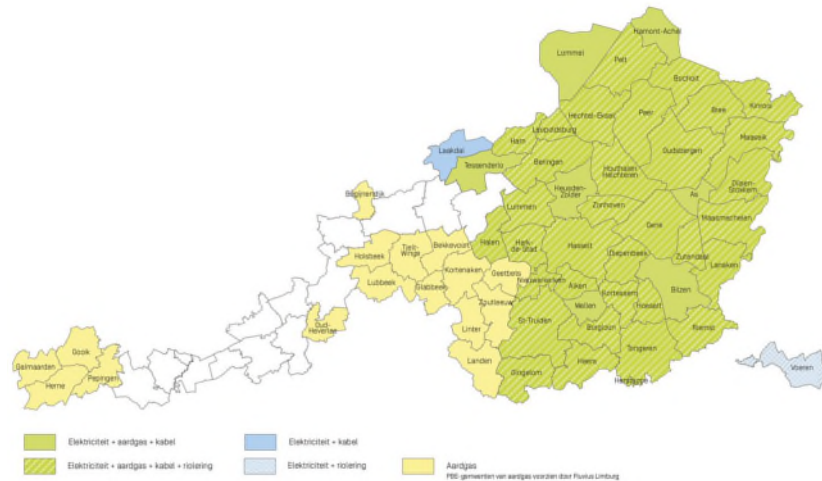
#### *Legal name and place of registration*

The Issuer, Fluvius System Operator, is the operating company for all of the Guarantors. As at the date of this Base Prospectus, these Guarantors are:

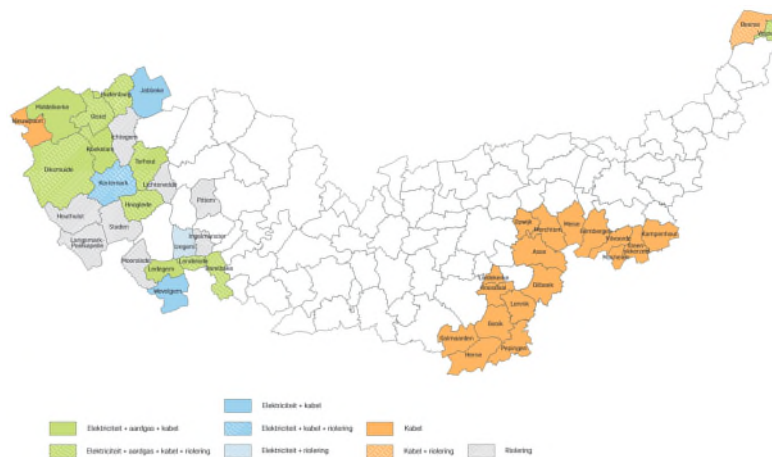
1. **FLUVIUS ANTWERPEN** (registered office at Antwerpsesteenweg 260, 2660 Hoboken-Antwerp, Belgium; general telephone number: +32 78 353534; with enterprise number 0212.704.370 (RLE Antwerp)): services a territory of 38 cities and municipalities in the wider Antwerp region, including the city of Antwerp (32 municipalities for electricity, 34 municipalities for gas, 4 municipalities for sewerage and 14 municipalities for CATV). Fluvius Antwerpen was licensed by the VREG for electricity and gas distribution by a decision of 30 January 2020. LEI: 5493003FZLUZ7VLIBT46;



2. **FLUVIUS LIMBURG** (registered office at Trichterheideweg 8, 3500 Hasselt, Belgium; general telephone number: +32 78 353534; with enterprise number 0207.165.769 (RLE Hasselt)): services a territory which largely corresponds to the territory of the Province of Limburg, including the cities of Hasselt and Genk. It covers 58 municipalities for electricity, 57 municipalities for gas, 35 municipalities for sewerage and 43 municipalities for CATV. By the VREG's decision of 25 April 2019 the licenses that had been awarded to Inter-Energia were relabeled as licenses for Fluvius Limburg. LEI: 5493006L24J50TYNYG41;

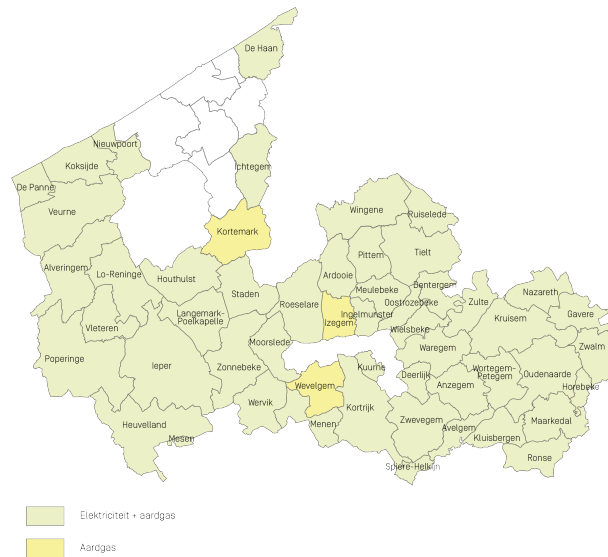


3. **FLUVIUS WEST** (registered office at Noordlaan 9, 8820 Torhout, Belgium; general telephone number: +32 78 353534; enterprise number 0205.157.176 (RLE Ghent, section Ostend)); services a territory of 41 cities and municipalities in the Provinces of West-Flanders and (for CATV only) in the Province of Flemish-Brabant: it covers 15 municipalities for electricity, 11 municipalities for gas, 19 municipalities for sewerage and 32 municipalities for CATV. The VREG licensed Fluvius West as electricity DSO on 27 January 2015. The license for gas was awarded by a decision of the VREG of 29 September 2015. LEI: 549300YJJZ3CE3CJKG49;



4. **GASELWEST** (registered office at President Kennedypark 12, 8500 Kortrijk, Belgium; general telephone number: +32 78 353534; with enterprise number 0215.266.160 (RLE Ghent, section Kortrijk)); services a territory of 54 cities and municipalities in the provinces of East- and West-Flanders that includes the cities of Kortrijk, Ypres and Oudenaarde (50 municipalities for electricity, 53 municipalities for gas). Gaselwest was licensed by the VREG for electricity distribution by a decision of 3 February 2015 and amended by the VREG's decision of 6 October 2020 (published on 8 October 2020), terminating Gaselwest's appointment as DSO for the city of Deinze. Gaselwest's current license for gas distribution was awarded by the VREG decision of 29 September 2015, also amended by the same VREG decision dated 6 October 2020. LEI: 549300NTUSYQHTNYO66;





- IMEWO** (registered office at Brusselsesteenweg 199, 9090 Melle, Belgium; general telephone number: +32 78 353534; with enterprise number 0215.362.368 (RLE Ghent, section Ghent)): services a territory of 39 cities and municipalities in the Provinces East- and West-Flanders (38 for electricity and 39 for gas), including the cities of Ghent, Bruges, Lokeren and Ostend. Imewo was licensed as electricity DSO by the VREG decision of 5 September 2014 and as gas DSO by the VREG decision of 29 September 2015. By the VREG’s decision of 6 October 2020 (published on 8 October 2020), IMEWO was appointed as electricity and gas DSO for the entire territory of the merged city of Deinze (formerly the separate entities Deinze and Nevele). LEI: 549300RK49YQPIEQRX17;

Imewo

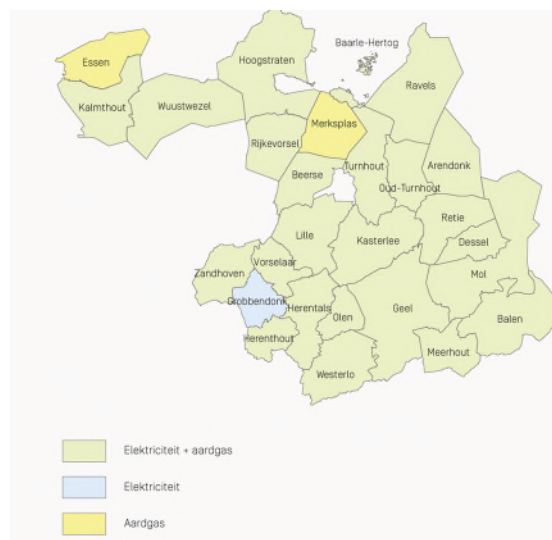


- INTERGEM** (registered office at Franz Courtensstraat 11, 9200 Dendermonde, Belgium; general telephone number: +32 78 353534; with enterprise number 0220.764.971 (RLE Ghent, section Dendermonde)): services a territory of 23 cities and municipalities in the Provinces Flemish-Brabant and East-Flanders, including the cities of Aalst, Sint-Niklaas and Dendermonde (i.e. 23

municipalities for electricity and the same number for gas). Intergem was licensed as electricity DSO by the VREG on 3 February 2015 and as gas DSO on 29 September 2015. LEI: 549300DKOLZ2SCJH8381;

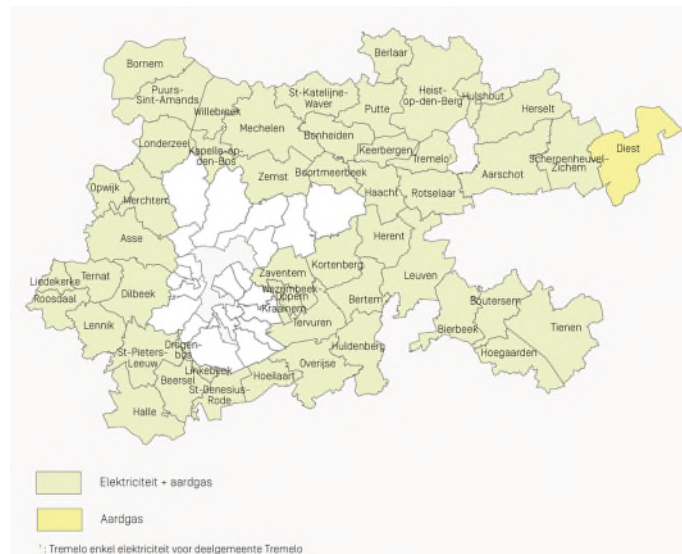


7. **IVEKA** (registered office at Koningin Elisabethlei 38, 2300 Turnhout, Belgium; general telephone number: +32 78 353534; with enterprise number 0222.030.426 (RLE Antwerp, section Turnhout)): services a territory of 27 cities and municipalities in the Province of Antwerp, including the city of Turnhout (25 municipalities for electricity and 26 municipalities for gas). Iveka's current licenses as electricity and gas DSO date back to the VREG decisions of 30 January 2020. LEI: 5493000L706GK2JAQV45;

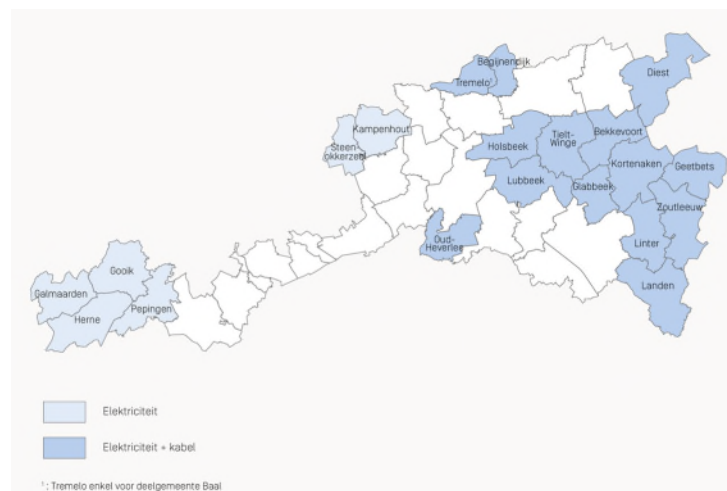


8. **IVERLEK** (registered office at Aarschotsesteenweg 58, 3012 Wilsele-Leuven, Belgium; general telephone number: +32 78 353534; with enterprise number 0222.343.301 (RLE Leuven)): services a territory of 51 cities and municipalities in the provinces Flemish-Brabant and Antwerp, including the cities of Mechelen and Leuven. It covers 50 municipalities for electricity and 51 municipalities for gas. Iverlek was licensed as electricity DSO by the VREG decision of 3

February 2015. Iverlek's gas DSO license was awarded by the VREG on 29 September 2015. LEI: 54930073JZQL85NE3817;



9. **PBE** (registered office at Diestsesteenweg 126, 3210 Lubbeek, Belgium; general telephone number: +32 78 353534; with enterprise number 0203.563.111 (RLE Leuven)): services a territory of 20 cities and municipalities in the Province Flemish-Brabant. It services 20 municipalities for electricity and 14 municipalities for CATV. PBE is only licensed as an electricity DSO (not for gas). Its current license was awarded by the VREG by a decision of 5 September 2014. LEI: 549300G5CH6WKCGR4Q56;



10. **RIOBRA** (registered office at Oude Baan 148, 3210 Lubbeek, Belgium; general telephone number: +32 78 353534; with enterprise number 0878.051.819 (RLE Leuven)): services a territory of 26 cities and municipalities in the Province Flemish-Brabant for the sewerage activity. LEI: 54930060X7VGAYBWQL55; and



11. **SIBELGAS** (registered office at Stadhuis, Grote Markt, 1800 Vilvoorde, Belgium; general telephone number: +32 78 353534; enterprise number 0229.921.078 (RLE Brussels)): services a territory of 5 cities and municipalities in the north of Brussels, both for electricity and gas. The VREG licensed Sibelgas as electricity DSO on 3 February 2015 and as gas DSO on 29 September 2015. LEI: 549300X4GFP09PCRYU18.



#### Legal form

The Guarantors are regulated public law entities, more specifically mission entrusted associations (*opdrachthoudende vereniging/association chargée de mission*) according to the Local Government Decree. Please refer to section 4 – ‘Regulatory and contractual framework applicable to the Guarantors’ for information on the legal regime applicable to the Guarantors and its consequences.

Please refer to section 3 – ‘Description of the markets for Fluvius’ for information on the markets in which the Guarantors operate.

#### The Guarantors’ Geographical Markets

The Guarantors have no activities outside the Flemish Region (Belgium). The maps above indicate the operating territories of each of the relevant Guarantors for their activities.

#### Summary of the principal activities of the Guarantors and their role within the Fluvius Economic Group

The corporate object of the Guarantors is defined in detail in article 3 of their respective articles of association.<sup>25</sup> It comprises the management and operation of utility distribution systems, including the responsibility for the development of these systems, as well as their viability and security. The Guarantors are also responsible for certain social and other public service obligations.

<sup>25</sup> For Riobra, see article 5 of its articles of association.

The Guarantors own the networks operated by the Issuer. With the exception of Riobra, they also hold the DSO licenses for electricity and gas distribution granted by the VREG<sup>26</sup>.

The table below presents some aggregated basic figures on the network infrastructure under the management of the Issuer. All figures are per 31 December 2022. Although managed by the Issuer, the grid assets remain owned by the Guarantors.

	Electricity	Gas	Sewerage	CATV
Number of municipalities	300	299	86	103
Total net length (km)	136,007	57,912	11,899	28,270
of which (km):				
low voltage/pressure	88,129	47,842	N/A	N/A
mid voltage/pressure	47,146	10,070		
high voltage	732			
Number of connections	3,793,167	2,541,765	658,991	1,153,682
Digital meters installed	1,261,894	908,532	N/A	N/A
Number of social clients	75,101	56,915	N/A	N/A
Active budget meters	49,070	31,874	N/A	N/A

### Public lighting

The Issuer and the Guarantors have activities related to public lighting. These activities stem, amongst others, from a historical public service obligation to operate municipal public lighting, imposed by the Flemish Government. By decision of the Flemish Government, this public service obligation was abolished as from 1 January 2022 onwards. However, the activities related to public lighting are still continued as a service to the municipalities. As of 31 December 2022, the Issuer is responsible for the operations of 1,179,854 public lighting points. Currently, a refurbishment programme is ongoing in collaboration with the municipalities and technical parties, aiming at replacing all public lighting fixtures to LED technology by the end of 2028<sup>27</sup>.

### District heating

The Issuer and the Guarantors are involved in a number of district heating projects. A district heating grid is an energy concept that uses heat – such as heat generated by a factory or incinerator, or which is drilled up from geothermal sources – for heating purposes. Well-insulated pipelines transport the heat from the heat source to the location where the heat is used for sanitation or heating. As such, district heating can be considered a sustainable form of energy use.

The Issuer is gaining valuable expertise in designing, building and operating district heating grids through several dedicated projects. For an overview of projects in which the Issuer was involved in 2022,

<sup>26</sup> Riobra is not active in the distribution of electricity and gas, only in sewerage. Accordingly, it does not hold a DSO license for electricity and gas.

<sup>27</sup> In the context of rising energy prices, the municipalities started looking for ways to reduce the cost of their energy consumption. Public lighting also came into the picture. Partly for this reason, the Issuer decided to accelerate the roll-out of LED installations for public lighting. The end date for the entire conversion programme was brought forward from 2030 to the end of 2028.

please refer to the table set out in section 3.6.3 – ‘District heating’ below. Further projects, which have demonstrated a sufficient strategic fit, will be subject to a business case analysis.

## **2.2 A brief history of the Guarantors**

Since the implementation of the liberalisation in the energy markets in the European Union, the energy landscape in the Flemish Region has changed drastically. The main feature of the post-liberalisation energy landscape is that commercial activities and infrastructure operation are no longer conducted by a single entity. As a result, the intermunicipal companies, such as the relevant Guarantors, had to dispose of their electricity and gas supply activities and they have since become DSOs for electricity and gas.

A second feature of the recent history of the energy distribution in the Flemish region is the tendency to create larger DSOs by merging DSOs. The most recent effectively implemented examples of this trend are the creation of Fluvius Antwerpen and Fluvius Limburg (both on 1 April 2019). Through such a merger, more efficiency and more synergies can be created in grid operations, as well as in the administrative support. In some cases, these mergers have led to multi-utility entities, combining activities in both energy distribution and other utility services. It cannot be ruled out that more such mergers of DSO will be realised in the future, with the same overall effects on synergies and efficiency gains.

In 2022, a restructuring plan for the Guarantors (with the exception of Riobra) was approved in order to meet the conditions stipulated in the Energy Decree, under which municipalities can freely choose a DSO to the extent that (i) it is the same DSO for the distribution of both gas and electricity and (ii) it services a contiguous geographical area with at least 200,000 connected off-takers. The Flemish Parliament adopted these additional requirements pursuant to Flemish Decrees of 16 November 2018 and 15 July 2022, in order to achieve enhanced transparency and uniformity of the operating areas for the different DSOs for electricity and gas (*i.e.*, the Guarantors with the exception of Riobra). The changes consist of municipalities being transferred from one DSO to another to eliminate “islands” in the DSO landscape and to have one single DSO in each municipality for electricity and gas distribution. Further to the Flemish Decree of 31 March 2023 amending the initial deadline specified in the Energy Decree, the restructuring plan has been approved by the relevant governing bodies of the relevant Guarantors<sup>28</sup>, but will only take effect as from 1 January 2025. It includes, amongst other things a merger between Gaselwest (as the absorbing entity) and Fluvius West and a merger between Iverlek (as the absorbing entity) and PBE. Accordingly, this will lead to a rearrangement of the proportional shares of contributions of each Guarantor in the Issuer, with the Guarantors nonetheless maintaining 100% together of the total contributions in the Issuer. In this respect, please also refer to the risk factor entitled “*The Issuer, regulatory changes or legislative changes may initiate a possible merger of DSOs leading to a likely tariff harmonisation which may alter the Fluvius Economic Group’s financial position and prospects*” in Part II – ‘Risk factors’.

## **2.3 Corporate structure of the Guarantors**

The typical corporate structure of the DSOs is composed of the General Assembly (where all participating municipalities are represented), a Board of Directors and Regional Governing Committees (“**RGC**”). The Guarantors are very similar as regards their governance structure, however, there are some differences amongst them in order to meet specific local circumstances or differences in scale.

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<sup>28</sup> Sibelgas however initiated an annulment appeal before the Constitutional Court against the Flemish Decree of 15 July 2022 amending the Energy Decree, which imposes a threshold of 200,000 electricity and gas connections per DSO. A (partial) annulment of the restructuring plan’s legal basis may result in subsequent amendments and/or a postponement of its entry into effect.

Board of Directors

The number of directors in each Guarantor varies. The Board of Directors is responsible for each Guarantor's specific policy decisions and its own corporate affairs.

An overview of the directors of each Guarantor as at the date of this Base Prospectus is presented below:

*Fluvius Antwerpen* (business address for all directors: Brusselsesteenweg 199, 9090 Melle, Belgium)

Name	Function in DSO	Municipality	Function in municipality
KENNIS Koen	chairman	Antwerp	alderman
VERBEECK Paul	vice-chairman	Nijlen	mayor
BAUWENS Dirk	director	Schilde	mayor
DE VOS Chris	director	Duffel	councillor
DE VRIES Tom	director	Niel	mayor
DECKERS Sven	director	Brecht	mayor
GYS Frank	director	Wommelgem	mayor
JANSSENS Luc	director	Kapellen	alderman
LAMBRECHT Bart	director	Aartselaar	alderman
LEYS Carine	director	Hoboken (Antwerp)	district alderman
MEEUWS Tom	director	Antwerp	alderman
VAN GERVEN Adinda	director	Brasschaat	alderman
VAN LEUFFEL Charlie	director	Antwerp	district alderman
VERVLOESEM Katusha	director	Rumst	councillor
VINGERHOETS Kristien <sup>29</sup>	director	Hemiksem	councillor
VAN HOVE Danny	member with advisory role	Zwijndrecht	councillor

*Fluvius Limburg* (business address for the directors: Trichterheideweg 8, 3500 Hasselt, Belgium)

Name	Function in DSO	Municipality	Function in municipality
KRIEKELS Rik	Chair	Diepenbeek	mayor
VAN ROELEN Erik	vice-chairman	Halen	mayor
BOSMANS Ilse	director	Wellen	alderman
DALEMANS Jan	director	Hechtel-Eksel	mayor
DRIES Wim	director	Genk	mayor
FRANSSEN Ine	director	Maaseik	councillor
LISMONT Patrick	director	Gingelom	mayor
NELIS Raf	director	Peer	alderman
OLAERTS Filip	Member with advisory role	Zutendaal	councillor
STEEGEN Bruno	director	Bilzen	alderman
THIJS Heidi	director	Zutendaal	councillor
TIMMERMANS Lies	director	on behalf of PBE	councillor - Bekkevoort
VAN DER AUWERA Liesbeth	director	Bree	mayor
VERHEYEN Peter	director	Lanaken	alderman
VINTS Thomas	director	Beringen	mayor
VOS Mark	director	Riemst	mayor

*Fluvius West* (business address of the directors: Brusselsesteenweg 199, 9090 Melle, Belgium)

Name	Function in DSO	Municipality	Function in municipality
LARIDON Lies	chair	Diksmuide	mayor
DE KNOP Irina	vice-chair	Lennik	mayor

<sup>29</sup> Mrs Vingerhoets resigned in March 2022 and still has to be replaced in the Board of Directors. At the date of this Base Prospectus, the municipality of Hemiksem did not yet propose a new director.

Description of the Issuer and the Guarantors

Name	Function in DSO	Municipality	Function in municipality
DESSEIN Geert	director	Ledegem	alderman
GOEMAERE Lies	director	Oudenburg	councillor
LANSENS Patrick	director	Koekelare	mayor
MAERTENS Caroline	director	Izegem	alderman
MOERKERKE Geert	director	Staden	alderman
PATTYN Francis	director	Harelbeke	alderman
POLLET Jan	director	Jabbeke	councillor
TANT Stijn	director	Wevelgem	alderman
VAN DEN BROECK Floris	director	Opwijk	councillor
VANWILDEMEERSCH Rik	director	Hooglede	alderman
VERDUYN Mieke	Director	Torhout	councillor
VERMOTE Lynn	director	Kortemark	alderman
VIAENE Jan	director	Lendeledede	councillor
TANGHE Johan	member with advisory role	Oudenburg	councillor

*Gaselwest* (business address of the directors: Brusselsesteenweg 199, 9090 Melle, Belgium)

Name	Function in DSO	Municipality	Function in municipality
DEJAEGHER Christof	chairman	Poperinge	mayor
BOGAERT Franka	vice-chair	Oudenaarde	councillor
CASIER Youro	director	Wervik	mayor
COBBAERT Lieven	director	Ichtegem	alderman
DELBARGE Mathieu	director	De Haan	alderman
EVARD Sandy	director	Mesen	mayor
HAYDON Daisy	director	Wielsbeke	councillor
VANBRUSSEL Mieke	director	Roeselare	councillor
VERZELE Joop	director	Kruisem	mayor
VANDENBROUCKE Koen	member with advisory role	Oostrozebeke	councillor

*Imewo* (business address of the directors: Brusselsesteenweg 199, 9090 Melle, Belgium)

Name	Function in DSO	Municipality	Function in municipality
DE BACKER Charlotte	chair	Ostend	councillor
THIENPONT Filip	vice-chair	Merelbeke	mayor
ANNYS Pablo	director	Bruges	alderman
DE DECKER Carl	director	Ghent	councillor
DE KEYSER Jan	director	Oostkamp	mayor
DE SPIEGELAERE Conny	director	Deinze	alderman
GANSEMANS Joris	director based on experience	Ghent	expert
TRENSON Rob	director	Evergem	councillor
VAN RYSELBERGHE Sabine	director	Lokeren	alderman
SEELS Marnix	member with advisory role	Kaprijke	councillor

*Intergem* (business address of the directors: Brusselsesteenweg 199, 9090 Melle, Belgium)

Name	Function in DSO	Municipality	Function in municipality
COPPENS David	chairman	Aalst	councillor
BUYSE Piet	vice-chair	Dendermonde	mayor
HANSENS Carl	director	Sint-Niklaas	alderman
PEETERS Lotte	director	Hamme	alderman
VANDERPOORTEN Dirk	director	Ninove	councillor



*Description of the Issuer and the Guarantors*

VINCKE Veerle	director	Beveren	councillor
VERHOFSTADT Henk	member with advisory role	Bever	councillor

*Iveka* (business address of the directors: Brusselsesteenweg 199, 9090 Melle, Belgium)

<b>Name</b>	<b>Function in DSO</b>	<b>Municipality</b>	<b>Function in municipality</b>
VAN DE PERRE Guy	chairman	Kasterlee	alderman
CUYLAERTS Nathalie	vice-chair	Rijkevorsel	alderman
KERSEMANS Tom	director	Lille	alderman
LATHOUWERS Silke	director	Kalmthout	alderman
VAN BAVEL Piet	director	Hoogstraten	alderman
VAN DEN BORNE Patrick	director	Ravels	alderman
VAN DE PERRE Jef	member with advisory role	Baarle-Hertog	councillor

*Iverlek* (business address of the directors: Brusselsesteenweg 199, 9090 Melle, Belgium)

<b>Name</b>	<b>Function in DSO</b>	<b>Municipality</b>	<b>Function in municipality</b>
DESMETH Jan	chairman	Sint-Pieters-Leeuw	mayor
GEYPEN Greet	vice-chair	Mechelen	alderman
DAEMS Geert	director	Hulshout	alderman
DEMIDDELEER Bertrand	director	Halle	councillor
ELPERS Heidi	director	Lennik	alderman
HEREMANS Nathalie	director	Heist-op-den-Berg	councillor
ROOVERS Tom	director	Tienen	alderman
VANSINA Dirk	director	Leuven	alderman
VRANKEN Gerry	director	Aarschot	alderman
VAN DOREN Bart	member with advisory role	Londerzeel	councillor

*PBE* (business address of the directors: Brusselsesteenweg 199, 9090 Melle, Belgium)

<b>Name</b>	<b>Function in DSO</b>	<b>Municipality</b>	<b>Function in municipality</b>
CLUCKERS Geert	chairman	Diest	alderman
ROGGEN Jo	vice-chairman	Geetbets	mayor
SUFFELEERS Davy	vice-chairman	Lubbeek	alderman
BILLENS Samuel	director	Gooik	councillor
COOSEMANS Pieter	director	Holsbeek	councillor
DE PRETER Nele	director	Tremelo	councillor
DEGROOTE Kris	director	Herne	alderman
DEVOS Stefaan	director	Kortenaken	mayor
FOURIE Lore	director	Landen	alderman
LAUREYS Geert	director	Steenokkerzeel	alderman
LEAERTS Kris	director	Kamphenhout	mayor
SEGHERS Rudi	director	Pepingen	alderman
TIMMERMANS Katrien	director	Oud-Heverlee	alderman
TIMMERMANS Lies	director	Bekkevoort	councillor
VAN DEN BROECK Lieven	director	Herne	councillor
WUYTS Annelore	director	Tielt-Winge	councillor
DANCKERS Ann	member with advisory role	Begijnendijk	councillor

*Riobra* (business address: Brusselsesteenweg199, 9090 Melle, Belgium)

<b>Name</b>	<b>Function in DSO</b>	<b>Municipality</b>	<b>Function in municipality</b>
VANGOIDTSENHOVEN Danny	chairman	Huldenberg	mayor
MARTENS Nicky	vice-chair	Tienen	councillor
DEKEYSER Annick	director	Boortmeerbeek	alderman
GOOVAERTS Ann	director	Steenokkerzeel	councillor
GORIS Carine	director	Rotselaar	alderman
PERSOONS Ludo	director	Galmaarden	alderman
REVIERS Benny	director	Bekkevoort	alderman
ROGGEN Jo	director	Geetbets	mayor
SERE Veerle	director	Sint-Pieters-Leeuw	councillor
SOREE Bart	director	Begijnendijk	alderman
SOUFFRIAU Pascale	director	Gook	councillor
SUFFELEERS Davy	director	Lubbeek	alderman
TAVERNIERS Jean-Pierre	director	Hoegaarden	mayor
VANBELLE Guy	director	Boutersem	councillor
VANDEVELDE Andy	director	Linter	alderman
REYGAERTS Yvo	member with advisory role	Bever	councillor

*Sibelgas* (business address of the directors: Laurent-Benoit Dewezplein 6, 1800 Vilvoorde, Belgium)

<b>Name</b>	<b>Function in DSO</b>	<b>Municipality</b>	<b>Function in municipality</b>
BONTE Hans	chairman	Vilvoorde	mayor
VANSTEENKISTE Walter	vice-chair	Wemmel	mayor
AKKUS Faruk	director	Vilvoorde	councillor
ANDRIES Christian	director	Wemmel	alderman
CLAEYS Steve	director	Machelen	alderman
DE GROEF Jean-Pierre	director	Machelen	chairman of municipal council
HEYVAERT Roger	director	Meise	councillor
LAMARTI Fatima	director	Vilvoorde	alderman
LATHOUWERS Sonia	director	Meise	councillor
LAUWERS Chantal	director	Grimbergen	alderman
OLBRECHTS Trui	Director	Grimbergen	alderman
ROOSEN Philip	director	Grimbergen	alderman
VAN DER STRAETEN Monique	director	Wemmel	alderman
VAN HARCK Nancy	director	Machelen	councillor
WOUTERS Jaak	director	Meise	councillor
GROOTJANS Marc	member with advisory role	Machelen	councillor
VIAENE Christian	director I.B.E.G.	/	/

As at the date of this Base Prospectus, there are no conflicts of interest between the duties of the Guarantors' directors and their private interests or other duties. Potential conflicts of interest are scrutinised both by the Flemish energy regulator, the VREG, and the Flemish Government as supervising authority.

#### *Regional Governing Committees*

Each participating municipality has the statutory right to nominate at least one member of the relevant RGC. Municipalities with large populations sometimes have the right to nominate more than one member to such a RGC.

These RGCs are competent to decide on local matters, such as the collaboration with the municipally organised Public Social Welfare Centres (*Openbaar Centrum voor Maatschappelijk Welzijn*), local infrastructure works, RUE-activities (Rational Use of Energy), energy services to local authorities, public lighting, and the DSOs' social supplier activities (tariffs excluded). They can also advise on all matters pertaining to local matters. As to the strategic participations, the Regional Governing Committees have the statutory duty to formulate advices to the Board of Directors on matters such as the proposals for capital increases or capital reductions, the acquisition of new participations or the divestment of existing participations, and the allocation of the financial profits thereof. The relationship between the DSO and the operating company is ensured by and through the DSO's Board of Directors.

The exact number of RGCs in each DSO (2 or 3) depends on the size of the DSO. At the date of this Base Prospectus, the DSO Sibelgas does not have RGCs.

## **2.4 The status of the Guarantors under public law and the regulatory regime**

### *General overview and administrative review*

All Guarantors currently qualify as a "mission entrusted association" (*opdrachthoudende vereniging/association chargée de mission*), governed by the Local Government Decree.

Pursuant to the Local Government Decree, the mission entrusted associations are subject to administrative supervision by the Flemish Government as their supervising authority. It is necessary to distinguish between general (ex post) and special (ex ante) administrative review by the Flemish Government. General administrative review is governed by Articles 461-469 of the Local Government Decree and refers to the possibility for the Flemish Government to annul decisions of the governing bodies of the association (in particular the Board of Directors) that it deems are not in compliance with the law or the public interest. To this effect, the Flemish Government can request (access to) all decisions, documents and information it requires. A summary list of all decisions taken by a mission entrusted association must also be published on its website within ten days from the day they are taken.<sup>30</sup> A decision can also be the subject of a complaint by a third party, in which case the Flemish Government will request the decision and related file to take this into account in the exercise of its administrative review. The term for exercising its review by the Flemish Government is 30 days from the publication of the list (or 50 days from the publication of a decision on certain specific topics). This term is suspended by (i) the submission of a (valid and timely) complaint and (ii) a request by the Flemish Government to receive the decision; a new 30-day (or 50-day) term then starts on the day following the day the complaint or the file, respectively, have been sent. As the filing of a complaint, in our view, does not qualify as a mandatory organised administrative review, a third party with an interest is not required to do so before it can challenge a decision by a mission entrusted association before the Council of State (which it can do by default within 60 days following its publication). Any annulment decision by the Flemish Government must also be published on the website of the association.

In addition to the general administrative review, special administrative review is exercised by the Flemish Government in specific instances pursuant to Articles 418, 428 and 472 of the Local Government Decree, with respect to decisions (by a special shareholders meeting) regarding the (enactment of the deed of) incorporation, changes to the articles of association and participations in other legal persons (that are not mission entrusted associations) respectively. These decisions must be sent (within 30 days) to and approved by the Flemish Government (within 60, 90 or 100 days following the

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<sup>30</sup> In addition to the summary list, decisions about certain specific topics must be integrally published on the website. The Flemish Government must be informed of this publication on the same day.

day they are sent) before they can have their effect. As such, this concerns a form of active (ex ante) review, as opposed to the passive (ex post), general review described in the preceding paragraph.

On 3 February 2023, the Flemish Parliament adopted an amendment to the Local Government Decree, which includes, among others, amendments to Articles 415, 418, 427 and 429, 430 and 471, and the abolishment of article 428, of the Local Government Decree. These changes relate to the abovementioned procedure for special administrative review of final offers for intermunicipal cooperation (by a consultative body, in the preparatory phase) and draft amendments to the articles of association of mission entrusted associations, and will enter into force as from 1 January 2024. Under the amended Local Government Decree, the participating municipalities (in the preparatory phase) and the board of directors of a mission entrusted association shall be required respectively to submit a final offer for intermunicipal cooperation and any draft amendments to the mission entrusted association's articles of association to the Flemish Government for its opinion, no later (in the event of draft changes to the articles of association) than 150 prior to the general shareholders' meeting that will vote on the proposed amendments to the articles of association, on pain of nullity. The Flemish Government shall issue a non-binding opinion to the board of directors within 60 days from the day following the day on which it received the final offer or draft amendment to the articles of association. If it does not issue an opinion within this timeframe, the requirement to ask for an opinion shall be deemed satisfied.

Lastly, the Flemish Government, pursuant to Article 470 of the Local Government Decree, can exercise forced supervision (following expiry of a remedy period given by written notice), in the form of one or several commissioners that are mandated to collect all requested information or comments at the premises of the intermunicipal association or to take other measures prescribed by law.

The mission entrusted associations have the corporate form of cooperative companies (*coöperatieve vennootschap/société coopérative*) and follow the general rules set out in the Belgian Companies and Associations Code for cooperative companies. However, on certain key points they differ from these rules. For example:

- they are established for a limited term. In the current state of legislation, their maximum term is 18 years. Subsequent extensions (each time by 18-year terms) of the mission entrusted associations' statutory end date are possible if approved by their participants after having completed a strict approval procedure. This procedure requires that a request for extension is expressed by at least half the shareholders present in the last general shareholders' meeting taking place prior to the then current statutory end date<sup>31</sup>, representing at least three quarters of the participating municipalities, such extension to be approved by a majority of three quarters of the vote;<sup>32</sup>
- they can be dissolved and liquidated prior to their then current statutory end date by a general shareholders' meeting deciding with a three-quarter majority of the vote on the request of three quarters of the participating municipalities. Specific rules apply to the liquidation process (following early termination or expiry of the statutory end date without extension), including with respect to the rights and transfer of employees;

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<sup>31</sup> If the statutory end date falls in a local election year, the decision to extend is rolled over the next general shareholders' meeting taking place in the year following the election year, and the then current statutory end date is automatically pushed out until then.

<sup>32</sup> Pursuant to a recent amendment of the Local Government Decree adopted by the Flemish Parliament on 17 February 2023, effective as from 8 April 2023, a mission entrusted association's statutory end date can also be extended by subsequent 18-year terms following a corporate restructuring under Book 12 of the Companies and Associations Code occurring in the 3 years preceding its then current statutory end date, such extension to be decided by the general shareholders' meeting deciding on the restructuring.

#### *Description of the Issuer and the Guarantors*

- local authorities that are venturing into a mission entrusted association, by rule of law, transfer – for the statutory duration of the latter – their relevant municipal competencies to the mission entrusted association;
- mission entrusted associations are considered to be administrative authorities, whose decisions may be challenged before the Council of State (i.e., Belgium’s highest administrative court, or “*Raad van State*” in Dutch, “*Conseil d’Etat*” in French);
- the mission entrusted associations are subject to the general principles of the proper performance of public service and they have to comply with the applicable public procurement rules and regulations.

For the sake of clarity, none of the Guarantors has a management committee. None of the Guarantors has its own staff.

#### *Current statutory end dates of the Guarantors*

It was indicated above that all Guarantors have been established as mission entrusted associations for a limited, but renewable, term. The table below contains the date of incorporation<sup>33</sup> and the current statutory end date for each of the Guarantors, which is valid as at the date of this Base Prospectus:

<b>Name</b>	<b>Date of incorporation</b>	<b>Statutory end date</b>
Fluvius Antwerpen	24 November 1972	29 March 2037
Fluvius Limburg <sup>34</sup>	29 November 2004	29 March 2037
Fluvius West	7 April 1924	29 March 2037
Gaselwest	8 July 1975	29 March 2037
Intergem	15 September 1980	29 March 2037
Imewo	10 March 1975	29 March 2037
Iveka	24 November 1981	29 March 2037
Iverlek	29 March 1982	29 March 2037
PBE	8 February 1928	29 March 2037
Riobra	25 November 2005	24 November 2023 <sup>35</sup>
Sibelgas	19 December 1986	29 March 2037

#### *The Guarantors cannot be subject to Belgian bankruptcy proceedings*

The Guarantors, which are public law entities pursuant to the Local Government Decree, are not subject to Belgian bankruptcy legislation and Noteholders will therefore not enjoy protection from these bankruptcy laws as the Guarantors do not constitute enterprises under Book XX of the Belgian Code of Economic Law.

#### *Immunity of execution*

The Guarantors are public law entities. Under Belgian law, public law entities have the duty to perform their tasks of public service at all times (the so-called concept of ‘*continuity of the public service*’). Pursuant to Article 1412*bis* of the Belgian Judicial Code, assets owned by a public law entity (such as the Guarantors) therefore in principle benefit from immunity of execution as a result of which these

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<sup>33</sup> In some cases, these companies were originally incorporated under a different name.

<sup>34</sup> In March 2022, a proposal was launched to the Board of Directors of Fluvius Limburg regarding the prolongation of the activity ‘sewerage’ (ex-Inter-aqua) and the activity ‘CATV infrastructure’ (ex-Inter-media) until the regular termination date of Fluvius Limburg of 29 March 2037.

<sup>35</sup> Please note that the proposed renewal of the term of Riobra until 29 March 2037 is scheduled for approval on its General Assembly taking place on 28 June 2023.

assets cannot be seized. Most notably, this immunity of execution does not apply to assets that are manifestly not useful for the performance or the continuity of the public service. This means that, for example, the distribution infrastructure (cables, pipelines, cabins and others) owned by a Guarantor cannot be seized by Noteholders in case of default. Although this limits the enforceability of the obligations of the Guarantors, it also means that each of the Guarantors will be in a position to continue to perform its duties of public service and hence to generate revenues. This immunity of execution is not to be considered as an immunity of jurisdiction.

*Appointment/licensing requirements for DSOs*

The VREG has the competence to appoint (“**license**”) the DSOs for electricity and gas in the Flemish Region as stipulated in the Energy Decree, i.e., a single DSO is appointed for the distribution of both gas and electricity and within a contiguous geographical area servicing at least 200,000 connected off-takers.<sup>36</sup> The conditions and procedure for such appointment are laid down in the Executive Order of the Flemish Government of 19 November 2010 containing general provisions on the energy policy, as amended<sup>37</sup> (the “**Energy Order**”). The DSO license is valid for a renewable period of 12 years.

The key characteristics to be demonstrated by a candidate-operator relate to:

- the legal ownership or sufficient exploitation rights over a distribution network;
- its financial, organisational and technical capabilities;
- its professional reliability;
- the operational and legal independence (“**unbundling**”) of the candidate-operator from all companies that are active in electricity generation or the import of natural gas, companies holding a supply license, intermediaries, energy service providers (ESCOs) and aggregators, as well as their affiliates or associated companies;
- its capability to comply with the GDPR in the performance of its data management; and
- the capability to comply with uniform conditions for a continuous risk management system.

The Energy Order sets out more detailed conditions relating to each of these requirements.

On the basis of the evidence provided by the operators, the VREG extensively controls on a continuous basis their compliance with the appointment requirements and conditions.

The VREG must also give its prior approval for the appointment of an operating company by a DSO. The relevant Guarantors (i.e., all Guarantors with the exception of Riobra, which is not a DSO) have appointed the Issuer as their operating company for electricity and gas in accordance with the requirements and conditions of the Energy Decree and the Energy Order. These Guarantors have been allowed to use the services of Fluvius System Operator as their operating company by a decision of the VREG of 26 June 2018. The appointment is for the same duration as the Guarantor’s own DSO license.

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<sup>36</sup> Some of these requirements (i.e., the 200,000 connected off-takers threshold per DSO) have been recently introduced and are still being challenged before the Constitutional Court. Notwithstanding this, the Guarantors have approved a restructuring plan to give effect to these additional requirements by the transitional deadline (for current DSOs) of 1 January 2025. Please refer to section 2.2 – ‘A brief history of the Guarantors’ in this Part VII – ‘Description of the Issuer and the Guarantors’.

<sup>37</sup> *Besluit van de Vlaamse Regering van 19 november 2010 houdende algemene bepalingen over het energiebeleid.*

*Termination/revocation of DSO license*

The DSO license is automatically terminated in the event of bankruptcy<sup>38</sup>, liquidation or merger. In addition, the VREG can revoke a Guarantor's DSO license in accordance with the Energy Decree in each of the following circumstances:

- (i) a significant change in the shareholding of the DSO or its operating company that may jeopardise the independent grid operation or the data management activities;
- (ii) a heavy breach by the DSO or its operating company of their obligations under the Energy Decree and implementing legislation; and
- (iii) a heavy breach of compliance with the GDPR.

The VREG can withdraw its approval of the Issuer as operating company if the Issuer no longer complies with the criteria of its appointment (i.e., the same as for the DSO license set out above, and regarding the control of the DSO over the operating company) and the unbundling requirements.

However, the Guarantors and the Issuer deem this risk to be very remote, since they try to comply with the rules. Furthermore, compliance by the Issuer and Guarantors with their legal obligations is monitored on an ongoing basis by the regulator and other supervising authorities. It should also be noted that the VREG may never proceed to the drastic decision of revoking a license or approval without a prior notification to the relevant Guarantor (and/or the Issuer) allowing it to rectify the situation or to object to the proposed revocation.

For a further description of the Guarantors' principal activities and their position in the energy and other markets, we refer to section 3.2 – 'Organisation of the Belgian Electricity Market', section 3.3 – 'Organisation of the Belgian Gas Market', section 3.4 – 'Organisation of the Flemish Sewerage Market' and section 3.5 – 'Organisation of the Flemish cable television (CATV) Market'. In section 4 – 'Regulatory and contractual framework applicable to the Guarantors', the regulations applicable to the tariffs used by the Guarantors are set out.

*Distribution of electricity*

With its decisions of 30 September 2014 (PBE), 27 January 2015 (Fluvius West), 3 February 2015 (Gaselwest, Intergem, Imewo, Iverlek, Iveka and Sibelgas), 24 February 2015 (Fluvius Limburg) and 25 April 2019 (Fluvius Antwerpen), all as amended from time to time, the VREG renewed all of the DSOs' electricity distribution licenses. The renewed licenses are in principle valid for a 12-year period, starting on 5 September 2014 and expiring on 5 September 2026.<sup>39</sup>

*Distribution of gas*

With its decisions of 29 September 2015, as amended from time to time, the VREG renewed all of the DSOs' gas distribution licenses (other than PBE, which does not hold a gas distribution license). The

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<sup>38</sup> It should be noted that in their current capacity the Guarantors cannot be subject to bankruptcy proceedings. Please also refer to the section entitled "*The Guarantors cannot be subject to Belgian bankruptcy proceedings*" and the risk factor entitled "*The Guarantors cannot be subject to bankruptcy proceedings and, potentially along with the Issuer, benefit from immunity of execution, which limits the enforcement options of the Noteholders*".

<sup>39</sup> For the sake of completeness, it can be noted that Fluvius Limburg was finally appointed as DSO for the territory of the municipality of Voeren by a decision of the VREG of 7 November 2016, for a 12-year period starting on 1 January 2016 and expiring on 1 January 2028. Furthermore, by decisions of 6 October 2020 (published on 8 October 2020), the VREG appointed Imewo as the electricity and gas DSO for the whole city of Deinze as per 1 January 2021, and ended the appointment of Gaselwest as electricity and gas DSO for Deinze as of the same date.

renewed licenses are in principle valid for a 12-year period, starting on 14 October 2015 and expiring on 14 October 2027.

#### *General shareholders' meeting*

Under the Local Government Decree, a general shareholders' meeting is convened twice a year: in the course of the first semester for discussing and approving the annual financial statements of the previous financial year, and in the course of the second semester for a discussion on the budgets and the strategy for the following year.

#### *Corporate Governance provisions*

The Guarantors' articles of association contain stringent provisions on corporate governance. These provisions are based on several legal and regulatory provisions as to their independent functioning in a liberalised energy market and the rules for a non-discriminatory access to the distribution grids for all distribution network users. In this regard, reference is made to the detailed requirements set out in the Energy Decree and Energy Order, which are strictly complied with by each of the relevant Guarantors.

Since none of the Guarantors is a listed company, the Corporate Governance Code for Listed Companies does not apply to the Guarantors. The recommendations of the Code Buisse do apply to the Guarantors. However, given the nature of the eleven Guarantors and the fact that an extensive set of binding corporate governance rules has been imposed upon them by law (see above), the Guarantors do not apply the Code Buisse to the extent that full compliance would be impossible, redundant or overly burdensome.

## **2.5 The unbundling regime**

#### *General*

The EU has introduced legislation containing unbundling rules for DSOs which aim to ensure that there is no conflict of interest for these system operators in the delivery of their services and no incentive to carry out their activities in a manner which might favour certain parties over other parties in the energy markets. These rules ensure that DSOs are not allowed to operate or have an interest in the businesses of energy generation and energy supply and other related energy businesses (subject to limited exceptions). There are different levels of unbundling: accounting, functional, legal and ownership unbundling.

The Third Energy Package<sup>40</sup> in principle only requires transmission system operators (“**electricity TSOs**”) to be fully “ownership” unbundled. European legislation does not oblige DSOs to be “ownership” unbundled, but it imposes accounts, legal (horizontal) and functional unbundling.<sup>41</sup> This is the case in Belgium as well where only electricity TSOs are subject to the most stringent rules on ownership unbundling. The Flemish Region has implemented the Third Energy Package by introducing specific unbundling rules applicable to DSOs (such as the Guarantors) and their operating company.

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<sup>40</sup> With regard to the electricity market, it concerns the Third Electricity Directive (2009/72/EC). For the gas market, it concerns the Third Gas Directive (2009/72/EC). The recast Electricity Directive (EU) 2019/944, which was approved as part of the Clean Energy Package, has not substantially altered these unbundling regimes for electricity TSOs and DSOs.

<sup>41</sup> Under future European legislation (i.e., the Commission's proposed Gas Decarbonisation Package which is currently being discussed by EU legislators), similar accounts and horizontal unbundling rules will apply in relation to hydrogen network activities, meaning such activities will need to be conducted through a separate legal entity (from the one performing the gas and electricity network activities) and DSOs that are also hydrogen operators will need to keep separate accounts and therefore a separate regulated asset base for these activities.



### *Unbundling of the Flemish DSOs*

At the start of the liberalisation of the energy market the Flemish Region opted for a model of legal and functional DSO unbundling. Unbundling rules for DSOs and their operating companies are specified in both (i) the Energy Decree and (ii) the Energy Order. These rules affect both the Guarantors as DSOs and the Issuer as operating company.

The Energy Decree stipulates that DSOs and their operating companies cannot develop activities involving the supply or production of electricity and gas or the provision of commercial energy services (including acting as aggregator). In addition, the Energy Order contains, inter alia, the following unbundling restrictions:

- Maximum participation of 30% in a DSO's share capital or contributions (as applicable). Companies active in electricity generation or import of gas, intermediaries, companies holding a supply license, energy service providers (ESCOs) and aggregators ("**Production or Supply Entities**") or their affiliates or associated companies are prohibited from owning individually or jointly more than 30% of the share capital or contributions (as applicable) of a DSO or its operating company.
- No participation in Production or Supply Entities. DSOs and their operating companies cannot directly or indirectly participate in Production or Supply Entities or their affiliates or associated companies.
- Corporate governance restrictions. The other unbundling restrictions mainly relate to corporate governance and the share of independent directors in the various corporate bodies.

## **2.6 The Guarantors' shareholding**

All shares representing the Guarantors' share capital or contributions (as applicable) are currently held by Flemish local authorities (cities and municipalities). No shareholder exercises control over any Guarantor.

The Guarantors have also issued non-voting shares and profit certificates. For more details, see the relevant tables below.

### *Shareholding per Guarantor*

The tables below set out the number of voting shares, non-voting shares and profit certificates held by each of the Guarantors' shareholders (situation on 31 December 2022).<sup>42</sup>

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<sup>42</sup> For each Guarantor, except Sibelgas, the abbreviations used in these tables refer to the terminology as set out in the articles of association of such Guarantors. The current articles of association of the Guarantors are available in Dutch on the website of the Issuer (<https://over.fluvius.be/nl/thema/de-opdrachthoudende-verenigingen>).

Description of the Issuer and the Guarantors

1. *Fluvius Antwerpen*

Participants	Voting shares										Total grid management + other activities	Non-voting								
	Grid management electricity and gas				Other activities							Profit certificates								
	Ae	A'e	Ag	A'g	Ak	Ap'g	Apt	Ar	Ate	Aw		Aov	Ce	Cg	Ck	Cp'g	Cpt	Cr	Cw	Total profit certificates
Aartselaar	154.062	7.064	127.956	--	--	--	--	--	--	1	1	289.083	--	1	1	--	--	1	3	
Antwerpen	5.369.457	8.434	4.261.418	--	2.539.812	596.932	887.639	--	1	2	13.663.695	560.694	1	1	1	1	--	1	6	
Boechout	152.329	--	118.748	--	--	--	20.237	--	--	--	1	291.315	50.800	1	1	--	1	--	4	
Boom	131.990	--	149.464	--	118.672	--	--	--	--	--	1	400.126	23.094	1	1	1	--	--	3	
Borsbeek	68.295	738	68.203	--	--	--	--	--	--	1	1	137.237	4.484	1	1	--	--	1	3	
Brasschaat	559.990	27.029	399.781	--	263.002	64.009	55.472	--	1	--	1	1.369.284	--	1	1	1	1	--	5	
Brecht	363.700	--	191.610	--	52.978	--	--	--	--	--	1	608.289	--	1	1	1	--	--	4	
Duffel	304.870	11.505	191.887	--	--	26.823	67.386	--	1	--	1	602.472	23.593	1	1	--	1	--	4	
Edegem	153.095	--	157.280	--	--	--	--	--	--	--	--	310.375	21.110	1	1	--	--	--	2	
Essen	456.233	144.065	--	--	101.334	--	53.849	411.834	--	--	--	1.167.315	79.200	1	--	1	1	1	4	
Grobbendonk	--	--	99.513	--	--	--	--	335.282	--	--	--	434.795	--	--	1	--	--	1	2	
Hemiksem	148.967	43.924	161.831	--	71.074	--	19.261	--	--	--	1	445.058	26.100	1	1	1	--	1	5	
Hove	76.069	--	62.647	--	--	--	--	--	--	--	1	138.717	23.394	1	1	--	--	1	3	
Kamphenhout	--	--	25.105	--	--	--	--	--	--	--	--	25.105	--	--	1	--	--	--	1	
Kapellen	383.061	56.897	246.515	--	127.675	33.781	49.159	--	1	1	1	897.090	47.224	1	1	1	1	1	6	
Kontich	235.961	--	189.938	--	--	--	--	--	--	--	--	425.899	--	1	1	--	--	--	2	
Laakdal	--	--	51.164	--	--	--	--	--	--	--	1	51.165	--	--	1	--	--	1	2	
Lier	409.133	--	328.868	--	--	--	--	--	--	--	1	738.002	51.438	1	1	--	--	1	3	
Lille	--	--	--	--	--	--	--	661.704	--	--	--	661.704	--	--	--	--	--	1	1	
Lint	58.712	--	60.007	--	--	--	--	--	--	--	--	118.719	8.934	1	1	--	--	--	2	
Malle	216.026	--	148.486	--	--	--	--	--	--	--	1	364.513	20.717	1	1	--	--	1	3	
Merkplas	136.871	--	--	--	--	--	6.065	--	--	--	--	142.936	37.600	1	--	--	1	--	2	
Mortsel	303.437	3.697	211.711	--	--	46.754	31.390	--	1	1	1	596.991	25.910	1	--	1	--	1	5	
Niel	132.919	12.156	111.807	--	64.974	--	14.518	--	--	--	--	336.374	31.600	1	1	1	--	1	4	
Nijlen	498.474	128.588	208.075	--	--	--	49.059	114	--	1	1	884.311	92.900	1	1	--	--	1	5	
Ranst	237.636	--	167.126	--	--	--	--	--	--	--	--	404.763	21.922	1	1	--	--	1	3	
Rumst	171.158	1.452	162.586	--	54.235	--	--	--	--	--	1	389.432	--	1	1	--	--	1	4	
Schelle	87.178	--	72.130	--	56.138	--	--	--	--	--	--	215.446	10.937	1	1	--	--	--	3	
Schildre	253.816	--	185.825	--	89.004	--	--	--	--	--	1	528.646	10.634	1	1	--	--	1	4	
Schoten	332.234	10.500	275.381	--	234.720	--	--	--	--	--	--	852.835	27.113	1	1	1	--	--	3	
Stabroek	134.316	3.042	162.825	--	--	--	--	--	--	1	1	300.184	23.008	1	1	--	--	1	3	
Steenokkerzeel	--	--	46.022	--	--	--	--	--	--	--	--	46.022	--	--	1	--	--	--	1	
Wijnegem	111.913	--	88.248	--	62.608	--	--	--	--	--	1	262.770	20.158	1	1	--	--	1	4	
Willebroek	--	--	--	--	107.286	--	--	--	--	--	--	107.286	--	--	--	1	--	--	1	
Wommelgem	158.356	8.207	112.079	--	--	--	--	--	--	--	--	278.642	11.222	1	1	--	--	--	2	
Zelzate	119.790	--	32.125	--	--	--	16.804	--	--	--	1	168.720	38.000	1	1	--	--	1	4	
Zoersel	248.196	1.817	180.177	--	--	--	--	--	--	--	--	430.190	21.323	1	1	--	--	--	2	
Zwijndrecht	263.705	2.200	164.207	--	22.940	33.197	--	--	--	1	--	486.250	--	1	1	--	1	1	4	
Final total	12.431.949	471.315	9.220.745	--	3.943.512	791.239	1.304.036	1.408.934	6	20	29.571.756	1.313.109	32	34	14	6	13	4	19	122

30.884.865

2. *Fluvius Limburg*

31/12/2022	Ae elek	Be elek	Acv elek	Aq gas	Bg gas	Cg gas	Cg gas	At CATV	Bt CATV	W heat	Ar sewerage			Wr sewerage
											aandelen stemrecht	aandelen stemrecht	aandelen zonder stemrecht	
Aiken	395	29.419	12.078	36.670	16.932	14.450	19.091	46	13.729	0	0	4	207.039	41.407
As	92	25.086	7.943	19.189	11.995	5.828	13.524	32	12.816	0	0	0	0	0
Beringen	1.362	123.382	43.145	91.336	67.863	48.576	76.518	172	54.191	0	0	10	945.719	189.143
Bitzen	1.054	90.910	32.398	78.934	47.298	28.126	53.330	124	38.387	0	0	4	0	0
Bochelt	421	66.180	13.044	41.465	19.142	12.050	21.584	52	20.654	0	0	4	360.923	72.184
Borgloon	422	35.616	11.188	28.869	16.034	11.736	18.079	42	15.116	0	0	4	155.533	31.106
Bree	581	61.167	15.433	63.781	23.548	17.888	26.551	62	24.353	0	4	0	288.964	53.792
Diepenbeek	593	55.683	18.813	67.861	27.802	20.990	31.348	74	21.387	0	0	4	499.166	99.833
Ditsen-Slokkem	659	66.743	20.037	67.387	30.136	34.044	33.980	80	24.200	0	0	4	474.506	94.901
Genk	520	190.063	69.767	200.817	96.271	68.271	109.112	260	87.221	1	14	1	1.361.733	272.348
Gingelom	363	15.374	8.371	9.289	12.217	0	0	34	9.083	0	2	0	190.168	38.033
Halen	337	30.441	9.027	20.472	13.814	10.290	15.575	38	12.899	0	2	0	171.593	34.318
Ham	341	34.074	10.243	22.668	15.866	6.275	18.025	42	15.080	0	4	0	230.944	46.188
Hamont-Achel	497	58.373	15.047	62.430	20.824	41.688	23.480	58	22.625	0	0	0	0	0
Hasselt	2.533	183.833	75.623	461.483	114.636	300.080	129.256	294	102.200	0	16	1	1.424.651	284.930
Hechtel-Eksel	378	52.721	12.360	38.378	18.219	10.847	20.543	48	18.655	0	4	0	373.160	74.632
Heers	309	14.811	7.263	12.048	10.665	178	12.048	30	7.947	0	2	0	69.098	13.818
Herk-de-Stad	409	40.711	12.805	40.551	18.423	16.699	20.772	50	22.314	0	4	0	283.583	56.716
Herstappe	11	363	93	256	115	154	130	2	149	0	2	0	10.490	2.098
Heusden-Zolder	1.087	88.303	33.139	113.330	49.359	35.945	55.654	128	39.601	0	0	0	0	0
Hoeselt	349	28.661	10.137	22.748	14.170	8.496	15.978	40	12.271	0	2	0	152.582	30.516
Houthalen-Heilictheren	971	104.091	32.266	134.367	44.492	58.323	59.166	122	41.189	0	8	0	696.965	139.393
Kinroo	409	52.076	12.961	38.182	17.776	893	20.043	50	18.414	0	4	0	263.954	52.790
Kortessem	254	24.081	8.894	15.582	12.287	2.800	13.854	34	12.447	0	2	0	106.524	21.304
Laakdal	124	35.700	16.408	0	0	0	0	62	17.045	0	0	0	0	0
Lanaken	852	58.719	25.983	111.163	37.696	75.578	42.504	102	32.385	0	0	6	600.098	120.019
Leopoldsburg	190	37.121	15.298	35.492	23.083	20.572	26.027	60	19.628	0	4	0	143.610	28.722
Lommel	1.052	138.843	33.415	168.939	49.873	70.835	56.234	132	51.137	0	0	0	0	0
Lummen	478	50.742	14.926	46.531	21.813	18.436	24.595	58	20.131	0	4	0	249.067	49.813
Maaseik	819	93.445	25.190	73.311	36.860	38.055	41.561	100	35.679	0	6	0	614.545	122.909
Maasmechelen	1.398	102.115	39.605	149.005	56.700	71.496	63.932	148	49.437	0	8	0	739.125	147.825
Neuwerkerken	237	21.326	7.071	14.892	10.192	387	11.491	28	8.709	0	2	0	244.157	48.831
Oudersbergen	693	82.751	23.835	58.127	34.392	13.143	38.778	94	33.041	0	8	0	865.714	173.142
Peer	485	73.660	16.993	66.137	23.796	21.148	28.763	66	22.478	0	4	0	437.887	87.577
Pelt	983	119.217	30.732	146.049	48.170	66.793	54.314	124	45.309	0	4	0	826.625	165.325
Riemst	635	42.048	17.351	45.219	24.407	14.508	27.520	66	17.818	0	4	0	373.346	74.669
Sint-Truiden	1.468	75.187	41.614	283.003	59.233	121.773	66.787	158	46.087	0	8	0	974.893	194.978
Tessenderlo	551	62.889	17.130	56.641	27.273	23.627	30.751	72	27.162	0	0	0	0	0
Tongeren	1.261	97.596	33.255	110.366	45.354	79.977	51.136	122	43.736	0	8	0	458.854	91.779
Voeren	34	14.735	7.830	0	0	0	0							

3. Fluvius West

Participants	Voting						Non-voting					Total Fluvius West Number of shares	Total Fluvius West Number of voting	Total Fluvius West Number of profit certificates
	Shares						Shares public lighting Aov	Profit certificates						
	Shares electricity Aed	Shares electricity Aoge	Shares natural gas Ag	Shares CATV Atv	Shares CATV Aogtv	Shares sewerage Ar		Profit certificates electricity Wed	Profit certificates natural gas Wag	Profit certificates CATV Wtv	Profit certificates sewerage Wr			
Asse				1.394								1.394	1.394	0
Beerse				41.517	2.655	424.744			10.190	5.740		468.916	468.916	15.930
Diksmuide	247.123	12.571	40.764	29.710	825	340.296	30.933	82.944	14.549	9.743	4.599	702.222	671.289	111.835
Dilbeek				1.875	385							1.875	1.875	0
Galmarden												385	385	0
Gistel	132.441	6.622	38.601	21.844	702	281.736	23.632	48.695	12.735	7.164	3.807	505.578	481.946	72.401
Gooik				433								433	433	0
Grimbergen				1.635								1.635	1.635	0
Harelbeke	381.002	13.722	110.426	54.641	1.460	574.679	51.454	125.567	35.567	17.599	7.766	1.187.384	1.135.930	186.499
Herne				337								337	337	0
Hooftede	171.380	10.695	30.324	18.236	1.015	276.522	16.251	57.659	10.108	6.010		524.423	508.172	77.514
Houthulst						209.915						209.915	209.915	2.837
Ichtegem						316.432						316.432	316.432	4.276
Ingelmunster						242.795						242.795	242.795	3.281
Izegem	50					610.267						610.317	610.317	8.247
Jabbeke	164.357	25.225		26.330	4.126		34.175	60.605		8.715		254.213	220.038	69.320
Kampenhout				529								529	529	0
Koekelare	118.829	5.124	13.572	16.300	214	203.209		38.380	5.868	5.370	2.746	357.248	357.248	52.364
Kortemark	189.797	4.071		23.500	204	256.078		62.631		7.476	3.461	473.650	473.650	73.568
Lanemark-Poekapelle						159.819						159.819	159.819	2.160
Ledelegem	107.241	6.958	25.253	18.101	828		13.762	37.448	9.091	5.840		172.143	158.381	52.379
Lendeledede	91.661	1.444	23.122	10.951	321	134.256	10.433	30.832	6.455	3.530	1.814	272.188	261.755	42.631
Lennik				433								433	433	0
Lichtervelde						189.560						189.560	189.560	2.562
Liedekerke				577								577	577	0
Machelen				577								577	577	0
Meise				914								914	914	0
Merchtem				722								722	722	0
Middelkerke	390.456	7.281	77.608	86.275	591			137.077	25.939	29.345		562.211	562.211	192.361
Moorslede						207.546					2.805	207.546	207.546	2.805
Nieuwpoort				37.913	578					13.411		38.491	38.491	13.411
Opwijk				97								97	97	0
Oudenburg	75.218	14.864	28.990	18.149	1.388	198.696	23.391	33.736	10.408	6.080	2.685	360.696	337.305	52.909
Pepingen				241								241	241	0
Pittem						145.469					1.965	145.469	145.469	1.965
Roosdaal				529								529	529	0
Staden						238.027					3.217	238.027	238.027	3.217
Steenokkerzeel				529								529	529	0
Torhout	265.845	6.121	42.981	39.644	970	406.094	25.940	94.310	16.015	13.185	5.488	787.595	761.655	128.998
Vilvoorde				1.731								1.731	1.731	0
Vosselaar	80.260	4.918	48.359	25.229	1.321	230.478	23.817	26.962	13.265	6.514	3.115	414.382	390.565	49.856
Wevegem	495.284	17.612		30.495	1.295		54.623	145.334	9.828			569.310	514.887	155.162
<b>Total participants</b>	<b>2.880.944</b>	<b>137.228</b>	<b>480.000</b>	<b>511.774</b>	<b>18.493</b>	<b>5.646.618</b>	<b>308.411</b>	<b>982.190</b>	<b>160.000</b>	<b>160.000</b>	<b>76.308</b>	<b>9.983.468</b>	<b>9.675.057</b>	<b>1.378.488</b>

4. *Gaselwest*

Participants	Voting shares								Total grid management + other activities	Non-voting						Total profit certificates
	Grid management electricity and gas			Other activities						Aov	Profit certificates					
	Ae	Ag	Total grid management	Apg	Apt	Ate	Aw	Total other activities			Ce	Cg	Cpg	Cpt	Cw	
Alveringem	79.541	13.756	93.297	6.213	23.104	1	-	29.318	122.615	6.865	1	1	1	1	-	4
Anzegem	250.861	28.873	279.734	18.766	71.455	1	1	90.223	369.957	18.747	1	1	1	1	1	5
Ardoole	283.135	125.123	408.258	101.271	113.572	1	-	214.844	623.102	-	1	1	1	1	-	4
Avelgem	89.280	11.323	100.603	21.409	16.316	1	-	37.726	138.329	10.168	1	1	1	1	-	4
De Haan	266.131	168.323	434.454	90.263	78.517	1	-	168.781	603.235	51.084	1	1	1	1	-	4
De Panne	293.910	194.220	488.130	74.706	70.789	1	-	145.496	633.626	29.902	1	1	1	1	-	4
Deerlijk	301.299	106.236	407.535	55.577	85.894	1	-	141.472	549.007	14.391	1	1	1	1	-	4
Dentergem	137.450	24.029	161.479	10.518	50.000	1	1	60.520	221.999	9.301	1	1	1	1	1	5
Gaverre	271.058	22.289	293.347	2.935	43.015	1	-	45.952	339.299	29.510	1	1	1	1	1	5
Heuveland	197.371	39.270	236.641	52.690	54.003	1	-	106.694	343.335	11.368	1	1	1	1	-	4
Horebeke	43.860	740	44.600	-	6.033	1	1	6.035	50.635	3.741	1	1	1	1	-	4
Houthulst	118.207	12.483	130.690	2.777	38.147	1	-	40.925	171.615	12.612	1	1	1	1	-	4
Ichtegem	174.088	108.000	282.088	75.097	44.071	1	-	119.169	401.257	23.598	1	1	1	1	-	4
Ieper	759.642	452.867	1.212.509	306.112	212.179	1	-	518.292	1.730.801	64.692	1	1	1	1	-	4
Ingelmunster	215.453	88.894	304.347	45.890	47.426	1	-	93.317	307.664	15.601	1	1	1	1	-	4
Izegem	-	347.906	347.906	150.683	23.728	1	1	150.685	498.591	-	1	1	1	1	-	3
Kluisbergen	146.567	21.083	167.650	30.822	53.966	1	-	84.789	252.439	20.068	1	1	1	1	-	4
Koksijde	584.764	316.576	901.340	125.541	121.081	1	-	246.623	1.147.963	70.908	1	1	1	1	-	4
Kortemark	51.479	61.633	113.112	154.010	154.010	1	-	154.010	215.643	-	1	1	1	1	-	2
Kortrijk	1.581.525	1.063.310	2.644.835	406.307	378.206	1	-	784.514	3.429.349	126.411	1	1	1	1	-	4
Krusem	363.845	38.244	402.089	23.728	61.292	2	2	105.024	507.113	30.959	1	1	1	1	1	5
Kuurne	295.220	174.037	469.257	94.666	96.137	1	-	190.804	660.061	21.524	1	1	1	1	-	4
Langemark-Poelkapelle	129.294	20.202	149.496	32.485	55.042	1	-	87.528	237.024	6.574	1	1	1	1	-	4
Lo-Reninge	51.479	13.235	64.714	5.724	15.171	1	-	20.896	85.610	7.389	1	1	1	1	-	4
Maarkeat	147.564	2.362	149.926	-	19.918	1	-	19.919	169.845	5.186	1	1	1	1	-	3
Méhen	452.249	419.277	871.526	211.299	145.419	1	1	356.720	1.228.246	43.575	1	1	1	1	1	5
Mesen	14.003	13.288	27.291	4.256	1.619	1	-	5.876	33.167	2.969	1	1	1	1	-	4
Meulebeke	197.735	80.020	277.755	59.637	48.327	1	1	107.966	385.721	14.290	1	1	1	1	1	5
Moorslede	152.502	75.229	227.731	35.958	42.840	1	-	78.799	306.530	14.511	1	1	1	1	-	4
Nazareth	220.549	20.178	240.727	2.593	64.188	1	-	66.782	307.509	27.833	1	1	1	1	-	4
Nieuwpoort	266.389	149.246	415.635	58.956	44.530	-	-	103.486	519.121	-	1	1	1	1	-	4
Oostrozebeke	161.039	38.363	199.402	36.937	58.796	1	-	95.734	295.136	10.918	1	1	1	1	-	4
Oudenaarde	587.889	264.825	852.714	298.333	191.642	1	1	489.977	1.342.691	81.744	1	1	1	1	1	5
Pittem	162.620	64.797	227.417	78.424	54.680	1	1	133.106	360.523	10.763	1	1	1	1	1	5
Poperinge	310.652	152.463	463.115	80.968	86.768	1	-	167.737	630.852	55.000	1	1	1	1	-	4
Roeselare	1.113.670	741.165	1.854.835	401.463	355.789	1	-	757.253	2.612.088	-	1	1	1	1	-	4
Ronse	495.401	347.617	843.018	156.750	103.376	1	1	260.128	1.103.146	53.676	1	1	1	1	1	5
Ruselede	85.950	26.424	112.374	14.628	29.528	1	-	44.157	156.531	7.687	1	1	1	1	-	4
Spiere-Helkijn	36.923	4.374	41.297	1.272	18.497	1	1	19.771	61.068	4.453	1	1	1	1	1	5
Staden	273.533	96.783	370.316	91.046	136.249	1	-	227.296	597.612	-	1	1	1	1	-	4
Tielt	460.977	201.054	662.031	166.633	145.899	1	1	312.534	974.565	31.246	1	1	1	1	1	5
Veurne	251.341	155.215	406.556	128.081	102.398	1	1	230.481	637.037	19.440	1	1	1	1	1	5
Viefteren	41.001	10.848	51.849	5.724	11.965	1	-	17.690	69.539	6.396	1	1	1	1	-	4
Waregem	904.096	338.991	1.243.087	319.664	347.890	1	-	667.555	1.910.642	63.614	1	1	1	1	-	4
Wervik	204.724	161.044	365.768	82.876	60.395	1	-	143.272	509.040	30.156	1	1	1	1	-	4
Wevelgem	-	143.639	143.639	189.332	-	1	-	189.333	332.972	-	1	1	1	1	-	2
Wilsbeke	107.661	46.407	154.068	152.004	87.043	1	1	239.049	393.117	24.827	1	1	1	1	1	5
Wingene	300.714	72.937	373.651	43.248	58.509	1	-	101.758	475.409	36.890	1	1	1	1	-	4
Wortegem-Petegem	131.209	2.957	134.166	-	31.119	1	-	31.120	165.286	9.841	1	1	1	1	-	3
Zonnebeke	191.935	84.223	276.158	93.448	111.528	1	-	204.977	481.135	21.026	1	1	1	1	-	4
Zulte	310.780	38.759	349.539	12.280	77.165	1	-	89.446	438.985	33.183	1	1	1	1	-	4
Zwalm	140.719	5.695	146.414	49	16.107	1	1	16.158	162.572	11.074	1	1	1	1	1	5
Zwevegem	330.859	92.927	423.786	47.358	90.827	1	1	138.187	561.973	39.621	1	1	1	1	1	5
<b>Total municipalities</b>	<b>14.688.664</b>	<b>7.303.759</b>	<b>21.992.423</b>	<b>4.661.407</b>	<b>4.298.427</b>	<b>52</b>	<b>18</b>	<b>8.959.904</b>	<b>30.952.327</b>	<b>1.247.352</b>	<b>50</b>	<b>53</b>	<b>50</b>	<b>50</b>	<b>17</b>	<b>220</b>
Provincie West-Vlaanderen	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total public participants</b>	<b>14.688.664</b>	<b>7.303.759</b>	<b>21.992.423</b>	<b>4.661.407</b>	<b>4.298.427</b>	<b>52</b>	<b>18</b>	<b>8.959.904</b>	<b>30.952.327</b>	<b>1.247.352</b>	<b>50</b>	<b>53</b>	<b>50</b>	<b>50</b>	<b>17</b>	<b>220</b>

32.199.679

## 5. Imewo

Imewo number of shares and profit certificates per 31 December 2022																	
Participants	Voting shares										Total grid management + other activities	Non-voting shares					
	Grid management electricity and gas			Other activities								Profit certificates					
	Ae	Ag	Total grid management	App	Apt	Ape	Ate	Aw	Total other activities	Aov		Ce	Cg	Cpg	Cpt	Cw	Total profit certificates
Aalter	341,177	132,668	473,845	30,357	50,911					81,270	555,115	--	1	1	1	1	4
Assenede	169,299	64,864	234,163	8,068	15,322					23,392	257,555	12,702	1	1	1	1	5
Beerlem	168,405	63,420	231,825	13,438	24,710					38,149	269,974	32,721	1	1	1	1	4
Berlare	149,240	52,754	201,994	7,867	14,769					22,637	224,631	13,853	1	1	1	1	4
Blankenberge	232,642	194,938	427,580	20,006	32,137					52,144	479,724	39,256	1	1	1	1	4
Bredene	147,068	94,141	241,209	11,394	25,221					36,616	277,825	36,654	1	1	1	1	4
Brugge	1,383,974	1,177,829	2,561,803	139,780	268,256					408,037	2,969,840	179,419	1	1	1	1	4
Damme	108,770	53,899	162,669	8,168	16,911					25,080	187,749	32,995	1	1	1	1	4
De Pinte	102,098	38,143	140,241	5,240	11,470					16,711	156,952	--	1	1	1	1	4
Deinze	817,036	258,317	1,075,353	28,078	76,715					104,796	1,180,149	91,656	1	1	1	1	5
Destelbergen	200,548	120,733	321,281	13,614	15,146					28,762	350,043	18,669	1	1	1	1	5
Eeklo	296,627	274,835	571,462	20,576	38,506					59,083	630,545	26,259	1	1	1	1	4
Evergem	487,418	228,526	715,944	29,955	49,498					79,454	795,398	57,376	1	1	1	1	4
Gent	4,535,304	3,568,363	8,103,667	288,460	498,205					786,666	8,890,333	--	1	1	1	1	4
Jabbeke	--	92,404	92,404	3,833	8,085					11,919	104,323	--	--	1	1	1	3
Kaprijke	82,883	30,753	113,636	4,541	8,535					13,077	126,713	25,251	1	1	1	1	4
Knokke-Heist	643,984	449,646	1,093,630	41,018	89,893					130,913	1,224,543	71,473	1	1	1	1	5
Laarne	146,362	67,599	213,961	9,279	17,147					26,427	240,388	22,299	1	1	1	1	4
Lede	160,817	109,650	270,467	8,168	14,380					22,549	293,016	13,037	1	1	1	1	4
Lichtenvelde	95,844	47,713	143,557	8,370	13,295					21,666	165,223	12,442	1	1	1	1	4
Lievegem	307,680	147,661	455,341	18,666	33,485					52,155	507,496	53,046	1	1	1	1	5
Lochristi	287,398	147,597	434,995	14,448	22,964					37,414	472,409	39,313	1	1	1	1	5
Lokeren	459,425	320,502	779,927	38,224	64,349					102,574	882,501	78,280	1	1	1	1	4
Maldegem	260,910	184,720	445,630	16,743	33,630					50,374	496,004	18,975	1	1	1	1	4
Melle	125,026	111,624	236,650	7,967	12,800					20,769	257,419	23,645	1	1	1	1	5
Merebeke	192,022	189,202	381,224	20,614	33,082					53,697	434,921	34,201	1	1	1	1	4
Moerbeke	80,026	42,157	122,183	4,235	7,151					11,388	133,571	10,900	1	1	1	1	5
Oostende	1,163,272	594,707	1,757,979	68,627	123,475					192,103	1,950,082	172,524	1	1	1	1	4
Oosterzele	149,051	37,201	186,252	6,958	9,564					16,523	202,775	21,521	1	1	1	1	4
Oostkamp	230,078	96,770	326,848	18,896	31,784					50,681	377,529	48,664	1	1	1	1	4
Sint-Laureins	86,063	35,680	121,743	4,335	7,952					12,288	134,031	10,148	1	1	1	1	4
Sint-Lievens-Houtem	117,422	22,522	139,944	9,785	14,039					23,825	163,769	11,267	1	1	1	1	4
Sint-Martens-Latem	98,044	34,343	132,387	6,262	10,726					16,989	149,376	17,203	1	1	1	1	4
Wachtebeke	60,269	23,002	83,271	4,541	6,239					10,781	94,052	18,321	1	1	1	1	4
Wetteren	336,205	218,815	555,020	31,731	51,043					82,775	637,795	40,543	1	1	1	1	4
Wichelen	127,636	49,498	177,134	5,525	9,931					15,457	192,591	17,714	1	1	1	1	4
Zedelgem	202,768	111,631	314,399	20,878	31,180					52,059	366,458	40,690	1	1	1	1	4
Zele	282,684	227,635	510,319	25,314	46,537					71,852	582,171	35,777	1	1	1	1	4
Zuierenkerke	36,248	10,770	47,018	1,906	3,082					4,989	52,007	3,842	1	1	1	1	4
--	--	--	--	--	--					--	--	--	--	--	--	--	--
<b>Total municipalities</b>	<b>14,871,723</b>	<b>9,727,232</b>	<b>24,598,955</b>	<b>1,025,865</b>	<b>1,842,125</b>		<b>43</b>	<b>8</b>	<b>2,868,041</b>	<b>27,466,996</b>	<b>1,382,654</b>	<b>38</b>	<b>39</b>	<b>39</b>	<b>39</b>	<b>8</b>	<b>163</b>
Provincie West-Vlaanderen	--	--	--	--	--		--	--	--	--	--	--	--	--	--	--	--
<b>Total public participants</b>	<b>14,871,723</b>	<b>9,727,232</b>	<b>24,598,955</b>	<b>1,025,865</b>	<b>1,842,125</b>		<b>43</b>	<b>8</b>	<b>2,868,041</b>	<b>27,466,996</b>	<b>1,382,654</b>	<b>38</b>	<b>39</b>	<b>39</b>	<b>39</b>	<b>8</b>	<b>163</b>
												28,849,650					

## 6. Intergem

Participants	Shares with voting rights										Total grid management + other activities	Non-voting						
	Grid management electricity and gas			Other activities								Profit certificates						
	Ae	Ag	Total grid management	App	Apt	Ape	Ate	Aw	Total other activities	Aov		Ce	Cg	Cpg	Cpt	Cpe	Cw	Total profit certificates
Aalst	1,176,018	628,026	1,804,044	357,271	383,963	111,052		1		852,288	2,656,332	--	1	1	1	1	6	
Affligem	108,906	31,500	140,406	12,420	43,213	12,730		--		68,364	208,770	14,093	1	1	1	1	5	
Bever	14,928	221	15,149	--	7,038	2,073		--		9,111	24,260	2,584	1	1	1	1	4	
Beveren	719,677	326,004	1,045,681	214,363	192,329	55,161		1		461,854	1,507,535	--	1	1	1	1	5	
Brakel	124,453	23,854	148,307	9,106	17,754	19,285		1		100,146	248,453	26,324	1	1	1	1	5	
Buggenhout	185,746	73,440	259,186	32,612	61,354	17,519		1		111,487	370,673	10,554	1	1	1	1	6	
Denderleeuw	167,448	108,867	276,315	53,700	76,764	22,613		1		153,078	429,393	28,836	1	1	1	1	5	
Dendermonde	582,389	448,810	1,031,199	260,728	191,785	56,497		1		509,011	1,540,210	51,336	1	1	1	1	5	
Erpe-Mere	230,344	33,465	263,809	5,105	87,022	25,635		1		117,764	381,573	27,913	1	1	1	1	6	
Geraardsbergen	309,484	214,325	523,809	124,488	126,942	42,285		1		293,716	817,525	39,435	1	1	1	1	5	
Haaltert	168,123	66,200	234,323	25,068	77,391	23,467		1		125,927	360,250	--	1	1	1	1	5	
Hamme	242,215	210,287	452,502	113,610	106,399	31,343		1		251,353	703,855	21,986	1	1	1	1	5	
Herzele	142,680	42,688	185,368	13,982	66,287	22,081		1		102,352	287,720	25,173	1	1	1	1	6	
Kruikeke	168,091	116,418	284,509	79,665	68,933	20,307		1		168,906	453,415	30,456	1	1	1	1	5	
Lebbeke	193,898	111,793	305,691	56,576	97,471	25,738		1		179,787	485,478	15,874	1	1	1	1	6	
Lierde	49,522	9,804	59,326	667	25,069	8,351		1		34,089	93,415	6,827	1	1	1	1	6	
Ninove	428,927	194,794	623,721	99,628	126,809	45,789		1		272,227	895,948	60,628	1	1	1	1	5	
Sint-Gillis-Waas	171,362	146,179	317,541	73,455	70,767	20,847		1		165,070	482,611	18,327	1	1	1	1	5	
Sint-Niklaas	1,043,690	686,912	1,730,602	382,131	259,500	93,702		1		735,334	2,465,936	97,966	1	1	1	1	5	
Stekene	162,359	135,248	297,607	68,558	62,837	18,511		1		149,907	447,514	25,917	1	1	1	1	5	
Temse	341,494	240,326	581,820	134,032	107,934	31,796		1		273,763	855,583	32,526	1	1	1	1	5	
Waasmunster	101,276	51,407	152,683	20,421	38,166	11,102		1		69,691	222,374	13,926	1	1	1	1	6	
Zottegem	275,848	110,816	386,664	54,596	117,548	34,628		1		206,774	593,438	--	1	1	1	1	6	
<b>Total public participants</b>	<b>7,108,878</b>	<b>4,011,384</b>	<b>11,120,262</b>	<b>2,192,182</b>	<b>2,467,275</b>	<b>752,512</b>		<b>22</b>	<b>8</b>	<b>5,411,999</b>	<b>16,532,261</b>	<b>550,681</b>	<b>23</b>	<b>23</b>	<b>22</b>	<b>23</b>	<b>8</b>	<b>122</b>
												17,082,942						

7. Iveka

Participants	Shares with voting rights						Total grid management + other activities	Non-voting					
	Grid management electricity and gas			Other activities				Profit certificates					
	Ae	Ag	Total grid management	Apt	Aw	Total other activities		Aov	Ce	Cg	Cpt	Cw	Total profit certificates
Arendonk	209,526	103,141	312,667	--	--	--	312,667	21,635	1	1	--	--	2
Baarle-Hertog	50,031	8,253	58,284	--	1	1	58,285	4,469	1	1	--	1	3
Balen	316,604	84,623	401,227	--	--	--	401,227	40,840	1	1	--	--	2
Beerse	263,845	165,671	429,516	--	--	--	429,516	18,513	1	1	--	--	2
Dessel	147,573	72,724	220,297	--	1	1	220,298	22,507	1	1	--	1	3
Essen	--	90,698	90,698	--	--	--	90,698	--	--	1	--	--	1
Geel	587,493	300,779	888,272	--	--	--	888,272	80,320	1	1	--	--	2
Grobbendonk	172,285	--	172,285	--	--	--	172,285	22,267	1	--	--	--	1
Herentals	446,641	266,160	712,801	--	--	--	712,801	38,802	1	1	--	--	2
Herenthout	132,426	90,493	222,919	--	1	1	222,920	9,649	1	1	--	1	3
Hoogstraten	351,123	196,478	547,601	--	1	1	547,602	33,604	1	1	--	1	3
Kalmthout	269,875	143,233	413,108	--	1	1	413,109	31,745	1	1	--	1	3
Kasterlee	284,788	130,129	414,917	--	--	--	414,917	20,208	1	1	--	--	2
Lille	274,876	153,435	428,311	--	1	1	428,312	17,987	1	1	--	1	3
Meerhout	168,814	57,639	226,453	--	1	1	226,454	9,561	1	1	--	1	3
Merksplas	--	70,961	70,961	--	--	--	70,961	--	--	1	--	--	1
Mol	545,061	267,482	812,543	--	1	1	812,544	53,852	1	1	--	1	3
Olen	175,738	111,157	286,895	--	--	--	286,895	18,373	1	1	--	--	2
Oud-Turnhout	212,933	119,133	332,066	--	--	--	332,066	15,394	1	1	--	--	2
Ravels	259,695	123,234	382,929	--	--	--	382,929	26,782	1	1	--	--	2
Retie	175,434	86,124	261,558	--	1	1	261,559	--	1	1	--	1	3
Rijkvorsel	212,864	91,322	304,186	--	--	--	304,186	15,958	1	1	--	--	2
Tumhout	518,717	414,743	933,460	--	--	--	933,460	93,312	1	1	--	--	2
Vorselaar	243,060	55,870	298,930	49,164	1	49,165	348,095	31,300	1	1	1	1	4
Westerlo	371,379	210,734	582,113	--	1	1	582,114	35,165	1	1	--	1	3
Wuustwezel	313,603	151,191	464,794	--	1	1	464,795	37,557	1	1	--	1	3
Zandhoven	202,565	107,116	309,681	--	1	1	309,682	13,385	1	1	--	1	3
<b>Totaal public participants</b>	<b>6,906,949</b>	<b>3,672,523</b>	<b>10,579,472</b>	<b>49,164</b>	<b>13</b>	<b>49,177</b>	<b>10,628,649</b>	<b>714,185</b>	<b>25</b>	<b>26</b>	<b>1</b>	<b>13</b>	<b>65</b>
							11,342,834						

8. Iverlek

Participants	Shares with voting rights								Total grid management + other activities	Non-voting						
	Grid management electricity and gas			Other activities						Profit certificates						
	Ae	Ag	Total grid management	App	Apt	Ate	Aw	Total other activities		Aov	Ce	Cg	Cpg	Cpt	Ow	Total profit certificates
Aarschot	591,965	215,705	807,670	16,579	92,506	1	1	109,086	916,756	28,052	1	1	1	1	4	
Asse	505,426	293,883	799,309	--	155,489	--	1	155,490	954,799	40,574	1	1	--	1	4	
Beersel	465,079	284,356	749,435	180,109	117,102	1	--	297,212	1,046,647	51,686	1	1	1	1	4	
Berlaar	197,460	121,461	318,921	68,246	47,133	1	--	115,380	434,301	10,650	1	1	1	1	4	
Bertem	154,225	68,535	222,760	30,810	30,080	1	1	60,892	283,652	9,817	1	1	1	1	5	
Bierbeek	182,251	47,891	230,142	5,382	36,929	1	1	42,313	272,455	8,492	1	1	1	1	5	
Bonheiden	260,732	129,037	389,769	69,720	61,709	1	--	131,430	521,199	12,891	1	1	1	1	4	
Boortmeerbeek	201,887	55,442	257,329	37,996	60,252	1	--	98,249	355,578	14,389	1	1	1	1	4	
Bornem	318,858	260,886	579,744	38,176	95,398	1	--	133,575	713,319	32,310	1	1	1	1	4	
Boutersem	117,563	54,007	171,570	18,936	28,183	1	--	47,120	218,690	9,411	1	1	1	1	4	
Diest	--	213,666	213,666	4,958	--	--	--	4,958	218,624	--	--	1	1	--	2	
Dilbeek	590,053	503,381	1,093,434	292,385	172,982	--	--	465,367	1,558,801	47,331	1	1	1	1	4	
Drogenbos	90,232	111,888	202,120	12,375	27,502	--	--	39,877	241,997	7,961	1	1	1	1	4	
Haacht	260,213	49,123	309,336	8,673	60,738	1	--	69,412	378,748	15,301	1	1	1	1	4	
Halle	542,233	498,745	1,040,978	57,116	176,383	1	--	233,500	1,274,478	49,973	1	1	1	1	4	
Heist-op-den-Berg	732,483	298,776	1,031,259	150,631	164,153	1	1	314,786	1,346,045	54,919	1	1	1	1	5	
Herent	331,905	185,181	517,086	19,280	73,055	1	1	92,337	609,423	23,653	1	1	1	1	5	
Herselt	278,775	57,741	336,516	33,077	59,885	1	--	92,963	429,479	10,273	1	1	1	1	4	
Hoegaarden	115,416	71,876	187,292	37,570	30,405	1	--	67,976	255,268	8,935	1	1	1	1	4	
Hoellaart	171,377	124,409	295,786	78,573	41,302	1	--	119,876	415,662	18,508	1	1	1	1	4	
Huldenberg	169,635	39,765	209,400	15,682	35,472	1	--	51,155	260,555	--	1	1	1	1	4	
Hulshout	184,658	57,365	242,023	24,465	47,133	1	--	71,599	313,622	26,462	1	1	1	1	4	
Kapelle-op-den-Bos	136,300	77,214	213,514	8,885	37,556	1	1	46,443	259,957	27,572	1	1	1	1	5	
Keerbergen	206,900	27,971	234,871	2,914	60,362	1	--	63,277	298,148	17,338	1	1	1	1	4	
Kortenberg	323,943	225,801	549,744	5,904	67,466	1	--	73,371	623,115	23,534	1	1	1	1	4	
Kraainem	191,345	199,659	391,004	130,521	53,935	1	--	184,457	575,461	--	1	1	1	1	4	
Lenik	171,235	48,977	220,212	2,963	36,929	--	--	39,892	260,104	15,322	1	1	1	1	4	
Leuven	1,565,952	1,457,894	3,023,846	1,394,467	549,430	1	--	1,943,898	4,967,744	--	1	1	1	1	4	
Liedekerke	212,218	81,596	293,814	49,817	47,133	--	--	96,950	390,764	13,137	1	1	1	1	4	
Linkebeek	79,531	80,659	160,190	220,355	19,908	1	1	240,265	400,455	4,847	1	1	1	1	5	
Londerzeel	285,901	106,667	392,568	12,952	82,506	1	--	95,459	488,027	18,237	1	1	1	1	4	
Mechelen	1,398,799	1,411,504	2,810,303	818,528	425,166	1	--	1,243,695	4,053,998	105,190	1	1	1	1	4	
Merchtem	263,670	98,116	361,786	38,381	74,262	--	--	112,643	474,429	13,804	1	1	1	1	4	
Opwijk	211,016	68,220	279,236	24,195	57,297	1	--	81,493	360,729	18,262	1	1	1	1	4	
Overijse	439,102	277,539	716,641	176,747	120,995	1	--	297,743	1,014,384	--	1	1	1	1	4	
Putte	296,861	106,079	402,940	55,174	90,497	1	1	145,673	548,613	14,606	1	1	1	1	5	
Puurs-Sint-Amands	391,519	294,505	686,024	33,279	114,486	2	2	147,769	833,793	46,220	1	1	1	1	5	
Roosdaal	194,783	63,661	258,444	22,556	44,750	--	--	67,306	325,750	12,246	1	1	1	1	4	
Rotselaar	294,900	74,452	369,352	8,438	60,252	1	1	68,692	438,044	15,269	1	1	1	1	5	
Scherpenheuvel-Zichem	414,266	94,603	508,869	3,155	92,322	1	--	95,478	604,347	18,536	1	1	1	1	4	
Sint-Genesius-Rode	287,982	247,505	535,487	185,913	95,789	1	1	281,704	817,191	--	1	1	1	1	5	
Sint-Katelijne-Waver	375,324	224,828	600,152	137,899	119,641	1	--	257,541	857,693	23,888	1	1	1	1	4	
Sint-Pieters-Leeuw	562,105	407,161	969,266	239,652	180,303	1	1	419,957	1,389,223	39,184	1	1	1	1	5	
Temat	264,650	121,508	386,158	43,725	64,458	1	1	108,185	494,343	15,460	1	1	1	1	5	
Tervuren	332,010	285,645	617,655	189,438	79,202	1	--	268,641	886,296	--	1	1	1	1	4	
Tienen	590,435	497,119	1,087,554	291,075	148,201	1	1	439,278	1,526,832	58,459	1	1	1	1	5	
Tremelo	148,141	36,273	184,414	11,409	33,496	1	1	44,907	229,321	9,883	1	1	1	1	5	
Wezembeek-Oppem	212,023	180,412	392,435	545,508	60,372	1	--	605,881	998,316	13,969	1	1	1	1	4	
Willebroek	429,121	382,494	811,615	50,475	124,571	1	1	175,048	986,663	34,239	1	1	1	1	5	
Zaventem	644,507	598,054	1,242,561	340,191	226,219	1	--	566,411	1,808,972	--	1	1	1	1	4	
Zemst	356,276	182,228	538,504	78,714	77,745	1	--	156,460	694,964	25,819	1	1	1	1	4	
	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
<b>Total municipalities</b>	17,743,241	11,701,463	29,444,704	6,323,969	4,859,040	44	17	11,183,070	40,627,774	1,066,609	50	51	50	50	16	217
<b>Total public participants</b>	17,743,241	11,701,463	29,444,704	6,323,969	4,859,040	44	17	11,183,070	40,627,774	1,066,609	50	51	50	50	16	217
										41,694,383						

9. PBE

Participants	Voting shares			Non-voting		
	Shares E grid management electricity	Shares T tele distribution	Total number grid management E + Other activities T	Profit certificates (only for the distribution of a dividend)		
	number of shares E	number of shares T	total	E	T	Total profit certificates
BEGIJNENDIJK	110	30	140	3,834	7,121	10,955
BEKKEVOORT	67	19	86	2,547	4,303	6,850
DIEST	286	73	359	12,481	17,631	30,112
GALMAARDEN	95	--	95	3,539	--	3,539
GEE TBETS	66	19	85	2,541	4,328	6,869
GLABBEEK	57	16	73	2,331	3,681	6,012
GOOIK	100	--	100	3,850	--	3,850
HERNE	74	--	74	2,930	--	2,930
HOLSBEEK	104	28	132	3,733	6,507	10,240
KAMPENHOUT	126	--	126	5,910	--	5,910
KORTENAKEN	87	25	112	2,865	5,689	8,554
LANDEN	181	46	227	6,745	11,217	17,962
LINTER	79	23	102	3,100	5,260	8,360
LUBBEEK	147	40	187	6,427	9,536	15,963
oud-HEVERLEE	116	30	146	5,538	7,140	12,678
PEPINGEN	46	--	46	1,794	--	1,794
STEENOKKERZEEL	128	--	128	5,415	--	5,415
TIELT-WINGE	118	33	151	4,707	7,466	12,173
TREMELO	67	18	85	2,387	4,112	6,499
ZOUTLEEUW	93	26	119	3,694	6,009	9,703
<b>Total municipalities</b>	<b>2,147</b>	<b>426</b>	<b>2,573</b>	<b>86,368</b>	<b>100,000</b>	<b>186,368</b>
						-



10. Riobra

List Register of Participants - Number of Shares				
MUNICIPALITIES	RA	RB	RI	Total
BEGIJNENDIJK	1	131,515	32,253	163,769
BEKKEVOORT	1	76,934	13,747	90,682
BERTEM	1	185,836	45,264	231,101
BEVER	1	24,475	6,234	30,710
BOORTMEERBEEK	2	284,689	73,303	357,994
BOUTERSEM	1	235,512	13,179	248,692
GALMAARDEN	1	152,163	23,119	175,283
GEETBETS	1	83,354	10,517	93,872
GLABBEEK	1	74,197	18,626	92,824
GOOIK	1	187,691	45,659	233,351
HERNE	1	139,555	35,515	175,071
HOEGAARDEN	1	118,308	30,688	148,997
HULDENBERG	1	186,529	19,918	206,448
KORTENAKEN	1	117,280	30,582	147,863
LANDEN	2	271,518	71,222	342,742
LENNIK	1	192,142	33,907	226,050
LINTER	1	177,610	46,583	224,194
LUBBEEK	2	197,424	21,446	218,872
MERCHTEM	2	217,629	57,063	274,694
OD-HEVERLEE	2	130,480	25,444	155,926
PEPINGEN	1	90,799	15,785	106,585
ROTSelaar	2	373,654	19,726	393,382
SINT PIETERS LEEUW	4	395,731	0	395,735
STEENOKKERZEEL	2	229,206	59,843	289,051
TIELT-WINGE	1	130,604	0	130,605
TIENEN	4	616,839	161,714	778,557
ZOUTLEEuw	1	152,829	23,932	176,762
TOTAL	40	5,174,503	935,269	6,109,812

11. Sibelgas<sup>43</sup>

Participants	Total electricity and gas		
	Shares with voting rights		
	Ce	Cg	Total Ce+Cg
Grimbergen	1	1	2
Machelen	1	1	2
Meise	1	1	2
Vilvoorde	1	1	2
Wemmel	1	1	2
I.B.E.G.	1,790,033	1,474,319	3,264,352
<b>Total public participants</b>	<b>1,790,038</b>	<b>1,474,324</b>	<b>3,264,362</b>

<sup>43</sup> In relation to Sibelgas, “Ce” refers to (voting) shares of category C (as referred to in article 9 of Sibelgas’ articles of association) relating to electricity distribution and “Cg” refers to (voting) shares of category C relating to gas distribution activities. The distinction between “Ce” and “Cg” shares was created in order to remunerate the contribution of infrastructure proportionally, based on the value of the contributed infrastructure.

### 3 Description of the Markets for Fluvius

#### 3.1 General

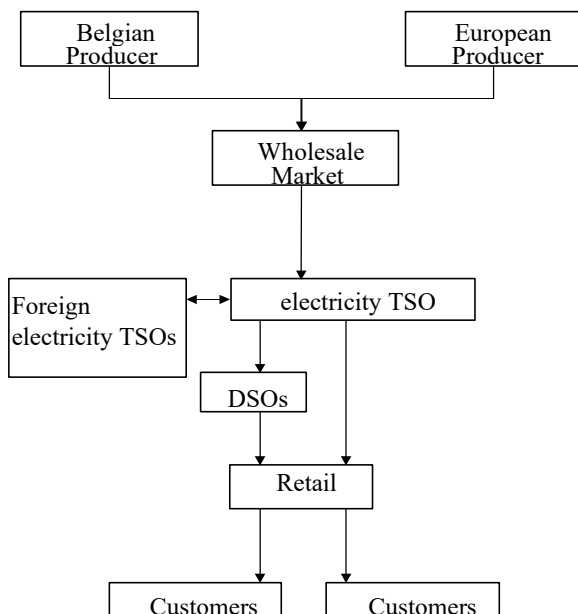
The below table provides an overview of the importance of the different business lines in which the Fluvius Economic Group is active as at 31 December 2022 in terms of turnover of the Guarantors (according to BE GAAP). The main activities are “Electricity distribution” and “Gas distribution”. The figure presented under ‘Others’ differs from the figure presented in the IFRS report due to eliminations between the entities of the Fluvius Economic Group. The activities under the category ‘Others’ are mainly “Sewerage” and “Cable TV Infrastructure”. Each of these are touched upon separately in the following sections.

Activity	Turnover 2022 (in million EUR)	% of total turnover
Electricity distribution	1,880.31	72.6%
Gas distribution	573.4	22.1%
Others	135.4	5.3%
Total	2,589.1	100.0%

#### 3.2 Organisation of the Belgian Electricity Market<sup>44</sup>

The major players on the Flemish electricity market are the electricity producers, the electricity TSO and the DSOs (and their service company), the wholesale and retail suppliers, energy service providers (including ESCOs and storage providers), intermediaries, energy communities, flexibility users and providers and aggregators, balance responsible parties, the end consumers and the regulators, as well as the Flemish Energy and Climate Agency (VEKA). Their functions are briefly outlined below.

The picture below sketches the Belgian electricity market (including the market for energy services).



<sup>44</sup> Data from external sources referred to throughout this section represents the most recent data available from each such source’s website.

### *Electricity Generation*

Currently, the electricity production in the Belgian market is dominated by nuclear power plants and gas fired power plants. The remaining generation capacity consists of the co-generation plants at the sites of large industrial consumers, units for renewable energy (such as small-scale hydropower units, photovoltaic electricity generation, offshore and onshore wind turbines and biomass/combined heating and power installations).

The construction of new installations for electricity generation is subject to the prior granting of an individual permit by the federal minister for Energy on the advice of the federal energy regulator CREG (*Commissie voor de Regulering van de Elektriciteit en het Gas/Commission de Régulation de l'Electricité et du Gaz*) (the “CREG”).

Over the years, the electricity producers have adapted their portfolio of primary energy sources for electricity generation. Since the early eighties of the last century nuclear energy became more important (in 1986 already 67.2 per cent. of electricity was generated through nuclear energy), together with gas and cogeneration units. This trend continued during the nineties (the average contribution of nuclear energy in the nineties amounted to 58 per cent. – gas and combined production units accounted for 17 per cent.). Currently, the share of renewable energy sources is increasing, mainly due to the use of wind turbines (both onshore and offshore), solar installations and biomass. Recent Eurostat figures show that the share of electricity generated from renewable sources in Belgium totalled 22.1 per cent. in 2020.

The EU's and the Belgian federal government's general energy policies aim at increasing the share of renewable energy generation and combined heat & power production (“CHP”). In order to stimulate these types of electricity production, the federal government had taken legal initiatives enabling the construction of offshore wind farms. The regional governments have worked out several measures to attain this goal. In the recent past, measures included the imposition of minimum supply levels (through quota obligations) for renewable energy and CHP by creating the legal framework for a mechanism of so-called “green power certificates” and “CHP-certificates” and the minimum price guarantees for green power and CHP certificates introduced to support the market for these instruments. The functioning of the green power certificates systems in the Flemish region is further outlined in section 9 – ‘Trends in the markets in which the Issuer and the Guarantors are active’; the working of the CHP-certificates system is almost identical.

Technological evolutions result in an increasing number of smaller installations being put in place, continually increasing the share of decentralised and CHP production:

#### *Key Figures for Electricity Production in Belgium*

Electricity generation (installed capacity in Belgium – 2021)<sup>45</sup>: 27,957 MW, of which

- fossil fuel fired: 26.6%
- nuclear: 21.3%
- pumped hydro: 4.4%
- hydro: 0.4%
- wind: 18%
- solar: 25.5%
- biomass/biogas: 2.9%

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<sup>45</sup> For most figures included in this section, the source is either Eurostat, Febeg (<https://www.febeg.be/statistieken-elektriciteit>) or Synergrid ([www.synergrid.be](http://www.synergrid.be)). Information contained on these websites does not form part of this Base Prospectus.

- waste: 1.1%

Electricity generated in Belgium (actual net electricity production – 2021): 96.34 TWh, of which

- thermal, incl. biomass: 30.6%
- nuclear: 49.7%
- pumped hydro: 0.9%
- hydro: 0.4%
- wind: 12.2%
- solar: 5.8%
- other: 0.4%

In 2021, Belgium was a net exporter of electricity with a total net export volume of 7.88 TWh.

Total electricity consumption in Belgium during 2021 amounted to 83.66 TWh. The trend in electricity consumption volumes is stabilising, due to more energy efficiency in spite of economic growth and an increase of population. Electricity consumption per segment (2020 figures):

- industry: 45.2%
- services: 25.3%
- residential: 23.0%
- transport: 2.0%
- agriculture: 2.3%
- energy transformation: 2.0%

#### *Wholesale Market for Electricity*

Suppliers on the wholesale market (e.g. traders and intermediaries) buy, in Belgium and abroad, energy from electricity producers or other wholesale suppliers and/or sell energy to either other wholesale suppliers or retail suppliers. Since retail supply is an activity for which a license is required (as opposed to trading), traders most often do not directly sell electricity to end customers.

#### *Transmission System Operation*

Transmission system operation refers to the regulated activity linked to the transport of electricity over the medium to high and very high voltage grids with a voltage of 36 kV (local transmission) / 70 kV and higher. The major users of these grids are the electricity producers, electricity traders, DSOs and industrial consumers with a direct connection to the high voltage electricity transmission network.

A transmission system operator or electricity TSO operates and manages its grid independently from electricity producers and suppliers. Electricity TSOs have to organise an objective, non-discriminatory and transparent access to their electricity network. Transmission system operation is a regulated activity that is usually granted a legal monopoly within a larger geographical area. In Belgium, electricity transmission is performed by one single electricity TSO, Elia Transmission Belgium (see below). To fulfil this objective efficiently, electricity TSOs are in charge of the operation, maintenance and development of their grid. They also provide the required ancillary services.

The very high voltage electricity networks are also used for the import and export of electricity between interconnected national grids and for purposes of mutual assistance between electricity TSOs according

to international standards set by ENTSO-E<sup>46</sup> operation rules (grid codes). Belgium's very high voltage electricity network is connected to France, Luxembourg, the UK and the Netherlands. On 9 November 2020, a connection to Germany was inaugurated and commercial operations on this line were launched on 18 November 2020. A submarine interconnection between Denmark and Belgium is planned by 2030, connecting offshore wind parks of both countries.

Effective from 31 December 2019, Elia Group implemented a new company structure. As a result, it now consists of a holding company (Elia Group NV/SA) and an entity for the regulated activities in Belgium (Elia Transmission Belgium NV/SA). The latter has also become the electricity TSO for Belgium's very high-voltage electricity grid by Ministerial Decree dated 13 January 2020 under a number of conditions, for a 20-year period which started on 31 December 2019. It also became the regional (Brussels-Capital) and local (Flanders and Wallonia) transmission system operator for the high (30/36-70kV) voltage grids.

#### *Distribution System Operation*

Distribution refers to the public distribution of electricity over medium and low voltage electricity networks, generally below 36 kV, to retail consumers (small and medium-sized enterprises and household consumers) using electricity for their own use. An operator of such a network is called a distribution system operator or DSO. The Guarantors (with the exception of Riobra, which is not active in the distribution of energy) are DSOs. Following a decision by the Flemish energy regulator VREG of 5 July 2013<sup>47</sup>, the license of the DSOs Gaselwest, Imewo, Intergem, Iveka, Iverlek and Sibelgas has been expanded to the operation of electricity distribution grids up to 36 kV (formerly 30 kV).

A DSO operates, maintains and develops its network and is required by law to organise access to its network in an objective, non-discriminatory and transparent manner. Distribution system operation is a regulated activity that is usually granted a legal monopoly within the boundaries of the operating territory attributed to each DSO.

The main customers of the DSOs are wholesale suppliers and retail suppliers<sup>48</sup>.

Most appointed DSOs in Belgium are intermunicipal companies (more specifically, mission entrusted associations – see above). An intermunicipal company essentially is a partnership of public authorities that is charged with certain activities of municipal interest common to its members.

At the moment there are 16 DSOs in Belgium engaged in the distribution of electricity. In the Flemish Region, there are ten electricity DSOs, all of them being a Guarantor. The others have operations in the Brussels Capital Region (Sibelga) and the Walloon Region (5 DSOs).

With a view to ensuring the DSOs' independence, the participation of producers and suppliers in the DSOs' share capital or contribution (as applicable) is limited by law. In the Flemish Region, importers, producers, suppliers and energy service providers may (individually or jointly) not hold more than 30 per cent of a DSO's (and its operating company's) share capital or contributions (as applicable) (see above).

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<sup>46</sup> ENTSO-E refers to the 'European Network of Transmission System Operators for Electricity', an association of 42 electricity TSOs from 35 European countries (situation on 1 January 2020). Website: <https://www.entsoe.eu/>. Information contained on this website does not form part of this Base Prospectus.

<sup>47</sup> BESL-2013-10.

<sup>48</sup> A third type of customers are those retail users that because of payment problems have been dropped by commercial suppliers of electricity. Flemish regulation provides that the DSOs have in such instance an obligation to supply these customers with electricity as a supplier of last resort (a social public service obligation).

In the Flemish Region, DSOs are appointed by the VREG.

For reasons of clarity it should be noted that, although the intermunicipal companies/DSOs hold the legal monopoly of operating the electricity distribution network with a voltage below 36 kV, Elia Transmission Belgium<sup>49</sup> operates the electricity network between 36 kV and 70 kV (the local transmission system). Elia Transmission Belgium was granted this legal monopoly for the Flanders region by appointment of the VREG (24 December 2019) until 31 December 2023. For historical reasons, an exception still exists in relation to Fluvius Limburg, which operates the 36-70 kV grid on behalf of Elia Transmission Belgium.

#### *Retail Supply*

Retail supply of electricity refers to the sale of electricity to end customers. Since 1 July 2003 several commercial suppliers, who compete against each other, have been active on the Flemish supply market.

A license is required to engage in retail supply. In the Flemish Region, such license can be granted by the VREG to individuals or companies that operate independently from the electricity TSO and the DSOs and that comply with the criteria laid down by law, such as sufficient technical, organisational and financial capacity (amongst other things).

On 31 December 2022, the top-3 of electricity suppliers in Flanders (measured in the number of connections served) is as follows<sup>50</sup>:

1. Engie Electrabel (40.42%)
2. Luminus (24.22%)
3. Eneco Belgium (12.75%)

#### *Customers*

At this moment, all Belgian customers are eligible to choose their electricity supplier (“right of third-party access”).

#### *Regulators in Belgium*

Due to the Belgian federal structure, there are currently four regulators for the electricity market:

Federal level. The federal energy regulator, the CREG, is competent, amongst other things, for supervising the electricity market, including transmission at a voltage level above 70 kV and for advising on the licencing of electricity generation facilities with a capacity higher than 25 MW (other than nuclear and offshore production units). Tariff setting for the electricity TSO is also within the scope of the CREG’s authority, irrespective of the voltage level of the electricity network.

Regional level. Regional regulators are competent, amongst other things, for supervising the electricity market operations, including distribution and local transmission at a voltage equal to or below 70 kV and for renewable sources of energy. The powers relating to the grid distribution tariffs (but not local transmission tariffs) in Belgium have been transferred from the federal level to the respective regions as agreed pursuant to the Belgian Sixth State Reform as from 1 July 2014. From that date onwards, the VREG is vested with the powers to establish the tariff methodology and the approval of the proposals of the tariffs submitted by the DSOs.

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<sup>49</sup> Elia Transmission Belgium has been appointed as local electricity TSO for that purpose.

<sup>50</sup> Source: CREG.

The regional regulators in the Flemish, Walloon and Brussels-Capital Regions are respectively the VREG, CWaPE<sup>51</sup> and Brugel<sup>52</sup>.

### **3.3 Organisation of the Belgian Gas Market<sup>53</sup>**

#### *Import*

Belgium does not possess gas fields on its own territory. Apart from small shares of biogas produced and injected into the distribution grid, almost all gas for consumption in Belgium has to be imported from abroad in the form of natural gas (including LNG). An optimal sourcing and diversification of gas supplying countries is therefore an essential objective in Belgium's energy policy.

Currently, natural gas for the Belgian market is being imported from several sources (figures for 2020<sup>54</sup>):

1. The Netherlands (47%): the Dutch gas fields deliver low and high-calorific gas to Belgium via pipelines;
2. Norway (32%): Norway is an important gas producer thanks to its oil and gas fields in the North Sea. Norwegian gas is delivered at the Zeebrugge hub;
3. LNG (3%): LNG is being imported from countries such as Qatar;
4. Germany (11%);
5. storage (7%): gas is stored at the Loenhout facility in the north of Belgium, close to the Dutch border.

#### *Wholesale*

Players on the wholesale market (e.g. importers, traders, shippers and intermediaries) buy gas abroad or on the international spot market. They then sell on these volumes to industrial customers, (other) intermediaries, distribution companies and electricity producers. Since gas retail supply, very much like electricity retail supply, is an activity for which a license is required, traders most often do not directly sell gas to end consumers.

#### *Transport System Operation*

Transport system operation refers to the regulated activity related to the high-pressure gas networks and the energy flows on these networks. The main users of these networks are the electricity producers, wholesale gas suppliers, gas traders, the DSOs and large industrial users of gas.

In Belgium, Fluxys Belgium was appointed by the federal energy regulator CREG as the sole federal transport system operator for the gas transmission grid, as well as for the storage capacity on 27 September 2012. The gas transport system operator is frequently referred to as the "transport company".

Fluxys LNG is responsible for operating the LNG infrastructure.

Transport system operators ("gas TSOs", and together with electricity TSOs, "TSOs"), such as Fluxys Belgium, operate their networks independently from electricity producers and gas suppliers and are

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<sup>51</sup> Commission Wallonne pour l'Energie.

<sup>52</sup> *Reguleringscommissie voor Energie in het Brussels Hoofdstedelijk Gewest / Commission de Régulation pour l'Energie en Région de Bruxelles-Capitale.*

<sup>53</sup> Data from external sources referred to throughout this section represents the most recent data available from each such source's website.

<sup>54</sup> Source: CREG Annual Report 2021, page 69.

bound to organise the access to their gas grid in an objective, non-discriminatory and transparent way. Transport operations are regulated activities that are usually granted a legal monopoly within a larger geographical area. To fulfil this objective efficiently, gas TSOs are in charge of the operation, maintenance and development of their network and also provide the necessary ancillary services such as pressure reduction, odourisation, balancing, storage facilities, etc.

The gas TSO is not only responsible for the off-take and redelivery of gas within Belgium for Belgian consumption, it also fulfils a crucial role in the transit of gas to and from neighbouring countries since redelivery points will often be connection points with the gas transportation networks of other national networks. This is especially true for Belgium, given its good connection to gas and LNG supplies and also given its central position and multiple entry points linking the Belgian gas transportation grid to the grids in France, the UK, Germany, Southern Europe and the Netherlands.

It must be noted that the Belgian grid caters for two different types of gas: (1) high calorific gas and (2) low calorific gas which is being imported from the Netherlands. The Dutch authorities have, however, announced that low calorific gas deliveries to markets outside the Netherlands (including the Belgian market) will be gradually phased out starting in 2024 and entirely stopped by the year 2030 at the latest. These policy measures thus necessitate large investments for the Belgian gas sector, mostly to be carried out by the DSOs, to finance and implement the transformation of the low calorific gas networks in large parts of the Flemish Region. The parts of the Flemish gas distribution grids carrying low calorific gas and thus affected by the Dutch decision, are mostly situated in the provinces of Antwerp and Flemish-Brabant<sup>55</sup>. Thanks in part to planning optimisations and the simultaneous approach of this conversion with the roll-out of the digital meter, the targeted completion date for the Issuer's conversion programme was brought forward from 2029 to the end of 2024.

#### *Distribution System Operation*

Distribution system operation refers to the public distribution of gas on mid-pressure and low-pressure networks towards the end consumers (industry, small and mid-scale companies, households). The operator of such networks is usually called a distribution system operator or DSO.

A DSO operates, maintains and develops its own mid- and low-pressure network. As is the case for the gas TSO, DSOs are obliged to allow objective, non-discriminatory and transparent access to their networks to distribution network users. The operation of a distribution network is a regulated activity that is granted a legal monopoly within the boundaries of the operating territory attributed to each DSO.

As indicated above, all appointed gas DSOs in Belgium are intermunicipal companies (more specifically, mission entrusted associations – see above) charged with certain activities of municipal interest.

Currently, Belgium has 12 gas distribution DSOs, of which nine are situated in the Flemish Region (these being the Guarantors with energy distribution activities), one in the Brussels Capital Region and two in the Walloon Region.

With a view to ensuring the independence of the DSOs in the gas sector, the participation of producers and suppliers in the DSOs' share capital or contributions (as applicable) is limited by law. In the Flemish Region, importers, producers, suppliers and energy service providers may not hold more than 30 per cent of a DSO's (and its operating company's) share capital or contributions (as applicable).

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<sup>55</sup> Other major areas affected in Belgium are the Brussel Capital Region and the province of Walloon-Brabant.



### *Retail Supply*

The retail supply of gas refers to the sale of gas to end consumers. Since 1 July 2003, the retail supply to household consumers in the Flemish Region is being coordinated and managed by several commercial suppliers competing in a liberalised market. In all three regions of Belgium (i.e., Flanders, Wallonia and Brussels) a license is required to engage in the retail supply of gas. The relevant authority (in the case of Flanders this is the VREG) will only grant such a license to individuals or companies that comply with certain criteria, e.g. relating to technical, organisational and financial capabilities (amongst other things).

Currently, all Belgian customers are eligible to choose their own gas supplier (“right of third-party access”).

On 31 December 2022, the top-3 of gas suppliers in Flanders (measured in number of connections served) is as follows:

1. Engie Electrabel (39.31%)
2. Luminus (23.90%)
3. Eneco Belgium (14.08%)

### *Belgian Regulators*

Very much in line with the competencies of the respective regulators for electricity, the federal regulator CREG, together with the three regional regulators (VREG, CWaPE and Brugel), is responsible for monitoring and surveying the Belgian gas market, each within the competencies attributed to it by law. Similar to the developments in the electricity sector, the Belgian Sixth State Reform has resulted in the transfer of the gas distribution grid tariff-setting competence from the federal to the regional level as from July 2014. From that date onwards, the VREG is vested with the powers to establish the tariff methodology and the approval of the proposals of the tariffs submitted by the Flemish DSOs.

### *Basic Figures for the Gas Market*<sup>56</sup>

Total gas consumption in Belgium amounted to 190.3 TWh in 2021<sup>57</sup>, down less than 1% compared to 2020. The total number of gas connections in Belgium (2020) was 3,535,117, showing a year-on-year growth rate of 1%.

## **3.4 Organisation of the Flemish sewerage market**<sup>58</sup>

The Flemish sewerage market is based on the principle that the municipalities are responsible for the public domain and that they are as such also responsible for the wastewater that is being transported over the public domain for treatment.

The Flemish policy on water and wastewater is built around the concept of the ‘*water chain*’, being all activities related to production, transport and distribution of water for human consumption, as well as the collection, transport and treatment of wastewater.

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<sup>56</sup> Source: Febeg.

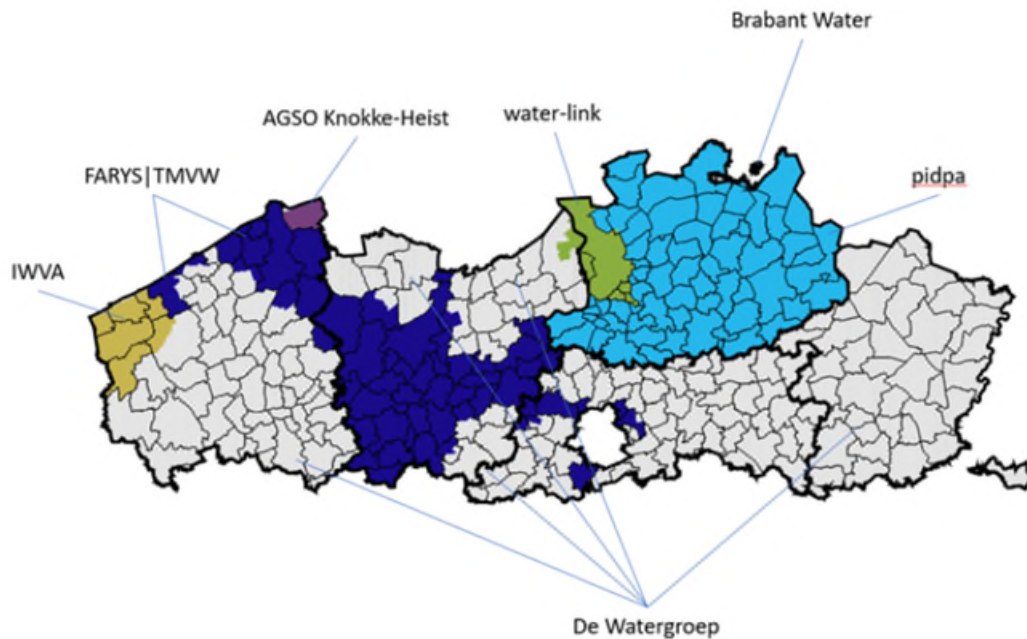
<sup>57</sup> Source: CREG.

<sup>58</sup> Data from external sources referred to throughout this section represents the most recent data available from each such source’s website.

*Geographical overview and statistics*<sup>59</sup>

As at January 2020, there are seven drinking water companies in the Flemish Region as shown on the map below. Between them they manage approximately 63,655 km of drinking water pipelines at the end of 2020. Drinking water consumption by 3 million customers amounted to 296 million m<sup>3</sup>.

**Drinking water companies in the Flanders Region (situation as at January 2020)**



The aggregate sewerage systems in Flanders cover approximately 29,633 km of sewerage pipelines at the end of 2020.

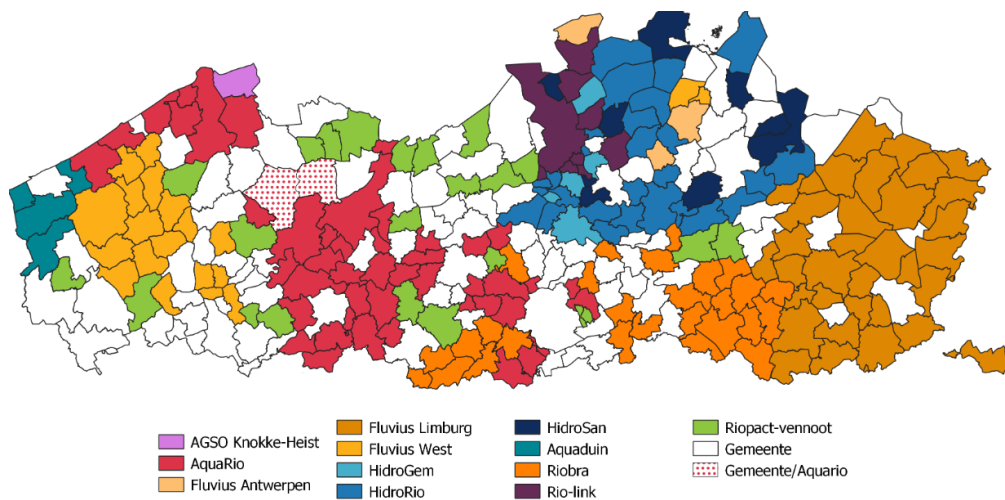
The map below<sup>60</sup> presents the 2022 situation of the sewerage operators within the Flemish Region. The municipalities indicated in white, are operating their own sewerage system independently.

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<sup>59</sup> Sources: the websites of AquaFlanders ([www.aquaflanders.be](http://www.aquaflanders.be)) and VMM ([www.vmm.be](http://www.vmm.be)). Information contained on these websites does not form part of this Base Prospectus.

<sup>60</sup> Source: VMM website at [www.vmm.be](http://www.vmm.be). Information contained on this website does not form part of this Base Prospectus.

### Sewerage operators in the Flanders Region (situation 2022)



#### Legal framework

##### European Directives

The sector of water/wastewater is to a large extent driven by European legislation. The most important documents in this respect are the European Water Framework Directive<sup>61</sup> (the “**Framework Directive**”) and the Directive Urban Wastewater<sup>62</sup> (the “**Wastewater Directive**”). These Directives aim at securing the water resources and water quality in Europe. These two Directives have the largest impact on Flemish municipalities as to their policy on drinking water and wastewater.

The Framework Directive imposes that all aquatic ecosystems and, with regard to their water needs, terrestrial ecosystems and wetlands meet “good status” by the year 2015. In line with the possibility to obtain postponement when improvements cannot be realised in a reasonable manner within the timeframe provided in the Framework Directive, Belgium has obtained a postponement until 2027. The Framework Directive requires Member States to use water sparingly and to establish river basin districts and for each of these a river basin management plan. It envisages a cyclical process where river basin management plans are prepared, implemented and reviewed every six years. There are four distinct elements to the river basin planning cycle:

- characterisation and assessment of impacts on river basin districts;
- environmental monitoring;
- the setting of environmental objectives;
- and the design and implementation of the programme of measures needed to achieve them.

<sup>61</sup> Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy (published in the Official Journal of the European Communities of 22 December 2000).

<sup>62</sup> European Council Directive 91/271/EEC of 21 May 1991 concerning urban waste-water treatment (published in the Official Journal of the European Communities of 30 May 1991).

As such, the Framework Directive aims to significantly contribute to climate adaptation in the European Union<sup>63</sup>.

The second important Directive in the area of water and wastewater is the Wastewater Directive. Its objective is to protect the environment from the adverse effects of urban wastewater discharges and discharges from certain industrial sectors. It concerns the collection, treatment and discharge of:

- domestic wastewater;
- mixture of wastewater; and
- wastewater from certain industrial sectors.

Four main principles are laid down in the Wastewater Directive:

- planning;
- regulation;
- monitoring; and
- information & reporting.

More specifically, the Wastewater Directive requires:

- the collection and treatment of wastewater in all agglomerations of > 2,000 population equivalents;
- secondary treatment of all discharges from agglomerations of > 2,000 population equivalents and more advanced treatment for agglomerations > 10,000 population equivalents in designated sensitive areas and their catchments;
- pre-authorisation of all discharges of urban wastewater, of discharges from the food processing industry and of industrial discharges into urban wastewater collection systems;
- monitoring of the performance of treatment plants and receiving waters; and
- controls of sewerage sludge disposal and re-use, and treated wastewater re-use whenever appropriate.

#### *Implementation in the Flemish Region*

The basic legislation ruling the water policies in general and the sewerage activity<sup>64</sup> in the Flemish Region in particular is the Coordinated Flemish Decree of 15 June 2018 on the integral water policy, as amended<sup>65</sup> (the “**Water Decree**”). Pursuant to the Special Law of 8 August 1980 on Institutional Reforms, the regions have a wide-ranging competence concerning the environment and water policy. This also includes the treatment of wastewater and sewerage, the subsidies and regulation of the tariffs.

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<sup>63</sup> It should be pointed out that the purposes of the Directive, although being older, are fully in line with the United Nations’ Social Development Goals (the “**SDGs**”), especially the SDGs 6 (clean water and sanitation), 13 (climate action), 14 (life below water) and 16 (life on land).

<sup>64</sup> By definition, open waterways (such as ditches and brooks) are not considered to be part of the Flemish sewerage system. A sewer is defined as a closed tubing system.

<sup>65</sup> The Water Decree is the codification of, among others, the former Decree of 24 May 2002 on water used for human consumption (which was amended several times). This codification was ratified by Decree of 30 November 2018.

For the Flemish Region, the Wastewater Directive is mainly implemented through an Executive Order of the Flemish Government, dated 1 June 1995 (published on 31 July 1995), concerning general and sectoral provisions relating to environmental safety (also called “Vlarem II”). The Framework Directive was implemented by the Decree on Integrated Water Policy of 18 July 2003 (published on 14 November 2003, and now replaced by the Water Decree).

In October 2010, the Flemish Government fixed the river basin management plans for the river Scheldt and the river Meuse basins and the accompanying measures programme for Flanders. This programme sets out how the objectives of the Framework Directive and the Decree on Integrated Water Policy (now replaced by the Water Decree) can be realised. It also contains measures to improve the surface water quality, to reduce flooding and to purify contaminated sediments. Further implementation was given by an Executive Order of the Flemish Government of 8 April 2011 (published on 10 June 2011) which concerned the rights and obligations of the operators of a public water distribution network and their customers regarding the supply of water designed for human consumption, the execution of the obligation of remediation and the general water sales regulation.

As to the possibility of receiving a subsidy for the construction of public sewers, there is the Executive Order of the Flemish Government of 5 May 2017 (published on 6 June 2017) concerning the subsidisation of works mentioned in Article 2.6.1.3.1, §1 of the Decree of 18 July 2003 concerning the Integral Water Policy, coordinated on 15 June 2018 in the Water Decree.

Finally, the zoning Executive Order of 10 March 2006 of the Flemish Government (published on 9 June 2006) had as its objective the determination of a zoning plan for each municipality. In September 2006, the Flemish Environment Agency (*Vlaamse Milieumaatschappij*, “VMM”) started with the transmission of a draft zoning plan to all Flemish municipalities. These plans went through an approval procedure in which both the municipalities, the basin authorities and the citizens could express their views. This resulted in a final zoning plan for each municipality which consists of four different zones:

- the central area with pre-existing connection to a water treatment plan (orange shaded);
- the optimised outlying area with recent connection to a water treatment plant (green shaded);
- the outlying area which is still to optimise collectively, this is the area where the connection will be realised (dark green shaded); and
- the outlying area which is still to optimise individually, where the wastewater will have to be purified individually by means of an IBA (individual sewerage treatment) (red shaded).

In order to put the zoning plan into practice, the Flemish Environment Agency in cooperation with the municipality will set up an area-covering implementation plan. Such an implementation plan contains the projects to be carried out, the order of execution (priority), the final completion date, the acquisition points and the exceptions to the principles of optimal disconnection. In addition, the implementation plan is a binding plan. The format of an implementation plan will therefore include the following steps:

- the layout of a project basket: demonstrating the reusability of the existing sewer system, the definition of projects and the determination of the acquisition points;
- the application of the methodology for prioritising projects;

- the determination of areas where an optimal separated system should be constructed; and
- the adoption of the implementation plan through the Flemish Government.

The preparation of the project basket is based on the final zoning plan, the sewerage database of the Issuer and the information which the municipality passes to the Flemish Environment Agency. The projects for the dark green clusters on the zoning plan (outlying area which is still to optimise collectively) should be included in the project basket of the implementation plan. Now, the draft implementation plans specify which projects should be executed with priority. It is clear, though, that a vast part of the project basket has to be implemented before 2027 at the latest.

#### *Wastewater treatment infrastructure and regulation – Introduction*

The European Union imposed on its Member States to substantially improve the quality of groundwater and surface water by 2015. This requires a developed system of wastewater collection, transport and treatment. In Flanders, the wastewater infrastructure is structured at two levels: the supra-municipal and the municipal level. The municipal or non-priority sewers collect the wastewater from the houses, whereas the collectors and priority sewers of the Flemish Region collect wastewater at the points of discharge of municipal sewers and transport it to wastewater treatment plants, where it is treated in accordance with European and Flemish standards.

The competent regulator – the Flemish Environment Agency – is the regulator of the wastewater sector in the Flemish region. It is responsible for preparing, checking and monitoring the planning of the wastewater infrastructure in Flanders (VMM as ecological regulator) and the regulation of the tariffs (VMM as economic regulator). By Act of 6 January 2014, the competence with regard to price monitoring of the drinking water component of the integral water bill has also been transferred to VMM from 1 July 2014 onwards.

#### *Wastewater infrastructure at the supra-municipal level*

Aquafin NV was established by the Flemish Region in 1990, for the purpose of expanding, operating and prefinancing the supra-municipal wastewater collection, transport and treatment infrastructure in Flanders. The Flemish Region (through its holding company *Vlaamse Milieuholding – VMH*) is the sole shareholder in Aquafin.

As at 30 June 2021, Aquafin operated 323 installations for wastewater treatment, 6,808 km of ducts and 1,947 supra-municipal pumping stations and storage settlement tanks<sup>66</sup>.

#### *Wastewater infrastructure at the municipal level*

Pursuant to the Drinking Water Decree of 24 May 2002 (published on 23 July 2002, and now replaced by the Water Decree), the treatment of wastewater at municipal level is a joint responsibility of the municipalities on the one hand, and the drinking water companies on the other hand. The drinking water companies are responsible for the treatment of the water they deliver to their customers. On the other hand, the municipalities can also be considered to have a specific responsibility of their own for the treatment of (all) wastewater on their proper territory. The drinking water companies can fulfil their obligation by concluding a service agreement with the owner/operator of the sewers at municipal level, which can be the municipality itself, a municipal or intermunicipal company or an entity which the municipality has appointed after a

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<sup>66</sup> Source: [www.aquafin.be](http://www.aquafin.be). Information contained on this website does not form part of this Base Prospectus.

public tendering procedure. The municipalities also have a number of ways in which they can fulfil their responsibilities, either by:

- taking care of the sewerage network themselves;
- entering into a partnership with the drinking water companies; or
- delegating the development and maintenance of the sewerage network to an intermunicipal company or (after a public tendering procedure) to a third party.

These situations are in principle regulated by a contract between the parties concerned or by the accession through the articles of association of the intermunicipal company.

The current situation (as at the end of 2022) in the Flemish sewerage sector is the following. Sewerage activities are being operated by:

1. intermunicipal utility companies that are not drinking water companies:

- (a) Fluvius West
- (b) Fluvius Antwerpen
- (c) Fluvius Limburg
- (d) Riobra

all of these being Guarantors belonging to the Fluvius Economic Group, with the Issuer as their operating company

2. intermunicipal companies that also have drinking water activities:

- (a) Water-link, in collaboration with Aquafin
- (b) IWVA, operating under the commercial name Aquaduin
- (c) TMVW, operating under the commercial name Farys
- (d) Pidpa
- (e) De Watergroep, in collaboration with Aquafin

3. third parties appointed after a market consultation

- (a) Aquafin

4. municipality

- (a) the autonomous municipal company of Knokke-Heist
- (b) other municipalities

*Contribution and compensation*

Pursuant to the Drinking Water Decree (now replaced by the Water Decree), the operators of a public water distribution network (i.e., the drinking water companies) can charge to their customers a “contribution” (“*bijdrage*”) in order to cover the cost of the water treatment obligation imposed on the drinking water companies. This contribution is calculated on the basis of the volume of water (measured in m<sup>3</sup>) supplied by the drinking water company to the customer. The operator of a public water distribution network can also charge a “compensation” (“*vergoeding*”) to the users of a private water extraction. This compensation is intended to

contribute to the cost of the treatment of the wastewater coming from the private water extraction, as even if a customer gets its (drinking) water from a private water extraction, his wastewater will still be discharged via the same sewerage system.

Both the municipal contribution and the municipal compensation are charged by the drinking water company to the end-users of the (municipal) sewerage systems. With the amount of contributions and fees they receive, the drinking water companies subsequently pay the municipalities or the intermunicipal companies for the sewerage services that are provided to them. The calculation of the contribution and compensation to be paid by the users cannot be freely determined by the public water companies. The operator of a public water distribution system (i.e., the drinking water company) will set the rate of the contribution or compensation in terms of the costs it must bear in order to fulfil its remediation obligations (i.e., the amounts due to the sewerage operator). However, there is no guarantee that the full cost can always be charged to the end-user/consumer, since there are two limitations to the amount of the contribution or compensation.

Firstly, the regulator (being the Flemish Environment Agency) could limit the level of the contribution/compensation on the basis of economic, ecological or social reasons. Secondly, the Water Decree contains an absolute cap for the contribution/compensation. These tariffs are capped at a maximum of 1.4 times the supra-municipal uniform tariff for non-residential and large-scale consumers with a non-individualised tariff. There is a base tariff for a maximum volume of 30 m<sup>3</sup> per household + 30 m<sup>3</sup> per inhabitant and a comfort tariff for volumes exceeding the base volumes. The 2023 maximum tariffs (in EUR/m<sup>3</sup>) are<sup>67</sup>:

- municipal contribution for collecting and transporting wastewater: (1) base: 1.6407; (2) comfort: 3.2814
- individual treatment of wastewater: (1) base: 2.8126; (2) comfort: 5.6252
- contribution for wastewater treatment: (1) base: 1.1719; (2) comfort: 2.3438

Residents that cannot be connected to the sewerage system, are responsible for the construction and operation of their own individual wastewater treatment system. In return, they can be exempted from the municipal and supra-municipal contribution or compensation. However, it is also possible for the sewerage system operators to collectivise the individual remediation obligation. As a result, the resident will have to pay an individual remediation contribution or compensation, just as the residents connected to the collective sewerage system have to pay a collective remediation contribution or compensation. The sewerage system operators within the Fluvius Economic Group have all decided to collectivise the individual remediation obligation. The costs are recovered through the drinking water companies. To this end, addenda to the agreements have been concluded between the system operators for sewerage and the drinking water companies. This implies that these operators, if they are the ones who placed the individuation remediation infrastructure, collect both the supra-municipal (at factor 1) and the municipal (at the abovementioned factor 1.4) contributions or compensations (i.e., a factor 2.4, covering sewerage and remediation). For the residents concerned, this does not make a difference, however, as these will not have to pay any intermunicipal contribution or compensation on top of the amount (at factor 2.4) owed to Fluvius for both services.

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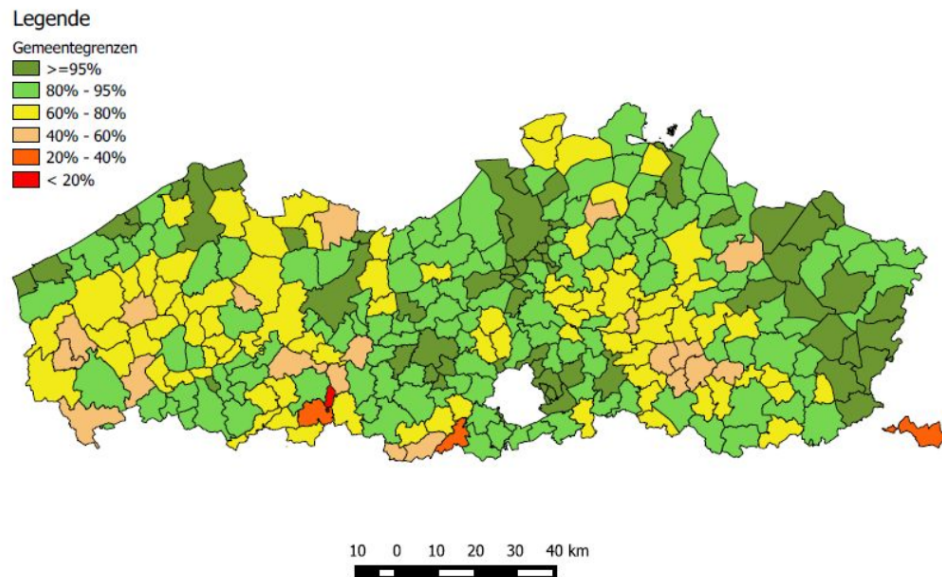
<sup>67</sup> Source: VMM website at [www.vmm.be](http://www.vmm.be). Information on this website does not form part of this Base Prospectus.



### Future developments

The Flemish wastewater sector is faced with the need for substantial investments in both the expanding and upgrading the sewerage system in order to meet the European clean water objectives by 2027. The map below<sup>68</sup> gives an indication of the current degree of connectivity to the sewerage system for wastewater (situation in April 2022):

Sewerage degree per municipality (situation as at April 2022)



For the relevant Guarantors, the average sewerage degree (situation as at end December 2021) is as follows:

- Fluvius Antwerpen: 82.55%
- Fluvius Limburg: 91.81%
- Fluvius West: 79.64%
- Riobra: 77.05%

aggregate for the four Guarantors: 85.66%.

### *Separated sewers for rainwater and wastewater*

Pursuant to the Decree on Integrated Water Policy (now replaced by the Water Decree), the Flemish Region has undertaken to organise the management of the rainwater and surface water in such a way that the rainwater is separated from the wastewater ('separated sewers'). All new extensions of the sewerage system consist of separated sewers. The implementation plans (implementing the zoning plan) will define the areas where the existing sewers should be replaced by separated sewers. Furthermore, the obligation to separate rainwater and wastewater is also applicable at the level of individual houses. For new buildings, the obligation to separate rainwater and wastewater is a requirement in the framework of obtaining building permits. For existing buildings, the Issuer and the relevant Guarantors should inform the house owners about

<sup>68</sup> Source: VMM website.

their obligations, concerning rainwater and wastewater. In order to do so, detailed plans of every house are drafted by the Issuer and delivered to the owners of the houses. The Executive Order of the Flemish Government of 5 July 2013 (published on 8 October 2013) establishing a regional planning regulation concerning rain drains, infiltration, buffering systems and separate discharge of wastewater and rainwater tightened the already existing obligations at the Flemish level. It entered into force on 1 January 2014. In summary, it has the following core elements:

- any new construction of surfacing (“*verharding*”) larger than 40 m<sup>2</sup> will have to comply with this Resolution;
- general compulsory installation of an infiltration facility (with the exception for parcels with a surface of less than 250 m<sup>2</sup>);
- new buildings and homes larger than 100 m<sup>2</sup> must have a rainwater tank with a capacity of at least 5,000 litres;
- for new subdivisions, collective infiltration facilities will be required.

#### *Financing model*

VMM provided the Flemish municipalities updated financing standards in order to gain a clear insight into the financial challenges they are facing with regard to sewerage. The model used is based on the available revenues and the required investments for the zoning plans and execution plans for the whole of Flanders. Several scenarios have been elaborated. In this way, VMM has indicated that the Issuer’s sewerage municipalities, in order to reach the reduction objectives and the level of ambition set by VMM, will have to invest as follows:

<b>Fluvius (aggregate in EUR)</b>	<b>2021-2027</b>	<b>2021-2027 (average amount per year)</b>
Replacement investments	129,058,588	18,436,941
Expansion investments	1,053,384,603	150,483,515
<b>TOTAL</b>	<b>1,182,443,191</b>	<b>168,920,456</b>

<b>Thousand EUR</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>TOTAL</b>	<b>Average/yr</b>
<b>Fluvius Antwerpen</b>	3,051	3,441	3,446	3,430	3,428	16,796	3,359
<b>Fluvius Limburg</b>	63,163	71,108	71,229	70,929	70,920	347,349	69,470
<b>Fluvius West</b>	25,177	28,403	28,438	28,331	28,322	138,671	27,734
<b>Riobra</b>	31,111	35,151	35,103	34,836	34,728	170,930	34,186
<b>TOTAL</b>	<b>122,502</b>	<b>138,103</b>	<b>138,217</b>	<b>137,525</b>	<b>137,397</b>	<b>673,746</b>	<b>134,749</b>

The current investment standards provide that no expansion investments are to be carried out without subsidies by the Flemish Government (maximum 75%) or, in the absence thereof, by the relevant municipalities. However, the Issuer’s current investment standards, the current subsidy policy and rationalisation grants are clearly insufficient to maintain the rate presumed by VMM. In addition, the need for replacement investments for the maintenance of the existing sewerage network should also be taken into account. From the preceding numbers – which are similar for the whole of Flanders – it is clear that the sewerage sector in Flanders (including the Issuer and the relevant Guarantors) experiences structural financing problems, which may also impact the

financing of the Fluvius Economic Group as a whole. Therefore, the Issuer is currently working on a detailed financial plan containing various scenarios in order to remedy this structural problem, such as e.g. a reduction of investment needs (alternative sewerage, maintaining mixed sewerage systems and spreading out over time), or the creation of additional income (maximisation of rationalisation grants, alternative income, evolution of subsidies etc.). The ultimate solution will of course depend on the policy decisions taken in this regard by the Flemish Government and the participating municipalities. From 1 January 2016 onwards, the tariff structure is based on a fixed tariff plus a variable base tariff plus a variable comfort tariff applicable to higher consumption volumes. The Flemish Government expressed the intention that there will be more certainty about the flow of revenues so that the financing of the public water supply will be less vulnerable to possible decreases in water consumption in the future. Furthermore, the Flemish Government clearly stated that it will support the cities, municipalities and sewerage system operators in the construction, the repair or maintenance of the sewerage systems. Pending a more structural solution, the Issuer maximally opts for an efficient spending of scarce funds. At the same time, the financial plan is used to guard over the means to finance the intended short-term investments, whereby absolute priority is given to urgent replacement investments and subsidised projects.

#### *Subsidies*

Sewerage infrastructure owners have the possibility to apply for regional sewerage subsidies. Typically, since 2017, new sewerage projects can obtain a 75% regional subsidy. In many cases road works will also have to be carried out, but these latter costs are not covered by the subsidy mechanism and are generally borne by the municipalities.

#### *Sewerage network of the Fluvius Economic Group*

The Issuer is the largest individual player in the field of sewerage system management in Flanders with approx. 29% of the Flemish municipalities covered. It is operational in 86<sup>69</sup> municipalities. Fluvius West, Fluvius Antwerpen, Fluvius Limburg and Riobra are its four system operators for sewerage.

#### *Fluvius West*

Fluvius West has taken over the responsibilities and obligations of the municipalities which have joined Fluvius West with respect to their sewerage activities. The municipalities participating in Fluvius West for the sewerage activity have contributed the following rights and assets in exchange for shares in the intermunicipality:

- full ownership (infrastructure, etc.) and the necessary rights required for the management of wastewater and rain water;
- the rights of the municipalities with regard to private property; and
- the rights of the municipalities to control the management of wastewater and rain water on their territories.

#### *Fluvius Limburg*

Fluvius Limburg has taken over the responsibilities and obligations of the municipalities which have joined Fluvius Limburg with respect to their sewerage activities.

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<sup>69</sup> Pittem joined Fluvius West on 1 January 2020 and Lennik joined Riobra on 1 January 2021.

The municipalities participating in Fluvius Limburg for the sewerage activity have contributed the following rights and assets in exchange for shares in the intermunicipality:

- full ownership (infrastructure, etc.) and the necessary rights required for the management of wastewater and rain water;
- the rights of the municipalities with regard to private property; and
- the rights of the municipalities to control the management of wastewater and rain water on their territories.

*Fluvius Antwerpen*

Fluvius Antwerpen has taken over the responsibilities and obligations of the municipalities which had joined Iveg with respect to their sewerage activities. The municipalities have the choice whether or not to contribute full ownership of infrastructure etc. to Fluvius Antwerpen. It must in any event contribute the usage rights. Consequently, the participating municipalities for the sewerage activity contribute the following rights and assets in exchange for shares in the intermunicipality:

- the necessary rights required for the management of wastewater and rain water;
- the rights of the municipalities with regard to private property; and
- the rights of the municipalities to control the management of wastewater and rain water on their territories.

*Riobra*

Riobra has taken over the responsibilities and obligations of the municipalities which have joined Riobra with respect to their sewerage activities. The municipalities have contributed the full ownership of all assets appropriate for the activity of Riobra in exchange for shares in Riobra. The sewerage activities of each municipality are transferred to Riobra by means of a complete transfer of competence. Furthermore, the municipalities freely contributed into Riobra

- the exclusive rights on all pipes, sewers, buildings, installations and equipment required for the management of wastewater and rain water;
- the rights which the municipality disposes of concerning private property; and
- the rights which the municipality disposes of in order to ensure the activity of sewerage.

### **3.5 Organisation of the Flemish cable television (CATV) market**

The cable network activities of the Issuer and the relevant Guarantors are limited to the grid-related activities (grid extension, connections to the grid, grid maintenance etc.). The commercial and content - related CATV activities, however, have been transferred to Telenet NV following the 2008 Telenet Agreement as set out below. The relevant grid is owned by those Guarantors with CATV-activities (being Fluvius Antwerpen, Fluvius Limburg, Fluvius West and PBE).

The current commercial market for CATV services in Flanders is split up between a number of service providers, the most prominent ones being Proximus and Telenet. These (and other) providers offer television, internet and telephony services to the customers.

### 3.6 Other activities of the Issuer and the Guarantors

#### 3.6.1 Public lighting

The responsibilities for public lighting in Flanders are split between the Region (for roads and the public domain belonging to the federal authorities) and the municipalities (for roads and the public domain owned by the municipalities). The Issuer and the Guarantors are only involved in public lighting at the municipal level. Public lighting operations are a historic public service obligation for the DSOs (article 4.1.22 of the Energy Decree).

The majority of the Flemish municipalities (272 out of a total of 300<sup>70</sup>) have decided to contribute their public lighting infrastructure (mainly the poles, fittings and lamps used for public lighting purposes) into their electricity DSO in exchange for an amount in cash and shares of the DSO. By concentrating their assets for public lighting within the DSO, the roll-out of the investment programme to switch the entire municipal public lighting in Flanders, i.e., approximately 1.2 million lighting points, to energy-efficient LED technology is facilitated<sup>71</sup> and can be executed in the most efficient way from an operational and financial point of view. It should be noted that, by decision of the Flemish Government, the public service obligation of operating the municipal public lighting was eliminated as from 1 January 2022 onwards. To take this into account, the allowed income for electricity in the year 2022 is expected to be reduced by EUR 5.9 million. For the period 2022-2027, an aggregated budget of EUR 371.1 million is provided by the Fluvius Economic Group for public lighting investments.

#### 3.6.2 Financial participations

Certain Guarantors hold substantial financial participations in certain holdings (directly or indirectly) controlling the Belgian TSOs Elia Transmission Belgium SA/NV (electricity) and Fluxys Belgium (gas).

##### **Publi-T**

Publi-T is the controlling shareholder of Elia Group NV/SA (“**Elia Group**”). Elia Group is the sole shareholder of Elia Transmission Belgium NV/SA, which has been licensed as Belgium’s electricity TSO.

Publi-T is organised as a cooperative company under Belgian law. It owns 44.82% of Elia Group’s shares with the other shares divided over Publipart (3.32%) and free float (51.86%).

The following Guarantors directly hold shares in Publi-T (figures as at 31 December 2022):

- Fluvius Antwerpen: 5.27%
- Fluvius Limburg: 9.34%
- Fluvius West: 2.81%
- Gaselwest: 8.05%

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<sup>70</sup> In 2022, five more municipalities decided to join up the activity public lighting and to contribute their public lighting infrastructure into their electricity DSO: Antwerp, Kapellen (part ex-IMEA) and Wommelgem in Fluvius Antwerpen, Knokke-Heist in Imewo and Herentals in IVEKA.

<sup>71</sup> In the context of rising energy prices, the municipalities started looking for ways to reduce the cost of their energy consumption. Public lighting also came into the picture. Partly for this reason, the Issuer decided to accelerate the roll-out of LED installations for public lighting. The end date for the entire conversion programme was brought forward from 2030 to the end of 2028.

- Imewo: 9.01%
- Intergem: 4.29%
- Iveka: 0.07%
- Iverlek: 7.27%
- PBE: 1.93%

aggregate for the above Guarantors: 48.03%.

The Guarantors' total book value of their Publi-T participations is EUR 328.74 million (according to Belgian GAAP) as at 31 December 2022 (compared to the same amount as at 31 December 2021). In 2022, they received a total dividend of EUR 22.5 million.

### **Publigas**

Publigas is the controlling shareholder of Fluxys. Publigas is organised as a cooperative company under Belgian law. It owns 77.49% of the Fluxys shares with the other shares divided over the Canadian pension fund CDPQ<sup>72</sup> (19.87%), the federal investment entity FPIM<sup>73</sup> (2.13%) and the Fluxys employees (0.51%).

The following Guarantors directly hold shares in Publigas (figures as at 31 December 2022):

- Fluvius Antwerpen: 6.59%
- Gaselwest: 6.84%
- Imewo: 7.13%
- Intergem: 3.06%
- Iverlek: 6.74%

aggregate for the above Guarantors: 30.36%.

The Guarantors' total book value of their Publigas participations is EUR 74.49 million (according to Belgian GAAP) as at 31 December 2022 (which was the same (according to Belgian GAAP) as at 31 December 2021). In 2022, the relevant Guarantors received a total Publigas dividend of EUR 31.61 million.

### *3.6.3 District heating*

Networks for district heating are gaining more and more traction over the last few years. Such grids distribute heat generated in a heating source to consumers. These grids can deliver heat to residential customers, office buildings, industrial customers or a mix. District heating offers enhanced energy-efficiency, since the technology often uses residual heat, which would otherwise be lost, for heating purposes or for industrial processes.

In the Flemish Region, the Energy Decree<sup>74</sup> defines district heating networks. At the date of this Base Prospectus, district heating falls outside the scope of regulation by the energy regulator

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<sup>72</sup> CDPQ = Caisse de Dépôt et Placement du Québec.

<sup>73</sup> FPIM = Federale Participatie- en Investeringsmaatschappij (in French: *Société Fédérale de Participations et d'Investissement*).

<sup>74</sup> The Decree also defines cooling networks.

VREG (or any other regulating body). Nevertheless, the VREG is charged by the Flemish legislator with (1) the duty to inform the market on district heating, (2) an advisory role in this respect and (3) a supervisory role on the service quality delivered by heat suppliers. The VREG is also competent for establishing a Technical Regulation for district heating. And, finally, the VREG can act as an arbitrator in market disputes in which heating network operators are involved.

In 2022, Fluvius System Operator was involved in the following district heating projects as grid operator and/or heat supplier<sup>75</sup>:

Location	Project	Number of residential heat consumers	Number of non-residential heat consumers
Antwerpen	Blue Gate	0	3
Antwerpen	Nieuw Zuid	1,180	65
Dessel	De Ark	22	0
Diksmuide	Hof ter Bloemmolens	130	0
Gistel	Brouwerijdomein	92	0
Hoogstraten	De Kluis	0	2
Kuurne-Harelbeke	Kuurne-Harelbeke	304	9
Mol	Guido Gezellestraat	64	0
Mol	Rodekruislaan	0	2
Roeselare	Roobaertpark	3	0
Roeselare	Sint-Idesbald	0	7
Turnhout	Niefhout	100	1
Veurne	Suikerpark (phase 1)	37	0
<b>TOTAL</b>		<b>1,932</b>	<b>89</b>

At the end of 2022, the first pipes went into the ground for the large-scale ‘Heat Network Antwerp North’ project. These works will last until the end of 2023. The heat for this project is industrial residual heat from Indaver (thermal processing of industrial waste). The heat will be used by Boortmalt for the production of malt; in a later phase, 3,200 social housing units in the Luchtbal and Rozemaai districts could be heated by this heat project. The project will save 80,000 tonnes of CO<sub>2</sub> per year. The project is in line with the City of Antwerp’s urban climate policy and will be the first ‘open access’ heat network in Belgium.

Although the number of district heating grids in Flanders (76 as reported by the VREG) is still relatively limited, this segment is developing rapidly. For the period 2022-2027, an aggregated budget of EUR 75.0 million is provided by the Fluvius Economic Group for the development of district heating grid projects.

#### 4 Regulatory and contractual framework applicable to the Guarantors

##### 4.1 Regulatory framework for the Flemish energy DSOs (electricity and gas)

###### 4.1.1 Natural monopoly and regulation

A DSO’s activity of energy distribution within its operating area is considered to be a “natural monopoly” activity. This concept implies that, on a specific market segment, one single company

<sup>75</sup> Source: VREG District Heating Grid Report, dated 5 October 2021, <https://www.vreg.be/sites/default/files/document/rapp-2021-20.pdf>. Information contained on this website does not form part of this Base Prospectus.

can produce a desired output at a lower social cost than two or more companies placed in competition are able to, because of both high fixed costs and economies of scale. On the other hand, a monopolist could in theory show undesired behaviour, such as excessive pricing for its end consumers, or inefficiency in its operations and an underdeveloped productivity.

This monopoly market position for the DSOs is also acknowledged in the Flemish Region where the operation of a distribution network is a regulated activity that is granted a legal monopoly within the boundaries of the operating territory attributed to each DSO.

For their distribution services, DSOs charge a distribution grid fee (consisting of so-called “distribution tariffs”) to the energy suppliers. The suppliers include this grid fee into the end consumers’ energy bill. The energy consumption bill that goes out to the end consumers thus includes not only the cost of energy that was used (and a profit margin), but also the fees that were invoiced by the TSO and the DSO for respectively the transport and distribution of electricity and gas. Nonetheless, under the Flemish regulatory framework, the DSO directly invoices one-off costs for their connection to the distribution grid to the end consumers. Under this regulatory framework, established by the Flemish legislator, the Flemish regulator VREG sets or approves the level of tariffs, including the profits, that DSOs in the Flemish Region are allowed to make and the VREG permanently verifies the professional and managerial reliability of the DSOs and their operating company. The distribution grid fee is regulated, which means that the distribution tariffs have to be submitted for prior approval (*i.e.* before the grid fee is actually charged) to the VREG.

The tariffs of this distribution grid fee are fixed following a proposal for each individual DSO and for each of electricity and gas distribution separately. In practice, this means that there are differences between the tariffs charged by each DSO, dependent on the level of its operational costs and taking into account an incentive structure.

The regulatory framework consists of multi-annual tariffs, set on the basis of a tariff methodology that is fixed for a certain tariff period. During a specific tariff period, tariffs can in principle only change in clearly defined circumstances and according to a pre-established formula. Currently, a tariff period lasts 4 years.

The tariff methodology set by the VREG applies to the DSOs for gas and electricity that operate within the Flemish Region.

The VREG’s tariff methodology is based on an “allowed income” model in which a cap determines the maximum revenue a DSO can collect from the grid users, with the exclusion of so-called “exogenous” costs that are beyond the DSO’s control. In addition, the tariff methodology caters for an adequate compensation of a DSO’s volume risk (*i.e.* the risk that the actual income derived from the grid fees deviates from the expected income due to a difference between actual and expected off-take and injection volumes from the grid users). The latter volume risk compensation is foreseen both on the level of exogenous and endogenous costs.

The allowed income formula allows for the allowed incomes to be updated annually based on the consumer price index as published by the Federal Public Service for the Economy (in Dutch: “*Federale Overheidsdienst Economie*”) based on the forecasts by the Federal Planning Agency (in Dutch: “*Federaal Planbureau*”). The VREG defends the allowed income model on the grounds that it incentivises cost efficiencies generated by the DSOs and that it best remedies the



VREG's information handicap<sup>76</sup>. From an investor's point of view, the most important criterion of the tariff methodology is the amount and the stability of the allowed income.

The tariff methodology establishes the distribution grid fee which is the main source of revenue for the DSOs. The purpose is to sufficiently remunerate the DSOs, which should enable them to carry out the duties imposed on them, to build and maintain future-proof grids and to realise a fair remuneration for their shareholders as a return on the capital they invested. The VREG also pointed out that it wishes to take into account the regulatory risk and the potential impact thereof on financiers. Therefore, the tariff methodology should be transparent and – to the extent possible – stable and predictable. Any arbitrary and discriminatory action by the VREG with an impact on distribution tariffs must be ruled out. A situation in which there is an exaggerated focus on temporary effects violating the tariff methodology's stability, effectivity and credibility should at all times be avoided.

Tariffs are public, they are applied for the whole of the territory of each DSO and they are not subject to negotiation between the DSOs and their customers. The currently applicable tariffs can be consulted on the VREG's website<sup>77</sup> and on the Issuer's website<sup>78</sup>.

The grid tariff structure is based on the cascade principle: end users pay for the cost of the grid level to which they are connected and the costs of all higher grid levels proportionally to their use of these grid levels. In the electricity market this cascade principle is fully implemented as the DSOs pay the TSO for the use of the transmission grid. The transmission tariffs of Elia Transmission Belgium, the Belgian electricity TSO, are hence included in the electricity distribution tariffs of the DSOs, which the latter charge to their customers, the suppliers/access holders (who eventually charge them on to their customers, the end consumers/grid users). This is conversely not the case on the gas market where the gas TSO Fluxys Belgium invoices the suppliers/access holders directly without the DSOs being involved.

As mentioned above, distribution grid tariffs are regulated, which means that the distribution grid fees are (i) based on a tariff methodology established by the VREG in principle for the entire regulatory tariff period (currently 4 years) and (ii) have to be submitted (based on a proposal for each individual DSO and both for gas and electricity separately) for prior approval (i.e. before being actually charged) by the VREG. The VREG will exercise control on the proposed distribution grid fees. This takes the form of a check in advance ("ex ante") when the DSOs' tariff proposals are submitted for approval. At that moment, the VREG can reject elements of the budgeted costs and will establish the allowed income for a DSO (i.e., the part of the income that can be recovered through the grid tariffs). Afterwards ("ex post"), i.e., after the year for which an allowed income had been established, the DSO merely has a reporting obligation and is obliged to submit a detailed report to the VREG regarding the actual costs incurred (both for the so-called exogenous and endogenous costs) during the preceding year. The regulatory framework consists of multi-annual tariffs applying for the whole tariff period. The regulatory framework aims at sufficiently remunerating the DSOs, enabling them to carry out the duties imposed on them and realising a fair remuneration as a return on the share capital or contributions (as applicable) of their shareholders.

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<sup>76</sup> The theoretical concept of '*information handicap*' refers to the universal and structural handicap a regulator faces in relation to the entities it regulates: a regulator as an outsider can never obtain the same level of information about a regulated entity's activities as this regulated entity itself.

<sup>77</sup> See: <https://www.vreg.be/nl/distributienettarieven>. Information contained on this website does not form part of this Base Prospectus.

<sup>78</sup> See: <https://www.fluvius.be/nl/thema/aansluiting-en-energie/contracten-reglementen-en-tarieven-elektriciteit>.

Only the Guarantors (and not the Issuer) obtain their income directly from these grid fees. Where certain costs are not taken into account in the regulated tariffs, the corresponding economic cost is to be (ultimately) borne by the shareholders of the Guarantors (through a decrease in profit). As mentioned above, the operating company works on the basis of a pure pass-through mechanism for all its costs to the Guarantors, based on an allocation key.

#### *4.1.2 Legislative principles underlying the tariffication framework*

Following to the Sixth State Reform of Belgium, the tariff-setting competences for distribution grid tariffs have been transferred to the regions from 1 July 2014 onwards. On 14 March 2014, the Flemish Parliament approved a Decree altering the Energy Decree to formally appoint the VREG (in replacement of the CREG) as the competent regulatory body with responsibility for the distribution grid tariffs, and to anticipate the implementation of these new tariff competences in the Flemish Region as from July 2014.<sup>79</sup>

The general principles underlying the tariff methodology are enshrined in the tariff guidelines set out in the Energy Decree. The current tariffication system in Flanders is an income and incentive regulation based system, also called an “allowed income” model (see above).

The regional legislator and the VREG are bound by the general principles defined by the Third Energy Package and (for electricity) the Clean Energy Package (and to the extent the proposals become law, will be further finetuned by the Fit for 55 package and the proposed Electricity Market Design reform – see section 9.2 – ‘Trends in the energy sector’ of Part VII – ‘Description of the Issuer and the Guarantors’). In particular, the VREG has to respect the principle that tariff methodologies should guarantee the long-term ability of the system to meet reasonable demands for the distribution of electricity and gas. In addition, the tariff methodologies should allow the DSOs to ensure the necessary investments in their networks to be carried out in a manner that allows those investments to ensure the viability of the networks. Increasingly, tariff legislation places a focus on the facilitation and incentivising of flexibility, demand-response, distributed generation, storage and energy efficiency services, including through aggregation or via energy sharing and energy communities, by providers independent from the DSOs (including non-discriminatory network access for these providers and their customers).

#### *The regulator’s role and competencies*

The current powers of the VREG are quite broad and it holds an independent position within the energy market. The VREG has the exclusive power to establish (although after “structured, documented and transparent” consultation with the DSOs) the tariff methodology to be used by the DSOs as a basis for their tariff proposals, and subsequently to approve these tariff proposals or – if needed – to impose provisional tariffs.

Nevertheless, when establishing the tariff methodology, the VREG remains bound by a number of binding guidelines incorporated in legislation. Amongst these guidelines is the principle that the VREG executes its tariff competency within the boundaries of the general energy policy as defined at European, federal and regional level. Furthermore, the VREG is compelled to extensively motivate its tariff decisions, both for its tariff methodology and the actual tariff decisions. The VREG is not allowed to retro-actively amend tariffs, notwithstanding the

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<sup>79</sup> For transmission (including local transmission) of electricity and transport of natural gas, the federal regulator CREG has retained its tariff-setting competency beyond 1 July 2014.

settlement of tariff balances in subsequent tariff periods (“*regulatoire saldi*” – see below) or compensatory measures after having imposed temporary provisional tariffs.

In accordance with the rules laid down in the Third Energy Package, the core duties of the VREG as regulator for tariff setting do not deprive the legislator of the right to issue general policy guidelines which will have to be reflected in the tariff structure and methodology. The Energy Decree sets out binding tariff guidelines, which include, amongst others, the more general principles of exhaustiveness and transparency, non-discrimination and proportionality. In addition, this article in the Energy Decree also specifies that:

- the criteria to reject costs should be non-discriminatory and transparent;
- grid users should not be charged twice for the same use;<sup>80</sup>
- the tariffs are non-discriminatory and proportional, and should reflect the actual costs, to the extent that these correspond to the costs made by efficient and structurally comparable DSOs;
- the remuneration for the regulated assets should allow a DSO to make the necessary investments for the execution of its tasks and its “access to capital”;
- the charges related to public service obligations are included in the tariffs, yet the VREG still has the power to assess the costs generated by the DSOs for those tasks and to benchmark those costs with the other DSOs;
- the tariff methodology should stipulate the determination of the tariff balances;
- cross-subsidisation between regulated and non-regulated activities is not allowed;
- costs which are not under the control of a DSO constitute “exogenous costs”; costs relating to the execution of certain public service obligations and additionally imposed during a tariff period qualify as exogenous costs as well;
- the DSOs should perform their tasks in an efficient way; and
- any capacity tariff should take into account regionally objectifiable differences.

#### *4.1.3 Tarification principles (2021-2024) – allowed income model*

##### (a) Allowed income of the DSOs

There are two main aspects in tarification that have to be clearly separated:

- (i) the tariff methodology establishes the defining principles and parameters by which the DSOs costs and allowed income are calculated;
- (ii) the tariff structure sets out how the distribution tariffs are spread over the different categories of end consumers.

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<sup>80</sup> This most recent addition to the guidelines should be read in the context of any transitional arrangements that may result from the Constitutional Court judgement of 14 January 2021, which annulled the application of virtual reversed metering in combination with a prosumer tariff for solar panel owners being switched to a digital meter, in order to avoid that they might be charged cumulatively with a prosumer tariff and on their actual offtake. Please refer to section 4.1.5 – ‘Other tariff-related topics – tariff structure’ in Part VII – ‘Description of the Issuer and the Guarantors’ for more information.

It is to be noted that a Guarantor's income is only affected by the tariff methodology, not by the tariff structure.

The VREG has chosen for a tariff regulation based on the so-called "allowed income" model with the exception of exogenous costs (see above). It deems this approach the best approach to incentivise DSOs to execute their operations as cost-efficiently as possible.

The tariff methodology used by the VREG considers three different categories of a DSO's costs, which are touched upon below:

- (A) endogenous costs: to be processed through the grid fee via the allowed income, subject to incentive regulation
  - (B) exogenous costs: entirely to be passed through to the grid users through the grid fee
  - (C) other costs: to be borne by the DSO itself, these costs cannot be included into the grid fee
- (A) *Endogenous costs*

In the "allowed income" model, the endogenous costs are subject to incentive regulation to stimulate a DSO to work as cost-efficiently as possible and to ensure a sustainable management of the grid over time. Hence, to cover the endogenous costs, the tariff methodology should allow each DSO a certain amount of fixed revenues (the "allowed income"), which should correspond to the revenues of an efficient DSO. According to the VREG, the cost budget for a DSO should reflect the recent historical evolution of the endogenous sector costs and the actual share of each individual DSO therein ("sector trend methodology").

The major endogenous costs for the DSOs are:

- operational net expenditures,
- depreciations,
- remuneration for the cost of equity,
- remuneration for the cost of debt.

#### *Operational net expenditures*

The operating net expenditures incurred by a DSO in the context of its regulated activities, i.e. operational costs minus operational revenues, qualify as endogenous costs to which incentive regulation applies.

#### *Depreciations*

The value of all infrastructure elements that make up a distribution grid for electricity or gas is depreciated in accordance with the rules established by the VREG. This depreciation cost is integrally included into the distribution grid fee.

The amortisation of surplus values based on the historical indexation and the initial regulated asset base is also taken into account.

The VREG believes that goodwill and formation expenses do not qualify as assets used for distribution grid management purposes. As a consequence, the tariff

methodology does not allow a DSO to include amortisations on goodwill and formation expenses as an endogenous cost in its tariff envelope. These costs cannot be recovered via the distribution tariffs.

*Remuneration for the cost of equity*

The DSO is also entitled to receive a fair remuneration for the resources that its shareholders have invested in the distribution grid in the form of contributions and reserves. Basically, the remuneration for equity is set on the basis of the formula

$$'RAB \times WACC',$$

in which

- RAB (Regulatory Asset Base) equals the regulated grid value calculated as the net economic reconstruction value, *i.e.* the investment amount needed to build a technically equivalent new grid, but based on the age of the current grid. The evolution of the RAB is monitored through a technical inventory and the yearly changes thereof (being investments in new grid infrastructure on the one hand and decommissioned infrastructure elements on the other hand).

The net working capital can be included into the RAB value taken into consideration for the establishment of the equity remuneration.

and in which

- WACC (Weighted Average Cost of Capital) is a weighted average of an entity's costs of equity and debt, weighted by the proportions of equity and debt in its total balance sheet value. The WACC parameter is derived from the CAPM<sup>81</sup> pricing formula. The WACC is determined *ex ante* by the VREG and should be at an efficient and realistic level. The capital remuneration is calculated with reference to the relevant assets on the DSO's balance sheet used for executing its regulated activities. Following the equity/debt calibration, an additional adjustment is made for corporate taxes as well.

The parameters for this calculation during the tariff period 2021-2024 have been set as detailed in section 4.1.4(a) – 'The regulatory tariff period 2021-2024' below.

*Remuneration for the cost of debt*

A DSO's costs for debt (including interests and transaction costs) are also being remunerated through the grid fee.

The VREG has indicated that it is not in favour of introducing a major risk of refinancing by the regulated DSOs. Such a risk might arise when a DSO is obliged to refinance its outstanding debt (mostly on terms beyond a 4-year tariff period so as to reflect the long-term useful life of its grid infrastructure assets) at the start of

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<sup>81</sup> CAPM refers to the commonly used "Capital Asset Pricing Model", an economic model for the determination of required returns on investments given the risk of the relevant assets and the cost of capital. The CAPM formula is as follows: "the expected return of an investment equals the risk-free rate multiplied by the investment beta multiplied by the market risk premium", in which beta is a measure of how much risk the investment will add to (or subtract from) an investment portfolio equivalent to the market.

each new tariff period. With the basic principle of cost-efficiency in mind, the VREG also does not want to incentivise DSOs towards early redemptions of debt (whether bank loans or bonds), which would trigger additional costs. Therefore, the VREG has chosen for an approach which combines current market circumstances (interest rates) and the historical circumstances at the basis of outstanding DSO debt.

The tariff methodology allows for transaction costs related to attracting debt financing. Transaction costs are, amongst other things, fees paid to legal and financial advisers, costs paid to the financial regulator FSMA, costs made for drawing up a prospectus, listing costs, credit rating costs etc.

More precisely, to determine the cost of debt in the WACC (as a percentage), the VREG applies a combined value consisting of the sum of (i) a risk-free interest rate for historical debt, (ii) a risk premium for historical and for new debt and (iii) an increase for transaction costs (for both historical and new debt). The values for these components and other parameters to calculate the cost of debt during the tariff period 2021-2024 have been set as detailed in section 4.1.4(a) – ‘The regulatory tariff period 2021-2024’ below.

*Allowed income for endogenous costs*

Endogenous costs are subject to incentive regulation. The VREG has emphasised the importance of identifying the amount of the allowed income for endogenous costs in a transparent, non-discriminatory and predictable manner. To this end, the VREG has decided to determine the amount of the allowed income for endogenous costs on the basis of the evolution of the endogenous “sector” costs during a certain “observation period”. This observation period equals the 5-year period starting from the year before the start of a specific tariff period. This method of post-calculation allows the VREG to determine a DSO’s future income on the basis of the evolution and amount of the sector’s most recent (historical) costs.

Furthermore, by referring to the “sector” costs, the VREG can incentivise all DSOs to work as efficiently as possible. For example, in case a DSO’s endogenous costs have increased more rapidly than the sector average, the former’s future allowed income in the next regulatory period will to a lesser extent correspond to that DSO’s latest cost level. Conversely, if a DSO’s endogenous costs have decreased more rapidly compared to the costs of its peers, its new allowed income in the next regulatory period will be higher than its most recent cost level.

*(B) Exogenous costs*

Exogenous costs in general constitute the costs that are “beyond the control” of the DSO (or its operating company). These costs are therefore not subject to a system of incentive regulation and, as such, they are left out of the allowed income. All exogenous costs are passed through to the distribution grid users, without any profit margin for a DSO and/or its operating company.

A DSO is obliged to introduce an annual budget for exogenous costs to the VREG. The VREG then investigates this budget proposal for approval and introduction into the relevant grid fees. Any differences between these annual budgets (which are proposed “ex ante”) and the actual costs incurred by the DSO (which can only

be exactly established “ex post”), whether positive or negative (so-called “tariff balances”), are being processed in the tariffs during the following tariff period (in principle in a 4-year cycle).

The major exogenous costs for a Flemish DSO are:

- costs for the (financial) public service obligations to be performed by the DSO (in relation to e.g. the stimulation of rational energy use or minimum gas supply)
- costs for the transmission of electricity (invoiced by electricity TSO Elia Transmission Belgium)
- pension charges (see below for more details)
- taxes (excluding corporate tax)
- levies
- charges related to certificates; and
- the reduction of tariff balances.

*Costs for public service obligations*

The legislative authorities have imposed on the Flemish DSOs a number of public service obligations, which are mostly social, technical and ecological measures, such as the costs for budget metering, combatting energy poverty and minimum gas supply<sup>82</sup>, the costs for RUE<sup>83</sup> subsidies paid out to consumers, energy scans, insulation projects etc. The net costs incurred by the DSOs with respect to certain of these public service obligations<sup>84</sup> are fully passed on to the end consumers through the distribution grid fee.

*Costs for the transmission of electricity (electricity TSO Elia Transmission Belgium)*

The federal electricity TSO Elia Transmission Belgium<sup>85</sup> (unlike the gas TSO Fluxys Belgium) invoices its costs for the use of the electricity transmission grid to the DSOs. The DSO is allowed to include the transmission cost as an exogenous cost into its own tariff to be invoiced to the electricity suppliers/access holders. The DSO can do so, since the transmission cost invoiced by electricity TSO Elia Transmission Belgium is also subject to regulation, albeit by the federal energy regulator CREG.

The federal contribution, which is added to the electricity grid tariffs, is not included into these exogenous costs.

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<sup>82</sup> To the extent these costs are not compensated by any direct support from the Flemish Government.

<sup>83</sup> RUE: rational use of energy.

<sup>84</sup> Only the net costs for public service obligations may be introduced into the tariffs, i.e. after deduction of (i) any contributions or receipts from third parties, including the Flemish Government, and (ii) any fines or indemnities due by the DSO for failure or late execution of a public service obligation (e.g., in case of delays in installing smart meters on a network user’s request).

<sup>85</sup> Elia Transmission Belgium NV/SA has been designated as the national and regional/local electricity TSO for the very-high and high voltage electricity grid in Belgium (source: Elia Group Press Release of 20 January 2020).

### *Pension charges*

The charges incurred by a DSO for the non-capitalised supplementary pensions or the public sector pensions paid out to employees that have executed a regulated activity in electricity and/or gas distribution are deemed to have an exogenous character, on the express condition that these charges are due on the basis of statutory regimes, collective bargaining agreements or any other sufficiently formalised agreements approved prior to 30 April 1999.

### *Taxes*

Taxes are considered to be exogenous costs. Corporate taxes, if any, are an exception to this general principle. This also applies to other amounts levied by public authorities and paid for by third parties, e.g. retributions paid by the DSOs to municipalities<sup>86</sup> and the levy on the use of the large-scale reference file (as stipulated in the Flemish Decree of 16 April 2004 regarding the Large-Scale Reference File<sup>87</sup>).

### *Levies*

Part of the total grid fee consists of federal and regional levies. More particularly:

- the *energy contribution* is a levy on each kWh of electricity and gas consumed.
- the *federal contribution* serves amongst other things to finance the Social Energy Fund and the Fund for Protected Consumers. It also finances the federal regulator CREG. Lastly, the federal contribution is also used to finance the Denuclearisation Fund and dedicated measures aimed at reducing greenhouse gas emissions.
- the *Flemish contribution* (“*contribution to the Energy Fund*”) is used by the Flemish authorities to finance their energy policy. As such, these funds are being used to finance the VREG’s operations, the social energy policy, and the policies related to rational use of energy, combined heat-power (CHP) and renewables. This contribution, or levy, on an electricity offtake point is invoiced by electricity suppliers. On the electricity invoices, this is mentioned as “contribution to the Energy Fund” (“*Bijdrage Energiefonds*”). The contribution is payable separately for each separate connection to the electricity grid (i.e., each offtake point). The electricity supplier must transfer the contributions on a monthly basis to the account of the Flemish Tax Administration. Suppliers can report on a yearly basis on the non-recoverable debts, which can be set off (accordingly, there is no final financial risk for the supplier). The Guarantors are involved in their capacity as social supplier for end consumers or as supplier of last resort.

In the tariff methodology, these levies are treated as exogenous costs for the DSOs.

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<sup>86</sup> The so-called “regulation on municipal retributions” (in Dutch: “*reglement gemeentelijke retributies*”).

<sup>87</sup> Published in the Belgian State Gazette on 5 July 2004.



*Charges related to certificates*

The DSOs' costs directly related to the obligatory purchase of certificates for green power and combined heat/power ("CHP"), at their minimum support level, can be introduced into the grid fee as an exogenous cost. Also included as exogenous costs are the costs/revenues from the obligatory solidarity mechanism between the DSOs, which results in either an additional cost (if a specific DSO has to take over additional certificates from other DSOs) or a revenue (if a DSO can sell certificates to other DSOs). The same holds for certificates which a DSO can sell to the Flemish authorities within the framework of measures laid down in the Energy Decree.

More details about the certificate mechanism such as it is being applied in the Flemish Region, are included in the next paragraphs.

In the Flemish Region, a system of so-called green power certificates and CHP certificates was introduced in 2004. The three main pillars of the Flemish green power and CHP certificate system are (i) the possibility of producers of green energy and CHP to be granted green/CHP certificates<sup>88</sup>, (ii) the obligation for suppliers of electricity to surrender each year a number of green power and CHP certificates (quota obligation) and (iii) the guarantee system whereby a minimum price for the certificates is guaranteed to the producers of electricity for a predetermined period.

In this framework, the producers of green electricity and CHP have the responsibility to transmit the necessary production information to the VREG, which will rely on this information to issue green power and CHP certificates. The DSOs also have an important role in the guarantee system, since this guarantee system has been implemented through the obligation for the DSOs to purchase green power and CHP certificates from certain producers of green electricity/CHP at a guaranteed minimum price (see below).

The Issuer, as the operating company for the Flemish electricity DSOs, is also responsible for the administrative aspects towards the prosumers in Flanders. The latter have to contact Fluvius for all matters pertaining to the green certificates/CHP database, such as a change of address, the input of their solar production data in order to obtain certificates, etc.

The system is such that the DSOs are obliged to buy the green power and CHP certificates at a fixed minimum price predetermined by the public authorities, without the DSOs having any say on the price level. The DSOs buy these certificates at the guaranteed minimum price from any party requesting to do so, thereby temporarily immobilising ("banking") them and then selling them again in the market at a later time, or as the case may be permanently immobilising (cancelling) them. The difference between the guaranteed minimum price (at which the DSOs have bought the certificates) and the market price received for the certificates (i.e. the price at which they are sold again by the DSOs) is funded as a

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<sup>88</sup> For installations with a start date before 1 January 2013, one green power or CHP certificate is attributed for each 1,000 kWh of green electricity produced or saved. For installations with a start date from 1 January 2013, one green power or CHP certificate is attributed for each 1,000 kWh of green electricity produced or saved, multiplied by the applicable banding factor (which is calculated each year on the basis of the unprofitable summit for the type of project concerned).

public service obligation, to be charged through the distribution grid fee as an exogenous cost. The number of certificates which the DSOs can be forced to purchase is not limited and will depend on the amount of produced renewable energy. Through this certificate mechanism, the Flemish authorities have established a support mechanism for the development of renewable and decentralised (including CHP) electricity generation in Flanders.

Paragraph 5.4 of the 2021-2024 tariff methodology provides that the net costs incurred by the electricity DSOs in relation to their financial public service obligations on the promotion of rational use of energy (RUE), as imposed by the Energy Decree, are treated as exogenous costs.

On 29 April 2022, the Flemish Parliament amended the Energy Decree by introducing another public service obligation for the electricity DSOs. The amendment provides for a premium for network users with decentralised generation facilities having a nominal capacity of no more than 10 kVA in order to compensate for the annulment, by the Constitutional Court on 14 January 2021, of the regulation on the compensation of injection and offtake. Following this change, the VREG decided that the costs incurred by electricity DSOs related to this new financial public service obligation should also be considered exogenous costs, given their analogous character to the other financial public service obligations on the stimulation of RUE, the net costs of which are also considered to be exogenous costs (see above).<sup>89</sup>

#### *Reduction of tariff balances*

In addition, the VREG in principle considers the historically accumulated tariff balances (“*regulatoire saldi*”)<sup>90</sup> to be exogenous as well. This means that the amount of exogenous costs to be incorporated into the grid fees for a certain year may be modified annually by the VREG depending on the exogenous costs actually incurred in (the) previous year(s). In addition, the future balances as a consequence of the actually incurred exogenous costs and the actual revenues which should cover these costs, are subtracted from or added to the grid fees.

#### *(C) Other costs*

If and when a DSO has incurred other costs, these costs constitute “rejected costs” (“*verworpen kosten*”), which means that regulation does not allow them to be included into the grid tariffs. As such, these costs cannot be recovered through the grid fee and have to be borne by the DSO (and thus, ultimately, its shareholders). Examples of this category of other costs are fines, indemnities, provisions, costs for lost court cases etc.

#### *Establishment of a DSO’s total allowed income*

As mentioned above, the total allowed income which a DSO can obtain from the periodical distribution grid fees is based upon (i) the allowed income for exogenous costs and (ii) the allowed income for endogenous costs.

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<sup>89</sup> VREG Decision of 27 June 2022 (‘BESL-2022-60’).

<sup>90</sup> Formerly called “regulatory assets & liabilities”.

*Adaptations of the allowed income*

The tariff methodology allows for certain additional adaptations. A DSO's endogenous costs can be adapted taking into account (i) inflation, (ii) several X-factors reflecting positive/negative results of the relevant DSO and (iii) a Q-factor (quality factor) to stimulate a persistently high service quality to be delivered by the DSO.

*Inflation:* The tariff methodology caters for inflation rate evolutions. In practice, this is implemented by a dual-step approach. On the one hand, the historical values of endogenous sector costs are updated at the beginning of every tariff period and, on the other hand, a DSO's allowed income is adapted annually. The inflation rate is measured on the basis of the retail price index. That being said, the Group is not immune to inflation due to its substantial purchases of goods and services, the prices of which are affected by rising inflation rates. At the end of the third quarter of every year, the VREG adjusts the allowed income for actual levels of inflation. Any delta between the ex-ante projected inflation which was taken into account for the allowed income for a certain year and the actual level of inflation as identified in Q3 of that year, is passed through the tariffs in the subsequent two years as an exogenous cost (which is similar to the system applied to compensate for differences between actual and projected volumes).

*X-factor:* The adaptation of a DSO's allowed income on the basis of inflation is corrected by a so-called "X-factor". This X-factor indicates to what extent a DSO's tariffs can increase annually assuming that the DSO performs its tasks efficiently. The use of the X-factor constitutes a form of incentive regulation as it indicates to what extent a DSO has to deliver extra efficiency and productivity. Through the X-factor, consumers directly participate in the expected cost reductions in the form of lower tariffs in the next regulatory period. On the other hand, a DSO can also benefit as long as it manages to reduce costs in excess of the X-factor. The residual cost savings can then be retained in the form of higher profits in the next regulatory period.

*Q-factor:* A DSO could theoretically exaggerate its cost savings benchmarked against the X-factor, possibly at the expense of the quality of its services delivered to the end consumers. To mitigate this problem, the tariff methodology also contains a so-called "Q-factor". The Q-factor or "quality factor" measures the level of quality of a DSO's services and is translated into a financial remuneration (or a financial penalisation).

*X'-factor:* On 20 September 2018, the Flemish energy regulator introduced a specific additional factor, labelled "X'-factor", into the then ongoing tariff methodology (for 2017-2020) at the occasion of the merger of the DSOs' operating companies Eandis System Operator and Infrax into Fluvius System Operator. The X'-factor introduces an extra financial cost saving incentive for the DSOs, as well as a compulsory timing for these cost savings to be realised. This X' factor is maintained in the new tariff methodology from 2021 onwards.

*X'' factor:* Frontier shift

The previous tariff methodology (for 2017-2020) made use of a mechanism to set the allowed income for endogenous costs based on the actual costs of the previous

years. This model includes a competitive element, incentivizing the individual DSOs to outperform the norm, being the average evolution for the group of all DSOs.

As a consequence of the Fluvius merger, the VREG introduced an additional safeguard for cost efficiency in the new tariff methodology from 2021 onwards. This safeguard takes the form of a so-called “X”-factor” or “frontier shift”, i.e. a productivity improvement which efficient companies can realise. The cost evolution for distribution system operations is being compared to the ones in comparable and representative sectors. Every DSO should be able to realise at least the net frontier shift productivity improvement. As at the date of this Base Prospectus, each of the electricity DSOs has already realised its frontier shift.

The Guarantors and the Issuer are faced with the financial impact of the decision by the Flemish Government to accelerate the roll-out of digital metering for electricity and gas, compared to the original timeline. In accordance with the provisions in the 2021-2024 tariff methodology, the Issuer requested and obtained advances for the year 2021 for a total amount (electricity and gas combined) of EUR 43 million. These advances were integrated into the grid fees and thus result in an increase of the tariffs. For 2022, an advance for electricity of EUR 21,998,060 was allowed by the VREG; for gas, no advance for the year 2022 was requested.

However, to limit the impact of the increasing inflation rates on distribution tariffs, the DSOs decided to repay all abovementioned advances (amounting to approximately EUR 72 million). In addition, no new advances (for electricity and energy transition) were requested for 2023. In order to mitigate the effect of this within the DSOs’ results, financial reserves for an amount of EUR 119 million have been temporarily deployed. These measures were discussed with, and approved by, the VREG. Without additional efforts by the DSOs, the Issuer and the Flemish Government, the distribution grid tariff of an average Flemish household would have increased by more than 10% (or EUR 137) in 2023, according to the Issuer’s calculations. These extra efforts are expected to limit the impact of inflation on the end users’ 2023 energy bill, with an expected increase of only 4%.

*(b) Periodical and non-periodical costs and tariffs*

Within the tariff methodology, a distinction is made between periodical and non-periodical (or one-off) costs. The non-periodical tariffs include e.g. tariffs for the connection to the distribution grid, for studies related to a connection or for adaptations to the metering system. Periodical tariffs include tariffs for the use of the distribution grid, for public service obligations, for the use of the transport grid and for a number of ancillary services.

#### 4.1.4 The regulatory tariff period 2021-2024

##### (a) The tariff period 2021-2024

The VREG published its decision on the tariff methodology for the tariff period 2021-2024 on 13 August 2020<sup>91</sup>.

Apart from the general principles underlying all tariff methodologies, as commented upon in section 4.1 – ‘Regulatory framework for the Flemish energy DSOs (electricity and gas)’ of this Part VII – ‘Description of the Issuer and the Guarantors’, the main points of the 2021-2024 methodology can be summarised as follows:

The VREG will apply the following calculation parameters:

in calculating the cost of equity,

- a gearing ratio of 40% equity versus 60% debt, irrespective of the actual balance sheet structures of the regulated DSOs;
- a risk-free interest rate of 0.09%, which is derived from the one-year weighted average of yields on 10-year government bonds (for 75% Belgian government bonds (“OLO”) and for 25% on German government bonds (“Bunds”));
- the compensation for the decreasing impact of the ongoing bond purchase programme by the ECB on government bonds, introduced in the previous (2017-2020) tariff methodology, will no longer apply in the 2021-2024 tariff period;
- an additional market risk premium of 4.81%;
- a parameter reflecting the risk profile of the DSO (the so-called “equity beta factor”) set at 0.83 for both electricity and gas.

Based on these parameters, the VREG set the pre-tax cost of equity at 5.44% (post-tax at 4.08%<sup>92</sup>).

in calculating the cost of debt,

- the proportion between historical debt and new debt is set at 60% for historical debt and 40% for new debt;
- the same risk-free interest rate parameters as described above for the cost of equity are being applied, albeit without the compensation for the ECB bond purchasing programme; this amounts to a risk-free interest rate for historical debt of 2.11%;

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<sup>91</sup> VREG Decision of 13 August 2020 ‘BESL-2020-31’ (available at <https://www.vreg.be/nl/document/besl-2020-31>). The original Decision was subsequently amended by Decisions of 11 December 2020 (‘BESL-2020-86’, available at <https://www.vreg.be/nl/document/besl-2020-86>), 5 February 2021 (‘BESL-2021-07’, available at <https://www.vreg.be/nl/document/besl-2021-07>), 25 June 2021 (‘BESL-2021-33’, available at <https://www.vreg.be/nl/document/besl-2021-33>) and 8 October 2021 (‘BESL-2021-97’, available at <https://www.vreg.be/nl/document/besl-2021-97>) and 27 June 2022 (‘BESL-2022-60’, available at <https://www.vreg.be/nl/document/besl-2022-60>). Information contained on these web pages does not form part of this Base Prospectus.

<sup>92</sup> Calculated on the basis of a corporate tax rate of 25.00%.

- a risk premium for historical debt of 0.58% and 0.85% for new debt;
- the interest rates are set at 2.84% for historical debt and at 1.09% for new debt;
- 0.15% is added to the cost of debt, both for new and historical debt to cater for transaction costs.

The overall cost of debt used in the tariff methodology 2021-2024 for the Flemish DSOs is therefore 2.14%.

The combined cost of equity (5.44%) and cost of debt (2.14%) results in a total WACC (pre-tax) of 3.5%.

Additionally, the VREG decided to implement a fundamental change in the remuneration mechanism for the RAB: the revaluation surplus values within the RAB<sup>93</sup> are being set apart and the relevant remuneration will be gradually phased out to disappear entirely over a period of eight years (2021-2029).

The quality incentive, also identified as “Q-factor”, will be an element in the allowed income for endogenous costs. It will be calculated on the basis of a DSO’s performance on (i) power outages and (ii) late connections to the distribution grid.

The trend methodology which the regulator uses for setting the DSOs’ allowed income does not take into account a swift and substantial increase of costs, since it is based on the evolution in the recent past and not on the expected costs in the near future. That is why the VREG has foreseen an advance payment scheme that allows the Issuer and the Guarantors to file year-by-year a request for an advance to compensate for quickly rising costs. The decision by the Flemish Government, dated 5 June 2020, to accelerate the smart metering roll-out (see section 9.2 – ‘Trends in the energy sector’ of this Part VII – ‘Description of the Issuer and the Guarantors’) does indeed trigger substantial additional costs at the level of the Issuer and the Guarantors. For further details and information on (the approval of) advancements, please refer to section 4.1.3 – ‘Tarification principles (2021-2024) – allowed income model’ – ‘(a) Allowed income for the DSOs’ – ‘(C) Other costs’ of this Part VII – ‘Description of the Issuer and the Guarantors’.

Following the publication of the 2021-2024 tariff methodology, the Issuer’s Board of Directors in its meeting of 26 August 2020 evaluated the tariff methodology’s impact on the Fluvius Economic Group’s financials. The Board concluded that the new tariff methodology will have a considerable impact on the DSOs’ allowed income, and thus on their revenues, cashflows and profit margins for both electricity and gas, due to, amongst other things, a reduction of the WACC to a level below market conditions, the phase-out of the remuneration on the RAB revaluation surplus values, the additional X’-factor cost savings target of EUR 150 million, the “frontier shift” measures in gas distribution and the uncertainty on the advance mechanism for 2022 and beyond to mitigate the effects of the accelerated roll-out programme for digital metering.

The downward revision by the VREG of the parameters for setting the allowed incomes during the tariff period 2021-2024 results in a downward trend for the revenues and cash

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<sup>93</sup> For 2019, the Guarantors’ aggregate RAB value for electricity and gas network infrastructure amounted to EUR 9.9 billion, of which approximately an amount of EUR 1.9 billion is composed of revaluation surplus values.

flows that can be generated by the DSOs in their regulated businesses of electricity and gas distribution. The exact impact can, however, only be estimated reliably once the exact allowed income for each of those four years will have been formally set by the VREG (which generally occurs around mid-October of the preceding year). The 2021-2024 tariff methodology also inspired Moody's and Creditreform's decisions to lower the Issuer's credit rating outlook from 'stable' to 'negative' in 2020. In June 2021, however, the Issuer and the Guarantors themselves approved a set of mitigating measures which aim at lessening the negative impact of the 2021-2024 tariff methodology on the Guarantors' financial position. In summary, these measures entailed: (i) requesting advances from the VREG in relation to the accelerated roll-out of digital metering, so that the allowed income is temporarily increased to cope with the additional need for financing; (ii) setting strict technical and financial criteria for evaluating investments (capex); (iii) implementing extra cost savings in order to reach the cost saving target of EUR 150 million by the end of 2024, as set by the VREG; and (iv) adjusting the dividend policy, starting with the dividends for the financial year 2022, taking into account the ratio "equity on RAB" in each mission-entrusted company shareholder. Following these measures, Moody's has since then upgraded the Issuer's credit rating outlook again to 'stable' (as from 29 October 2021). On 16 August 2022, Creditreform downgraded the Issuer's credit rating from 'A+ negative' to 'A stable' (action validity date being 22 August 2022). Please refer to (i) section 1.4 – 'The Issuer's corporate credit ratings', (ii) section 7.2 – 'Significant changes in the financial position and prospects of the Guarantors' of this Part VII – 'Description of the Issuer and the Guarantors' and (iii) the risk factor entitled "*Future changes to gas, electricity and/or sewerage tariffs or tariff methodologies, for example if these are not in line with the European internal energy market (if applicable), may have an adverse effect on the Issuer's and the Guarantors' assigned credit ratings, ability to obtain funding and, hence, on their operational performance.*" for more information.

The allowed income for each of the Guarantors for the year 2023, both for electricity and gas, was established by various VREG decisions taken in the last quarter of 2022<sup>94</sup>.

#### 4.1.5 Other tariff-related topics – tariff structure

##### (a) Capacity tariff

In the run-up towards establishing the 2021-2024 tariff methodology for electricity, the VREG had already announced its intention to fundamentally change the tariff structure, *i.e.*, the mechanism setting out how total costs are spread out over different categories of end users. As a result, it has been decided to introduce in the Flemish Region, as from 1 January 2023<sup>95</sup> (the original deadline for implementation of 1 January 2022 having been postponed several times and ultimately by 12 months), a grid fee based on capacity. The capacity-based elements will only impact that part of the aggregate grid tariff for

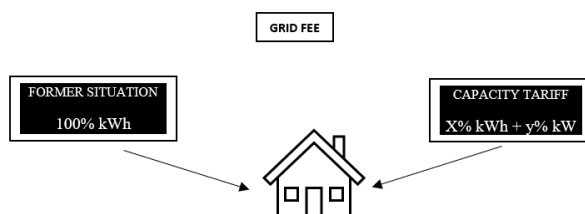
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<sup>94</sup> Fluvius Antwerpen: BESL-2022-154 as amended by BESL-2022-176 for electricity and BESL-2022-164 for gas; Fluvius Limburg: BESL-2022-155 as amended by BESL-2022-177 for electricity and BESL-2022-165 for gas; Fluvius West: BESL-2022-156 as amended by BESL-2022-178 for electricity and BESL-2022-166 for gas; Gaselwest: BESL-2022-157 as amended by BESL-2022-179 for electricity and BESL-2022-167 for gas; Imewo: BESL-2022-158 as amended by BESL-2022-180 for electricity and BESL-2022-168 for gas; Intergem: BESL-2022-159 as amended by BESL-2022-181 for electricity and BESL-2022-169 for gas; Iveka: BESL-2022-160 as amended by BESL-2022-182 for electricity and BESL-2022-170 for gas; Iverlek: BESL-2022-161 as amended by BESL-2022-183 for electricity and BESL-2022-171 for gas; PBE: BESL-2022-162 as amended by BESL-2022-184 for electricity; Sibelgas: BESL-2022-163 as amended by BESL-2022-185 for electricity and BESL-2022-172 for gas.

<sup>95</sup> VREG Decision of 27 June 2022 ('BESL-2022-60').

residential and SME consumers, which is directly related to building, managing and maintaining the grid. Tariff components such as the cost for public service obligations, transmission of electricity and surcharges remain out of scope of the capacity tariff. These are still calculated and allocated on the basis of consumed volumes (kWh).

The former tariffication mechanism for electricity distribution is entirely based on energy consumption volumes (*i.e.*, euro/kWh-consumption/period). A capacity-based distribution grid fee is based on euro/kW/period.



The general idea behind a capacity-driven grid fee is that such a tariff better reflects a DSO’s actual cost drivers, and that the capacity criterion is a better way to allocate the relevant costs to those grid users that have actually triggered the costs. Indeed, a DSO’s relevant operational costs are largely driven by the grid dimensioning (expressed as the expected peak capacity on the grid and the simultaneity of the peak capacity of the aggregate users on the grid), as financially reflected in depreciations and the cost of capital, rather than by the energy volumes distributed at a specific connection over a period of time. Grid dimensioning is primarily determined taking into account the expected system peak. The energy transition which entails more electrification (electric mobility, electric heat pumps etc.) and a more decentralised and decarbonised energy system – will inevitably result in a higher system peak and substantially higher grid investments, if no further measures are taken.

In the capacity tariffication proposed by the VREG, a grid user “reserves” an expected peak capacity for the upcoming year, the so-called “access capacity”. The access capacity would be determined on the peak capacity of the past year. The capacity tariff would not be influenced by the moment at which the peak capacity will be reached.

A capacity-driven distribution tariff structure is thought to incentivise a grid user to better align its connection capacity utilisation on the condition that the grid user gains a better insight into its use of the connection capacity. This insight into grid and connection utilisation is enabled by the introduction of digital metering linked to an in-house display. Grid users will be more aware of the costs caused by peak capacity and thus be pushed towards reducing those peaks.

The Flemish energy minister filed a procedure with the Brussels Court of Appeal against the decision of the VREG to introduce the capacity tariff from 1 January 2023. The case was argued before the Court on 25 January 2023 with interventions on behalf of the minister, the VREG, the Issuer and the federation of energy companies Febeg. The Issuer pleaded for a decision in the interest of legal certainty and continuity of public service. On 1 March 2023, the Court of Appeal ruled that the annulment appeal on behalf of the Flemish Government was admissible but unfounded. This confirmed the VREG’s decision



to let the capacity tariff enter into effect as of 1 January 2023 and has no further consequences for its application.

(b) *Data management tariffication*

Article 4.1.29 of the Energy Decree stipulates that the data management activities are subject to a system of regulated tariffication. Such tariffication covers the activities of metering, including the collection, validation and transmission of metering data according to article 4.1.8 of the Energy Decree.

As from 2021, the data tariff will consist of a fixed annual amount for each access point and per level of metering detail (15 minutes, day, month, year). This global tariff is invoiced on the basis of offtake volumes. Apart from this, there is an additional tariff for generation within the framework of the certificate allowance. The data management tariffs will be significantly broader in scope than those applicable until year-end 2020, since they are to cover data management, which goes beyond the current ‘metering activity’. But for the end consumers, this specific price increase will be compensated by a similar decrease of the other elements in the grid fee. Potential volume-based balances arising out of a smaller number of customers with 15-min readings versus other customers can be recovered in subsequent tariff periods.

As from 2022, a fixed tariff term for data management (EUR/year) is introduced. It is a global tariff that the consumer is due for the entire data management for the relevant access point. It will consist of a fixed annual amount, determined by the meter type and the degree of reading detail (15 minutes, day, month, year). It will also be applicable to production meters within the framework of the certificate allowance.

For the sake of completeness: beside the data management, there is also a tariff for non-periodic data services. The proceeds of the latter tariff are negligible compared to those from the data management tariffs. These data services aim at the development of new markets based on data that become available through the data management activities carried out by the Issuer/Guarantors, and they are bundled in a so-called “services catalogue”. This catalogue includes (i) making available 15-minute data collected from tele-read meters, (ii) making available through a web portal 15-min or daily data collected from digital meters, (iii) making available through machine-to-machine exchanges (API) 15-min or daily data collected from digital meters and (iv) consultancy and data consultancy services.

(c) *Prosumer tariff*

The so-called prosumer<sup>96</sup> tariff was introduced into the Flemish energy market on 1 July 2015. It applies to consumers with a decentral electricity production installation equal to or below 10 kVA (most often solar panels) and a reversing analogue (“Ferraris”) electricity meter. It should be pointed out that the prosumer tariff is an element of distribution grid tariffication, not a tax. The prosumer tariff allows for the distribution grid tariffs to better

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<sup>96</sup> The term “prosumer” (a contraction of the words “producer” and “consumer”) refers to grid users that use the grid to take off electricity but also to inject electricity. The electricity they inject into the distribution grid is produced by their own small-scale decentralised generation installation (equal to or less than 10 kVA such as solar panels and others).

reflect the actual electricity volumes transiting over the DSOs' distribution networks<sup>97</sup> as it is supposed to compensate (in the form of a lump-sum compensation) for the non-measured part of the prosumer's use of the distribution grid.

The prosumer tariff is set for each DSO separately. It is calculated based on the maximum AC capacity of the inverter (measured in kVA), since the regulator considers this calculation method to be the best possible indicator for the maximum impact the prosumer's installation has on the DSO's grid. The actual prosumer tariff, valid during 2023, is the result of the AC capacity in kVA multiplied by a set tariff which varies between EUR 38.56 (Fluvius Antwerpen) and EUR 50.05 (Gaselwest), 6% of VAT included. The most recent changes were introduced by the VREG in its Decision of 8 October 2021:

- (i) solar panel owners switching from an analogue (reverse) meter to a digital meter get to "take up" their built-up negative net balance, in the form of a one-off reduction on their next settlement invoice, to maximum the amount of their actual offtake of that first invoice as measured by the digital meter; any excess balance will be forfeited; and
- (ii) the monthly prosumer tariff will be split more evenly over the year, based on the normal amount of sunny hours per month.

The introduction of digital meters has changed the situation for prosumers who had the option, under the old Article 4.1.30/1 of the Energy Decree, for their digital meter to either (i) function, during a period of maximum 15 years, as a "virtually" reversing meter, in which case the prosumer tariff would remain due in combination with a remuneration for their compensated offtake or (ii) function as a proper digital meter (capable of separately measuring offtake and injection), and have their distribution grid fee calculated on the actual off-take volumes. With a judgment of 14 January 2021 (No 5/2021) however, the Constitutional Court annulled this arrangement deeming it to be discriminatory, given that grid users who did not own solar panels would not be able to benefit from it. As a result, the tariff methodology was amended and no longer takes into account the possibility of "virtual reverse metering". Consequently, the prosumer tariff can be applied only to prosumers with an actual, analogue reverse meter.

The introduction of the digital meter does not impact the electricity commodity price as such, nor the surcharges to be paid by the prosumer.

The introduction of the capacity tariff does not change the fact that consumers with a decentral electricity production installation equal to or below 10 kVA (most often solar panels) and a reversing analogue ("Ferraris") electricity meter remain liable to pay the prosumer tariff (instead of the capacity tariff) as set out above.

## **4.2 Regulatory framework for the Flemish sewerage intermunicipalities**

For a description of the regulatory framework on sewerage in Flanders, please refer to section 3.4 – 'Organisation of the Flemish sewerage market' of this Part VII – 'Description of the Issuer and the

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<sup>97</sup> Prior to the introduction of the prosumer tariff, the DSOs' distribution tariffs did not reflect the actual electricity volumes which were transiting over their grid (i.e., both off-take and injection), because prosumers only contributed to the network costs at the rate of the net balance measured on their reversing meter between the quantities consumed from and injected into the network (the so-called "compensated offtake" or "*gecompenseerde afname*"). As a consequence, a prosumer injecting 3,000 kWh and taking off 3,000 kWh in a given year, was only charged based on the net meter reading of a balance of zero off-take and zero injection. Hence, the DSOs were faced with a decrease of revenues and, therefore, afterwards in an upward pressure on the tariffs to be paid by non-prosumer grid users.

Guarantors', in which the legislative basis at the European and Flemish level is set out, the role of both the Flemish Environment Agency (VMM) and Aquafin are explained and the subsidy mechanism for sewerage projects in the Flemish region is commented upon.

#### 4.3 Regulatory and contractual framework for Flemish CATV intermunicipalities

On 1 October 2008, Fluvius Antwerpen (former Integan), Fluvius Limburg (former Interelectra and Inter-media), Fluvius West (former WVEM) and PBE, united within Interkabel, entered into an agreement with Telenet NV (the "**2008 Telenet Agreement**"), whereby Telenet NV acquired the analogue and digital subscriber base of these companies. Furthermore, a long-term lease of certain network assets was granted to Telenet NV at the occasion of this transaction. The Issuer and the relevant Guarantors now act as contractors for Telenet NV and they are responsible for the operation, maintenance, expansion and upgrading of the cable network.

In the same agreement, it was agreed upon that the cable companies could use the cable network to offer services to provinces, cities, municipalities and related local governments and public entities located in the area of the aforementioned Guarantors. Following the 2008 Telenet Agreement, Telenet NV has all rights to use substantially all of the network under a long-term lease for an initial period of 38 years. Telenet is contractually obliged to pay recurring fees in addition to the fees paid in relation to the Interkabel Contribution Deed (which was entered into by Telenet Vlaanderen NV in 1996, and remains in full force and effect) under certain pre-existing agreements with the relevant Guarantors that remain the network's legal owners. All capital expenditures associated with the network will be initiated by Telenet NV, but executed and pre-financed by the Guarantors through an increase of the lease payments due by Telenet NV to them, and will follow a 15-year reimbursement schedule. Telenet NV's usage rights on the network take the form of long-term lease agreements ("*erfpacht*"). Unless extended, the long-term leases will expire on 23 September 2046, and cannot be terminated earlier, except in the following cases:

- (a) non-payment of at least 25% by Telenet NV of its annual lease payments, which is not remedied within 100 business days; or
- (b) bankruptcy of Telenet NV.

However, in each such case of early termination, the long-term lease will not be terminated if Telenet NV is replaced by a Replacing Entity ("*Instappende Entiteit*" as defined in the long-term leases) within a certain time period. A Replacing Entity is any interested party that meets certain strict solvency requirements. In the event that a long-term lease is transferred to a Replacing Entity for an event that does not also lead to the automatic termination of the usage rights under the Interkabel Contribution Deed (see below), Telenet Vlaanderen NV will have the right (but not the obligation) to transfer its usage rights on the network to such Replacing Entity, subject to certain conditions. Under the terms of the Interkabel Contribution Deed, Telenet's usage rights to provide point-to-point services over the network will automatically terminate if, among other things, (i) there is a unanimous and definitive decision of the board of directors of Telenet NV to cease any direct or indirect development, installation or exploitation of its telecommunications network in Belgium, (ii) Telenet NV or Telenet Vlaanderen NV is declared bankrupt or placed into liquidation, (iii) certain provisions of the articles of association ("*statuten*") of Telenet Vlaanderen NV are amended in any way that is detrimental to the rights of Interkabel without Interkabel's written consent, (iv) the director of Telenet Vlaanderen NV nominated by Interkabel is dismissed for any reason without Interkabel's written consent and such director is not replaced by another director nominated by Interkabel or (v) Telenet Vlaanderen NV ceases to be an affiliate of Telenet NV. However, in each such case of early termination, the usage rights will not be terminated if Telenet Vlaanderen NV is replaced by a Replacing Entity (as defined in the Interkabel

Contribution Deed) within a certain time period. Telenet Vlaanderen NV has pre-emptive rights, with certain exceptions, with respect to any proposed transfer by Interkabel or any of Fluvius Antwerpen, Fluvius Limburg, Fluvius West and PBE of its respective interests in the network, or transfers by the latter of shares in Interkabel, at the price offered by a third party. For as long as Telenet Vlaanderen NV has the usage rights on the network under the Interkabel Contribution Deed, Interkabel has pre-emptive rights, with certain exceptions for transfers to certain affiliates, with respect to any proposed transfer of Telenet Vlaanderen NV shares, at the price offered by a third party. Interkabel and the relevant Guarantors have agreed not to dissolve their co-ownership structure in respect of the network voluntarily without the consent of Telenet Vlaanderen NV. The Issuer made use of the possibility provided for in the 2008 Telenet Agreement to use the cable network to offer services to provinces, cities, municipalities and related local governments and public entities located in the area of the aforementioned Guarantors and started a number of CATV grid-related services (Fluvius-LAN-net, Fluvius-TEL-net and Fluvius-INTER-net, together called “Fluvius Net”):

- Fluvius-LAN-net consists of a Local Area Network which links, through the cable network, all the buildings and services of the municipalities and allows for the exchange of information between these services.
- Fluvius-TEL-net consists of a telephone service over the cable network between the different services of the municipalities.
- Fluvius-INTER-net provides access to broadband internet to the municipality services and the schools.

The main characteristic of these services is that they are only available in municipalities where a relevant Guarantor owns the cable network. It should be noted, however, that following a review of its corporate strategy, the Issuer has decided to divest the aforementioned CATV grid-related services to local authorities, on the express condition that the new operator takes over these activities at the same (or improved) financial conditions for the local authorities and at the same (or improved) service levels. As at the date of this Base Prospectus, the divestment programme has not yet started and no specific target date has been put forward as this will largely depend on market circumstances and responses.

The legal basis for the CATV activity is based, on the one hand, on the federal Law of 13 June 2005 regarding electronic communication (published on 20 June 2005, which covers telecom and internet cables) and, on the other hand, on the Flemish Media Decree of 27 March 2009 (published on 27 March 2009, which covers CATV cables).

### **Fast data network**

On 26 June 2020<sup>98</sup>, the Issuer formally announced the start of talks with Telenet about the realisation of a fast data network of the future for the Flemish Region. The Issuer had taken this step after having set up five fibre-to-the-home (“FTTH”) pilot projects covering in total 15,000 homes passed (in Antwerp, Genk, Ghent, Diksmuide and Poperinge) and in which it only provides the open fibre infrastructure without offering any services. The pilot projects prompted the Issuer’s concern that, in the long term, a new digital divide may arise in Flanders with certain regions and customers gaining access to new, faster data connections, while others might completely lag behind. A potential partnership with Telenet would allow for the development of a high-quality and fast data network for all customers.

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<sup>98</sup> For the entire text of the press release, see <https://over.fluvius.be/sites/fluvius/files/2020-06/fluvius-and-telenet-talk-about-data-netwerk-of-the-future.pdf>. Information contained on this website does not form part of this Base Prospectus.

On 19 July 2022<sup>99</sup>, the Issuer and Telenet entered into a binding agreement to take a joint next step in the realisation of the FTTH project. Pursuant to this agreement, the Issuer and Telenet aim to provide speeds of 10 Gbps across the entire footprint in time, for which there is a clear roadmap. As announced in October 2021, a new independent self-funding infrastructure company will be incorporated for this purpose (“NetCo”), of which Telenet will own 66.8% and the Issuer will own 33.2%. Combining Telenet’s and the Issuer’s fixed network assets, NetCo will invest in the gradual evolution of their current hybrid fiber coaxial (“HFC”) network infrastructure into an FTTH network. It is intended that NetCo, by 2038, equips 78% of all homes that are currently connectable in Flanders with FTTH, through a combination of own build and/or a potential collaboration with external partners. Telenet’s footprint in parts of Brussels and Wallonia will also be included in NetCo and be part of NetCo’s investments. The estimated investment of up to EUR 2 billion (excluding termination capital expenditures) will be funded through NetCo’s cash flow as well as additional intragroup financing facilities and will therefore not require any incremental external financing. Most of this investment will be done within the first eight years from this agreement. NetCo will also focus on upgrading the existing HFC network in areas where FTTH will not be deployed. This will ensure that everyone in Flanders will continue to enjoy the fastest and most reliable internet connection.

On 17 November 2022, the Issuer and Telenet announced that they have been informed that the binding agreement between them falls within the scope of the EU Merger Regulation and hence must be notified for prior approval by the European Commission’s Directorate General for Competition. The European Commission granted clearance on 31 May 2023, and it is expected that the Issuer and Fluvius will deploy NetCo on 1 July 2023.

The Issuer’s main goals in relation to the development of the “data network of the future” are:

- to create a fibre data network that is available to all Flemish families and businesses, both in urban and rural areas;
- to create an open network with an open structure and non-discriminatory conditions allowing full and free competition between service companies;
- to create a new data network that will, in the long term, allow even higher data speeds than today; and
- the roll-out to take place at the lowest possible social cost and in a sustainable way.

Within the business of the Issuer, this activity will be carried out completely independently from its regulated energy distribution activities.

## **5 Selected Financial Information Concerning the Issuer and the Fluvius Economic Group**

### **5.1 Selected historical financial information of the Issuer for the financial years ended on 31 December 2021 and 31 December 2022**

The following tables set out in summary form certain information from the statement of financial position, the income statement and the cash flow statement relating to the Issuer. The information has been extracted from the audited consolidated annual financial statements of the Issuer as of and for the years ended 31 December 2021 and 31 December 2022.

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<sup>99</sup> For the entire text of the press release, see <https://over.fluvius.be/sites/fluvius/files/2022-07/Telenet-and-fluvius-reached-binding-agreement-data-network-of-the-future.pdf>. Information contained on this website does not form part of this Base Prospectus.

*Description of the Issuer and the Guarantors*

The audited consolidated annual financial statements of the Issuer as of and for the year ended 31 December 2021 have been approved by the Issuer's Annual General Meeting of Shareholders on 8 June 2022. The audited, consolidated financial annual statements of the Issuer as of and for the year ended 31 December 2022 are put forward for approval by the Issuer's Annual General Meeting of Shareholders on 24 May 2023.

These audited consolidated annual financial statements of the Issuer have been prepared in accordance with IFRS. The Issuer's auditor delivered an unqualified report on these audited consolidated annual financial statements both for the year ended 31 December 2021 and for the year ended 31 December 2022.

*Consolidated statement of profit or loss as at 31 December 2021 and 31 December 2022 and for the years then ended*

<b>(In thousands of EUR)</b>	<b>Notes</b>	<b>2022</b>	<b>2021</b>
<b>Operating revenue</b>	<b>3</b>	<b>2.011.644</b>	<b>1.839.806</b>
Revenue from contracts with customers		1.943.672	1.762.323
Other operating income		67.972	77.483
<b>Operating expenses</b>		<b>-1.999.662</b>	<b>-1.824.892</b>
Cost of trade goods	4	-253.907	-204.564
Cost for services and other consumables	5	-1.083.894	-996.650
Employee benefit expenses	6	-645.989	-596.413
Depreciation, amortization, impairments and changes in provisions	7	-14.032	-26.080
Other operational expenses		-1.840	-1.185
<b>Result from operations</b>		<b>11.982</b>	<b>14.914</b>
Finance income	8	119.430	116.980
Finance costs	8	-124.182	-124.752
<b>Profit before tax</b>		<b>7.230</b>	<b>7.142</b>
Income tax expenses	9	-7.230	-7.142
<b>Profit for the period</b>		<b>0</b>	<b>0</b>

*Consolidated statement of comprehensive income as at 31 December 2021 and 31 December 2022 and for the years then ended*

(In thousands of EUR)	Notes	2022	2021
<b>Profit for the period</b>		<b>0</b>	<b>0</b>
<b>Other comprehensive income</b>			
<b>Items not to be reclassified to profit or loss in subsequent periods</b>			
Actuarial gains (losses) on long-term employee benefits	24	51.815	113.363
Actuarial gains (losses) on rights to reimbursement on post-employment employee benefits	24	-51.815	-113.363
<b>Net other comprehensive income not being reclassified to profit or loss in subsequent periods</b>		<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>		<b>0</b>	<b>0</b>

*Consolidated statement of financial position as at 31 December 2021 and 31 December 2022 and for the years then ended*

(In thousands of EUR)	Notes	2022	2021
<b>Non-current assets</b>		<b>5.324.371</b>	<b>5.031.755</b>
Intangible assets	10	429	988
Property, plant and equipment	11	1.928	2.473
Right-of-use assets	12	24.774	34.138
Investment in joint ventures and associates	13	17	17
Other investments	14, 28	863	828
Rights to reimbursement on post-employment employee benefits	15	154.889	196.584
Derivative financial instruments	16, 28	704	0
Long-term receivables, other	17, 28	5.140.787	4.796.727
<b>Current assets</b>		<b>1.565.396</b>	<b>1.466.053</b>
Inventories	18, 28	183.720	141.116
Trade and other receivables	17, 28	700.000	500.000
Current tax assets	19, 28	333.702	344.715
Cash and cash equivalents	19, 28	277.027	417.318
Assets held for sale	20, 28	79.144	62.904
Current assets	21, 28	11.803	0
<b>TOTAL ASSETS</b>		<b>6.889.767</b>	<b>6.497.808</b>
<b>EQUITY</b>	<b>22</b>	<b>1.617</b>	<b>1.617</b>
<b>Total equity attributable to owners of the parent</b>		<b>1.517</b>	<b>1.517</b>
Contributions excluding capital, other		1.517	1.517
<b>Non-controlling interest</b>		<b>100</b>	<b>100</b>
<b>LIABILITIES</b>		<b>6.888.150</b>	<b>6.496.191</b>
<b>Non-current liabilities</b>		<b>5.277.248</b>	<b>5.036.071</b>
Interest bearing loans and borrowings	23, 28	5.105.241	4.810.494
Lease liabilities	12, 28	17.138	24.880
Employee benefit liabilities	24	154.889	195.283
Derivative financial instruments	16, 28	0	4.133
Provisions	24	0	1.321
<b>Current liabilities</b>		<b>1.610.902</b>	<b>1.460.120</b>
Interest bearing loans and borrowings	23, 28	1.053.038	963.078
Lease liabilities	12, 28	8.601	10.099
Trade payables and other current liabilities	25, 28	399.994	330.606
Current tax liabilities	19, 28	146.235	154.030
Liabilities directly associated with the assets held for sale	9, 26	3.036	2.307
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6.889.767</b>	<b>6.497.808</b>

## Consolidated cash-flow statement as at 31 December 2021 and 31 December 2022 and for the years then ended

(In thousands of EUR)	Notes	2022	2021
Profit for the period		0	0
Amortization of intangible assets	7, 10	629	610
Depreciation on property, plant and equipment and right-of-use assets	7, 11	12.490	13.023
Change in provisions (Reversal -; Recognition +)	7, 24	-1.321	-115
Impairment current assets (Reversal -; Recognition +)	7, 26	2.234	12.562
Gains or losses on realization receivables		1.185	386
Net finance costs		9.588	9.639
Change in fair value of derivative financial instruments	16	-4.836	-1.867
Gains or losses on sale of property, plant and equipment		-7	-7
Income tax expense	9	7.230	7.142
Change in inventories	18	-34.407	-43.820
Change in trade and other receivables		27.843	76.969
Change in trade payables and other current liabilities		56.638	-94.828
Change in employee benefits	24	1.321	115
Interest paid		-106.674	-125.179
Interest received		101.444	132.857
Financial discount on debts		183	176
Income tax paid (received)	9	-6.499	-7.039
<b>Net cash flow from operating activities</b>		<b>67.041</b>	<b>-19.376</b>
Proceeds from sale of property, plant and equipment		7	7
Purchase of intangible assets		-70	-93
Purchase of property, plant and equipment		-380	-241
Proceeds from sale of companies and other investments		0	100
Net investments in long-term receivables		11	-89
<b>Net cash flow used in investing activities</b>		<b>-432</b>	<b>-316</b>
Repayment of borrowings	23	-503.500	-503.500
Proceeds from borrowings	23	349.650	199.800
Proceeds from bonds/borrowings	23	695.381	1.191.244
Payment of finance lease liabilities	12	-12.884	-12.825
Change in current financial liabilities	23	-160.120	-87.480
Change in cash pool	19	132.496	193.667
Provide long-term loans	17	-1.051.392	-1.400.000
Repayment of borrowings		500.000	500.000
<b>Net cash flow from/used in financing activities</b>		<b>-50.369</b>	<b>80.906</b>
<b>Net increase/decrease in cash</b>		<b>16.240</b>	<b>61.214</b>
<b>Cash and cash equivalents at the beginning of period</b>	<b>20</b>	<b>62.904</b>	<b>1.690</b>
<b>Cash and cash equivalents at the end of period</b>	<b>20</b>	<b>79.144</b>	<b>62.904</b>

## 5.2 Selected consolidated historical financial information of Fluvius Economic Group for the financial years ended 31 December 2021 and 31 December 2022 and for the years then ended

The following tables set out in summary form certain information from the statement of financial position, the statement of profit or loss, the statement of comprehensive income and the cash flow statement relating to the Fluvius Economic Group. The information has been extracted from the audited consolidated annual financial statements of the Fluvius Economic Group for the years ended



31 December 2021 and 31 December 2022. These consolidated statements of the Fluvius Economic Group have been prepared in accordance with IFRS.

The statutory auditor of the Fluvius Economic Group has issued an unqualified opinion on both of these audited consolidated annual financial statements. These however contain an emphasis of matter paragraph which describes the specificities of the regulatory framework and tariffs and the related accounting treatment, as well as the uncertainties related to the balances resulting from the tariff settlement mechanism.

*Fluvius Economic Group's consolidated statement of profit or loss as at 31 December 2021 and 31 December 2022 and for the years then ended*

### Consolidated statement of profit or loss

(In thousands of EUR)	Notes	2022	2021
<b>Operating revenue</b>	<b>4</b>	<b>3.249.064</b>	<b>3.771.814</b>
Revenue from contracts with customers		2.400.414	3.038.293
Other operating income		206.082	167.287
Own construction, capitalized		642.568	566.234
<b>Operating expenses</b>		<b>-2.824.971</b>	<b>-3.326.851</b>
Cost of trade goods	5	-1.161.151	-1.527.942
Cost for services and other consumables	6	-531.059	-474.940
Employee benefit expenses	7	-662.017	-615.650
Depreciation, amortization, impairments and changes in provisions	8	-551.306	-527.527
Other operational expenses	9	-105.783	-90.895
Regulated transfers	10, 36	186.345	-89.897
<b>Result from operations</b>		<b>424.093</b>	<b>444.963</b>
Finance income	11	149.937	126.481
Finance costs	11	-163.733	-169.247
<b>Profit before tax</b>		<b>410.297</b>	<b>402.197</b>
Income tax expenses	12	-64.549	-100.249
<b>Profit for the period</b>		<b>345.748</b>	<b>301.948</b>

*Fluvius Economic Group's consolidated statement of comprehensive income as at 31 December 2021 and 31 December 2022 and for the years then ended*

### Consolidated statement of comprehensive income

(In thousands of EUR)	Notes	2022	2021
<b>Profit for the period</b>		<b>345.748</b>	<b>301.948</b>
<b>Other comprehensive income</b>			
<b>Items not to be reclassified to profit or loss in subsequent periods</b>			
Actuarial gains (losses) on long-term employee benefits	25	278.114	373.628
Actuarial gains (losses) on rights to reimbursement on post-employment employee benefits	25	-198.553	-241.960
Fair value other investments	17	368.565	342.147
Deferred tax gains (losses)	12	-9.865	-22.906
<b>Net other comprehensive income not being reclassified to profit or loss in subsequent periods</b>		<b>438.261</b>	<b>450.909</b>
<b>Total comprehensive income for the period</b>		<b>784.009</b>	<b>752.857</b>

Fluvius Economic Group's consolidated statement of financial position as at 31 December 2021 and 31 December 2022 and for the years then ended

(In thousands of EUR)	Notes	2022	2021
<b>Non-current assets</b>		<b>15.390.010</b>	<b>15.370.673</b>
Intangible assets	13	113.541	120.327
Property, plant and equipment	14	12.340.362	12.035.709
Right-of-use assets	15	27.869	38.633
Investment in joint ventures and associates	16	2.017	2.017
Other investments	17, 31	2.789.354	2.413.967
Rights to reimbursement on post-employment employee benefits	25	15.461	208.061
Derivative financial instruments	26, 31	1.890	0
Long-term receivables, other	18, 31	99.516	551.959
<b>Current assets</b>		<b>1.852.487</b>	<b>1.328.507</b>
Inventories	19	163.720	141.116
Trade and other receivables	20, 31	952.355	1.086.210
Current tax assets	30, 31	8.362	11.845
Cash and cash equivalents	21, 31	80.229	89.336
Assets held for sale	22, 31	647.821	0
<b>TOTAL ASSETS</b>		<b>17.242.497</b>	<b>16.699.180</b>
<b>EQUITY</b>	<b>23</b>	<b>7.823.207</b>	<b>7.247.361</b>
<b>Total equity attributable to owners of the parent</b>		<b>7.823.107</b>	<b>7.247.261</b>
Contributions excluding capital, other		2.762.203	2.749.249
Contributions excluding capital, issue premiums		127.411	127.411
Reserves		1.768.794	1.734.714
Other comprehensive income		1.971.404	1.533.143
Retained earnings		1.193.295	1.102.744
<b>Non-controlling interest</b>		<b>100</b>	<b>100</b>
<b>LIABILITIES</b>		<b>9.419.290</b>	<b>9.451.819</b>
<b>Non-current liabilities</b>		<b>7.375.115</b>	<b>7.330.192</b>
Interest bearing loans and borrowings	24, 31	6.335.497	5.977.365
Lease liabilities	15, 31	21.055	29.379
Employee benefit liabilities	25	290.376	559.430
Derivative financial instruments	26, 31	2.076	41.776
Provisions	27	9.425	9.240
Deferred tax liability	12	362.504	376.341
Government grants	28	354.182	336.661
<b>Current liabilities</b>		<b>2.044.175</b>	<b>2.121.627</b>
Interest bearing loans and borrowings	24, 31	1.277.516	1.218.743
Lease liabilities	15, 31	10.558	12.094
Trade payables and other current liabilities	29, 31	749.849	886.861
Current tax liabilities	30, 31	5.687	3.929
Liabilities directly associated with the assets held for sale		565	0
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>17.242.497</b>	<b>16.699.180</b>

Fluvius Economic Group's consolidated cash-flow statement as at 31 December 2021 and 31 December 2022 and for the years then ended

(In thousands of EUR)	Notes	2022	2021
Profit for the period		345.748	301.948
Amortization of intangible assets	8	42.166	39.304
Depreciation on property, plant and equipment and right-of-use assets	8	492.445	463.607
Change in provisions (Reversal -; Recognition +)	8	185	468
Impairment current assets (Reversal -; Recognition +)	8	16.510	24.148
Gains or losses on realization receivables	4, 9	11.783	8.178
Net finance costs		62.225	69.900
Change in fair value of derivative financial instruments	26	-41.590	-20.941
Gains or losses on sale of property, plant and equipment	4, 9	87.292	75.992
Movement in government grants	28	-6.840	-6.193
Income tax expense	12	64.549	100.249
Change in inventories		-34.407	-43.820
Change in trade and other receivables		55.247	-323.241
Change in trade payables and other current liabilities		-149.394	91.856
Change in employee benefits		3.107	20.036
Interest paid		-146.160	-169.584
Interest received		88.905	89.669
Financial discount on debts	11	183	177
Income tax paid (received)	12	-83.010	-106.500
<b>Net cash flow from operating activities</b>		<b>808.944</b>	<b>615.253</b>
Proceeds from sale of property, plant and equipment		2.981	5.653
Purchase of intangible assets	13	-37.694	-45.328
Purchase of property, plant and equipment	14	-1.010.285	-901.946
Proceeds from sale of companies and other investments		5	100
Net investments in long-term receivables		11	-73
Receipt of a government grant	28	24.864	48.128
<b>Net cash flow used in investing activities</b>		<b>-1.020.118</b>	<b>-893.466</b>
Proceeds from contributions excluding capital		17.202	23.138
Repayment of contributions excluding capital		-4.345	-528
Repayment of borrowings	24	-710.574	-730.549
Proceeds from borrowings	24	599.650	235.218
Proceeds from bonds/borrowings	24	695.381	1.191.244
Payment of finance lease liabilities	15	-16.467	-15.457
Change in current financial liabilities	24	-165.717	-87.372
Provide long-term loans		0	-1.789
Repayment long-term loans		7.957	7.513
Dividends paid	23	-221.020	-285.197
<b>Net cash flow from/used in financing activities</b>		<b>202.067</b>	<b>336.221</b>
<b>Net increase/decrease in cash</b>	<b>21</b>	<b>-9.107</b>	<b>58.008</b>
Cash and cash equivalents at the beginning of period	21	89.336	31.328
Cash and cash equivalents at the end of period	21	80.229	89.336

### 5.3 Financing policy of the Fluvius Economic Group

#### General

For its activities, the Fluvius Economic Group attracts financing from various sources. The Fluvius Economic Group primarily addresses short-term funding needs through its commercial paper programme as well as through various short-term revolving credit facilities. All bond and note financing of the Fluvius Economic Group is entered into by Fluvius System Operator and guaranteed by the

Guarantors. No third parties have granted guarantees in respect of the indebtedness of the Fluvius Economic Group. As at the date of this Base Prospectus, the Issuer is not subject to any financial covenant, nor has it granted any security, under its financing arrangements.

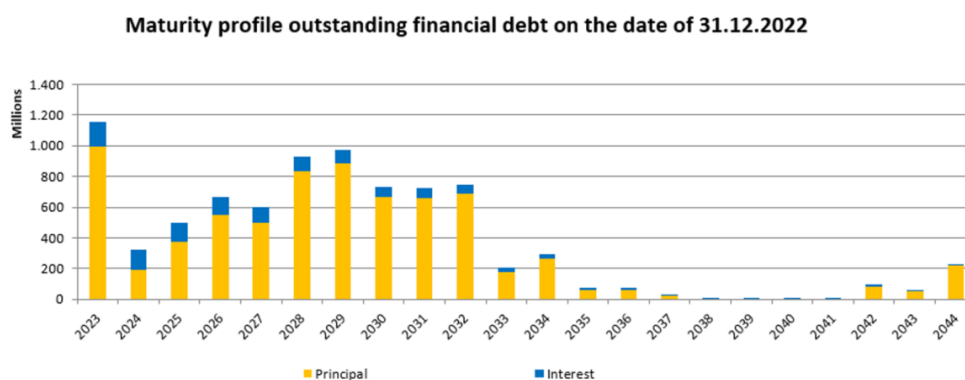
It is the Issuer's and the Guarantors' intention to move in the long term towards a balance sheet structure for each individual Guarantor in which a maximum of up to 60 per cent. of their assets is financed through debt (for regulatory purposes calculated according to Belgian GAAP). This proportion was established by the VREG in its tariff methodology for the determination of the Guarantors' distribution tariffs for both electricity and gas. However, for credit rating purposes and, more specifically, in order to maintain a favourable credit rating with the rating agencies Moody's Investors Service Ltd. and Creditreform Rating AG, the Fluvius Economic Group aims to retain a sufficient level of equity on its balance sheet.

As at 31 December 2022, 20.10% of the total indebtedness of the Fluvius Economic Group was directly incurred by the Guarantors (compared to 21.33% as at 31 December 2021).

*Long-term financing*<sup>100</sup>

The total amount of long-term interest-bearing debt of the Fluvius Economic Group that is currently outstanding amounts to EUR 7,293.5 million as of 31 December 2022 (compared to EUR 6,710.9 million as at 31 December 2021).

The Fluvius Economic Group strives to optimise the maturity profile of its debt. The principal amounts and interests to be paid by the Fluvius Economic Group on its long-term financing are set out in the maturity profile below (situation as at 31 December 2022, taking into account the current position of long-term financing):

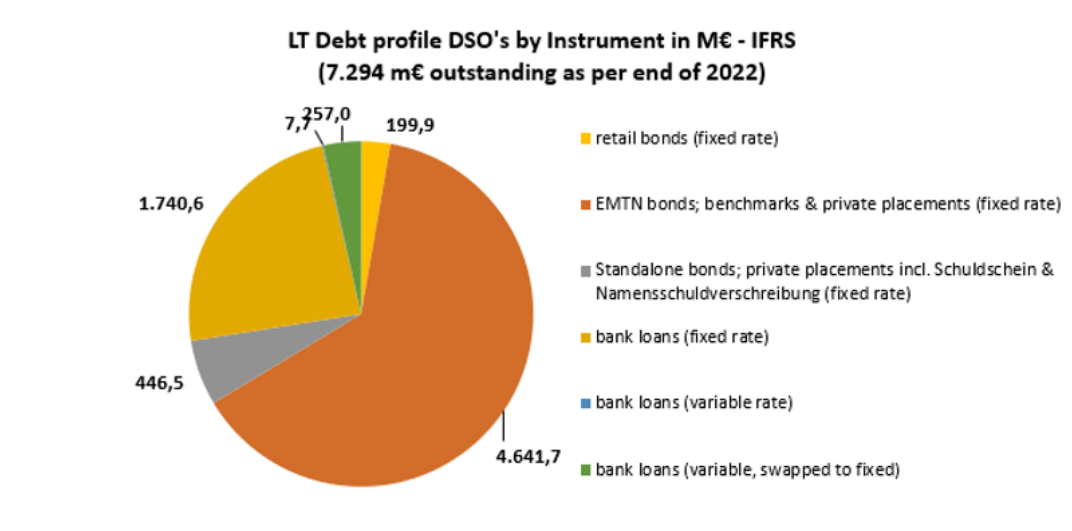


Long-term financing is obtained through a broad range of financial instruments: bank loans, (sub)benchmark bonds, retail bonds and private placement debt instruments. Such financing enables the Guarantors to finance their investment and operational activities. All funds raised by the Issuer are entirely passed through to the Guarantors at the same conditions of maturity and interest rates.

All bank loans are directly entered into by the DSOs themselves, after a tendering procedure carried out by the Issuer on their behalf. So, the amounts raised through bank loans do not figure on the Issuer's statements of financial position. On the other hand, bonds and private placement debt instruments are issued by Fluvius System Operator and guaranteed by the Guarantors. The amounts thus raised are immediately passed through to the Guarantors. As a consequence, the amounts raised in bonds and

<sup>100</sup> This includes the current portion of the long-term financing.

private placement debt instruments are figuring both as a liability to bondholders and as an asset (a receivable, payable by the Guarantors to the Issuer) on the Issuer's statement of financial position in the annual financial statements. In April 2021, the Issuer drew the first two tranches (for a total amount of EUR 200 million and a 7-year maturity) under a EUR 425 million credit facility granted by the European Investment Bank (EIB). As at the date of this Base Prospectus, the remaining amount of EUR 225 million was not yet drawn. The proceeds are to be used to finance the investments in digital metering for electricity. Furthermore, in May 2022, the Issuer drew the first tranche (for an amount of EUR 150 million and a 5-year maturity) under a EUR 350 million credit facility granted by the EIB. The remaining tranche of EUR 200 million was drawn on 15 November 2022, also with a 5-year maturity. The proceeds of these loans are to be used to finance investments in the electricity grid infrastructure in the Flemish Region for the purpose of supporting the energy transition. The loans with the EIB are guaranteed on a several and proportionate but not joint basis by the ten Guarantors with electricity distribution activities. Furthermore, in April 2021, the Issuer realised a private placement under the Programme for an amount of EUR 100 million with a 12-year maturity. Through this transaction, the Issuer was able to reduce its short-term financing. In June 2021, the Issuer realised an EMTN benchmark bond transaction for an amount of EUR 500 million with a 7-year maturity. These proceeds are to be used to finance the investments in gas distribution in the period 2022-2026 and to reduce the short-term financing in the Publi-T participation. In November 2021, the Issuer realised an EMTN benchmark bond transaction for an amount of EUR 600 million with a 10-year maturity. These proceeds are to be used as well to finance the investments in gas distribution and to reduce the short-term financing in the heating grids activity and public lighting activity. Furthermore, in July 2022, the Issuer realised another benchmark issuance for an amount of EUR 500 at a 10-year maturity; and over the course of 2022, the Issuer realised several private placement issuances for an aggregate amount of EUR 200 million, with varying tenors. Lastly, in May 2023, the Issuer realised a EUR 700 million benchmark bond at a 10-year maturity with a coupon of 3.875% and an issue price of 99.350%.



A complete overview of the outstanding bonds and private placement debt instruments as at 1 June 2022 is presented in the following table (in order of maturity). These bonds and private placement instruments all have a fixed interest rate.

Type	E = Eandis I = Infrac F = Fluvius	Amount (€)	Settlement date	Maturity date	Maturity (years)	Coupon
EMTN benchmark	E	500	09/10/2013	9/10/2023	10	2.875%
EMTN subbenchmark	I	250	30/10/2013	30/10/2023	10	3.75%
Retail Bond	E	200	23/06/2017	23/06/2025	8	2.00%
EMTN benchmark	E	400	04/12/2014	4/12/2026	12	1.75%
Schuldschein	E	50	21/09/2012	21/09/2027	15	3.50%
EMTN Private Placement	E	54.5	28/03/2013	28/03/2028	15	3.50%
EMTN benchmark	F	500	14/06/2021	14/06/2028	7	0.25%
EMTN benchmark	E	550	07/05/2014	7/05/2029	15	2.875%
EMTN subbenchmark	I	250	29/10/2014	29/10/2029	15	2.625%
EMTN benchmark GREEN	F	600	02/12/2020	2/12/2030	10	0.25%
EMTN benchmark	F	600	24/11/2021	24/11/2031	10	0.625%
EMTN benchmark	F	500	06/07/2022	6/07/2032	10	4.00%
EMTN Private Placement	E	50	10/07/2012	10/07/2032	20	3.95%
EMTN Private Placement	E	5	10/07/2012	10/07/2032	20	3.95%
EMTN Private Placement	E	55	10/07/2012	10/07/2032	20	3.95%
EMTN Private Placement	E	25.5	10/07/2012	10/07/2032	20	3.95%
EMTN Private Placement	E	20.5	28/03/2013	28/03/2033	20	3.75%
EMTN Private Placement	F	100	8/04/2021	8/04/2033	12	0.81%
EMTN benchmark	F	700	9/05/2023	9/05/2033	10	3.875%
EMTN Private Placement	F	50	20/09/2022	20/09/2034	12	4.278%
Private Placement	E	95	27/10/2014	27/10/2034	20	2.60%
EMTN Private Placement	F	50	07/11/2022	7/11/2034	12	4.625%
EMTN Private Placement	F	15	15/11/2022	15/11/2034	12	4.61%
Private Placement	E	23	05/03/2014	5/03/2036	22	3.55%
EMTN Private Placement	F	50	28/10/2022	28/10/2042	20	4.778%
EMTN Private Placement	F	35	15/12/2022	15/12/2042	20	4.254%
Namenschuldverschreibung	E	50	24/06/2013	24/06/2043	30	3.50%
Private Placement	E	52	05/03/2014	5/03/2044	30	3.55%
Private Placement	E	170	27/10/2014	27/10/2044	30	3.00%

The *Schuldschein* and *Namenschuldverschreibung* debt instruments mentioned in the table above are long-term debt instruments under German law.

As at the date of this Base Prospectus, the Fluvius Economic Group is not in default under any covenants set out in long-term financing agreements.

#### Short-term financing

The Fluvius Economic Group has the benefit of various financing arrangements for a total amount of EUR 925 million to cater for its short-term financing needs. See the following table for more details (situation as at 31 December 2022):

Facility	Amount	Counterparties	Committed?
Cash facility / straight loan	EUR 225 million	2 banks	yes
Revolving credit	EUR 200 million	1 bank	yes
Commercial Paper programme	EUR 500 million	4 banks	no

As at 31 December 2022, EUR 319.5 million short-term financing was outstanding (compared to EUR 485.2 million as at 31 December 2021).

The Information Memorandum on the Issuer's Commercial Paper (CP) programme dated February 2019 is available on the Issuer's website: <https://www.fluvius.be/sites/fluvius/files/2019-11/cp-fluvius-info-memo-2019.pdf>. Information contained on this website does not form part of this Base Prospectus.

## 6 Legal and arbitration procedures

### 6.1 Legal and arbitration proceedings of the Issuer

#### *Legal Proceedings*

With the exception of the proceedings about the gas explosion in Wilrijk (see below), the Issuer is currently not involved in any other governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have or have had in the twelve months preceding the date of this Base Prospectus a significant effect on the financial position or profitability of the Issuer.

- Gas explosion in *Wilrijk (Antwerp)*: At the request of the public prosecutor's office in Antwerp, the free-trial court (*raadkamer*) referred, on 30 September 2020, the Issuer, its CEO and its Director Grid Operations to the First Instance Criminal Court (*correctionele rechtbank*) for their possible involvement in the gas explosion in *Wilrijk (Antwerp)* on 3 September 2019. One person died and three people were severely injured by this explosion, and it caused considerable material damage. Pleadings before the First Instance Criminal Court of Antwerp took place in March 2021 and the Issuer argued extensively to show that the company, its managers and employees are not to blame for these tragic events. In April 2021, the court ruled the acquittal of both managers and the simple declaration of guilt of the Issuer with suspension of sentence. On 27 May 2021, the Issuer lodged an appeal against this judgment in respect of the declaration of guilt. A first hearing before the Court of Appeal took place on 18 May 2022 and it was decided to appoint an expert to provide an opinion on the circumstances of the explosion. A judgment is expected following the submission of the expert's opinion. The appeal hearing has been postponed until the end of June 2023 to allow the expert more time to finalise its report. In addition, a civil procedure is also ongoing before the Enterprise Court in Antwerp in relation to the claims of those affected. This procedure is on hold until the Court of Appeal rules in the criminal case.
- On 14 January 2021, the Belgian Constitutional Court (*Grondwettelijk Hof*) struck down various provisions of the Decree of the Flemish Region of 26 April 2019 amending the Energy Decree of 8 May 2009 in respect of the roll-out of digital meters and amending Article 7.1.1, 7.1.2 and 7.1.5 of that Decree introducing digital meters. More specifically, the Court struck down the temporary maintenance of the compensation mechanism (the "reversing electricity meter") and the prosumer tariff. The Court further annulled the charging to grid users of the costs of installing smart meters and putting them into service, as well as the ability to cut off users from the electricity grid if they obstruct the installation of a smart meter, unless an opinion is first obtained from the Local Advisory Committee (LAC). Lastly, the Court held that every grid user should be able to choose to have wired communications to and from the smart meter rather than wireless. The annulment took effect as from the publication of the judgment in the Belgian State Gazette on 1 March 2021 and does not apply retroactively.

The judgment has far-reaching consequences for the Issuer and other market participants. In conjunction with the Flemish Minister for Energy and the Flemish energy regulator VREG, the Issuer has decided to temporarily suspend the accelerated switch to smart meters for existing prosumers and not to restart it until new, approved legislation is in place. Smart meters are still being installed in specific situations, such as replacements for faulty meters, overcoupling with voltage changes, tariff changes (from single hourly tariff to time-of-use tariff), enhancements or meters installed on request.

The Issuer has abandoned the target of providing smart meters to all solar panel owners by the end of 2022. They will now be included in the accelerated geographical roll-out and will receive smart meters over the period from 2021 to 2029. The general targets remain in place: 80% smart meters by 2024 and universal smart metering by 1 July 2029.

Prosumers who already have a smart meter, will no longer have to pay the prosumer tariff. Since the publication of the judgment of the Constitutional Court in the Belgian State Gazette (on 1 March 2021), their electricity bills are based on the electricity that they actually offtake from the grid (including energy cost, standing charges, kWh-based taxes and VAT). They are able to obtain payment from their supplier for the electricity they feed in. This system also applies to new prosumers who joined as from 1 January 2021.

The VREG has now adjusted the 2021-2024 distribution tariff methodology in line with the judgment of the Constitutional Court (VREG decision 2021-07). This change also took effect as from the publication date of the judgment of the Constitutional Court.

Further discussions are still ongoing with the Flemish government and the VREG on a number of points, such as the specific approach to customers who claim to be sensitive to electromagnetic radiation. In collaboration with the VREG and the Flemish government, the Issuer is implementing an action plan towards grid users that refused a digital meter for unjustified reasons. This approach aims at the enforced instalment of a digital meter via Court order, by lack of an amicable solution. On 29 April 2022, the Flemish Parliament amended the Energy Decree by introducing a public service obligation for the electricity DSOs. The amendment provides for a premium for network users with decentralised generation facilities having a nominal capacity of no more than 10 kVA in order to compensate for the judicial annulment, by the Constitutional Court on 14 January 2021, of the regulation on the compensation of injection and offtake. Following this change, the VREG decided that the costs incurred by electricity DSOs related to this new financial public service obligation should also be considered exogenous costs, given their analogous character to the other financial public service obligations on the stimulation of RUE, the net costs of which are also considered to be exogenous costs.<sup>101</sup>

### *Insurance Proceedings*

The Issuer is currently not involved in any insurance proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have or have had in the twelve months preceding the date of this Base Prospectus a significant effect on the financial position or profitability of the Issuer.

## **6.2 Legal and arbitration proceedings of the Guarantors**

### *Legal Proceedings*

The summary below gives an overview of the proceedings that may have a material impact on one or more of the Guarantors as at the date of this Base Prospectus.

- *DSOs – distribution tariffs*: Zonstraal VZW is disputing the prosumer's tariff (VREG tariff methodology 2015-2016). Claimant brought the case before both the Brussels' Court of Appeal and the Council of State (*Raad van State*). The latter has declared itself competent (8 June 2017). In a second proceeding on the same matter (but relating to the tariff methodology 2017-2020 established by the Flemish energy regulator, the VREG), this time before the Markets Court (*Marktenhof*), the

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<sup>101</sup> VREG Decision of 27 June 2022 ('BESL-2022-60').



Markets Court ruled on 22 November 2017 in favour of the VREG. Since this ruling, no new elements or evolutions have appeared. Regardless of the outcome of the proceedings, the DSOs will not be subject to any material adverse financial impact, since they are able to pass through any potential costs in the distribution grid tariffs.

- *Proximus litigation:* The Antwerp Court of Appeal ruled on 18 December 2017 on the claim for damages brought by the telecom operator Proximus against Interkabel and the Guarantors with CATV activities. Proximus's claim was rejected by the Court of Appeal. At the end of June 2019, Proximus decided to file an appeal with the Court of Cassation against this judgment of the Antwerp Court of Appeal. Interkabel and the Guarantors involved in this case filed their conclusions to the Court of Cassation on 27 September 2019. Telenet also filed their conclusions. On 22 January 2021, the Court of Cassation ruled that the judgment of the Court of Appeal of Antwerp should be partially annulled. The partial annulment only relates to the point that the Antwerp Court of Appeal did not sufficiently justify its rejection of Proximus's demand to annul the agreement between Telenet and the DSOs, but does not express an opinion on this point. In order to examine and rule on this, the case is referred to the Brussels Court of Appeal for a retrial on this point. The Court of Cassation did not annul the rejection by the Antwerp Court of Appeal of Proximus's claim for compensation, which may therefore be definitively rejected. Proximus has reintroduced before the Brussels Court of Appeal amongst others a claim for compensation (for EUR 1.00 provisionally) for the supposed wrongful closure and execution of the agreement with Telenet. However, the contracts between Telenet and the DSOs contain an indemnity clause in favour of the relevant DSOs which limits the DSOs' liability to a maximum amount of EUR 20 million in case of a negative outcome of the judicial proceedings. Any amounts exceeding EUR 20 million will have to be borne by Telenet. An amount of EUR 20 million has been recognised in the DSO accounts as a provision (this provision is only recognised in the Belgian GAAP accounts, not in the accounts according to IFRS). The DSOs filed their last conclusion on 27 February 2023. The pleading date is not yet known.

#### *Insurance Proceedings*

In the course of their normal activities, the Guarantors are confronted with a large number of insurance proceedings that are separately not material but taken all together could have a material impact on the financial position or profitability of one or more Guarantors. In the following paragraph an aggregated overview of the insurance proceedings in which at least one of the Guarantors is involved is presented. Note that not all of the disputes listed below have led or will lead to a legal proceeding, taking into account that many of them are expected to be settled amicably by agreement between the DSO and the end user.

As for the period from 1 January 2022 until 31 December 2022:

- the Guarantors were involved in 7,094 claims of third parties, of which 108 were under consideration of their insurer. Claims were paid out to third parties for a total amount of EUR 1,845,211.32;
- the Guarantors closed 50 cases which were pending in legal proceedings, of which 10 were under consideration of their insurer. Claims were paid out to third parties for a total amount of EUR 1,082,351.40 in relation to these closed legal proceedings;
- 9,553 debit notes were outstanding for a total amount of EUR 8,900,913.16 and EUR 7,203,294.17 was collected by third parties relating to property damages.

## 7 Significant changes in the financial position and prospects of the Issuer and the Guarantors

### 7.1 Significant changes in the financial position and prospects of the Issuer

#### *Trend information*

There has been no significant change in the financial position of the Issuer and no material adverse change in the Issuer's prospects since 31 December 2022.

#### *Investments*

As at the date of this Base Prospectus, the annual investment budgets for the period 2023-2027 are as follows (all figures in the table below are expressed in EUR million and represent net investments, i.e., the investments after deduction of the financial contribution by the end users)<sup>102</sup>:

Activity	2023	2024	2025	2026	2027
Electricity distribution	831.3	958.2	1,084.9	1,145.1	1,117.0
Gas distribution	258.9	248.8	206.8	279.2	269.6
Public lighting	103.0	126.8	120.7	119.7	119.3
Sewerage	122.5	138.1	138.2	137.5	137.4
CATV / FTTH	38.8	37.0	36.8	36.9	36.8
Heating	25.6	29.6	13.1	10.6	8.5
Others <sup>103</sup>	4.4	3.1	5.8	3.9	5.1
<b>TOTAL</b>	<b>1,384.6</b>	<b>1,541.6</b>	<b>1,606.3</b>	<b>1,732.9</b>	<b>1,693.7</b>

### 7.2 Significant changes in the financial position and prospects of the Guarantors

#### *Trend information*

There has been no significant change in the financial position of the Guarantors and no material adverse change in the Guarantors' prospects since 31 December 2022. However, reference is made to the ongoing negative impact of the tariff methodology for the distribution of gas and electricity, as established by the VREG for the tariff period 2021-2024. For more information, please refer to (i) section 1.4 – 'The Issuer's corporate credit ratings', (ii) section 4.1.4 – 'The regulatory tariff period 2021-2024' of this Part VII – 'Description of the Issuer and the Guarantors' and (iii) the risk factor entitled "*Future changes to gas, electricity and/or sewerage tariffs or tariff methodologies, for example if these are not in line with the European internal energy market (if applicable), may have an adverse effect on the Issuer's and the Guarantors' assigned credit ratings, ability to obtain funding and, hence, on their operational performance*".

<sup>102</sup> Please note that the annual investment budgets will be revised in December 2023.

<sup>103</sup> The other investments include investments in buildings, vehicles, etc.

### Investments

As at the date of this Base Prospectus, the Guarantors have not made any firm commitments on other future investments in electricity and gas in addition to those in their 2023-2032 Energy & Climate Transition investment plan which was approved by the VREG on 31 March 2023 (and which is subject to annual updates).

## 8 Statutory Auditors charged with the statutory audit

The statutory auditor of the Issuer and each of the Guarantors is EY (EY Bedrijfsrevisoren BV), represented by Mr Marnix Van Dooren, Pauline Van Pottelsberghelaan 12, 9051 Ghent (Belgium).

EY (EY Bedrijfsrevisoren BV), represented by Mr Marnix Van Dooren, Pauline Van Pottelsberghelaan 12, 9051 Ghent (Belgium), furthermore performs the audit procedures on the financial statements of the Fluvius Economic Group.

The statutory auditor for Fluvius OV is:

**EY Bedrijfsrevisoren BV**, represented by Mr Marnix Van Dooren  
Pauline Van Pottelsberghelaan 12, 9051 Ghent (Belgium)

The statutory auditor for De Stroomlijn, consolidated subsidiary of Fluvius System Operator, is:

**Figurad Bedrijfsrevisoren BV**, represented by Mr Stefaan Beirens  
J.B. de Ghellincklaan 21, 9051 Sint-Denijs-Westrem (Ghent, Belgium)

The statutory auditor for Atrias, consolidated subsidiary of Fluvius System Operator, is:

**RdB BV**, represented by Mr Renaud de Borman  
Lange Eikstraat 3, 1970 Wezembeek-Oppem (Belgium)

The statutory auditor for Synductis, consolidated subsidiary of Fluvius System Operator, is:

**Figurad Bedrijfsrevisoren BV**, represented by Mr Stefaan Beirens  
J.B. de Ghellincklaan 21, 9051 Sint-Denijs-Westrem (Ghent, Belgium)

The statutory auditor for Interkabel, entity within the Fluvius Economic Group, is:

**EY Bedrijfsrevisoren BV**, represented by Mr Marnix Van Dooren  
Pauline Van Pottelsberghelaan 12, 9051 Ghent (Belgium)

Each of the statutory auditors of the Issuer, the Guarantors and the Issuer's consolidated subsidiaries is a member of the Belgian "Instituut van de Bedrijfsrevisoren/Institut des Réviseurs d'Entreprises".

## 9 Trends in the markets in which the Issuer and the Guarantors are active

### 9.1 Trends identified in the Flemish Government Agreement 2019-2024, the Flemish Energy & Climate Plan and the "Core Activities Debate"

#### *Flemish Government Agreement 2019-2024*

The current Flemish Government, which took office early October 2019 for a five-year period, has outlined a number of objectives on energy policy in its coalition government agreement (the "**Flemish**

**Government Agreement”)**<sup>104</sup>. The items impacting the Issuer and the Guarantors are briefly set out below.

As from 2021 onwards, large-scale allotment projects and large apartment buildings are only connected to the gas distribution grid for collective heating through CHP or in a combination with a renewable system as the main source of heating. Additionally, a fuel-based heating system cannot be replaced if a gas distribution grid is available in the street. Based on profitability calculations by Fluvius, the tariff methodology was amended to reflect the fact that Fluvius no longer needs to contribute to the cost for an extension or reinforcement of the low-pressure gas grid to connect new residential buildings, and limited to 19 metres from the existing gas grid for non-residential connections.

For digital metering, the aim is to obtain a maximum roll-out in the period 2019-2024. The energy distributors were called upon to urgently build and implement a highly performant, cost-efficient and future-proof software platform for the exchange of data delivered by the digital meters installed on the grid, named Atrias. The Atrias software platform went live on 1 November 2021 and has been gradually phased in for its users until it reached full functionality on 13 December 2021.

The DSOs and the Issuer as their operating company should implement an analytical accounting system in which their regulated and non-regulated (energy) activities are being separated. This should enhance transparency and financial stability, and avoid possible cross-subsidies between activities<sup>105</sup>. The Flemish Government also announced an inquiry into the activities currently carried out by the DSOs and the Issuer. Their core activity should be an efficiently operated distribution grid which is able to tackle future challenges in an affordable way. Further simplifications in the landscape of the Flemish electricity and gas DSOs are also put forward.

In public lighting, all infrastructure is switched to LED-technology by 2030<sup>106</sup>. Public lighting maintenance costs have been eliminated from the distribution grid fees. Dimming, turning off and the smart management of public lighting are mentioned as means to reduce light pollution.<sup>107</sup>

DSOs will not be allowed to own, develop, manage or operate infrastructure for energy storage.

A reform of the current certificate mechanism for green power and CHP was announced. Support mechanisms for sustainable biomass and biogas when injected into the gas distribution networks or when used for industrial or collective heat generation will be elaborated.

As regards regulation, the Flemish Government will strive towards one single regulatory body for grid-related infrastructure (electricity, gas, heat, cable, water, sewerage, etc.) and media.

The development of district heating will be incentivised by evaluating, amongst other things, the relevant regulatory framework. The Flemish Region will support local authorities in drawing up a heat plan. The

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<sup>104</sup> The full text can be consulted at <https://www.vlaanderen.be/publicaties/regeerakkoord-van-de-vlaamse-regering-2019-2024>. Information contained on this website does not form part of this Base Prospectus.

<sup>105</sup> For the avoidance of doubt, no specific deadline has been set by the legislator for the implementation of the analytical accounting system. Furthermore, as the analytical accounting system will be separately maintained, it is not expected to impact the comparability of the consolidated financial statements of the Issuer against its financial statements in relation to the preceding years.

<sup>106</sup> In the context of rising energy prices, the municipalities started looking for ways to reduce the cost of their energy consumption. Public lighting also came into the picture. Partly for this reason, the Issuer decided to accelerate the roll-out of LED installations for public lighting. The end date for the entire conversion programme was brought forward from 2030 to the end of 2028.

<sup>107</sup> By decision of the Flemish Government, as from 1 January 2022, the DSOs' public service obligation of operating the municipal public lighting infrastructure was abolished. Consequently, the relevant costs are no longer to be borne by these DSOs (and thus integrated into the electricity grid tariffs), but by the municipal authorities themselves.

most cost-efficient model for building and managing district heating grids on the public domain will be investigated.

For the sewerage activity, the Flemish Government plans to adapt the tariff structures for drinking water and wastewater. The current financing mechanisms for the municipalities and Aquafin will be amended as well with the aim to evolve into a more result-driven, flexible and programme-based approach (simplified procedures, more responsibility in the division of activities between the Flemish environmental agency VMM<sup>108</sup> and the sewerage operators). Closer coordination between sewerage operators and other stakeholders in sewerage investments (other utilities, public domain) will be promoted. Sewerage asset management should be coordinated between Aquafin and the sewerage operators. An analytical accounting system should be implemented.

In its climate policy, the Flemish Government formulated its ambition to substantially increase energy efficiency by enhancing the share of renewable and low-carbon energy sources in the total energy mix. Greenhouse gas emissions in Flanders should be reduced with 80% by 2050 with the ambition to reach complete climate-neutrality.

The surplus costs on the end consumers' energy bill should not increase due to this Flemish policy. Extra focus will be on the battle against energy poverty. The digital meter should enable the timely detection of budget derailments.

#### *Flemish Climate & Energy Plan 2021-2030*

On 9 December 2019, the Flemish Government approved the Flemish Energy and Climate Plan. This plan is part of the Belgian Climate and Energy Plan 2021-2030, which was submitted to the European Commission on 31 December 2019.

The Flemish Energy and Climate Plan expressly mentions the Issuer in relation to its role as data provider and its involvement in digitalising the energy system, in upgrading and reinforcing the distribution grids as an answer to the growing volumes of intermittent energy and electrification. A maximum roll-out of digital metering is proposed for 2024 and the replacement of the classic budget meter by digital ones by 2021.

Other major topics relevant to the Issuer and the Guarantors are:

- boosting energy efficiency in the industrial, residential and transport sector;
- accelerating the process of renewable energy; and
- the digital management of energy services and technology.

Finally, the Flemish Energy and Climate Plan also mentions that the Issuer (as well as gas transport company Fluxys) should reduce methane emissions in gas transport and distribution.

#### *Core activities debate*

Apart from the 2019-2024 Flemish Government Agreement discussed above, the Flemish authorities (i.e., the Flemish Government and the Flemish parliament) have engaged in the so-called "Core Activities Debate" (in Dutch "*kerntakendebat*"). The aim of this is to define what activities and which scope of activities the Issuer and the Guarantors can (and cannot) engage in in the future. The debate

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<sup>108</sup> VMM has responsibilities in three domains: air, water and the environment. It helps in avoiding, reducing and eliminating detrimental effects in water systems and the atmosphere. It reports on the overall condition of the environment in Flanders and it tries to realise these objectives through the integral water policy.

should define what tasks are entrusted to regulated entities such as the Issuer and the Guarantors, what should be performed by the authorities and what is left to the commercial market. This should - in the view of those politically responsible - ultimately lead to a situation in which the Guarantors and the Issuer can concentrate themselves to a maximum degree on their core activity: managing an efficient distribution grid which is able to tackle tomorrow's challenges. As such, the debate looks into the Issuer's and the Guarantors' current activities (energy distribution, public lighting, district heating, sewerage, CATV infrastructure, data management, fibre-to-the-home, etc.), but also into other activities, such as water distribution, telecom, etc.

In line with the broad outcome of the said "Core Activities Debate" referred to above, as well as the implementation of rules resulting from the Clean Energy Package referred to below, the Issuer decided to divest a number of non-core activities, including, for example, purchase services for municipalities (e.g. electric/CNG vehicles), Fluvius Net services (internet, telephony, LAN), Fluvius GIS services and Fluvius Center (data centre). The divestment programme will be carried out in close consultation with the Guarantors' shareholders and is conditional on the new operator guaranteeing the continuation of the service at (at least) the same financial and service conditions. Other than the satisfaction of this precondition, no specific timeline applies to the implementation of the Issuer's voluntary divestment programme.

In addition to this voluntary divestment programme, the Flemish Government gave its approval (on 3 February 2023) in principle to a preliminary draft decree amending the Energy Decree with regards to grid management, energy efficiency and environmentally friendly energy production. This decree, once adopted, provides for a phasing out of the possibility for DSOs to offer energy services (ESCO/EDLB) to their shareholders and partners, whether or not in cooperation with the Flemish Energy Company. The said energy services can be offered until 31 December 2024 at the latest. Implementation of projects before this date may continue until 31 December 2027 at the latest.

## **9.2 Trends in the energy sector**

The main challenge identified for energy distribution grid management in Flanders and elsewhere is the energy transition, i.e., the switch of the energy system into a decentralised and decarbonised (and often also digitalised) energy system. This general trend is supported by a wide array of initiatives taken at the European policy level. For the Flemish DSOs (the Guarantors) and their operating company (the Issuer) this means that their overall role evolves from being a grid operator into being a system operator.

Between 1996 and 2009, three consecutive legislative packages have been adopted at the European level, containing measures related to the liberalisation of the gas and power markets, including through the unbundling of transmission and distribution from other activities, open, non-discriminatory access to markets and networks, the transparency of the market and the market regulations, the protection of consumers, the improvement of interconnections and the safeguarding of a sufficient supply. In addition, the EU 2030 and 2050 climate-related targets have had and still have an important impact on the overall energy market and the investments in the sector in which the Issuer and the Guarantors are operating.

The Issuer has identified a number of general trends in the energy sector. These can be summarised as follows:

1. the energy landscape: synergies between utilities and the commitment of the end consumer (e.g. intelligent metering, storage, flexibility and demand-response);
2. the energy demand and energy independence: changes in the energy mix with increasing electrification and a decrease in natural gas consumption, with the latter potentially offset by an increase in LNG, hydrogen, e-fuels and biogas consumption;

3. energy production: more decentralised electricity, energy sharing/communities, heat generation and renewable and low-carbon gas and hydrogen production;
4. managing demand and supply; centralised and decentralised supply and demand management, flexibility and aggregation services – accounting for new players in an adapted market model;
5. grid management: smart and micro grids and new technological advances in grid management; and
6. upward pressure on energy prices and public pressure on governments to reduce them, leading to temporary and structural market interventions and initiatives to curb windfall profits by regulating prices, reducing or rolling back subsidies (“avoiding overcompensation”) etc.

The so-called “Clean Energy Package”, adopted in 2019, which has been implemented, amongst others, by a Flemish Decree of 2 April 2021 (as published on 28 May 2021 with entry into force on 7 June 2021), contains a wide range of measures to strengthen the internal energy market. For the Guarantors and their operating company (the Issuer), the most notable elements in this Clean Energy Package include the following:

- the proposed cooperation between DSOs at EU level through a new, to be established EU DSO entity, which will be tasked with, among other things, the planning of distribution networks, the integration of renewables, digitalisation and the cooperation with TSOs within the European Union;
- the Directive of the European Parliament and of the Council on common rules for the internal market for electricity requires EU Member States to ensure a competitive, consumer-oriented, flexible and non-discriminatory electricity market organisation;
- dynamic electricity price contracts will be allowed, thanks to the introduction of digital metering;
- the distribution grids will need to be able to cope with more active consumers, since all final consumers will be entitled to act as active consumers, i.e., they will consume, store or self-generate electricity;
- DSOs will need to facilitate flexibility, demand-response and storage under certain conditions, as well as the development of recharging infrastructure for electric vehicles.

On Wednesday 14 July 2021, the European Commission took a major step towards accomplishing its ambitious target of making Europe the first climate neutral continent by 2050, as enshrined in the EU Climate Law, by adopting a package of proposals amending the EU’s climate, energy, land use, transport and taxation policies with a view to reducing net greenhouse gas (GHG) emissions by at least 55% by 2030 (the “Fit for 55” package).<sup>109</sup> A second batch of “Fit for 55” proposals was published on 15 December 2021. The package includes, amongst other things, proposed revisions of the following Directives and Regulations:

- the Energy Efficiency Directive (Directive (EU) 2018/2002);
- the Energy Performance of Buildings Directive (Directive (EU) 2018/844);
- the Renewable Energy Directive (Directive (EU) 2018/2001);

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<sup>109</sup> All proposals and the Communication are available at [https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal/delivering-european-green-deal\\_en](https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal/delivering-european-green-deal_en). Information contained on this website does not form part of this Base Prospectus.

- the Energy Taxation Directive (Directive 2003/96/EC); and
- the Gas Market Directive (Directive 2009/73/EC) and Regulation (Regulation (EC) No 715/2009) (the hydrogen and gas markets decarbonisation package).

It further includes proposals for a new Methane Emissions Regulation, a Cross-Border Adjustment Mechanism for imports of certain carbon-intensive goods into the EU (CBAM), a reform of the EU ETS and a Green Mobility Package (amending and introducing various existing and new legislation around transport and mobility).

The Fit for 55 proposals are in various stages of the legislative process. On the date of this Base Prospectus, (provisional) political agreement has been reached, amongst other things, on the ETS and CBAM proposals, parts of the Green Mobility Package, the Energy Efficiency and Renewable Energy Directives. Agreement on other proposals, including the second batch, is expected still before the next European elections in May 2024.

The Commission is proposing a combination of stricter regulation and emissions standards for the industry, carbon pricing and taxation, as well as rules to promote investment in low-carbon fuels, technologies and infrastructure. Although the package will affect most business sectors, the carbon-intensive energy, transport and buildings sectors will bear the greatest brunt. As the package becomes law, the Guarantors and the Issuer will be impacted in terms of their tasks and obligations, in particular in relation to energy efficiency and the integration of renewables into the grid.

The European Commission has in addition proposed on 8 March 2022 an outline of a plan (REPowerEU)<sup>110</sup> to make Europe independent from Russian fossil fuels well before 2030, starting with gas, in light of Russia's invasion of Ukraine. This plan also outlines a series of measures to respond to rising energy prices in Europe and to replenish gas stocks for next winter (including a joint procurement mechanism for natural gas). Europe has been facing increased energy prices for several months, but now uncertainty regarding supply is exacerbating the problem. REPowerEU will seek to diversify gas (including LNG) supplies, speed up the roll-out of renewable gases and replace gas in heating and power generation. The aim is to reduce the EU's demand for Russian gas by two thirds before the end of the year.

In an attempt to marry national governments' desire to keep energy prices under control with the EU's decarbonisation goals (as they result from the Green Deal and the targets set by the EU Climate Law), the Commission launched a set of proposals for a reform of the European Electricity Market Design as part of its Green Deal Industrial Plan. The Commission's reform proposals of 16 March 2023 aim to stabilise energy prices by providing more predictable long-term price signals. They also seek to empower consumers and suppliers to participate more actively in the power and balancing markets, amongst other things through demand-response and storage solutions.

Consumers will get access to clearer pre-contractual information and have the right to lock in the price they pay for energy through long-term fixed contracts that suppliers will need to hedge for. At the same time, consumers will be able to have several power agreements in place at the same time, which should allow them to reap the benefits of price fluctuations (e.g. by using a variable contract for power needs that can be planned during low hours), while enjoying the stability of a fixed price contract for power needs that are less easily planned (so-called "peak shaving"). Energy sharing between consumers (e.g. via energy communities) will also be further encouraged. Moreover, the proposed reform brings

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<sup>110</sup> See: [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_22\\_1511](https://ec.europa.eu/commission/presscorner/detail/en/ip_22_1511). Information contained on this website does not form part of this Base Prospectus.



enhanced protection of vulnerable consumers, amongst other things, by requiring Member States to designate a supplier of last resort (which could be a DSO, as it is already the case in Flanders) in case a supplier goes insolvent, prohibiting the disconnection of consumers with payment arrears in certain circumstances, and allowing Member States to temporarily regulate retail prices for consumers and SMEs during a crisis.

All of these measures could, if they become law, impact DSOs such as the Guarantors and their cashflows (positive and negative), notably in the form of extended public service obligations. For example, fixed subsidy schemes such as green certificates for infra-marginal (i.e. renewable) production may no longer be possible in the future. This could have a positive impact on the Guarantor's cashflows in the long run, as they will no longer need to buy and therefore prefinance such certificates as those schemes are phased out.

#### *Decentralised Electricity Generation*

The Issuer and the Guarantors have already for a number of years been faced with a steady increase in the number of installations for decentralised electricity generation (e.g. solar modules, CHP, wind turbines and others) that are or need to be connected to the distribution grid. This puts pressure on the traditional design of the electricity distribution grid. As more and more end users inject electricity into the distribution grid themselves – rather than only being off-takers of electricity – the distribution network design needs to reflect and cater for a bidirectional use of the distribution network. This trend has also impacted the volumes of electricity being transported over the DSOs' distribution grids. The Issuer has noted that the growth rate in the number of photovoltaic installations is volatile, due to a number of external factors such as the applicable subsidy mechanisms, public perception of solar panels as a sensible investment and the price development of solar installations compared to the price development of electricity for the Flemish end-consumers. Insufficient investments in electricity distribution grids might lead to insufficient capacity of these grids, associated with higher risks for fall-outs, grid disturbances and a poorer quality of electricity delivery.

Another important evolution is the development of offshore wind farms in the Belgian part of the North Sea (this relates to the future Princess Elizabeth zone for offshore wind farms bordering the French exclusive economic zone with a combined capacity up to 3.5GW, and potentially a third offshore wind zone in the long-term, under the next marine spatial plan). All this entails considerable investments, especially at the level of the transmission grid operated by electricity TSO Elia Transmission Belgium, but it also has an impact on the distribution grids operated by the Issuer.

On 18 March 2022, the Federal Government decided on the prolongation of the two most recent nuclear reactors (Doel 4 and Tihange 3) for 10 years until 2035, despite earlier legislation from 2003 ordering the closing of all seven nuclear reactors in 2025. At the same time, the Federal Government confirmed its commitment to issue subsidies under the capacity remuneration mechanism for at least two gas-fired power plants to be operational by 2025-2026, in accordance with the results of auctions organised in October 2021 and October 2022, and a corrective auction organised in April 2022. On the other hand, an investment plan of EUR 1.2 billion has been approved in order to scale up the energy transition (a large chunk of which will go to offshore wind). Heads of terms have been agreed on 9 January 2023 between the Federal Government and the operator of the Belgian nuclear park (ENGIE), concerning the life extension of Doel 4 and Tihange 3 and a maximum invoice for the processing of nuclear waste. Further negotiations are ongoing.

The Issuer wants to be ready for these developments, both by planning and budgeting for the required grid modifications, as well as executing them. It has developed the following lines of action:

- Consultation of the competent authorities in order to analyse the use and impact of stimuli for the optimal geographic location of large decentralised generation facilities with a view to minimising electricity grid expansion costs;
- Pro-active investments in the electricity grid where it is possible to estimate the future levels of decentralised generation;
- A step-by-step evolution of the electricity distribution grid towards a smart grid, in which important investments in the mid-voltage networks will be required in the short term to enable control of the energy flow direction. In the medium term, the realisation of a smart grid will require investments to enable real-time data collection. Expansive metering will allow for a better management of energy flows, or a so-called “smart grid”. The planning, phasing and realisation thereof is the subject of a study that will lead to an investment decision.

The Issuer is currently assessing the investments needed in the medium to long term. Its long-term investment plans will be updated accordingly. Investments by electricity TSO Elia Transmission Belgium will have a direct impact on this assessment, since Elia’s investments can directly trigger additional investments in the distribution grid.

Logically, and as explained in section 4 – ‘Regulatory and contractual framework applicable to the Guarantors’, investments in the distribution grid will impact the distribution grid fee. In addition, the increased costs will be distributed over smaller distributed volumes of energy, since production of electricity is expected to happen in a much more decentralised way. The Issuer will closely monitor the impact of these evolutions on the overall distribution grid fee and will analyse and propose options to reduce sudden increases in the grid fees. To this end, the introduction of injection tariffs coupled to granting financial stimuli for projects that only need marginal investments for connection to the distribution grid, could be one way of incentivising efficient investments in decentralised electricity generation aiming at bringing distribution grid fees down.

#### *The development towards clean, electric and connected mobility*

During recent years, a clear trend became visible towards clean, electric and connected mobility. Electric mobility is seen as an important part of the overall energy transition towards fossil free energy consumption. The Issuer sees its role as facilitator via the connection of charging infrastructure to the electricity grid. The Belgian Government also took measures towards the fast decarbonisation of so-called “company cars” (leased car as employee benefit) by 2026 and incentivises individuals to invest in home-based charge point infrastructure. The sharp increase in the number of electric vehicles in Flanders which is expected in the coming years will have an important impact on the investment budgets of the Guarantors.

#### *The future of gases*

The gas sector is currently characterised by rapid developments. The trend towards decarbonisation has an undeniable impact on the gas sector in general and gas distribution networks in particular.

Tomorrow’s gas networks should most probably be able to inject, transport and store renewable and low-carbon (advanced) biogas, biomethane, green and blue hydrogen, ammonia, synthetic methane and possibly other forms of gas as well. An increased complementarity between gas and electricity systems (e.g., gas-to-power or power-to-gas applications) is high on the agenda. The Issuer points out that gases are an excellent means for energy storage for longer time scales (such as seasonal storage). As such, gas distribution can play a crucial role in the energy transition and the further development of renewable energy forms, of which many are by definition intermittent.

An important evolution in the gas market is the compulsory switch from low to high calorific gas, following a decision by the Dutch gas supplier(s) and Dutch authorities to slow down and ultimately completely stop deliveries of low calorific gas to the Belgian market. Such a switch requires major investments to adapt part of the Flemish gas distribution networks. The planning of this switch is coordinated by Synergrid (the federation of electricity and gas grid operators in Belgium). As per 1 May 2023, for the area serviced by the Issuer, a conversion rate of 26.5% was reached. Taken into account that a number of large conversion operations will take place in 2024, a 100% conversion is expected to be reached on 1 September 2024.

The Dutch authorities have announced that the 12-month period from 1 October 2021 until and including 30 September 2022 will be the last regular year of gas production from the Groningen field<sup>111</sup>.

#### *Digital Metering, the Market Model and Data Management*

Metering and the management of metering data are crucial tasks in the efficient organisation of energy markets. A more pronounced competition in the energy markets and the drive towards more energy efficiency in the European Union put more demands on the distribution grids' metering systems. As a consequence of the increase in decentralised electricity production, the network configuration changes drastically (from a waterfall principle to bidirectional distribution networks), but there is also an impact on the management of metering data. The above evolutions have put the introduction of digital meters in the limelight, because the implementation of digital ('smart') meters allows retrieving – at any given point in time – sufficient data on the actual state of the distribution grid (e.g., location and volumes of infeed into and offtake from the grid), which allows managing the grid in the most efficient and sustainable way.

Due to the increasing importance of the energy transition and climate policy on the different businesses of the Issuer, the new position of “Director Energy and Climate Transition” has been created within the Issuer’s Executive Committee as from 1 July 2022 onwards.

### **9.3 Trends in the other business segments**

#### *Sewerage*

The most prominent challenge for the Flemish sewerage sector is to achieve the European objectives for clean watercourses by 2027. This will require substantial additional infrastructure investments. The Flemish environmental agency VMM therefore defined technical-ecological and financial objectives for each municipality in 2019. The starting point for this VMM model is a cargo reduction of nitrogen and phosphorus based on the number of households in each municipality. Sewerage operators can prioritise projects and financial policy in their multi-annual programme based on the data in this VMM model. Furthermore, this information was and is also useful for preparing and establishing the river basin management plans 2022-2027.

The Flemish Government in its Flemish Government Agreement focuses on investing in a robust water system (both drinking water for consumption and wastewater). The general usage of rainwater plans should become the norm. Making more use of rainwater and re-using wastewater are two elements in this general plan.

Financing and operations in both the drinking water and wastewater sectors should, in the current Flemish Government’s opinion, become more efficient and effective. For that purpose, the financing

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<sup>111</sup> See: <https://www.rijksoverheid.nl/actueel/nieuws/2021/09/24/laatste-reguliere-gasjaar-winning-groningen-naar-39-miljard-kuub>. Information contained on this website does not form part of this Base Prospectus.

mechanisms for Aquafin and the municipalities are to be reformed following a result-driven, flexible and programme-oriented approach. The division of tasks between VMM, the sewerage operators and other stakeholders (e.g., other utilities) should be better aligned. The Flemish authorities will entrust Aquafin with the task of coordinating water infrastructure networks from an asset management perspective.

The water sector (both drinking water and wastewater) will be part of the core activities debate on utilities in the Flemish Region.

Mid-2020, the Flemish Government announced its so-called “Blue Deal” to tackle the increasing water scarcity and drought in Flanders. This plan contains 70 measures along 6 different tracks: (i) public authorities give the right example and take care of appropriate regulation, (ii) circular use of water becomes the standard, (iii) agriculture and nature become part of the solution, (iv) sensibilisation and promotion of private persons towards softening of the soil, (v) increasing the security of supply and (vi) investing in innovation to make the water system smarter, more robust and more sustainable. An amount of EUR 75 million has been dedicated to the first phase of the Blue Deal implementation. The Flemish Government has announced to allocate an additional amount of EUR 75 million to financing measures within the Blue Deal framework.

#### *CATV*

The development of fast and reliable data networks will be a key element in the communication grid sector in Flanders. In this respect, the Issuer is willing to play its role as an independent and experienced provider of reliable networks for data transmission, as evidenced by its long-standing role as CATV grid operator (partly on behalf of Telenet) and as the owner/manager of its own glass fibre network. The Issuer proposes partnerships with other parties that should become responsible for the commercial and content-related side of the operations. In this respect, the Issuer issued a press release on 28 October 2021 confirming that it had entered into a non-binding term sheet with Telenet which sets out the framework for the realisation of the “data network of the future” and the joint roll-out of FTTH technology through their joint venture NetCo, which is expected to be deployed on 1 July 2023. For further information, please refer to section 4.3 – ‘Regulatory and contractual framework for Flemish CATV intermunicipalities’.

#### **9.4 General trends**

For the period 2019-2024, which corresponds to the current legislative term of the Flemish Government, the Issuer has identified a number of policy items which are particularly relevant to the Flemish utility grids operated by itself on behalf of its shareholding Guarantors. All of these twelve topics touch upon the challenges posed by the energy transition to a greater or lesser extent.

1. The Flemish regulation should allow for flexibility, enabling local flexibility markets in line with the free-market principle. The Issuer could then assume the role of flex data manager and thus safeguard the technical flexibility for the DSOs.
2. The reinforcement of the active management of the distribution grids is only feasible if storage technology is put in place, which will align generation and consumption patterns.
3. In the Issuer’s view, electric vehicles will undeniably play a vital role in tomorrow’s energy landscape. Facilities for the fast-recharging of e-vehicles (battery technology and charging infrastructure) are a crucial element in the development of this market. However, it also requires the availability of larger capacities on local distribution grids.

4. A smart capacity-based tariffication system for the use of the distribution grids. In the Issuer's opinion such a system better reflects the actual cost drivers in energy distribution. Capacity tariffs will incentivise the end-consumers to adapt their consumption and reduce peak consumption. It is also a fair system for allocating distribution costs between different groups of consumers.
5. The Issuer is in favour of a legal and regulatory tariffication mechanism that only reflects the costs directly related to the use of the distribution networks. Indirect costs (such as the costs incurred by the DSOs for public service obligations, taxes and others) should preferably be eliminated from the distribution grid fee.
6. The future role of gas is widely discussed. The Issuer considers natural gas as a transitional energy source in the medium to long term, awaiting the further technical developments in renewable alternatives. The decision by the Dutch authorities to phase out deliveries of low-calorific gas (see also section 3.3 – 'Organisation of the Belgian gas market') triggers a specific problem for the Flemish gas DSOs. Appropriate and fair financing for the necessary grid adaptation should be implemented.
7. Public lighting in Flanders should be based on energy-efficient LED-technology. Such an evolution allows for more opportunities for the smart management of public lighting.
8. The Flemish Region should make maximum use of the available potential for district heating projects. A regulatory framework which clearly sets out the roles and responsibilities for all relevant stakeholders is an essential stepping stone towards that aim.
9. The Issuer is willing to support the development of an open digital data network in Flanders.
10. In sewerage, the Issuer feels that the financing mechanisms for sewerage grid investments (which will have to be quite substantial in the period up to 2027) should entail a partly ecological incentive for the rational use of water and the local storage and infiltration of rain water. Such an approach will alleviate the pressure on the sewerage grid system.
11. The Issuer positions itself as the natural partner and the expert/catalyst for local authorities in their ambitions and concrete actions on climate and energy efficiency. These activities, which take the form of a wide array of energy-related services, are fully in line with the Issuer's core activities and can create clear and substantial benefits for the Flemish society.
12. Finally, an integrated vision on the multi-utility concept for grid-related utilities is absolutely vital. The starting point should be a customer-focused service delivery with a strong commitment of the local authorities (cities and municipalities).

## **10 Membership of professional organisations**

The Issuer is a member of Synergrid vzw, the federation of electricity and gas grid operators in Belgium.

The Issuer is a member of the European Distribution System Operators for Smart Grids (EDSO for Smart Grids). The Issuer is also a member of the European Federation of Local Energy Companies (CEDEC).

## **PART VIII – USE OF PROCEEDS**

Unless (i) otherwise specified in the relevant Final Terms or (ii) the relevant Final Terms specifies the relevant Series of Notes as being “Green Notes”, the net proceeds of the issue of the Notes will be used for general corporate purposes.

The general corporate purposes include (i) the financing of the Guarantors’ investment programmes (capex), as approved by the competent regulator, in order for the Guarantors to be able to fulfil their tasks attributed to them by law, decree or regulation (more specifically, proceeds will be used to finance that part of the funding needs that exceed the Fluvius Economic Group’s auto-financing capabilities at any given point in time) and (ii) the refinancing of currently outstanding loans and other debt financings of the Issuer and the Guarantors.

If, in respect of an issue, there is a particular identified use of proceeds, this will be stated in the relevant Final Terms. If the Final Terms relating to a specific Tranche of Notes specify that the relevant Notes constitute Green Notes, the Issuer will apply the net proceeds from that specific issue of a Tranche of Notes exclusively to finance and/or refinance, in whole or in part, the Eligible Green Projects (as defined in Part IX – ‘Green Financing Framework’). For further information, please see Part IX – ‘Green Financing Framework’.

## PART IX – GREEN FINANCING FRAMEWORK

### 1 Introduction

The Issuer has developed its green financing framework (the “**Green Financing Framework**”) to align its financial policy with the overall strategy of the Issuer and, in particular, with its corporate social responsibility (CSR) and sustainability strategy. The first edition of the Green Financing Framework, approved by the Issuer’s Board of Directors on 23 September 2020, was updated and revised in 2023 and approved by the Issuer’s Board of Directors on 8 February 2023 and on 24 May 2023. Through the Green Financing Framework, the Issuer aims at highlighting its important contribution to sustainable solutions for the Flemish Region at large, and its energy system in particular. The Issuer’s ultimate purpose is to safeguard reliable, efficient, sustainable and affordable utility services for the Flemish people and economy.

This section contains a short summary of the Green Financing Framework as at the date of the Base Prospectus. The Green Financing Framework may be amended, supplemented or replaced from time to time.

The Green Financing Framework is in line with:

- the Green Bond Principles, as issued by the International Capital Market Association (ICMA) (version June 2021, including Appendix 1 dated June 2022); and
- the Green Loan Principles issued by the Loan Market Association (LMA) (version February 2023).

The Green Financing Framework also takes into consideration, where relevant and to the extent possible, the legislative proposal for the European green bond standard dated 6 July 2021. It may be further updated in the future to take into consideration the final legislative text in light of the potential amendments that may still be made to the original draft of the European green bond standard. Any such later amendments to the original legislative proposal, including the provisional agreement announced on 28 February 2023, have not yet been taken into consideration for purposes of the Green Financing Framework.







In the Issuer’s view, financing instruments qualifying as green finance instruments issued under its Green Financing Framework are efficient tools in the transition towards a low carbon economy, a more decentralised energy system, as well as in climate adaptation. Such instruments are expected to support the Issuer in implementing its sustainability strategy. While this section, which provides an overview of certain features of the Green Financing Framework as at the date of this Base Prospectus, specifically addresses Notes for which it is specified in the relevant Final Terms that the net proceeds will be allocated to Eligible Green Projects (as defined below) (the “**Green Notes**”), the Issuer may more generally from time to time enter into or issue, as applicable, other instruments as referred to in its Green Financing Framework. Such other instruments include, without limitation, any other green bonds, green notes, green private placement instruments and/or green (syndicated) loans entered into or issued, as applicable, under the Issuer’s Green Financing Framework, or any refinancing instruments in relation to any of the aforementioned instruments (together with the Green Notes, “**Green Finance Instruments**”). For each of the Green Finance Instruments, including Green Notes, (i) the use of proceeds, (ii) the evaluation and selection of projects, (iii) the management of proceeds, (iv) the reporting on allocation and impact and (v) the external review will be carried out according to the Green Financing Framework.

Pursuant to the Green Financing Framework, the Issuer intends to apply an amount equal to the net proceeds of the Green Finance Instruments issued from time to time under the Green Financing Framework exclusively to finance and/or refinance, in whole or in part, a portfolio of selected assets, projects and activities which especially contribute to one of the environmental objectives identified in its Green Financing Framework (such projects, “**Eligible Green Projects**”). In the context of any issue of Notes, the Issuer shall at its discretion determine whether an amount equal to the net proceeds of such Notes shall be applied towards the portfolio of





Eligible Green Projects (and hence, whether such Notes shall qualify as Green Notes). If the Final Terms specify that the relevant Notes constitute Green Notes, the Issuer will apply the net proceeds from that specific issue of Notes exclusively to finance and/or refinance, in whole or in part, the Eligible Green Projects.

## 2 Use of proceeds

Pursuant to the Green Financing Framework, the Issuer intends to allocate an amount equal to the net proceeds of each issue of Green Notes to a portfolio of new and/or existing Eligible Green Projects falling within one of the following categories (each, an “**Eligible Green Category**”).

<i>Eligible Green Category</i>	<i>Details</i>	<i>Relevant Sustainable Development Goals</i>
<b>Energy efficiency</b>	<p>Investments and/or expenditures in projects that contribute to the reduction of electricity grid losses, and decrease direct emissions from distribution infrastructure, including:</p> <ul style="list-style-type: none"> <li>• Installation of power control devices allowing higher distribution and balancing efficiency,</li> <li>• installation of digital metering, including smart grids and smart meters,</li> <li>• retrofit of electricity networks to reduce energy losses and improve resilience and energy efficiency of the grid, leading to energy savings in the electricity grid of at least 30%</li> </ul> <p>Investments and/or expenditures in power grid stabilisation, making best use of excess electricity and ensuring effective utilisation of peak electricity generation.</p>	 
	Installation of LED technology for public lighting	
	Investments and/or expenditures in energy efficiency building projects, leading to energy savings of at least 30% (compared to a baseline before renovations)	
<b>Water infrastructure</b>	<ul style="list-style-type: none"> <li>• Construction, expansion or refurbishment of the sewerage grid in order to transport wastewater to centralized wastewater treatment plants</li> </ul>	 
<b>District heating</b>	<p>Investments and/or expenditures for the construction and operation of pipelines and associated infrastructure for the distribution of heat, supporting a transition to a net-zero emissions economy, including:</p> <ul style="list-style-type: none"> <li>• design, construction and operations of district heating grids using at least 50% renewable energy, or 50% waste heat, or 75% cogenerated heat, or 50% of a combination of such energy and heat.</li> </ul>	 



<p><b>Clean transport</b></p>	<ul style="list-style-type: none"> <li>investments and/or expenditures for the installation of EV charging infrastructure and electric grid infrastructure that support sustainable mobility and the use of zero-emission vehicles</li> <li>Electrification of the Fluvius fleet, including the purchase of electric or other vehicles with a maximum emission intensity of 50 gram CO<sub>2</sub>e/km</li> </ul>	
<p><b>Renewable energy</b></p>	<p>Investments and/or expenditures in projects that increase the share of low carbon electricity generation below the threshold of 100 gCO<sub>2</sub>e/kWh, or that support the integration of renewable energy into the power grid, including:</p> <ul style="list-style-type: none"> <li>Direct connection, or expansion of existing direct connection of renewable energy production units (including solar, wind or low carbon electricity generation units below the threshold of 100 gCO<sub>2</sub>e/kWh) to the distribution grid</li> <li>Construction, installation, operation and/or maintenance of distribution infrastructure, including: <ul style="list-style-type: none"> <li>transformers</li> <li>medium-voltage and low-voltage distribution systems</li> </ul> </li> <li>Development of energy communities</li> <li>Development of IT systems directly aimed at enabling solutions for increasing the share of renewable energy, e.g. 'energy sharing', peer-to-peer sale of renewably generated electricity or enhanced flexibility</li> <li>Equipment to increase the controllability and observability of the electricity system and enable the development and integration of renewable energy sources, such as: <ul style="list-style-type: none"> <li>sensors (including meteorological sensors for forecasting renewable energy production),</li> <li>control tools (including advanced software and control rooms, automation of substations or feeders, and voltage control capabilities to adapt to more decentralised renewable infeed).</li> </ul> </li> </ul>	  

The use of net proceeds of Green Financing Instruments have been mapped, where relevant and possible, to the sustainable activities as defined in the EU Taxonomy Regulation:

Activity	EU Taxonomy activities considered in eligibility assessment for Climate Change Mitigation & Alignment objectives
Energy efficiency	4.9. Transmission & distribution of electricity
Water infrastructure	5.1. Construction, extension and operation of water collection, treatment and supply systems 5.2. Renewal of water collection, treatment and supply systems 5.3. Construction, extension and operation of wastewater collection and treatment 5.4. Renewal of wastewater collection and treatment
District heating	4.15. District heating/cooling distribution

Clean transport	4.9. Transmission and distribution of electricity
Renewable energy	7.3. Individual renovation measures consisting in installation, maintenance or repair of energy efficiency equipment

All Eligible Green Projects are located in the Flemish Region.

### 3 Process for project evaluation and selection

The evaluation and selection of projects to be financed under the Green Financing Framework by Green Finance Instruments (including Green Notes) is carried out by a dedicated Green Finance Committee, consisting of senior representatives of the Issuer. The selection of projects as proposed by the Green Finance Committee is validated by the Management Committee. Project teams report the necessary information to the Green Finance Committee, which is responsible to review and validate the Eligible Green Projects that meet the eligibility criteria.

In particular, the role of the Green Finance Committee is to:

- review, select, validate and monitor eligible investments and expenditures towards the Eligible Green Projects;
- identify the impact metrics that best describe the environmental benefits of the Eligible Green Projects;
- draft, verify and validate annual reporting to investors;
- monitor ongoing evolutions related to the sustainable capital markets in terms of disclosure/reporting and update the Green Financing Framework accordingly, when needed, in order to be in line with market practices; and
- review the Green Financing Framework to reflect any potential changes about the use of proceeds, the selection of Eligible Green Projects, the management of proceeds or reporting, and more broadly on the latest sustainability strategies and initiatives of the Issuer.

Selected projects may include planned projects, projects in execution or completed projects for which financing was used not earlier than 36 months prior to the issuance of the relevant Green Financing Instrument.

### 4 Management of proceeds

The process for the management of proceeds is handled by the Issuer's Corporate Finance and Accounting teams.

An amount equal to the net proceeds from the Green Finance Instruments (including Green Notes) will be deposited in the Issuer's general account and will be earmarked for allocation to Eligible Green Projects, in accordance with the Green Financing Framework. All relevant information regarding (i) the amount of net proceeds from the Green Finance Instruments and (ii) the investments made towards Eligible Green Projects will be monitored and kept in the Issuer's accounting systems. The Issuer will manage the proceeds of the Green Finance Instruments on a portfolio basis.

Pursuant to the Green Financing Framework, the Issuer intends to allocate the full amount of proceeds within the next 24 months following the issuance of the Green Financing Instruments. As long as net proceeds from the issuance of a Green Financing Instrument remain unallocated, the Issuer will hold and/or invest the allocated proceeds, at its own discretion, in its treasury liquidity portfolio, in cash or in other short-term instruments.

If, for any reason, a project is no longer eligible, or in case of any major controversy affecting a project in the portfolio of Eligible Green Projects, the Issuer's Green Finance Committee will substitute such projects with other Eligible Green Projects for an amount at least equal to such projects, as soon as an appropriate substitution option has been identified.

## 5 Reporting

In relation to Green Notes, the Issuer will only report annually and until the full allocation of the proceeds of such Green Notes, on the allocation of these net proceeds, on a project-by-project basis.

The allocation report will present details on:

- the year of investment;
- the aggregate amounts of investments and expenses allocated to Eligible Green Projects, along with examples and description of emblematic Eligible Green Projects;
- the balance of unallocated proceeds (if any) invested in cash, the cash pooling system within the Fluvius Economic Group and/or cash equivalents; and
- the proportion of new financing and refinancing.

Where feasible, the Issuer will report on an annual basis on a number of environmental impact metrics directly associated with the projects funded by the proceeds of a Green Finance Instrument (including Green Notes) issued under the Green Financing Framework, during the lifetime of the outstanding Green Finance Instruments.

The Issuer will align its reporting, to the extent possible and relevant, to market practices and the latest principles available, such as set out in the Handbook – Harmonised Framework for Impact Reporting, as issued by ICMA (June 2022).

Reports will be available on the website of the Issuer in the section relating to its green financings. Potential investors should be aware that any information on this website, including any reports, will not be incorporated into, and will not form part of, this Base Prospectus or the relevant Final Terms.

## 6 External review

The Issuer has obtained a report (the “**Second Party Opinion**”) prepared by a second party opinion provider, who acts as third party reviewer of the Issuer's Green Financing Framework and who assessed the consistency of the Issuer's Green Financing Framework with its overall CSR and sustainability strategy. This provider has certified alignment with the Green Bond Principles (version June 2021, including Appendix 1 dated June 2022) developed by the International Capital Markets Association and the Green Loan Principles (version February 2023) developed by the Loan Market Association.

Starting one year after issuance and until full allocation of the net proceeds raised by an issuance of Green Notes, the Issuer will request on an annual basis external assurance on the allocation and impact of the Green Notes issued under the Green Financing Framework. The Second Party Opinion is available on the website of the Issuer in the section relating to its green financings and contains the following liability disclaimer: “*Neither ISS or ICS will have any liability in connection with the use of these Second Party Opinions, or any information provided therein*”. Information contained on this website does not form part of this Base Prospectus.

## 7 Amendments, supplements and replacements

The Green Financing Framework and Second Party Opinion may be amended, supplemented or replaced from time to time. Potential investors should be aware that the Green Financing Framework is not incorporated into,

and does not form part of, and that the Second Party Opinion will not be incorporated into, and will not form part of, this Base Prospectus or the relevant Final Terms.

## PART X – TAXATION

*The tax legislation in force in the jurisdiction of a potential investor, in the country of the Issuer and the Guarantors (i.e., Belgium) and in any other relevant jurisdiction may have an impact on the income which may be received from the Notes. The statements herein regarding taxation are based on the laws in force in Belgium as of the date of this Base Prospectus and are subject to any changes in law, potentially with a retroactive effect. The following overview does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes. Investors should appreciate that, as a result of changing law or practice, the tax consequences may be otherwise than as stated below. Investors should consult their professional advisers on the possible tax consequences of subscribing for, purchasing, holding or selling the Notes under the laws of their countries of citizenship, residence, ordinary residence or domicile.*

*Investors should also note that the appointment by an investor in Notes, or any person through which an investor holds Notes, of a custodian, collection agent or similar person in relation to such Notes in any jurisdiction may have tax implications. Each prospective Noteholder or beneficial owner of Notes should consult its tax adviser as to the Belgian tax consequences of any investment in, or ownership and disposition of, the Notes or that of any other relevant jurisdiction.*

### BELGIUM

*The following is a general description of the main Belgian tax consequences of acquiring, holding, redeeming and/or disposing of the Notes. It is restricted to the matters of Belgian taxation stated herein and is intended neither as tax advice nor as a comprehensive description of all Belgian tax consequences associated with or resulting from any of the aforementioned transactions. Prospective investors are urged to consult their own tax advisers concerning the detailed and overall tax consequences of subscribing for, acquiring, holding, redeeming and/or disposing of the Notes, including under the laws of their countries of citizenship, residence, ordinary residence or domicile.*

*The summary provided below is based on the information provided in this Base Prospectus and on Belgium's tax laws, regulations, resolutions and other public rules with legal effect, and the interpretation thereof under published case law, all as in effect on the date of this Base Prospectus and with the exception of subsequent amendments with retroactive effect.*

#### General

For the purpose of the following general description, a Belgian resident is: (a) an individual subject to Belgian personal income tax (*personenbelasting/impôt des personnes physiques*) (i.e., an individual who has his domicile in Belgium or has his seat of wealth in Belgium, or a person assimilated to a Belgian resident), (b) a legal entity subject to Belgian corporate income tax (*vennootschapsbelasting/impôt des sociétés*) (i.e., a company that has its principal establishment or effective place of management in Belgium and which is not excluded by law of the Belgian corporate income tax), (c) an Organisation for Financing Pensions subject to Belgian corporate income tax (i.e., a Belgian pension fund incorporated under the form of an Organisation for Financing Pensions) or (d) a legal entity subject to Belgian legal entities tax (*rechtspersonenbelasting/impôt des personnes morales*) (i.e., an entity other than a legal entity subject to corporate income tax having its principal establishment or its effective place of management in Belgium). A Belgian non-resident is any person or entity that is not a Belgian resident.

#### Belgian Withholding Tax

All payments by or on behalf of the Issuer of interest on the Notes are in principle subject to Belgian withholding tax on the gross amount of the interest, currently at the rate of 30 per cent. Both Belgian domestic tax law and applicable tax treaties may provide for lower or zero rates subject to certain conditions and formalities.

In this regard and for the purpose of the following paragraphs, “**interest**” means (i) the periodic interest income, (ii) any amount paid by, or on behalf of, the Issuer in excess of the issue price (upon full or partial redemption whether or not at maturity, or upon purchase by the Issuer) and (iii) if the Notes qualify as fixed income securities pursuant to Article 2, § 1, 8° of the Belgian code on income tax of 1992 (*Wetboek van de inkomstenbelastingen 1992/Code des impôts sur les revenus 1992*, the “**BITC 1992**”), in case of a disposal of the Notes between two interest payment dates to any third party, excluding the Issuer, the pro rata of accrued interest corresponding to the detention period. However, payments of interest and principal under the Notes by or on behalf of the Issuer may be made without deduction of withholding tax in respect of the Notes if and as long as at the moment of payment or attribution of interest they are held by certain eligible investors (the “**Eligible Investors**”, see hereinafter) in an exempt securities account (an “**X Account**”) that has been opened with a financial institution that is a direct or indirect participant (a “**Participant**”) in the NBB-SSS. Euroclear, Euroclear France, Clearstream, SIX SIS, Euronext Securities Milan, Euronext Securities Porto and LuxCSD are directly or indirectly Participants for this purpose.

Holding the Notes through the NBB-SSS enables Eligible Investors to receive gross interest income on their Notes and to transfer Notes on a gross basis.

Participants to the NBB-SSS must enter the Notes which they hold on behalf of Eligible Investors in an X Account and those they hold for the account of non-Eligible Investors in a non-exempt securities account (an “**N Account**”). Payments of interest made through X Accounts are free of Belgian withholding tax; payments of interest made through N Accounts are subject to a Belgian withholding tax of 30 per cent., which the NBB deducts from the payment and pays over to the Belgian tax authorities.

Eligible Investors are those listed in article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax (*koninklijk besluit van 26 mei 1994 over de inhouding en de vergoeding van de roerende voorheffing/arrêté royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier*) which include, *inter alia*:

- (i) Belgian companies subject to Belgian corporate income tax as referred to in Article 2, §1, 5°, b) of the BITC 1992;
- (ii) institutions, associations or companies specified in Article 2, §3 of the law of 9 July 1975 on the control of insurance companies other than those referred to in (i) and (iii) subject to the application of Article 262, 1° and 5° of the BITC 1992;
- (iii) state regulated institutions (*parastatale instellingen/institutions parastatales*) for social security, or institutions which are assimilated therewith, provided for in Article 105, 2° of the royal decree implementing the BITC 1992 (*koninklijk besluit tot uitvoering van het wetboek inkomstenbelastingen 1992/arrêté royal d'exécution du code des impôts sur les revenus 1992*), the “**RD/BITC 1992**”;
- (iv) non-resident investors whose holding of the Notes is not connected to a professional activity in Belgium, referred to in Article 105, 5° of the RD/BITC 1992;
- (v) Belgian qualifying investment funds, recognised in the framework of pension savings, provided for in Article 115 of the RD/BITC 1992;
- (vi) taxpayers provided for in Article 227, 2° of the BITC 1992 which have used the income generating capital for the exercise of their professional activities in Belgium and which are subject to non-resident income tax pursuant to Article 233 of the BITC 1992;
- (vii) the Belgian State in respect of investments which are exempt from withholding tax in accordance with Article 265 of the BITC 1992;

- (viii) collective investment funds (such as investment funds (*beleggingsfondsen/fonds de placement*)) governed by foreign law which are an indivisible estate managed by a management company for the account of the participants, provided the fund units are not offered publicly in Belgium or traded in Belgium;
- (ix) Belgian resident corporations, not provided for under (i) above, when their activities exclusively or principally consist of the granting of credits and loans; and
- (x) only for the income from debt securities issued by legal persons that are part of the sector of public authorities, in the sense of the European system of national and regional accounts (ESA), for the application of the European Community Rule N° 3605/93 of 22 November 1993 on the application of the Protocol on the procedure in case of excessive deficits attached to the Treaty of the European Communities, the legal entities that are part of the aforementioned sector of public authorities.

Eligible Investors do not include, *inter alia*, Belgian resident investors who are individuals or Belgian non-profit making organisations, other than those mentioned under (ii) and (iii) above.

The above categories only summarise the detailed definitions contained in Article 4 of the Royal Decree of 26 May 1994, as amended, to which investors should refer for a precise description of the relevant eligibility rules.

Transfers of Notes between an X Account and an N Account give rise to certain adjustment payments on account of withholding tax:

- A transfer from an N Account (to an X Account or an N Account) gives rise to the payment by the transferor non-Eligible Investor to the NBB of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date.
- A transfer (from an X Account or an N Account) to an N Account gives rise to the refund by the NBB to the transferee non-Eligible Investor of an amount equal to withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date.
- Transfers of Notes between two X Accounts do not give rise to any adjustment on account of withholding tax.

Upon opening of an X Account for the holding of Notes, the Eligible Investor is required to provide the Participant with a statement of its eligible status on a form approved by the Belgian Minister of Finance and send it to the Participant to the NBB-SSS where this X Account is kept. There are no ongoing declaration requirements for Eligible Investors save that they need to inform the Participants of any changes to the information contained in the statement of their tax eligible status.

Participants are required to annually provide the NBB with listings of investors who have held an X Account during the preceding calendar year.

An X Account may be opened with a Participant by an intermediary (an “**Intermediary**”) in respect of Notes that the Intermediary holds for the account of its clients (the “**Beneficial Owners**”), provided that each Beneficial Owner is an Eligible Investor. In such a case, the Intermediary must deliver to the Participant a statement on a form approved by the Belgian Minister of Finance confirming that (i) the Intermediary is itself an Eligible Investor and (ii) the Beneficial Owners holding their Notes through it are also Eligible Investors. The Beneficial Owner is also required to deliver a statement of its eligible status to the Intermediary.

These identification requirements do not apply to Notes held in central securities depositories as defined in Article 2, first paragraph, (1) of the Regulation (EU) N° 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012 (“**CSD**”), acting as Participants to the NBB-SSS (each, a “**NBB-CSD**”), provided that the relevant NBB-CSD only holds X Accounts and that they are able to identify the Noteholders for whom they hold Notes in such account. For the identification requirements not to apply,

it is furthermore required that the contracts which were concluded by the relevant NBB-CSDs acting as Participants include the commitment that all their clients, holder of an account, are Eligible Investors. Hence, these identification requirements do not apply to Notes held in Euroclear, Euroclear France, Clearstream, Euronext Securities Milan, Euronext Securities Porto, LuxCSD or any other NBB-CSD, provided that (i) they only hold X Accounts, (ii) they are able to identify the Noteholders for whom they hold Notes in such account and (iii) the contractual rules agreed upon by them include the contractual undertaking that their clients and account owners are all Eligible Investors. Please refer to Part V – ‘Settlement’, for further information on the current NBB-CSDs.

In accordance with the NBB-SSS, a Noteholder who is withdrawing Notes from an X Account will, following the payment of interest on those Notes, be entitled to claim an indemnity from the Belgian tax authorities of an amount equal to the withholding on the interest payable on the Notes from the last preceding Interest Payment Date until the date of withdrawal of the Notes from the NBB-SSS.

## **Belgian income tax**

### **(a) Belgian resident individuals**

For Belgian resident individuals, i.e., natural persons who are subject to Belgian personal income tax (*personenbelasting/impôt des personnes physiques*) and who hold the Notes as a private investment, the interest payments will in principle be subject to a 30 per cent. Belgian withholding tax. Such withholding tax constitutes the final taxation, fully discharging them from their personal income tax liability with respect to these interest payments. This means that these Belgian resident individuals do not have to declare interest in respect of the Notes in their personal income tax return, provided that withholding tax has effectively been levied on the interest.

Nevertheless, Belgian resident individuals may elect to declare interest in respect of the Notes in their personal income tax return. Interest income which is declared in this way will in principle be taxed at a flat rate of 30 per cent. (or at the relevant progressive personal income tax rate(s) taking into account the taxpayer’s other declared income, whichever is more beneficial). If the interest payment is declared, the Belgian withholding tax levied may be credited and may even be refundable.

If no Belgian withholding tax is withheld, the interest received (after deduction of any non-Belgian withholding tax) must be declared in the personal income tax return and will be taxed at a flat rate of 30% (or at the relevant progressive personal income tax rate(s) taking into account the taxpayer’s other declared income, whichever is more beneficial).

Capital gains realised on the sale of the Notes are in principle tax exempt, except to the extent the tax authorities can prove that the capital gains are realised outside the scope of the normal management of one’s private estate or unless (and to the extent that) the capital gains qualify as interest (as described in section “*Belgian Withholding Tax*” above). Capital losses realised on the disposal of the Notes held as a non-professional investment are in principle not tax deductible.

Other tax rules apply to Belgian resident individuals who do not hold the Notes as a private investment.

### **(b) Belgian resident companies**

Interest attributed or paid to corporations which are Belgian residents for tax purposes, i.e., which are subject to Belgian corporate income tax (*vennootschapsbelasting/impôt des sociétés*), as well as capital gains realised upon the disposal of Notes are taxable at the ordinary corporate income tax rate of in principle 25 per cent. (with a reduced rate of 20 per cent. applying to the first tranche of EUR 100,000 of taxable income of qualifying small companies as defined by article 1:24, §1 to §6 of the Belgian Companies and Associations Code).



Any Belgian withholding tax retained by or on behalf of the Issuer will, subject to certain conditions, be creditable against any corporate income tax due and any excess amount will in principle be refundable, all in accordance with the applicable legal provisions.

Capital losses realised upon the disposal of the Notes are in principle tax deductible.

Different tax rules apply to companies subject to a special tax regime, such as investment companies within the meaning of Article 185*bis* BITC 1992.

**(c) Belgian legal entities**

For Belgian legal entities subject to Belgian legal entities tax (*rechtspersonenbelasting/impôts des personnes morales*), the withholding tax on interest will constitute the final tax in respect of such income.

Belgian legal entities which do not qualify as Eligible Investors and/or which do not hold the Notes through an X Account in the NBB-SSS will generally be subject to the Belgian withholding tax at a rate of 30 per cent. This tax constitutes the final levy for them and, in principle, fully discharges their income tax liability.

Belgian legal entities that qualify as Eligible Investors and that consequently have received gross interest income without deduction for or on account of Belgian withholding tax, due to the fact that they hold the Notes through an X Account with the NBB-SSS, are required (if such entities cannot invoke a final withholding tax exemption) to declare and pay the 30 per cent. withholding tax to the Belgian tax authorities themselves (which withholding tax then generally also constitutes the final taxation in the hands of the relevant investors). These legal entities are advised to consult their own tax advisors in this respect.

Capital gains realised on the sale of the Notes are in principle tax exempt, unless the capital gains qualify as interest (as described in “*Belgian Withholding Tax*” above). Capital losses are in principle not tax deductible.

**(d) Organisations for Financing Pensions**

Interest and capital gains derived by Organisations for Financing Pensions (*Organismen voor de Financiering van Pensioenen/Organismes de Financement de Pensions*) in the meaning of the Law of 27 October 2006 on the activities and supervision of institutions for occupational retirement provision (*wet van 27 oktober 2006 betreffende het toezicht op de instellingen voor bedrijfspensioenvoorzieningen/loi du 27 octobre 2006 relative au contrôle des institutions de retraite professionnelle*), are in principle exempt from Belgian corporate income tax. Capital losses are in principle not tax deductible. Subject to certain conditions, any Belgian withholding tax that has been levied can be credited against any corporate income tax due and any excess amount is in principle refundable.

**(e) Belgian non-residents**

Non-residents who use the Notes to exercise a professional activity in Belgium through a Belgian permanent establishment, are in principle subject to practically the same tax rules as the Belgian resident companies (see above).

Noteholders who are not residents of Belgium for Belgian tax purposes, who are not holding the Notes through a permanent establishment in Belgium and who do not invest in the Notes in the course of their Belgian professional activity, will in principle not become liable for any Belgian tax on income or capital gains by reason only of the acquisition, ownership, redemption or disposal of the Notes, provided that they qualify as Eligible Investors and that they hold their Notes in an X Account.

**(f) Inheritance duties**

No Belgian inheritance duties will be levied in respect of the Notes if the deceased Noteholder was not a Belgian resident at the time of his or her death.

### Tax on securities accounts

Pursuant to the Belgian Law of 17 February 2021 on the introduction of an annual tax on securities accounts, an annual tax is levied on securities accounts with an average value, over a period of twelve consecutive months starting on 1 October and ending on 30 September of the subsequent year, higher than EUR 1,000,000.

The tax is equal to 0.15 per cent. of the average value of the securities accounts during a reference period. The reference period normally runs from 1 October to 30 September of the subsequent year. The taxable base is determined based on four reference dates: 31 December, 31 March, 30 June and 30 September. The amount of the tax is limited to 10 per cent. of the difference between the taxable base and the threshold of EUR 1 million.

The tax targets securities accounts held by resident individuals, companies and legal entities, irrespective as to whether these accounts are held with a financial intermediary which is established or located in Belgium or abroad. The tax also applies to securities accounts held by non-residents individuals, companies and legal entities with a financial intermediary established or located in Belgium. Belgian establishments from Belgian non-residents are however treated as Belgian residents for purposes of the annual tax on securities accounts so that both Belgian and foreign securities accounts fall within the scope of this tax.

Each securities account is assessed separately. When multiple holders hold a securities account, each holder is jointly and severally liable for the payment of the tax and each holder may fulfil the declaration requirements for all holders.

There are various exemptions, such as securities accounts held by specific types of regulated entities for their own account.

A financial intermediary is defined as (i) the National Bank of Belgium, the European Central Bank and foreign central banks performing similar functions, (ii) a central securities depository included in article 198/1, §6, 12° of the Belgian Income Tax Code, (iii) a credit institution or a stockbroking firm as defined by Article 1, §3 of the Law of 25 April 2014 on the status and supervision of credit institutions and investment companies and (iv) the investment companies as defined by Article 3, §1 of the Law of 25 October 2016 on access to the activity of investment services and on the legal status and supervision of portfolio management and investment advice companies, which are, pursuant to national law, admitted to hold financial instruments for the account of customers.

The annual tax on securities accounts is in principle due by the financial intermediary established or located in Belgium. Otherwise, the annual tax on securities accounts needs to be declared and is due by the holder of the securities accounts itself, unless the holder provides evidence that the annual tax on securities accounts has already been withheld, declared and paid by an intermediary which is not established or located in Belgium. In that respect, intermediaries located or established outside of Belgium could appoint an annual tax on securities accounts representative in Belgium. Such a representative is then liable towards the Belgian Treasury (*Thesaurie/Trésorerie*) for the annual tax on securities accounts due and for complying with certain reporting obligations in that respect. If the holder of the securities accounts itself is liable for reporting obligations (e.g. when a Belgian resident holds a securities account abroad with an average value higher than EUR 1,000,000), the deadline for filing the tax return for the annual tax on securities accounts corresponds with the deadline for filing the annual tax return for personal income tax purposes electronically, irrespective whether the Belgian resident is an individual or a legal entity. In the latter case, the annual tax on securities accounts must be paid by the taxpayer on 31 August of the year following the year on which the tax was calculated, at the latest.

Anti-abuse provisions, retroactively applying from 30 October 2020, were initially also introduced: a rebuttable general anti-abuse provision and two irrebuttable specific anti-abuse provisions. However, on 27 October 2022, the Constitutional Court annulled (i) the two irrebuttable specific anti-abuse provisions and (ii) the retroactive effect of the rebuttable general anti-abuse provision, meaning that the latter provision can only apply as from 26 February 2021. The other provisions of the law of 17 February 2021 were not considered to be unconstitutional.

Prospective investors are strongly advised to seek their own professional advice in relation to the tax on securities accounts.

### Tax on stock exchange transactions

No tax on stock exchange transactions (*taks op beursverrichtingen/taxe sur les opérations de bourse*) will be due on the issuance of the Notes (primary market transaction).

A tax on stock exchange transactions will in principle be levied on the acquisition and disposal and any other acquisition or transfer for consideration of Notes on the secondary market if (i) entered into or carried out in Belgium through a professional intermediary or (ii) deemed to be entered into or carried out in Belgium, which is the case if the order is directly or indirectly made to a professional intermediary established outside of Belgium, either by private individuals with habitual residence (*gewone verblijfplaats/residence habituelle*) in Belgium, or legal entities for the account of their seat or establishment in Belgium (both referred to as a “**Belgian Investor**”).

The tax is due at a rate of 0.12 per cent on each acquisition and disposal separately (hence, the tax is due separately from each party to any such transaction, i.e., the seller (transferor) and the purchaser (transferee)), with a maximum amount of EUR 1,300 per transaction and per party, both collected by the professional intermediary.

However, if the intermediary is established outside of Belgium, the tax on the stock exchange transactions will in principle be due by the Belgian Investor (who will be responsible for the filing of a stock exchange tax return and for the timely payment of the amount of stock exchange tax due), unless the Belgian Investor can demonstrate that the tax on the stock exchange transactions has already been paid by the professional intermediary established outside Belgium. In the latter case, the foreign professional intermediary also has to provide each client (which gives such intermediary an order) with a qualifying order statement (*borderel/bordereau*), at the latest on the business day after the day on which the relevant transaction was realised. The qualifying order statements must be numbered in series and duplicates must be retained by the financial intermediary. A duplicate can be replaced by a qualifying agent day-to-day listing, numbered in series. Alternatively, professional intermediaries established outside Belgium could appoint a stock exchange tax representative in Belgium, subject to certain conditions and formalities (“**Stock Exchange Tax Representative**”). In such case, the Stock Exchange Tax Representative would then be jointly liable towards the Belgian Treasury to pay the tax on stock exchange transactions and to comply with the reporting obligations in that respect. If such a Stock Exchange Tax Representative has paid the tax on stock exchange transactions, the Belgian Investor will, as per the above, no longer be required to pay the tax on stock exchange transactions.

However, no tax on stock exchange transactions will be payable by exempt persons acting for their own account including investors who are not Belgian residents, provided they deliver an affidavit to the financial intermediary in Belgium confirming their non-resident status, and certain Belgian institutional investors as defined in Article 126.1, 2° of the code of miscellaneous duties and taxes (*wetboek diverse rechten en taksen/code des droits et taxes divers*).

As stated below, the European Commission has published a proposal for a Directive for a common financial transactions tax (the “**FTT**”) for an enhanced cooperation in the area of financial transactions tax. The proposal currently stipulates that once the FTT enters into force, the participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax). For Belgium, the tax on stock exchange transactions should thus be abolished once the FTT enters into force. Since 2019, participating Member States are discussing a new FTT proposal. According to the latest draft of this new FTT proposal (submitted by the German government), the FTT would not apply to straight notes. The FTT proposal is still subject to negotiation between the participating Member States and therefore may be changed at any time.

## **THE PROPOSED FINANCIAL TRANSACTIONS TAX (FTT)**

On 14 February 2013, the European Commission published a proposal (the “Commission’s Proposal”) for a Directive for a common financial transactions tax in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**Participating Member States**”). In December 2015, Estonia withdrew from the group of Participating Member States.

The Commission’s Proposal has a very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission’s Proposal the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution (or a financial institution acting in the name of a party) established in a Participating Member State (or deemed to be so) and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, “established” in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

In 2019, Finance Ministers of the Member States participating in the enhanced cooperation indicated that they were discussing a new FTT proposal based on the French model of the tax and the possible mutualisation of the tax as a contribution to the EU budget.

According to the latest draft of this new FTT proposal (submitted by the German government), the FTT would be levied at a rate of at least 0.2 per cent. of the consideration for the acquisition of ownership of shares (including ordinary and any preference shares) admitted to trading on a trading venue or a similar third country venue, or of other securities equivalent to such shares (“**Financial Instruments**”) or similar transactions (e.g. an acquisition of Financial Instruments by means of an exchange of Financial Instruments or by means of a physical settlement of a derivative). Only transactions with Financial Instruments that have been issued by a company, partnership or other entity whose registered office is established within one of the Participating Member States and with a market capitalisation of at least EUR 1 billion on 1 December of the year preceding the respective transaction would be covered. The FTT would be payable to the Participating Member State in whose territory the issuer of a Financial Instrument has established its registered office. According to the latest draft of the new FTT proposal, the FTT would not apply to straight bonds. Like the Commission’s Proposal, the latest draft of the new FTT proposal also stipulates that once the FTT enters into force, the Participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax). However, the FTT proposal remains subject to negotiation between the Participating Member States. Therefore, it may be altered prior to any implementation, the timing of which also remains unclear. Additional EU Member States may decide to participate and/or other Participating Member States may decide to withdraw.

In any event, the European Commission declared that, if there was no agreement between the Participating Member States by the end 2022, it would endeavour to propose a new own resource, based on a new FTT, by June 2024 in view of its introduction by 1 January 2026, as also set out in the Council Regulation laying down the Multi-annual Financial Framework for the years 2021 to 2027.

Prospective Noteholders should consult their own tax advisers in relation to the consequences of the FTT associated with the subscription, purchase, holding or disposal of the Notes.

## **EXCHANGE OF INFORMATION – COMMON REPORTING STANDARD (CRS)**

Following recent international developments, the exchange of information will be governed by the Common Reporting Standard (“**CRS**”).

On 22 November 2022, 119 jurisdictions signed the multilateral competent authority agreement (“**MCAA**”), which is a multilateral framework agreement to automatically exchange financial and personal information, with the subsequent bilateral exchanges coming into effect between those signatories that file the subsequent notifications.

49 jurisdictions, including Belgium, have committed to a specific and ambitious timetable leading to the first automatic information exchanges in 2017, relating to income year 2016 (“**early adopters**”). 51 jurisdictions have committed to exchange information as from 2018, two jurisdictions as from 2019, three jurisdictions as from 2020, three jurisdictions as from 2021, two jurisdictions as from 2022, six jurisdictions as from 2023, three jurisdictions as from 2024 and three jurisdictions as from 2025.

Under CRS, financial institutions resident in a CRS country are required to report, according to a due diligence standard, financial information with respect to reportable accounts, which includes interest, dividends, account balance or value, income from certain insurance products, sales proceeds from financial assets and other income generated with respect to assets held in the account or payments made with respect to the account. Reportable accounts include accounts held by individuals and entities (which includes trusts and foundations) with fiscal residence in another CRS country. The standard includes a requirement to look through passive entities to report on the relevant controlling persons.

On 9 December 2014, EU Member States adopted Directive 2014/107/EU on administrative cooperation in direct taxation (“**DAC2**”), which provides for mandatory automatic exchange of financial information as foreseen in CRS. DAC2 amends the previous Directive on administrative cooperation in direct taxation, Directive 2011/16/EU.

The Belgian government has implemented DAC2, respectively the CRS, pursuant to the law of 16 December 2015 regarding the exchange of information on financial accounts by Belgian financial institutions and by the Belgian tax administration, in the context of an automatic exchange of information on an international level and for tax purposes (the “**Law of 16 December 2015**”).

As a result of the Law of 16 December 2015, the mandatory automatic exchange of information applies in Belgium (i) as of financial year 2016 (first information exchange in 2017) towards the EU Member States (including Austria, irrespective of the fact that the automatic exchange of information by Austria towards other EU Member States is only foreseen as of income year 2017), (ii) as of financial year 2014 (first information exchange in 2016) towards the US and (iii) with respect to any other jurisdictions that have signed the MCAA, as of the respective date to be determined by Royal Decree. In a Royal Decree of 14 June 2017, as amended, it has been determined that the automatic exchange of information has to be provided as from (i) 2017 (for the 2016 financial year) for a first list of 18 jurisdictions, (ii) as from 2018 (for the 2017 financial year) for a second list of 44 jurisdictions, (iii) as from 2019 (for the 2018 financial year) for a third list of one jurisdiction and (iv) as from 2020 (for the 2019 financial year) a fourth list of six jurisdictions.

The Notes are subject to DAC2 and the Law of 16 December 2015. Under DAC2 and the Law of 16 December 2015, Belgian financial institutions holding the Notes for tax residents in another CRS contracting state shall report financial information regarding the Notes (e.g. in relation to income and gross proceeds) to the Belgian competent authority, which shall communicate the information to the competent authority of the state of the tax residence of the beneficial owner.

Investors who are in any doubt as to their position should consult their professional advisers.

#### **FOREIGN ACCOUNT TAX COMPLIANCE ACT**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, as amended, commonly known as “**FATCA**”, a “foreign financial institution” (as defined by FATCA) may be required to withhold on certain payments it makes (“**Foreign Passthru Payments**”) to persons that fail to meet certain certification, reporting or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including Belgium) have entered into, or have agreed in substance to, intergovernmental agreements with the United

States to implement FATCA (“IGAs”), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining Foreign Passthru Payments are published in the U.S. Federal Register, and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining “Foreign Passthru Payments” are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date. Prospective investors should consult their own tax advisers regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

## PART XI – SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to any one or more of Belfius Bank SA/NV, BNP Paribas Fortis SA/NV and BNP Paribas (the “**Dealers**”). The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and subscribed by, the Dealers are set out in a Programme Agreement dated on or about 6 June 2023 (the “**Programme Agreement**”) and made between the Issuer, the Guarantors and the Dealers. If in the case of any Tranche of Notes the method of distribution is an agreement between the Issuer, the Guarantors and a single Dealer for that Tranche to be issued by the Issuer and subscribed by that Dealer, the method of distribution will be described in the relevant Final Terms as “Non-Syndicated” and the name of that Dealer and any other interest of that Dealer which is material to the issue/offer of that Tranche beyond the fact of the appointment of that Dealer will be set out in the relevant Final Terms. If in the case of any Tranche of Notes the method of distribution is an agreement between the Issuer, the Guarantors and more than one Dealer for that Tranche to be issued by the Issuer and subscribed by those Dealers, the method of distribution will be described in the relevant Final Terms as “Syndicated”, the obligations of those Dealers to subscribe the relevant Notes will be joint and several and the names and addresses of those Dealers and any other interest of any of those Dealers which is material to the issue/offer of that Tranche beyond the fact of the appointment of those Dealers (including whether any of those Dealers has also been appointed to act as Stabilising Manager in relation to that Tranche) will be set out in the relevant Final Terms.

Any such agreement will, *inter alia*, make provision for the terms and conditions of the relevant Notes, the price at which such Notes will be subscribed by the Dealer(s) and the commissions or other agreed deductibles (if any) payable or allowed by the Issuer in respect of such subscription. The Programme Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Programme Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

### SELLING RESTRICTIONS

#### United States

The Notes and the Guarantees have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. Subject to certain exceptions, the Notes and the Guarantees may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. Each of the Dealers has agreed, and each further Dealer appointed under the Programme will be required to agree, that, except as permitted by the Programme Agreement, it will not offer, sell or deliver the Notes and the Guarantees within the United States or to U.S. persons. In addition, until 40 days after the commencement of any offering, an offer or sale of the Notes and the Guarantees from that offering within the United States by any dealer whether or not participating in the offering may violate the registration requirements of the Securities Act.

#### European Economic Area

##### *Prohibition of Sales to EEA Retail Investors*

Unless the Final Terms in respect of any Notes specifies the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
  - (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the “**Prospectus Regulation**”); and
- (b) the expression an “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

*Prospectus Regulation public offer selling restriction*

If the Final Terms in respect of any Notes specifies the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, in relation to each Member State of the European Economic Area, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

- (a) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Member State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129, as amended.



## **United Kingdom**

### *Prohibition of Sales to UK Retail Investors*

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“EUWA”); or
  - (ii) a customer within the meaning of the provisions of the FSMA 2000 and any rules or regulations made under the FSMA 2000 to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
  - (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and
- (b) the expression an “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

### *Other regulatory restrictions*

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA 2000 by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA 2000) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA 2000 does not apply to the Issuer or the Guarantors; and
- (c) it has complied and will comply with all applicable provisions of the FSMA 2000 with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

## **Belgium**

If the Final Terms in respect of any Notes specifies the “Prohibition of Sales to Consumers” as “Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not advertised, offered, sold, delivered or otherwise made available and will not advertise, offer, sell, deliver or otherwise make available, directly or indirectly, Notes to any Consumers in Belgium, and has not distributed or caused to be distributed and will not distribute or cause to be distributed, any prospectus,

memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Consumer in Belgium.

For these purposes, a “**Consumer**” has the meaning provided by the Belgian Code of Economic Law, as amended (*Wetboek van economisch recht/Code de droit économique*), being, as at the date of this Base Prospectus, any natural person resident or located in Belgium and acting for purposes which are outside his/her trade, business or profession.

## **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**FIEA**”) and, accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and regulations of Japan. As used in this paragraph, “resident of Japan” means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

## **Eligible investors**

If the Final Terms in respect of any Notes specifies “X-only Issuance” as “Applicable”, the Notes may be held only by, and transferred only to, eligible investors referred to in Article 4 of the Belgian Royal Decree of 26 May 1994, holding their securities in an exempt securities account that has been opened with a financial institution that is a direct or indirect participant in the NBB-SSS.

## **General**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer, the Guarantors and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the EEA, the United Kingdom, Belgium and Japan, as set out in the specific selling restrictions included above.

The Programme Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification may be set out in the relevant Final Terms (in the case of a supplement or modification relevant only to a particular Tranche of Notes) or in a supplement to this Base Prospectus.

## **PART XII – IMPORTANT INFORMATION RELATING TO NON-EXEMPT OFFERS OF NOTES**

This Base Prospectus has been prepared on a basis that permits offers that are not made within an exemption from the requirement to publish a prospectus under Article 1(4) of the Prospectus Regulation (“**Non-exempt Offers**”) in each Member State for which the Issuer has given its consent referred to in the relevant Final Terms (each, a “**Non-exempt Offer Jurisdiction**” and together, the “**Non-exempt Offer Jurisdictions**”). Any person making or intending to make a Non-exempt Offer of Notes on the basis of this Base Prospectus must do so only with the Issuer’s consent (see “Consent given in accordance with Article 5(1) of the Prospectus Regulation” below) and provided such person complies with the conditions attached to that consent.

### **Consent given in accordance with Article 5(1) of the Prospectus Regulation**

In the context of any Non-exempt Offer of Notes, the Issuer accepts responsibility, in each of the Non-exempt Offer Jurisdictions, for the content of this Base Prospectus in relation to any person (an “**Investor**”) who purchases any Notes in a Non-exempt Offer made by a Dealer or an Authorised Offeror (as defined below), where that offer is made during the Offer Period specified in the relevant Final Terms.

**Except in the circumstances described below, the Issuer has not authorised the making of any offer by any offeror and the Issuer has not consented to the use of this Base Prospectus by any other person in connection with any offer of the Notes in any jurisdiction. Any offer made without the consent of the Issuer is unauthorised and neither the Issuer nor, for the avoidance of doubt, any of the Dealers accepts any responsibility or liability in relation to such offer or for the actions of the persons making any such unauthorised offer.**

If, in the context of a Non-exempt Offer, an Investor is offered Notes by a person which is not an Authorised Offeror, the Investor should check with such person whether anyone is responsible for this Base Prospectus for the purpose of the relevant Non-exempt Offer and, if so, who that person is. If an Investor is in any doubt about whether it can rely on this Base Prospectus and/or who is responsible for its contents, the Investor should take legal advice.

### **Consent**

The Issuer consents and (in connection with paragraph (iv) below) offers to grant its consent to the use of this Base Prospectus (as supplemented at the relevant time, if applicable) in connection with any Non-exempt Offer of a Tranche of Notes in the Non-exempt Offer Jurisdictions specified in the relevant Final Terms during the Offer Period specified in the relevant Final Terms by:

#### *Specific consent*

- (i) the Dealer(s) or Manager(s) specified in the relevant Final Terms;
- (ii) any financial intermediaries specified in the relevant Final Terms;
- (iii) any other financial intermediary appointed after the date of the relevant Final Terms and whose name is published on the website of the Issuer (<https://over.fluvius.be/en/thema/investor-relations>) and identified as an Authorised Offeror in respect of the relevant Non-exempt Offer;

#### *General consent*

- (iv) if General Consent is specified in the relevant Final Terms as applicable, any other financial intermediary which (a) is authorised to make such offers under MiFID II and (b) accepts such offer by publishing on its website the following statement (with the information in square brackets duly completed with the relevant information) (the “**Acceptance Statement**”):

*Important information relating to Non-exempt Offers of Notes*

*“We, [specify name of financial intermediary], refer to the offer of [specify title of Notes] (the “Notes”) described in the Final Terms dated [specify date] (the “Final Terms”) published by Fluvius System Operator CV (the “Issuer”). In consideration of the Issuer offering to grant its consent to our use of the Base Prospectus (as defined in the Final Terms) in connection with the offer of the Notes in [specify relevant Member State(s)] during the Offer Period in accordance with the Authorised Offeror Terms (as specified in the Base Prospectus), we accept the offer by the Issuer. We confirm that we are authorised under Directive 2014/65/EU, as amended, to make, and are using the Base Prospectus in connection with, the Non-exempt Offer accordingly. Terms used herein and otherwise not defined shall have the same meaning as given to such terms in the Base Prospectus.”*

The “**Authorised Offeror Terms**” are that the relevant financial intermediary:

- (a) acts in accordance with, and will be solely responsible for complying with, all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the “**Rules**”) from time to time including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the Notes by an Investor and disclosure to any potential Investor;
- (b) complies with the restrictions set out under “Subscription and Sale” in this Base Prospectus which would apply as if it were a relevant Dealer;
- (c) considers the relevant manufacturer’s target market assessment and distribution channels identified under the “MiFID II product governance” legend set out in the relevant Final Terms;
- (d) ensures that any fee, commission, benefits of any kind, rebate received or paid by that financial intermediary in relation to the offer or sale of the Notes does not violate the Rules and is fully and clearly disclosed to Investors or potential Investors;
- (e) holds all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Notes under the Rules;
- (f) complies with, and takes appropriate steps in relation to, applicable anti-money laundering, anti-bribery, prevention of corruption and “know your client” Rules, and does not permit any application for Notes in circumstances where the financial intermediary has any suspicions as to the source of the application monies;
- (g) retains investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested and to the extent permitted by the Rules, make such records available to the relevant Dealer and the Issuer or directly to the appropriate authorities with jurisdiction over the Issuer and/or the relevant Dealer in order to enable the Issuer and/or the relevant Dealer to comply with anti-money laundering, anti-bribery, anti-corruption and “know your client” Rules applying to the Issuer and/or the relevant Dealer;
- (h) does not, directly or indirectly, cause the Issuer or the relevant Dealer to breach any Rule or subject the Issuer or the relevant Dealer to any requirement to obtain or make any filing, authorisation or consent in any jurisdiction;
- (i) immediately gives notice to the Issuer and the relevant Dealer if at any time it becomes aware or suspects that it is or may be in violation of any Rules or the Authorised Offeror Terms, and takes all appropriate steps to remedy such violation and comply with such Rules and the Authorised Offeror Terms in all respects;
- (j) does not give any information other than that contained in this Base Prospectus (as may be amended or supplemented by the Issuer from time to time) or make any representation in connection with the offering or sale of, or the solicitation of interest in, the Notes;

*Important information relating to Non-exempt Offers of Notes*

- (k) agrees that any communication in which it attaches or otherwise includes any announcement published by the Issuer at the end of the Offer Period will be consistent with the Base Prospectus, and (in any case) must be fair, clear and not misleading and in compliance with the Rules and must state that such Authorised Offeror has provided it independently from the Issuer and must expressly confirm that the Issuer has not accepted any responsibility for the content of any such communication;
- (l) does not use the legal or publicity names of the relevant Dealer, the Issuer, any Guarantor or any other name, brand or logo registered by any entity within their respective groups or any material over which any such entity retains a proprietary interest or in any statements (oral or written), marketing material or documentation in relation to the Notes;
- (m) agrees to any other conditions set out in paragraph 8(ii) of Part B of the relevant Final Terms;
- (n) agrees and accepts that the Guarantors and the Dealers will be entitled to enforce those provisions of the contract between the Issuer and the financial intermediary, formed upon acceptance by the financial intermediary of the Issuer's offer to use of the Base Prospectus with its consent in connection with the relevant Non-exempt Offer, which are, or are expressed to be, for their benefit, including the agreements, representations, warranties, undertakings and indemnity given by the financial intermediary pursuant to the Authorised Offeror Terms;
- (o) will co-operate with the Issuer and the relevant Dealer in providing relevant information and such further assistance as is reasonably requested upon written request from the Issuer or the relevant Dealer in each case, as soon as is reasonably practicable and, in any event, within any time frame set by any such regulator or regulatory process. For this purpose, relevant information is information that is available to, or can be acquired by, the relevant financial intermediary:
  - (A) in connection with any request or investigation by any regulator in relation to the Notes, the Issuer or the relevant Dealer; and/or
  - (B) in connection with any complaints received by the Issuer and/or the relevant Dealer relating to the Issuer and/or the relevant Dealer or another Authorised Offeror including, without limitation, complaints as defined in the Rules; and/or
  - (C) which the Issuer or the relevant Dealer may reasonably require from time to time in relation to the Notes and/or to allow the Issuer or the relevant Dealer fully to comply with its own legal, tax and regulatory requirements;
- (p) will, during the period of the initial offering of the Notes (A) only sell the Notes at the Issue Price specified in the relevant Final Terms (unless otherwise agreed with the Issuer and the relevant Dealer), (B) only sell the Notes for settlement on the Issue Date specified in the relevant Final Terms, (C) not appoint any sub-distributors (unless otherwise agreed with the Issuer and the relevant Dealer), (D) not pay any fee or remuneration or commissions or benefits to any third parties in relation to the offering or sale of the Notes (unless otherwise agreed with the relevant Dealer) and (E) comply with such other rules of conduct as may be reasonably required and specified by the relevant Dealer; and
- (q) will either (A) obtain from each potential investor an executed application for the Notes or (B) keep a record of all requests the relevant financial intermediary (x) makes for its discretionary management clients, (y) receives from its advisory clients and (z) receives from its execution-only clients, in each case prior to making any order for the Notes on their behalf, and in each case maintain the same on its files for so long as is required by any applicable Rules;
- (r) agrees and undertakes to each of the Issuer, the Guarantors and the relevant Dealer that if it or any of its respective directors, officers, employees, agents, affiliates and controlling persons (each a

“**Relevant Party**”) incurs any losses, liabilities, costs, claims, charges, expenses, actions or demands (including reasonable costs of investigation and any defence raised thereto and counsel’s fees and disbursements associated with any such investigation or defence) (a “**Loss**”) arising out of or in relation to, or in connection with, any breach of any of the foregoing agreements, representations, warranties or undertakings by the relevant financial intermediary, including (without limitation) any unauthorised action by the relevant financial intermediary or failure by it to observe any of the above restrictions or requirements or the making by it of any unauthorised representation or the giving or use by it of any information which has not been authorised for such purposes by the Issuer or the relevant Dealer, the relevant financial intermediary shall pay to the Issuer, the relevant Guarantor or the relevant Dealer, as the case may be, an amount equal to the Loss. None of the Issuer, any Guarantor nor any Dealer shall have any duty or obligation, whether as fiduciary or trustee for any Relevant Party or otherwise, to recover any such payment or to account to any other person for any amounts paid to it under this provision; and

- (s) agrees and accepts that:
- (A) the contract between the Issuer and the relevant financial intermediary formed upon acceptance by the relevant financial intermediary of the Issuer’s offer to use this Base Prospectus with its consent in connection with the relevant Non-exempt Offer (the “**Authorised Offeror Contract**”), and any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract, shall be governed by, and construed in accordance with, Belgian law;
  - (B) subject to (D) below, the Brussels courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Authorised Offeror Contract (including any dispute relating to any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract) (a “**Dispute**”) and the Issuer and the relevant financial intermediary submit to the exclusive jurisdiction of the Brussels courts;
  - (C) for the purposes of (B) and (D), the relevant financial intermediary waives any objection to the Brussels courts on the grounds that they are an inconvenient or inappropriate forum to settle any dispute;
  - (D) to the extent allowed by law, the Issuer and each relevant Dealer may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction and (ii) concurrent proceedings in any number of jurisdictions; and
  - (E) each Guarantor and each relevant Dealer will be entitled to enforce those provisions of the Authorised Offeror Contract which are, or are expressed to be, for their benefit, including the agreements, representations, warranties, undertakings and indemnity given by the financial intermediary pursuant to the Authorised Offeror Terms.

The financial intermediaries referred to in paragraphs (ii), (iii) and (iv) above are together referred to herein as the “**Authorised Offerors**”.

**Any Authorised Offeror falling within paragraph (iv) above who wishes to use this Base Prospectus in connection with a Non-exempt Offer as set out above is required, for the duration of the relevant Offer Period, to publish on its website the Acceptance Statement.**

The consent referred to above relates to Offer Periods occurring within 12 months from the date of this Base Prospectus.

**Arrangements between an Investor and the Authorised Offeror who will distribute the Notes**

Neither the Issuer, any Guarantor nor, for the avoidance of doubt, any of the Dealers has any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

**An Investor intending to acquire or acquiring any Notes from an Authorised Offeror will do so, and offers and sales of the Notes to such Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between that Authorised Offeror and such Investor including as to price, allocations and settlement arrangements (the “Terms and Conditions of the Non-exempt Offer”). The Issuer will not be a party to any such arrangements with such Investor and, accordingly, this Base Prospectus does not, and any Final Terms will not, contain such information. The Terms and Conditions of the Non-exempt Offer shall be provided to such Investor by that Authorised Offeror at the time the offer is made. None of the Issuer or, for the avoidance of doubt, any of the Dealers or other Authorised Offerors has any responsibility or liability for such information.**

## PART XIII – FORM OF FINAL TERMS

### NOTES WITH A DENOMINATION OF LESS THAN EUR 100,000 (OR ITS EQUIVALENT IN ANY OTHER CURRENCY)

*Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme and which have a denomination of less than EUR 100,000 (or its equivalent in any other currency).*

#### RESTRICTIONS ON DISTRIBUTION AND OFFERS AND SALES OF NOTES

**[Prohibition of sales to EEA Retail Investors** – The Notes are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any retail investor in the European Economic Area (the “**EEA**”). For these purposes, a retail investor means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”), (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the “**Prospectus Regulation**”). Consequently, the Issuer has not prepared a key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

**Prohibition of sales to UK Retail Investors** – The Notes are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any retail investor in the United Kingdom (the “**UK**”). For these purposes, a retail investor means a person who is one (or more) of the following: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”), (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA 2000**”) and any rules or regulations made under the FSMA 2000 to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the “**UK Prospectus Regulation**”). Consequently, the Issuer has not prepared a key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**[Prohibition of sales to Consumers in Belgium** – The Notes are not intended to be offered, sold or otherwise made available, and should not be offered, sold or otherwise made available, in Belgium to any Consumers. For these purposes, a “**Consumer**” has the meaning provided by the Belgian Code of Economic Law, as amended (*Wetboek van economisch recht/Code de droit économique*), being any natural person resident or located in Belgium and acting for purposes which are outside his/her trade, business or profession.]

**[Eligible Investors only** – The Notes may be held only by, and transferred only to, eligible investors referred to in Article 4 of the Belgian Royal Decree of 26 May 1994, holding their securities in an exempt securities account that has been opened with a financial institution that is a direct or indirect participant in the NBB-SSS.]

#### TARGET MARKET ASSESSMENTS

**[MiFID II Product Governance / Retail investors, professional investors and ECPs target market** – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients



and retail clients, each as defined in [Directive 2014/65/EU (as amended, “**MiFID II**”)] [MiFID II] **EITHER** [and (ii) all channels for distribution of the Notes are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services]] **OR** [, (ii) all channels for distribution to eligible counterparties and professional clients are appropriate and (iii) the following channels for distribution of the Notes to retail clients are appropriate – investment advice[,/ and] portfolio management[,/ and] [non-advised sales] [and pure execution services][, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable]]. [*Consider any negative target market.*] Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable. However, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels[, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable].]

[**UK MiFIR Product Governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA (as amended, “**UK MiFIR**”) and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market.*] Any [person subsequently offering, selling or recommending the Notes (a “**distributor**”)] [distributor] should take into consideration the manufacturer[’s/s’] target market assessment, subject to the distributor’s suitability and appropriateness obligations under UK MiFIR, as applicable. However, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

The target market assessment in respect of the Notes referred to above does not affect the requirements of any contractual, legal or regulatory selling restriction applicable to the relevant issuance or offer of Notes. In order to avoid any doubt, any such determination may not be considered as (a) an evaluation of the suitability or of the appropriateness of an investment in the Notes for a particular investor for the purpose of MiFID II [and/or UK MiFIR] or (b) a recommendation to any investor or group of investors to invest in, to purchase or to take any other measure relating to the Notes, and is the exclusive responsibility of the Dealers acting as manufacturers in respect of the that issue of Notes.

**Final Terms dated [●]**

**FLUVIUS SYSTEM OPERATOR CV**

**Legal entity identifier (“LEI”): 549300WSQWO0M3PK2J78**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]**

Guaranteed on a several but not joint basis by Fluvius Antwerpen, Fluvius Limburg, Fluvius West, Gaselwest, Imewo, Intergem, Iveka, Iverlek, PBE, Riobra and Sibelgas

under the **EUR 5,000,000,000**

**Euro Medium Term Note Programme**

Any person making or intending to make an offer of the Notes may only do so:

- (i) in those Non-exempt Offer Jurisdictions mentioned in paragraph 7(vi) of Part B below, provided such person is a Dealer or Authorised Offeror (as such term is defined in the Base Prospectus (as defined below)) and

that the offer is made during the Offer Period specified in paragraph 7 and that any conditions relevant to the use of the Base Prospectus are complied with; or

- (ii) otherwise in circumstances in which no obligation arises for the Issuer, any Guarantor or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or to supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer.

Neither the Issuer, any Guarantor nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

## PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the “**Conditions**”) set forth in the Base Prospectus dated 6 June 2023 [and the supplement(s) to it dated [●]] which [together] constitute[s] a base prospectus (the “**Base Prospectus**”) for the purposes of the Prospectus Regulation. This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all relevant information. Full information on the Issuer, the Guarantors and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. However, a summary of the issue of the Notes is annexed to these Final Terms.

The Base Prospectus has been published on the Issuer’s website (<https://over.fluvius.be/en/thema/investor-relations/ratings-and-bonds/bonds>).

*(Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs (in which case the subparagraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.)*

- |    |  |   |
|----|--|---|
| 1. | (i) Issuer:  | Fluvius System Operator CV  |
|    | (ii) Guarantors:   | Fluvius Antwerpen, Fluvius Limburg, Fluvius West, Gaselwest, Imewo, Intergem, Iveka, Iverlek, PBE, Riobra and Sibelgas (please see paragraph 14 below).   |
| 2. | (i) Series Number:   | [●]   |
|    | (ii) Tranche Number:   | [●]   |
|    | (iii) Date on which the Notes will be consolidated and form a single Series: | [The Notes will be consolidated and form a single Series (and be interchangeable for trading purposes) with the <i>[insert description of Tranche of Notes]</i> (ISIN: [●]) on [[●]/the Issue Date]] / [Not Applicable] |
| 3. | Specified Currency or Currencies:  | [●]   |
| 4. | Aggregate Nominal Amount:  | [●]   |
|    | [(i) Series:   | [●]   |
|    | (ii) Tranche:  | [●]   |
| 5. | Issue Price:   | [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●]]  |

6. (i) Specified Denomination[s]: [●]  
*(The minimum Specified Denomination shall be at least EUR 1,000 (or its equivalent in any other currency). The Notes may have multiple Specified Denominations, provided that the larger Specified Denominations are integral multiples of the smaller Specified Denominations.)*
- (ii) Calculation Amount: [●]
7. (i) Issue Date: [●]
- (ii) Interest Commencement Date: [●] / [Issue Date] / [Not Applicable]
8. Maturity Date: *[Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]*
9. Interest Basis: [[●] per cent. Fixed Rate]  
 [[●] month [EURIBOR] +/- [●] per cent. Floating Rate]  
 [Zero Coupon]  
 (see paragraph [15/16/17] below)
10. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100/[●]] per cent. of their nominal amount.
11. Change of Interest Basis: *[Specify the date when any fixed to floating rate change occurs or refer to paragraphs 15 and 16 below and identify there]/[Not Applicable]*
12. Put/Call Options: [Tax Call Option]  
 [Call Option]  
 [Put Option]  
 [Make Whole Call Option]  
 [Residual Maturity Call Option]  
 [Substantial Repurchase Event]  
 [See paragraph[s] [18/19/20/21/22/23] below]  
 [Not Applicable]
13. Date of Board approval for issuance of Notes and Guarantees: [●]

(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related Guarantee)

14. Pro rata share in the Guarantee for each Guarantor:
- Each of the Guarantors has agreed to guarantee the Notes on a several but not joint basis, pro rata to the share of contributions that each Guarantor has made in the Issuer as of the Issue Date, being:
- |                   |               |
|-------------------|---------------|
| Fluvius Antwerpen | [●] per cent. |
| Fluvius Limburg   | [●] per cent. |
| Fluvius West      | [●] per cent. |
| Gaselwest         | [●] per cent. |
| Imewo             | [●] per cent. |
| Intergem          | [●] per cent. |
| Iveka             | [●] per cent. |
| Iverlek           | [●] per cent. |
| PBE               | [●] per cent. |
| Riobra            | [●] per cent. |
| Sibelgas          | [●] per cent. |

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Note Provisions** [Applicable] / [Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- |                                 |   |
|---------------------------------|---|
| (i) Rate[(s)] of Interest:      | [●]% per annum payable on each Interest Payment Date  |
| (ii) Interest Payment Date(s):  | [●] [and [●]] in each year [from and including [●]][until and excluding [●]]  |
| (iii) Fixed Coupon Amount[(s)]: | [●] per Calculation Amount  |
| (iv) Broken Amount[(s)]:        | [[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]] [Not Applicable]   |
| (v) Day Count Fraction:         | [Actual/Actual] [Actual/Actual-ISDA] [Actual/365 (Fixed)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)] [Actual/Actual-ICMA] |
| (vi) Determination Date:        | [●]/[Each Interest Payment Date]/[Not Applicable].  |

16. **Floating Rate Note Provisions** [Applicable] / [Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Interest Period(s): [●], subject to adjustment in accordance with the Business Day Convention set out in (v) below/, not subject to any adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]]
- (ii) Specified Interest Payment Date(s): [●] in each year[, subject to adjustment in accordance with the Business Day Convention set out in (v) below/, not subject to any adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]]
- (iii) First Interest Payment Date: [●]
- (iv) Interest Period Date(s): [Not Applicable] / [[●] in each year[, subject to adjustment in accordance with the Business Day Convention set out in (v) below/, not subject to any adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]]]
- (v) Business Day Convention: [Floating Rate Business Day Convention] / [Following Business Day Convention] / [Modified Following Business Day Convention] / [Preceding Business Day Convention] / [Not Applicable]
- (vi) Business Centre(s): [●]
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ ISDA Determination]
- (viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Agent]): [●] shall be the Calculation Agent
- (ix) Screen Rate Determination: [Applicable] / [Not Applicable]
- Reference Rate: [●] month [EURIBOR]
  - Interest Determination Date(s): [●]
  - Relevant Screen Page: [●]
- (x) ISDA Determination: [Applicable] / [Not Applicable]
- Floating Rate Option: [●]
  - Designated Maturity: [●]
  - Reset Date: [●]
  - ISDA Benchmarks Supplement: [●]
- (xi) Linear Interpolation: [Applicable] / [Not Applicable] [– the Rate of Interest for the [long/short] [first/last] Interest Period shall be

calculated using Linear Interpolation (*specify for each short or long interest period*)

- (x) Margin: [[+/-][●]% per annum]
- (xi) Minimum Rate of Interest: [[●]% per annum] / [Not Applicable]
- (xii) Maximum Rate of Interest: [[●]% per annum] / [Not Applicable]
- (xiii) Day Count Fraction: [Actual/Actual] [Actual/Actual-ISDA] [Actual/365 (Fixed)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)] [Actual/Actual-ICMA]

**17. Zero Coupon Note Provisions**

[Applicable] / [Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (i) Amortisation Yield: [●]% per annum
- (ii) Day Count Fraction: [Actual/Actual] [Actual/Actual-ISDA] [Actual/365 (Fixed)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)] [Actual/Actual-ICMA]

**PROVISIONS RELATING TO REDEMPTION**

**18. Tax Call Option**

[Applicable] / [Not Applicable]  
*(The Tax Call Option should only be specified to be applicable if the Prohibition of Sales to Consumers is specified to be applicable.)*

**19. Call Option**

[Applicable] / [Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph. The Call Option should only be specified to be applicable if the Prohibition of Sales to Consumers is specified to be applicable)*

- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s): [●] per Calculation Amount
- (iii) Minimum Redemption Amount: [●] [All of the Notes]
- (iv) Maximum Redemption Amount: [●] [All of the Notes]
- (v) Notice period: [●] days

**20. Put Option**

[Applicable] / [Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s): [●] per Calculation Amount

- (iii) Notice period: [●] days
21. Make Whole Call Option [Applicable] / [Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph. The Make Whole Option should only be specified to be applicable if the Prohibition of Sales to Consumers is specified to be applicable)*
- (i) Reference Dealers: [●]
- (ii) Reference Bond: [●]
- (iii) Determination Date: [●]
- (iv) Determination Time: [●]
- (v) Margin: [●]
- (vi) Day Count Fraction: [●]
- (vii) Notice Period: [●] days
22. Residual Maturity Call Option [Applicable] / [Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph. The Residual Maturity Call Option should only be specified to be applicable if the Prohibition of Sales to Consumers is specified to be applicable)*
- (i) Residual Maturity Call Period: [●]
- (ii) Notice Period: [●] days
23. Substantial Repurchase Event [Applicable] / [Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph. The Substantial Repurchase Event should only be specified to be applicable if the Prohibition of Sales to Consumers is specified to be applicable)*
- (i) Applicable Percentage: [●]
- (ii) Notice Period: [●] days
24. Final Redemption Amount: [●] per Calculation Amount
25. Early Redemption Amount payable on redemption for taxation reasons or on event of default: [●] per Calculation Amount

### THIRD PARTY INFORMATION

The Issuer accepts responsibility for the information contained in these Final Terms. [[●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and

is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

**SIGNED** on behalf of **FLUVIUS SYSTEM OPERATOR CV, FLUVIUS ANTWERPEN, FLUVIUS LIMBURG, FLUVIUS WEST, GASELWEST, IMEWO, INTERGEM, IVEKA, IVERLEK, PBE, RIOBRA** and **SIBELGAS**

By:  
Duly authorised



**PART B – OTHER INFORMATION**

1. **LISTING AND ADMISSION TO TRADING** [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [●] with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [●] with effect from [●].]

[Not Applicable.]

2. **RATINGS** The Notes to be issued [are not/have been/are expected to be] specifically rated [by [●]]. [The following ratings reflect ratings assigned to Notes of this type under the Programme generally [●].]

[Name of rating agency(ies): [●]

[●] [is/are] established in the EU and registered under Regulation (EC) No 1060/2009.]

[A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.]

*(Need to include a brief explanation of the meaning of the ratings if this has been previously published by the rating provider.)*

3. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE OFFER**

*(Need to include a description of any interest, including a conflict of interest, that is material to the offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the statement below.)*

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and the Guarantors and any of their affiliates in the ordinary course of business.] [So far as the Issuer is aware, the following persons have an interest material to the offer: [●].] *(Amend as appropriate if there are other interests)*

*(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.)*

4. **YIELD** *(Fixed Rate Notes only.)* [Not Applicable]

*(If not applicable, delete the remaining sub-paragraph of this paragraph)*

Indication of yield: The yield in respect of this issue of Fixed Rate Notes is [●].

[The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

5. **PERFORMANCE OF RATES** *(Floating Rate Notes only.)* [Not Applicable]

*(If not applicable, delete the remaining subparagraph of this paragraph)*

[Details of performance of [EURIBOR] rates can be obtained, [but not] free of charge, from [Reuters/Bloomberg/give details of electronic means of obtaining the details of performance].]/[Not Applicable]

## 6. OPERATIONAL INFORMATION

- ISIN: [•]
- Common Code: [•]
- Delivery: Delivery [against/free of] payment
- Names and addresses of additional Agent(s): [•]
- Relevant Benchmark[s]: [[*specify benchmark*] is provided by [*administrator legal name*][*repeat as necessary*]. As at the date hereof, [[*administrator legal name*][appears]/[does not appear]][*repeat as necessary*] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (*Register of administrators and benchmarks*) of Regulation (EU) 2016/1011.]/[As far as the Issuer is aware, the transitional provisions in Article 51 of Regulation (EU) 2016/1011, as amended, apply such that [*name of administrator*] is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence).]/[As far as the Issuer is aware, as at the date hereof, [*specify benchmark*] does not fall within the scope of Regulation (EU) 2016/1011]/ [Not Applicable]
- Intended to be held in a manner which would allow Eurosystem eligibility: [Yes, provided that Eurosystem eligibility criteria have been met.] [No.]

## 7. DISTRIBUTION

- (i) Method of distribution: [Syndicated] / [Non-syndicated]
- (ii) If syndicated, [Not Applicable] [•]
- (A) Names and addresses of Managers and underwriting commitments/quotas: [Not Applicable] [•]
- (Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers.)*
- (B) Date of [Subscription] Agreement: [Not Applicable] [•]
- (C) Stabilising Manager(s) (if any): [Not Applicable] [•]

- (iii) If non-syndicated, name and address of Dealer: [Not Applicable] [●]
- (iv) Indication of the overall amount of the underwriting commission and of the placing commission: [●] per cent. of the Aggregate Nominal Amount
- (v) Non-exempt Offer: [Applicable] / [Not Applicable]
- (vi) Non-exempt Offer Jurisdictions: [*Specify the relevant Member State(s) where the Issuer intends to make the non-exempt offer which must therefore be jurisdictions where the Base Prospectus and any supplements have been approved/passported (in addition to the jurisdiction where approved and published)*]
- (vii) Offer Period: [●] until [●]
- (viii) Maximum Amount: [(i) Series: EUR [●] / Not Applicable]  
[(ii) Tranche: EUR [●] / Not Applicable]
- (ix) Minimum Amount: [(i) Series: EUR [●] / Not Applicable]  
[(ii) Tranche: EUR [●] / Not Applicable]
- (x) Financial intermediaries granted specific consent to use the Base Prospectus in accordance with the conditions in it: [*Insert names and addresses of financial intermediaries receiving consent (specific consent)*]
- (xi) General Consent: [Applicable] / [Not Applicable]
- (xii) Other Authorised Offeror Terms: [Not Applicable] [*Add here any other Authorised Offeror Terms*]  
  
[*(Authorised Offeror Terms should only be included here where General Consent is applicable.)*]
- (xiii) US Selling Restrictions: Regulation S compliance Category 1. TEFRA is not applicable to the Notes.
- (xiv) Prohibition of Sales to EEA Retail Investors: [Applicable] / [Not Applicable]
- (xv) Prohibition of Sales to Consumers: [Applicable] / [Not Applicable]
- (xvi) Additional Selling Restrictions [Not Applicable] [●]
- (xvii) X-only Issuance: [Applicable] / [Not Applicable]

## 8. TERMS AND CONDITIONS OF THE OFFER

- (i) Offer Price: [Issue Price/*specify*]
- (ii) Conditions to which the offer is subject: [Not Applicable/*give details*]
- (iii) Description of the application process: [Not Applicable/*give details*]

- |        |   |  |
|--------|---|--|
| (iv)   | Details of the minimum and/or maximum amount of the application:  | [Not Applicable/ <i>give details</i> ]   |
| (v)    | Description of possibility to reduce subscriptions and manner for refunding amounts paid in excess by applicants:   | [Not Applicable/ <i>give details</i> ]   |
| (vi)   | Details of the method and time limits for paying up and delivering the Notes:   | [Not Applicable/ <i>give details</i> ]   |
| (vii)  | Manner in and date on which results of the offer are to be made public:   | [Not Applicable/ <i>give details</i> ]   |
| (viii) | Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:  | [Not Applicable/ <i>give details</i> ]   |
| (ix)   | Whether tranche(s) have been reserved for certain countries:  | [Not Applicable/ <i>give details</i> ]   |
| (x)    | Process for notifying applicants of the amount allotted and an indication whether dealing may begin before notification is made:  | [Not Applicable/ <i>give details</i> ]   |
| (xi)   | Amount of any expenses and taxes charged to the subscriber or purchaser:  | [Not Applicable/ <i>give details</i> ]   |
| (xii)  | Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:  | [None/ <i>give details</i> ].  |
| (xiii) | Name and address of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment: | [None/ <i>give details</i> ]<br><i>(Include details where Notes are being admitted to trading on a regulated market)</i> |

9. **REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

- |                        |  |
|------------------------|--|
| Reasons for the offer: | [General corporate purposes as set out in Part VIII – ‘Use of Proceeds’ of the Base Prospectus/ <i>give details</i> ]  |
|                        | [The Notes constitute Green Notes and an amount equivalent to the net proceeds will be used exclusively to finance and/or refinance, in whole or in part, the Eligible Green Projects as described in the Green Financing Framework of the Issuer. Investors should have regard to the risk factors described under “ <i>Risks relating to Notes which qualify as Green Notes</i> ” in the |

section headed “Risk Factors” in the Base Prospectus.]

*(If reasons differ from what is disclosed in the Base Prospectus regarding the proceeds being used for general corporate purposes (including for Green Notes), give details here.)*

*(In case of an issuance of Green Notes, provide details of (i) the estimate of the portion of the proceeds that will be used for financing vs. refinancing Eligible Green Projects, (ii) if applicable, any individual Eligible Green Projects being financed and/or refinanced, (iii) if applicable, the specific lookback period, (iv) the deadline for full allocation and (v) the date of publication of the next allocation and impact reporting.)*

Estimated net proceeds:

[•]

*(If proceeds are intended for more than one use, will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)*

Estimated total expenses:

[•]

*(Include breakdown of expenses into each principal intended use and present in order of priority of such uses.)*

#### [ANNEX – ISSUE SPECIFIC SUMMARY]

*(Issuer to annex issue specific summary to the Final Terms of a specific issue of Notes.)*

**NOTES WITH A DENOMINATION OF EUR 100,000 (OR ITS EQUIVALENT IN ANY OTHER CURRENCY) OR MORE**

*Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme and which have a denomination of EUR 100,000 (or its equivalent in any other currency) or more.*

**RESTRICTIONS ON DISTRIBUTION AND OFFERS AND SALES OF NOTES**

**[Prohibition of sales to EEA Retail Investors** – The Notes are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any retail investor in the European Economic Area (the “**EEA**”). For these purposes, a retail investor means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”), (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the “**Prospectus Regulation**”). Consequently, the Issuer has not prepared a key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

**Prohibition of sales to UK Retail Investors** – The Notes are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any retail investor in the United Kingdom (the “**UK**”). For these purposes, a retail investor means a person who is one (or more) of the following: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”), (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA 2000**”) and any rules or regulations made under the FSMA 2000 to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the “**UK Prospectus Regulation**”). Consequently, the Issuer has not prepared a key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**[Prohibition of sales to Consumers in Belgium** – The Notes are not intended to be offered, sold or otherwise made available, and should not be offered, sold or otherwise made available, in Belgium to any Consumers. For these purposes, a “**Consumer**” has the meaning provided by the Belgian Code of Economic Law, as amended (*Wetboek van economisch recht/Code de droit économique*), being any natural person resident or located in Belgium and acting for purposes which are outside his/her trade, business or profession.]

**[Eligible Investors only** – The Notes may be held only by, and transferred only to, eligible investors referred to in Article 4 of the Belgian Royal Decree of 26 May 1994, holding their securities in an exempt securities account that has been opened with a financial institution that is a direct or indirect participant in the NBB-SSS.]

**TARGET MARKET ASSESSMENTS**

**[MiFID II Product Governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, “**MiFID II**”)]**[MiFID II]** and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. *[Consider any negative target market.]*

Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[‘s/s’] target market assessment, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable. However, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[‘s/s’] target market assessment) and determining appropriate distribution channels.]

[**UK MiFIR Product Governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA (as amended, “**UK MiFIR**”) and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market.*] Any [person subsequently offering, selling or recommending the Notes (a “**distributor**”)] [distributor] should take into consideration the manufacturer[‘s/s’] target market assessment, subject to the distributor’s suitability and appropriateness obligations under UK MiFIR, as applicable. However, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[‘s/s’] target market assessment) and determining appropriate distribution channels.]

The target market assessment in respect of the Notes referred to above does not affect the requirements of any contractual, legal or regulatory selling restriction applicable to the relevant issuance or offer of Notes. In order to avoid any doubt, any such determination may not be considered as (a) an evaluation of the suitability or of the appropriateness an investment in the Notes for a particular investor for the purpose of MiFID II [and/or UK MiFIR] or (b) a recommendation to any investor or group of investors to invest in, to purchase or to take any other measure relating to the Notes, and is the exclusive responsibility of the Dealers acting as manufacturers in respect of the that issue of Notes.

**Final Terms dated [●]**

**FLUVIUS SYSTEM OPERATOR CV**

**Legal entity identifier (“LEI”): 549300WSQWO0M3PK2J78**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]**

Guaranteed on a several but not joint basis by Fluvius Antwerpen, Fluvius Limburg, Fluvius West, Gaselwest, Imewo, Intergem, Iveka, Iverlek, PBE, Riobra and Sibelgas

under the **EUR 5,000,000,000**

**Euro Medium Term Note Programme**

**PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the “**Conditions**”) set forth in the Base Prospectus dated 6 June 2023 [and the supplement(s) to it dated [●]] which [together] constitute[s] a base prospectus (the “**Base Prospectus**”) for the purposes of the Prospectus Regulation. This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all relevant information. Full information on the Issuer, the Guarantors and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus.

The Base Prospectus has been published on the Issuer’s website (<https://over.fluvius.be/en/thema/investor-relations/ratings-and-bonds/bonds>).

(Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs (in which case the subparagraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.)

- |    |       |  |  |
|----|-------|--|--|
| 1. | (i)   | Issuer:  | Fluvius System Operator CV   |
|    | (ii)  | Guarantors:  | Fluvius Antwerpen, Fluvius Limburg, Fluvius West, Gaselwest, Imewo, Intergem, Iveka, Iverlek, PBE, Riobra and Sibelgas (please see paragraph 14 below).  |
| 2. | (i)   | Series Number:   | [●]  |
|    | (ii)  | Tranche Number:  | [●]  |
|    | (iii) | Date on which the Notes will be consolidated and form a single Series: | [The Notes will be consolidated and form a single Series (and be interchangeable for trading purposes) with the <i>[insert description of Tranche of Notes]</i> (ISIN: [●]) on [[●]/the Issue Date]] / [Not Applicable]  |
| 3. |       | Specified Currency or Currencies:                                      | [●]  |
| 4. |       | Aggregate Nominal Amount:  | [●]  |
|    | (i)   | Series:  | [●]  |
|    | (ii)  | Tranche:   | [●]]   |
| 5. |       | Issue Price:   | [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●]]   |
| 6. | (i)   | Specified Denomination[s]:   | [●]<br><br><i>(The minimum Specified Denomination shall be at least EUR 100,000 (or its equivalent in any other currency). The Notes may have multiple Specified Denominations, provided that the larger Specified Denominations are integral multiples of the smaller Specified Denominations.)</i> |
|    | (ii)  | Calculation Amount:  | [●]  |
| 7. | (i)   | Issue Date:  | [●]  |
|    | (ii)  | Interest Commencement Date:  | [●] / [Issue Date] / [Not Applicable]  |
| 8. |       | Maturity Date:   | <i>[Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]</i>  |
| 9. |       | Interest Basis:  | [[●] per cent. Fixed Rate]   |



- [[●] month [EURIBOR] +/- [●] per cent. Floating Rate]
- [Zero Coupon]
- (see paragraph [15/16/17] below)
10. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100/[●]] per cent. of their nominal amount.
11. Change of Interest Basis: [*Specify the date when any fixed to floating rate change occurs or refer to paragraphs 15 and 16 below and identify there*]/[Not Applicable]
12. Put/Call Options: [Tax Call Option]
- [Call Option]
- [Put Option]
- [Make Whole Call Option]
- [Residual Maturity Call Option]
- [Substantial Repurchase Event]
- [See paragraph[s] [18/19/20/21/22/23] below]
- [Not Applicable]
13. Date of Board approval for issuance of Notes and Guarantees: [●]
- (N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related Guarantee)*
14. Pro rata share in the Guarantee for each Guarantor: Each of the Guarantors has agreed to guarantee the Notes on a several but not joint basis, pro rata to the share of contributions that each Guarantor has made in the Issuer as of the Issue Date, being:
- |                   |               |
|-------------------|---------------|
| Fluvius Antwerpen | [●] per cent. |
| Fluvius Limburg   | [●] per cent. |
| Fluvius West      | [●] per cent. |
| Gaselwest         | [●] per cent. |
| Imewo             | [●] per cent. |
| Intergem          | [●] per cent. |

Iveka	[●] per cent.
Iverlek	[●] per cent.
PBE	[●] per cent.
Riobra	[●] per cent.
Sibelgas	[●] per cent.

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

15. **Fixed Rate Note Provisions** [Applicable] / [Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [●]% per annum payable on each Interest Payment Date
- (ii) Interest Payment Date(s): [●] [and [●]] in each year [from and including [●]][until and excluding [●]]
- (iii) Fixed Coupon Amount[(s)]: [●] per Calculation Amount
- (iv) Broken Amount[(s)]: [[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]] [Not Applicable]
- (v) Day Count Fraction: [Actual/Actual] [Actual/Actual-ISDA] [Actual/365 (Fixed)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)] [Actual/Actual-ICMA]
- (vi) Determination Date: [●]/[Each Interest Payment Date]/[Not Applicable].
16. **Floating Rate Note Provisions** [Applicable] / [Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Interest Period(s): [●][, subject to adjustment in accordance with the Business Day Convention set out in (v) below/, not subject to any adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]]
- (ii) Specified Interest Payment Date(s): [●] in each year[, subject to adjustment in accordance with the Business Day Convention set out in (v) below/, not subject to any adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]]
- (iii) First Interest Payment Date: [●]
- (iv) Interest Period Date(s): [Not Applicable] / [[●] in each year[, subject to adjustment in accordance with the Business Day Convention set out in (v) below/, not subject to any

		adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]]]
(v)	Business Day Convention:	[Floating Rate Business Day Convention] / [Following Business Day Convention] / [Modified Following Business Day Convention] / [Preceding Business Day Convention] / [Not Applicable]
(vi)	Business Centre(s):	[•]
(vii)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ ISDA Determination]
(viii)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Agent]):	[•] shall be the Calculation Agent
(ix)	Screen Rate Determination:	[Applicable] / [Not Applicable]
	• Reference Rate:	[•] month [EURIBOR]
	• Interest Determination Date(s):	[•]
	• Relevant Screen Page:	[•]
(x)	ISDA Determination:	[Applicable] / [Not Applicable]
	• Floating Rate Option:	[•]
	• Designated Maturity:	[•]
	• Reset Date:	[•]
	• ISDA Benchmarks Supplement:	[•]
(xi)	Linear Interpolation:	[Applicable] / [Not Applicable] [– the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation ( <i>specify for each short or long interest period</i> )]
(x)	Margin:	[[+/-][•]% per annum]
(xi)	Minimum Rate of Interest:	[[•]% per annum] / [Not Applicable]
(xii)	Maximum Rate of Interest:	[[•]% per annum] / [Not Applicable]
(xiii)	Day Count Fraction:	[Actual/Actual] [Actual/Actual-ISDA] [Actual/365 (Fixed)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)] [Actual/Actual-ICMA]
17.	<b>Zero Coupon Note Provisions</b>	[Applicable] / [Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
(i)	Amortisation Yield:	[•]% per annum

- (ii) Day Count Fraction: [Actual/Actual] [Actual/Actual-ISDA] [Actual/365 (Fixed)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)] [Actual/Actual-ICMA]

**PROVISIONS RELATING TO REDEMPTION**

18. Tax Call Option [Applicable] / [Not Applicable]  
*(The Tax Call Option should only be specified to be applicable if the Prohibition of Sales to Consumers is specified to be applicable.)*
19. Call Option [Applicable] / [Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph. The Call Option should only be specified to be applicable if the Prohibition of Sales to Consumers is specified to be applicable.)*
- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount(s): [•] per Calculation Amount
- (iii) Minimum Redemption Amount: [•] [All of the Notes]
- (iv) Maximum Redemption Amount: [•] [All of the Notes]
- (v) Notice period: [•] days
20. Put Option [Applicable] / [Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount(s): [•] per Calculation Amount
- (iii) Notice period: [•] days
21. Make Whole Call Option [Applicable] / [Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph. The Make Whole Call Option should only be specified to be applicable if the Prohibition of Sales to Consumers is specified to be applicable.)*
- (i) Reference Dealers: [•]
- (ii) Reference Bond: [•]
- (iii) Determination Date: [•]
- (iv) Determination Time: [•]
- (v) Margin: [•]

- (vi) Day Count Fraction: [●]
- (vii) Notice Period: [●] days
22. Residual Maturity Call Option [Applicable] / [Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph. The Residual Maturity Call Option should only be specified to be applicable if the Prohibition of Sales to Consumers is specified to be applicable.)*
- (i) Residual Maturity Call Period: [●]
- (ii) Notice Period: [●] days
23. Substantial Repurchase Event [Applicable] / [Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph. The Substantial Repurchase Event should only be specified to be applicable if the Prohibition of Sales to Consumers is specified to be applicable.)*
- (i) Applicable Percentage: [●]
- (ii) Notice Period: [●] days
24. Final Redemption Amount: [●] per Calculation Amount
25. Early Redemption Amount payable on redemption for taxation reasons or on event of default: [●] per Calculation Amount

### THIRD PARTY INFORMATION

The Issuer accepts responsibility for the information contained in these Final Terms. [[●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

**SIGNED** on behalf of **FLUVIUS SYSTEM OPERATOR CV, FLUVIUS ANTWERPEN, FLUVIUS LIMBURG, FLUVIUS WEST, GASELWEST, IMEWO, INTERGEM, IVEKA, IVERLEK, PBE, RIOBRA and SIBELGAS**

By:

Duly authorised

**PART B – OTHER INFORMATION****1. LISTING AND ADMISSION TO TRADING**

- (i) Listing and admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [●] with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [●] with effect from [●].] [Not Applicable.]
- (ii) Estimate of total expenses related to admission to trading: [●]

**2. RATINGS**

The Notes to be issued [are not/have been/are expected to be] specifically rated [by [●]]. [The following ratings reflect ratings assigned to Notes of this type under the Programme generally [●].]

[Name of rating agency(ies): [●]

[●] [is/are] established in the EU and registered under Regulation (EC) No 1060/2009.]

[A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.]

*(Need to include a brief explanation of the meaning of the ratings if this has been previously published by the rating provider.)*

**3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

*(Need to include a description of any interest, including a conflict of interest, that is material to the issue, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the statement below.)*

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the issue. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and the Guarantors and any of their affiliates in the ordinary course of business.] [So far as the Issuer is aware, the following persons have an interest material to the issue: [●].] *(Amend as appropriate if there are other interests)*

*(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.)*

**4. YIELD (Fixed Rate Notes only.)**

[Not Applicable]

*(If not applicable, delete the remaining subparagraph of this paragraph)*

Indication of yield:

The yield in respect of this issue of Fixed Rate Notes is [●].

[The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

## 5. OPERATIONAL INFORMATION

- ISIN: [●]
- Common Code: [●]
- Delivery: Delivery [against/free of] payment
- Names and addresses of additional Agent(s): [●]
- Relevant Benchmark[s]: [[*specify benchmark*] is provided by [*administrator legal name*][*repeat as necessary*]. As at the date hereof, [[*administrator legal name*][appears]/[does not appear]][*repeat as necessary*] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (*Register of administrators and benchmarks*) of Regulation (EU) 2016/1011.]/[As far as the Issuer is aware, the transitional provisions in Article 51 of Regulation (EU) 2016/1011, as amended, apply such that [*name of administrator*] is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence).]/[As far as the Issuer is aware, as at the date hereof, [*specify benchmark*] does not fall within the scope of Regulation (EU) 2016/1011/ [Not Applicable]
- Intended to be held in a manner which would allow Eurosystem eligibility: [Yes, provided that Eurosystem eligibility criteria have been met.] [No.]

## 6. DISTRIBUTION

- (i) Method of distribution: [Syndicated] / [Non-syndicated]
- (ii) If syndicated, [Not Applicable] [●]
- (A) Names and addresses of Managers: [Not Applicable] [●]
- (B) Date of [Subscription] Agreement: [Not Applicable] [●]
- (C) Stabilising Manager(s) (if any): [Not Applicable] [●]
- (iii) If non-syndicated, name and address of Dealer: [Not Applicable] [●]
- (iv) US Selling Restrictions: Regulation S compliance Category 1. TEFRA is not applicable to the Notes.
- (v) Prohibition of Sales to EEA Retail Investors: [Applicable] / [Not Applicable]
- (vi) Prohibition of Sales to Consumers: [Applicable] / [Not Applicable]

(vii) Additional Selling Restrictions [Not Applicable] [●]

(viii) X-only Issuance: [Applicable] / [Not Applicable]

7. **REASONS FOR THE ISSUE AND ESTIMATED NET PROCEEDS**

Reasons for the issue: [General corporate purposes as set out in Part VIII – ‘Use of Proceeds’ of the Base Prospectus/*give details*]

[The Notes constitute Green Notes and an amount equivalent to the net proceeds will be used exclusively to finance and/or refinance, in whole or in part, the Eligible Green Projects as described in the Green Financing Framework of the Issuer. Investors should have regard to the risk factors described under “*Risks relating to Notes which qualify as Green Notes*” in the section headed “Risk Factors” in the Base Prospectus.]

*(If reasons differ from what is disclosed in the Base Prospectus regarding the proceeds being used for general corporate purposes (including for Green Notes), give details here.)*

*(In case of an issuance of Green Notes, provide details of (i) the estimate of the portion of the proceeds that will be used for financing vs. refinancing Eligible Green Projects, (ii) if applicable, any individual Eligible Green Projects being financed and/or refinanced, (iii) if applicable, the specific lookback period, (iv) the deadline for full allocation and (v) the date of publication of the next allocation and impact reporting.)*

Estimated net proceeds: [●]



## PART XIV – GENERAL INFORMATION

### Corporate authorisations

The Issuer has obtained all necessary consents, approvals and authorisations in Belgium in connection with the establishment and update of the Programme. The establishment and annual updates (for a maximum duration of ten years, i.e., until and including 2030) of the Programme were authorised by resolutions of the Board of Directors of the Issuer passed on 26 August 2020, 13 October 2021 and 23 November 2022.

The Guarantors have obtained all necessary consents, approvals and authorisations in Belgium in connection with the Guarantees. The Guarantees were authorised by a resolution of the Board of Directors of Fluvius Antwerpen passed on 16 September 2020 (as confirmed on 27 October 2021 and on 14 December 2022), by a resolution of the Board of Directors of Fluvius Limburg passed on 8 September 2020 (as confirmed on 20 October 2021 and on 21 December 2022), by a resolution of the Board of Directors of Fluvius West passed on 7 September 2020 (as confirmed on 25 October 2021 and on 12 December 2022), by a resolution of the Board of Directors of Gaselwest passed on 9 September 2020 (as confirmed on 18 October 2021 and on 20 December 2022), by a resolution of the Board of Directors of Imewo passed on 11 September 2020 (as confirmed on 22 October 2021 and on 22 December 2022), by a resolution of the Board of Directors of Intergem passed on 10 September 2020 (as confirmed on 28 October 2021 and on 15 December 2022), by a resolution of the Board of Directors of Iveka passed on 11 September 2020 (as confirmed on 19 October 2021 and on 13 December 2022), by a resolution of the Board of Directors of Iverlek passed on 7 September 2020 (as confirmed on 25 October 2021 and on 22 December 2022), by a resolution of the Board of Directors of PBE passed on 3 September 2020 (as confirmed on 18 October 2021 and on 22 December 2022), by a resolution of the Board of Directors of Riobra passed on 14 September 2020 (as confirmed on 21 October 2021 and on 19 December 2022) and by a resolution of the Board of Directors of Sibelgas passed on 21 September 2020 (as confirmed on 26 October 2021 and on 20 December 2022).

### Approval by the FSMA

This Base Prospectus has been approved on 6 June 2023 by the FSMA, in its capacity as competent authority under the Prospectus Regulation, as a base prospectus for the purposes of Article 8 of the Prospectus Regulation in respect of the issue by the Issuer of Notes. The approval by the FSMA should not be considered as an endorsement of the Issuer or the Guarantors nor of the quality of the Notes that are the subject of this Base Prospectus.

### Listing of Notes on Euronext Brussels and admission to trading of Notes on the regulated market of Euronext Brussels

Application has been made to Euronext Brussels for Notes issued under the Programme during the period of twelve months from the date of approval of this Base Prospectus to be listed on Euronext Brussels and to be admitted to trading on the regulated market of Euronext Brussels. The regulated market of Euronext Brussels is a regulated market for the purposes of MiFID II. However, unlisted Notes or Notes listed on another market may be issued under the Programme.

### Settlement of the Notes

The Notes have been accepted for settlement through the facilities of the NBB-SSS. The Notes can be held by their holders through direct Participants and through other financial intermediaries which in turn hold the Notes through any Participant, including, as at the date of this Base Prospectus, through Euroclear, Euroclear France, Clearstream, SIX SIS, Euronext Securities Milan, Euronext Securities Porto and LuxCSD.

The International Securities Identification Number (ISIN), the Common Code and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.

As at the date of this Base Prospectus, the address of the NBB-SSS is Boulevard de Berlaimont 14, 1000 Brussels, Belgium. The address of any other relevant clearing system will be specified in the relevant Final Terms.

### **Significant changes or material adverse changes**

Other than as set out in section 7 – ‘Significant changes in the financial position and prospects of the Issuer and the Guarantors’ of Part VII – ‘Description of the Issuer and the Guarantors’, there has been no significant change in the financial position or the financial performance of the Fluvius Economic Group and no material adverse change in the prospects of the Issuer or the Guarantors since 31 December 2022.

### **Litigation**

Other than as set out in section 6 – ‘Legal and arbitration proceedings’ in Part VII – ‘Description of the Issuer and the Guarantors’, neither the Issuer nor the Guarantors have been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer and/or the Guarantors are aware) which may have or have had in the twelve months preceding the date of this Base Prospectus a significant effect on the financial position or profitability of the Issuer or the Guarantors.

### **Representation of Noteholders**

No entity or organisation has been appointed to act as representative of the Noteholders. The provisions on meetings of Noteholders are set out in Condition 10(a) (*Meetings of Noteholders*) and Schedule 1 (*Provisions on meetings of Noteholders*) to the Conditions.

### **Third party information**

Where information in this Base Prospectus has been sourced from third parties, this information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the information published by such third parties no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

### **Documents available**

For so long as Notes may be issued pursuant to this Base Prospectus, the following documents will be available on the website of the Issuer (<https://over.fluvius.be/en/thema/investor-relations>):

- (i) the articles of association (*statuten/statuts*) of the Issuer and the Guarantors (in Dutch);
- (ii) this Base Prospectus; and
- (iii) the documents incorporated by reference herein.

The Agency Agreement, the Clearing Services Agreement and the Guarantees will, for so long as Notes may be issued pursuant to this Base Prospectus, be available during usual business hours on any weekday (Saturdays and public holidays excepted) for inspection at the registered office of the Agent.

### **Transactions of the Co-Arrangers, the Dealers and their respective affiliates with the Issuer, the Guarantors and their respective affiliates**

The Co-Arrangers, the Dealers and their respective affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer, the Guarantors and their respective affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Co-Arrangers, the Dealers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer, the Guarantors or their respective affiliates. The

Co-Arrangers, the Dealers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

**ANNEX – BALANCE SHEET AND INCOME STATEMENT OF EACH GUARANTOR**

This Annex includes the balance sheet (after appropriation) and income statement of each Guarantor as of and for the financial years ended 31 December 2021 and 31 December 2022. These have been prepared in accordance with Belgian generally accepted accounting principles.

The balance sheets and income statements for the financial year ended 31 December 2021 have been extracted from the relevant Guarantor's financial statements which were filed with the NBB (and were translated from Dutch to English). In the event of any conflict or inconsistency between the terms of the English translations of these financial statements and the original versions prepared in Dutch, the Dutch versions shall prevail.

As at the date of this Base Prospectus, the balance sheets and income statements of the Guarantors for the financial year ended 31 December 2022 have not been filed with the NBB. These have been approved by the board of directors of the relevant Guarantor and are in the process of being submitted for approval by each relevant Guarantor's annual shareholders' meeting. The relevant audit procedures have been finalised and did not give rise to any qualifications by the auditor.

**1 Fluvius Antwerpen****1.1 Balance sheet**

	31.12.2022	31.12.2021
<b>ASSETS</b>		
<b>Formation expenses</b>	-	-
<b>FIXED ASSETS</b>	<b>1,700,537,843</b>	<b>1,621,349,759</b>
<b>Intangible fixed assets</b>	<b>18,992,319</b>	<b>19,878,206</b>
<b>Tangible fixed assets</b>	<b>1,625,353,448</b>	<b>1,545,279,476</b>
Land and buildings	42,333,768	42,490,227
Plant, machinery and equipment	1,415,098,148	1,341,526,231
Furniture and vehicles	7,581,573	7,046,572
Leasing and similar rights	209,785	261,339
Other tangible fixed assets	88,822	96,379
Assets under construction and advance payments	160,041,351	153,858,728
<b>Financial fixed assets</b>	<b>56,192,076</b>	<b>56,192,076</b>
Affiliated enterprises		-
Participating interests		-
Amounts receivable		-
Enterprises linked by participating interests	6,565,667.51	6,565,668
Participating interests	6,565,667.51	6,565,668
Amounts receivable		-
Other financial fixed assets	49,626,409	49,626,409
Shares	49,495,057	49,495,057
Amounts receivable and cash guarantees	131,353	131,352

Annex – Balance sheet and income statement of each Guarantor

	31.12.2022	31.12.2021
<b>CURRENT ASSETS</b>	<b>259,736,421</b>	<b>265,086,170</b>
<b>Amounts receivable after more than one year</b>	<b>61,667,985</b>	<b>68,137,182</b>
Trade debtors	313,359	338,415
Other amounts receivable	61,354,626	67,798,766
<b>Stocks and contracts in progress</b>	<b>5,451,982</b>	<b>7,112,721</b>
Stocks	-	-
Raw materials and consumables	-	-
Work in progress	-	-
Finished goods	-	-
Goods purchased for resale	-	-
Immovable property intended for sale	-	-
Advance payments	-	-
Contracts in progress	5,451,982	7,112,721
<b>Amounts receivable within one year</b>	<b>141,803,919</b>	<b>147,682,353</b>
Trade debtors	51,394,684	93,002,273
Other amounts receivable	90,409,235	54,680,080
<b>Current investments</b>	-	-
Own shares	-	-
Other investments	-	-
<b>Cash at bank and in hand</b>	<b>15,172</b>	<b>9,907</b>
<b>Deferred charges and accrued income</b>	<b>50,797,363</b>	<b>42,144,008</b>
<b>TOTAL ASSETS</b>	<b>1,960,274,264</b>	<b>1,886,435,929</b>

	31.12.2022	31.12.2021
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>	<b>796,327,715</b>	<b>774,920,784</b>
<b>Contribution excluding capital</b>	<b>433,500,710</b>	<b>419,219,710</b>
Contribution available	433,500,710	419,219,710
Contribution unavailable	-	-
<b>Revaluation surpluses</b>	<b>131,452,148</b>	<b>134,785,659</b>
<b>Reserves</b>	<b>192,151,172</b>	<b>188,786,744</b>
Reserves not available	50,572,612	47,239,101
In respect of own shares held	-	-
Other	50,572,612	47,239,101
Untaxed reserves	660,640	674,123
Available reserves	140,917,919	140,873,520

Annex – Balance sheet and income statement of each Guarantor

	31.12.2022	31.12.2021
<b>Accumulated profits (losses)</b>	<b>27,706,527</b>	<b>22,142,107</b>
<b>Investment grants</b>	<b>11,517,158</b>	<b>9,986,564</b>
<b>Advances to shareholders on the distribution of net assets</b>	-	-
<b>PROVISIONS AND DEFERRED TAXES</b>	<b>10,022,762</b>	<b>12,482,268</b>
<b>Provisions for liabilities and charges</b>	<b>5,997,686</b>	<b>9,098,205</b>
Pensions and similar obligations	-	2,882,023
Taxation	-	-
Major repairs and maintenance	-	-
Environmental obligations	420,731	500,731
Other liabilities and charges	5,576,955	5,715,450
<b>Deferred taxes</b>	<b>4,025,076</b>	<b>3,384,063</b>
<b>AMOUNTS PAYABLE</b>	<b>1,153,923,786</b>	<b>1,099,032,877</b>
<b>Amounts payable after more than one year</b>	<b>891,634,380</b>	<b>840,455,683</b>
Financial debts	891,634,380	840,455,683
Subordinated loans	-	-
Unsubordinated debentures	-	-
Leasing and other similar obligations	271,885	285,118
Credit institutions	849,520,219	787,199,000
Other loans	41,842,276	52,971,564
Trade debts	-	-
Suppliers	-	-
Bills of exchange payable	-	-
Advances received on contracts in progress	-	-
Other amounts payable	-	-
<b>Amounts payable within one year</b>	<b>221,738,643</b>	<b>192,812,551</b>
Current portion of amounts payable after more than one year falling due within one year	129,799,905	81,324,796
Financial debts	11,519	17,224
Credit institutions	11,519	17,224
Other loans	-	-
Trade debts	46,890,012	59,252,015
Suppliers	46,890,012	59,252,015
Bills of exchange payable	-	-
Advances received on contracts in progress	16,834,953	14,716,621
Taxes, remuneration and social security	360,196	4,228,095
Taxes	360,196	4,228,095

Annex – Balance sheet and income statement of each Guarantor

	31.12.2022	31.12.2021
Remuneration and social security		-
Other amounts payable	27,842,058	33,273,800
<b>Accruals and deferred income</b>	<b>40,550,764</b>	<b>65,764,643</b>
<b>TOTAL LIABILITIES</b>	<b>1,960,274,264</b>	<b>1,886,435,929</b>

**1.2 Income statement**

	31.12.2022	31.12.2021
<b>Operating income</b>	<b>406,115,341</b>	<b>444,897,383</b>
Turnover	379,489,601	425,193,007
Stocks of finished goods and work and contracts in progress: increase (decrease) (+)/(-)	-1,866,766	-2,688,401
Own work capitalised	-	-
Other operating income	28,492,506	22,392,777
Non-recurring operating income	0.01	-
<b>Operating charges</b>	<b>354,096,330</b>	<b>390,234,968</b>
Raw materials, consumables	131,953,560	188,547,365
Purchases	131,953,560	188,547,365
Stocks: decrease (increase) (+)/(-)	-	-
Services and other goods	130,094,860	115,801,212
Remuneration, social security costs and pensions (+)/(-)	-	-
Depreciation of and other amounts written off formation expenses, intangible and tangible fixed assets	68,441,004	64,519,974
Amounts written off stocks, contracts in progress and trade debtors: Appropriations (write-backs) (+)/(-)	1,220,652	-950,694
Provisions for liabilities and charges: Appropriations (uses and write-backs) (+)/(-)	-3,100,518	-888,100
Other operating charges	19,703,325	21,034,162
Operating charges carried to assets as restructuring costs (-)	-	-
Non-recurring operating charges	5,783,449	2,171,048
<b>Operating profit (loss) (+)/(-)</b>	<b>52,019,011</b>	<b>54,662,416</b>
<b>Financial income</b>	<b>15,190,121</b>	<b>15,351,723</b>
Recurring financial income	15,190,121	15,351,723
Income from financial fixed assets	10,124,702	9,867,895

Annex – Balance sheet and income statement of each Guarantor

	31.12.2022	31.12.2021
Income from current assets	197,068	189,161
Other financial income	4,868,351	5,294,667
Non-recurring financial income	-	-
<b>Financial charges</b>	<b>20,240,326</b>	<b>20,577,871</b>
Recurring financial charges	20,240,326	20,577,871
Debt charges	20,231,445	20,574,830
Amounts written off current assets except stocks, contracts in progress and trade debtors: appropriations (write-backs) (+)/(-)	-	-
Other financial charges	8,881	3,041
Non-recurring financial charges	-	-
<b>Profit (loss) for the period before taxes (+)/(-)</b>	<b>46,968,806</b>	<b>49,436,267</b>
<b>Transfer from deferred taxes</b>	<b>77,179</b>	<b>21,663</b>
<b>Transfer to deferred taxes</b>	<b>-</b>	<b>-</b>
<b>Income taxes (+)/(-)</b>	<b>10,632,930</b>	<b>11,600,977</b>
Taxes	10,632,932	11,608,488
Adjustment of income taxes and write-back of tax provisions	2.40	7,511
<b>Profit (loss) of the period (+)/(-)</b>	<b>36,413,056</b>	<b>37,856,953</b>
<b>Transfer from untaxed reserves</b>	<b>13,482</b>	<b>-</b>
<b>Transfer to untaxed reserves</b>	<b>-</b>	<b>-</b>
<b>Profit (loss) of the period available for appropriation (+)/(-)</b>	<b>36,426,538</b>	<b>37,856,953</b>

## 2 Fluvius Limburg

### 2.1 Balance sheet

	31.12.2022	31.12.2021
<b>ASSETS</b>		
<b>Formation expenses</b>	<b>-</b>	<b>-</b>
<b>FIXED ASSETS</b>	<b>2,312,467,159</b>	<b>2,229,703,971</b>
<b>Intangible fixed assets</b>	<b>17,473,603</b>	<b>16,350,920</b>
<b>Tangible fixed assets</b>	<b>2,219,438,704</b>	<b>2,135,733,450</b>
Land and buildings	25,234,480	24,906,195
Plant, machinery and equipment	1,948,437,032	1,880,868,327
Furniture and vehicles	7,984,769	6,575,644
Leasing and similar rights	1,292,662	2,413,306



Annex – Balance sheet and income statement of each Guarantor

	31.12.2022	31.12.2021
Other tangible fixed assets	64,706	65,950
Assets under construction and advance payments	236,425,055	220,904,027
<b>Financial fixed assets</b>	<b>75,554,852</b>	<b>77,619,601</b>
Affiliated enterprises	-	-
Participating interests	-	-
Amounts receivable	-	-
Enterprises linked by participating interests	11,576,986	13,641,735
Participating interests	11,576,986	13,641,735
Amounts receivable	-	-
Other financial fixed assets	63,977,866	63,977,866
Shares	63,973,920	63,973,920
Amounts receivable and cash guarantees	3,946	3,946
<b>CURRENT ASSETS</b>	<b>333,636,470</b>	<b>365,924,145</b>
<b>Amounts receivable after more than one year</b>	<b>118,812,268</b>	<b>126,463,781</b>
Trade debtors	5,311,826	5,370,413
Other amounts receivable	113,500,442	121,093,368
<b>Stocks and contracts in progress</b>	<b>2,841,485</b>	<b>8,377,180</b>
Stocks	-	-
Raw materials and consumables	-	-
Work in progress	-	-
Finished goods	-	-
Goods purchased for resale	-	-
Immovable property intended for sale	-	-
Advance payments	-	-
Contracts in progress	2,841,485	8,377,180
<b>Amounts receivable within one year</b>	<b>138,559,145</b>	<b>185,464,771</b>
Trade debtors	46,650,687	72,207,347
Other amounts receivable	91,908,458	113,257,424
<b>Current investments</b>	-	-
Own shares	-	-
Other investments	-	-
<b>Cash at bank and in hand</b>	<b>198,539</b>	<b>245,045</b>
<b>Deferred charges and accrued income</b>	<b>73,225,033</b>	<b>45,373,368</b>
<b>TOTAL ASSETS</b>	<b>2,646,103,629</b>	<b>2,595,628,116</b>

	31.12.2022	31.12.2021
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>	<b>1,676,309,998</b>	<b>1,650,311,876</b>
<b>Contribution excluding capital</b>	<b>698,381,910</b>	<b>698,381,885</b>
Contribution available	698,381,910	698,381,885
Contribution unavailable	-	-
<b>Revaluation surpluses</b>	<b>292,315,504</b>	<b>301,314,251</b>
<b>Reserves</b>	<b>463,812,183</b>	<b>454,315,667</b>
Reserves not available	270,085,188	261,086,441
In respect of own shares held	-	-
Other	270,085,188	261,086,441
Untaxed reserves	-	-
Available reserves	193,726,996	193,229,226
<b>Accumulated profits (losses)</b>	<b>32,408,101</b>	<b>14,054,690</b>
<b>Investment grants</b>	<b>189,392,300</b>	<b>182,245,384</b>
<b>Advances to shareholders on the distribution of net assets</b>	<b>-</b>	<b>-</b>
<b>PROVISIONS AND DEFERRED TAXES</b>	<b>26,602,608</b>	<b>23,983,556</b>
<b>Provisions for liabilities and charges</b>	<b>8,067,662</b>	<b>8,067,662</b>
Pensions and similar obligations	-	-
Taxation	-	-
Major repairs and maintenance	-	-
Environmental obligations	343,662	-
Other liabilities and charges	7,724,000	8,067,662
<b>Deferred taxes</b>	<b>18,534,947</b>	<b>15,915,894</b>
<b>AMOUNTS PAYABLE</b>	<b>943,191,022</b>	<b>921,332,684</b>
<b>Amounts payable after more than one year</b>	<b>710,089,122</b>	<b>720,956,803</b>
Financial debts	710,089,122	720,956,803
Subordinated loans	-	-
Unsubordinated debentures	-	-
Leasing and other similar obligations	1,955,251	2,805,092
Credit institutions	708,133,870	718,151,711
Other loans	-	-
Trade debts	-	-
Suppliers	-	-
Bills of exchange payable	-	-
Advances received on contracts in progress	-	-

Annex – Balance sheet and income statement of each Guarantor

	31.12.2022	31.12.2021
Other amounts payable	-	-
<b>Amounts payable within one year</b>	<b>214,760,021</b>	<b>146,939,043</b>
Current portion of amounts payable after more than one year falling due within one year	121,009,747	19,854,365
Financial debts	-	-
Credit institutions	-	-
Other loans	-	-
Trade debts	53,819,352	68,107,507
Suppliers	53,819,352	68,107,507
Bills of exchange payable	-	-
Advances received on contracts in progress	12,427,336	13,315,929
Taxes, remuneration and social security	2,972,204	686,436
Taxes	2,972,204	686,436
Remuneration and social security	-	-
Other amounts payable	24,531,382	44,974,806
<b>Accruals and deferred income</b>	<b>18,341,880</b>	<b>53,436,839</b>
<b>TOTAL LIABILITIES</b>	<b>2,646,103,629</b>	<b>2,595,628,116</b>

## 2.2 Income statement

	31.12.2022	31.12.2021
<b>Operating income</b>	<b>412,128,962</b>	<b>445,988,635</b>
Turnover	371,717,671	422,498,918
Stocks of finished goods and work and contracts in progress: increase (decrease) (+)/(-)	-1,213,862	-6,903,797
Own work capitalised	-	-
Other operating income	41,625,152	30,393,514
Non-recurring operating income	-	-
<b>Operating charges</b>	<b>369,372,691</b>	<b>398,939,310</b>
Raw materials, consumables	124,441,199	175,699,673
Purchases	124,441,199	175,699,673
Stocks: decrease (increase) (+)/(-)	-	-
Services and other goods	128,803,252	120,963,310
Remuneration, social security costs and pensions (+)/(-)	-	-
Depreciation of and other amounts written off formation expenses, intangible and tangible fixed assets	85,011,717	76,635,170

Annex – Balance sheet and income statement of each Guarantor

	31.12.2022	31.12.2021
Amounts written off stocks, contracts in progress and trade debtors: Appropriations (write-backs) (+)/(-)	2,252,153	531,036
Provisions for liabilities and charges: Appropriations (uses and write-backs) (+)/(-)	-	-3,301,000
Other operating charges	13,764,369	13,311,121
Operating charges carried to assets as restructuring costs (-)	-	-
Non-recurring operating charges	15,100,000	15,100,000
<b>Operating profit (loss) (+)/(-)</b>	<b>42,756,271</b>	<b>47,049,325</b>
<b>Financial income</b>	<b>19,583,275</b>	<b>19,010,225</b>
Recurring financial income	19,583,275	19,010,225
Income from financial fixed assets	5,470,442	5,097,263
Income from current assets	492,439	313,822
Other financial income	13,615,393	13,599,140
Non-recurring financial income	5,000	-
<b>Financial charges</b>	<b>14,169,446</b>	<b>12,432,238</b>
Recurring financial charges	12,104,697	11,141,994
Debt charges	12,100,265	11,138,136
Amounts written off current assets except stocks, contracts in progress and trade debtors: appropriations (write-backs) (+)/(-)	-	-
Other financial charges	4,431	3,858
Non-recurring financial charges	2,064,749	1,290,244
<b>Profit (loss) for the period before taxes (+)/(-)</b>	<b>48,170,100</b>	<b>53,627,313</b>
<b>Transfer from deferred taxes</b>	<b>301,970</b>	<b>249,141</b>
<b>Transfer to deferred taxes</b>	<b>-</b>	<b>-</b>
<b>Income taxes (+)/(-)</b>	<b>12,910,275</b>	<b>13,782,582</b>
Taxes	12,910,275	13,791,504
Adjustment of income taxes and write-back of tax provisions	-	8,922
<b>Profit (loss) of the period (+)/(-)</b>	<b>35,561,796</b>	<b>40,093,872</b>
<b>Transfer from untaxed reserves</b>	<b>-</b>	<b>-</b>
<b>Transfer to untaxed reserves</b>	<b>-</b>	<b>-</b>
<b>Profit (loss) of the period available for appropriation (+)/(-)</b>	<b>35,561,796</b>	<b>40,093,872</b>

## 3 Fluvius West

## 3.1 Balance sheet

	31.12.2022	31.12.2021
<b>ASSETS</b>		
Formation expenses	-	-
<b>FIXED ASSETS</b>	<b>741,054,599</b>	<b>724,611,005</b>
<b>Intangible fixed assets</b>	<b>6,383,047</b>	<b>6,026,888</b>
<b>Tangible fixed assets</b>	<b>711,036,123</b>	<b>694,948,687</b>
Land and buildings	33,380,122	33,463,643
Plant, machinery and equipment	580,874,310	537,011,146
Furniture and vehicles	2,011,630	1,320,550
Leasing and similar rights	141,337	298,877
Other tangible fixed assets	-	-
Assets under construction and advance payments	94,628,723	122,854,472
<b>Financial fixed assets</b>	<b>23,635,429</b>	<b>23,635,429</b>
Affiliated enterprises	-	-
Participating interests	-	-
Amounts receivable	-	-
Enterprises linked by participating interests	4,015,745	4,015,745
Participating interests	4,015,745	4,015,745
Amounts receivable	-	-
Other financial fixed assets	19,619,684	19,619,684
Shares	19,619,684	19,619,684
Amounts receivable and cash guarantees	-	-
<b>CURRENT ASSETS</b>	<b>140,636,818</b>	<b>142,180,136</b>
<b>Amounts receivable after more than one year</b>	<b>76,334,142</b>	<b>80,468,826</b>
Trade debtors	-	-
Other amounts receivable	76,334,142	80,468,826
<b>Stocks and contracts in progress</b>	<b>407,869</b>	<b>7,956,331</b>
Stocks	-	-
Raw materials and consumables	-	-
Work in progress	-	-
Finished goods	-	-
Goods purchased for resale	-	-
Immovable property intended for sale	-	-
Advance payments	-	-
Contracts in progress	407,869	7,956,331
<b>Amounts receivable within one year</b>	<b>46,420,399</b>	<b>45,031,361</b>
Trade debtors	21,660,241	25,719,810
Other amounts receivable	24,760,157	19,311,551
<b>Current investments</b>	<b>-</b>	<b>-</b>

Annex – Balance sheet and income statement of each Guarantor

	31.12.2022	31.12.2021
Own shares	-	-
Other investments	-	-
<b>Cash at bank and in hand</b>	<b>13,477</b>	<b>14,158</b>
<b>Deferred charges and accrued income</b>	<b>17,460,930</b>	<b>8,709,460</b>
<b>TOTAL ASSETS</b>	<b>881,691,417</b>	<b>866,791,141</b>

	31.12.2022	31.12.2021
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>	<b>576,888,676</b>	<b>570,978,888</b>
<b>Contribution excluding capital</b>	<b>254,498,918</b>	<b>254,401,718</b>
Contribution available	254,498,918	254,401,718
Contribution unavailable	-	-
<b>Revaluation surpluses</b>	<b>74,526,270</b>	<b>76,795,044</b>
<b>Reserves</b>	<b>182,411,631</b>	<b>180,198,823</b>
Reserves not available	52,066,155	49,894,580
In respect of own shares held	-	-
Other	52,066,155	49,894,580
Untaxed reserves	522,044	533,278
Available reserves	129,823,432	129,770,966
<b>Accumulated profits (losses)</b>	<b>12,955,961</b>	<b>8,346,224</b>
<b>Investment grants</b>	<b>52,495,897</b>	<b>51,237,079</b>
<b>Advances to shareholders on the distribution of net assets</b>	<b>-</b>	<b>-</b>
<b>PROVISIONS AND DEFERRED TAXES</b>	<b>22,672,554</b>	<b>22,233,636</b>
<b>Provisions for liabilities and charges</b>	<b>5,000,000</b>	<b>5,000,000</b>
Pensions and similar obligations	-	-
Taxation	-	-
Major repairs and maintenance	-	-
Environmental obligations	-	-
Other liabilities and charges	5,000,000	5,000,000
<b>Deferred taxes</b>	<b>17,672,554</b>	<b>17,233,636</b>
<b>AMOUNTS PAYABLE</b>	<b>282,130,187</b>	<b>273,578,617</b>
<b>Amounts payable after more than one year</b>	<b>178,967,774</b>	<b>200,338,688</b>
Financial debts	178,967,774	200,338,688
Subordinated loans	-	-
Unsubordinated debentures	-	-
Leasing and other similar obligations	258,931	401,399
Credit institutions	178,708,844	199,937,289
Other loans	-	-
Trade debts	-	-
Suppliers	-	-

Annex – Balance sheet and income statement of each Guarantor

	31.12.2022	31.12.2021
Bills of exchange payable	-	-
Advances received on contracts in progress	-	-
Other amounts payable	-	-
<b>Amounts payable within one year</b>	<b>99,454,911</b>	<b>60,625,414</b>
Current portion of amounts payable after more than one year falling due within one year	43,897,228	7,827,419
Financial debts	-	-
Credit institutions	-	-
Other loans	-	-
Trade debts	18,151,002	20,669,922
Suppliers	18,151,002	20,669,922
Bills of exchange payable	-	-
Advances received on contracts in progress	2,167,690	4,224,369
Taxes, remuneration and social security	903,775	9,065
Taxes	903,775	9,065
Remuneration and social security	-	-
Other amounts payable	34,335,216	27,894,639
<b>Accruals and deferred income</b>	<b>3,707,502</b>	<b>12,614,515</b>
<b>TOTAL LIABILITIES</b>	<b>881,691,417</b>	<b>866,791,141</b>

### 3.2 Income statement

	31.12.2022	31.12.2021
<b>Operating income</b>	<b>125,839,932</b>	<b>138,580,404</b>
Turnover	110,252,550	127,769,516
Stocks of finished goods and work and contracts in progress: increase (decrease) (+)/(-)	-6,413,933	-5,587,930
Own work capitalised	-	-
Other operating income	22,001,314	16,398,818
Non-recurring operating income	-	-
<b>Operating charges</b>	<b>109,933,249</b>	<b>120,173,682</b>
Raw materials, consumables	33,811,504	50,468,548
Purchases	33,811,504	50,468,548
Stocks: decrease (increase) (+)/(-)	-	-
Services and other goods	43,980,919	40,943,140
Remuneration, social security costs and pensions (+)/(-)	-	-
Depreciation of and other amounts written off formation expenses, intangible and tangible fixed assets	25,995,070	23,333,089
Amounts written off stocks, contracts in progress and trade debtors: Appropriations (write-backs) (+)/(-)	421,855	46,736

Annex – Balance sheet and income statement of each Guarantor

	31.12.2022	31.12.2021
Provisions for liabilities and charges: Appropriations (uses and write-backs) (+)/(-)	-	-499,000
Other operating charges	3,318,762	3,440,073
Operating charges carried to assets as restructuring costs (-)	-	-
Non-recurring operating charges	2,405,139	2,441,096
<b>Operating profit (loss) (+)/(-)</b>	<b>15,906,683</b>	<b>18,406,721</b>
<b>Financial income</b>	<b>8,879,813</b>	<b>9,057,926</b>
Recurring financial income	-	9,057,926
Income from financial fixed assets	2,064,887	1,843,086
Income from current assets	6,814,926	83,266
Other financial income	-	7,131,574
Non-recurring financial income	-	-
<b>Financial charges</b>	<b>4,349,943</b>	<b>4,332,044</b>
Recurring financial charges	4,349,943	4,332,044
Debt charges	4,348,261	4,330,446
Amounts written off current assets except stocks, contracts in progress and trade debtors: appropriations (write-backs) (+)/(-)	-	-
Other financial charges	1,682	1,598
Non-recurring financial charges	-	-
<b>Profit (loss) for the period before taxes (+)/(-)</b>	<b>20,436,553</b>	<b>23,132,603</b>
<b>Transfer from deferred taxes</b>	<b>373,750</b>	<b>236,216</b>
<b>Transfer to deferred taxes</b>		-
<b>Income taxes (+)/(-)</b>	<b>5,307,092</b>	<b>5,933,198</b>
Taxes	5,307,092	5,933,198
Adjustment of income taxes and write-back of tax provisions	0	0
<b>Profit (loss) of the period (+)/(-)</b>	<b>15,503,211</b>	<b>17,435,622</b>
<b>Transfer from untaxed reserves</b>	<b>11,234</b>	<b>11,234</b>
<b>Transfer to untaxed reserves</b>		-
<b>Profit (loss) of the period available for appropriation (+)/(-)</b>	<b>15,514,445</b>	<b>17,446,856</b>

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4.1 Balance sheet

	31.12.2022	31.12.2021
<b>ASSETS</b>		
<b>Formation expenses</b>		-
<b>FIXED ASSETS</b>	<b>1,797,081,261</b>	<b>1,765,074,689</b>



Annex – Balance sheet and income statement of each Guarantor

	31.12.2022	31.12.2021
<b>Intangible fixed assets</b>	<b>14,250,064</b>	<b>15,458,414</b>
<b>Tangible fixed assets</b>	<b>1,707,761,106</b>	<b>1,674,546,184</b>
Land and buildings	49,088,084	49,460,846
Plant, machinery and equipment	1,574,427,951	1,548,883,006
Furniture and vehicles	8,237,940	8,644,781
Leasing and other rights	-	-
Other tangible fixed assets	36,423	48,824
Tangible assets under construction and advance payments made	75,970,708	67,508,728
<b>Financial fixed assets</b>	<b>75,070,091</b>	<b>75,070,091</b>
Affiliated enterprises	-	-
Participating interests	-	-
Amounts receivable	-	-
Other enterprises linked by participating interests	148,169	148,169
Participating interests	148,169	148,169
Amounts receivable	-	-
Other financial fixed assets	74,921,923	74,921,923
Shares	74,921,923	74,921,923
Amounts receivable and cash guarantees	-	-
<b>CURRENT ASSETS</b>	<b>171,124,469</b>	<b>216,906,030</b>
<b>Amounts receivable after more than one year</b>	<b>27,088,675</b>	<b>32,310,595</b>
Trade debtors	-	-
Other amounts receivable	27,088,675	32,310,595
<b>Stocks and contracts in progress</b>	<b>2,179,018</b>	<b>2,469,462</b>
Stocks	-	-
Raw materials and consumables	-	-
Work in progress	-	-
Finished goods	-	-
Goods purchased for resale	-	-
Immovable property intended for sale	-	-
Advance payments	-	-
Contracts in progress	2,179,018	2,469,462
<b>Amounts receivable within one year</b>	<b>110,208,434</b>	<b>149,312,545</b>
Trade debtors	51,753,677	101,172,612
Other amounts receivable	58,454,757	48,139,933
<b>Current investments</b>	<b>-</b>	<b>-</b>

Annex – Balance sheet and income statement of each Guarantor

	31.12.2022	31.12.2021
Own shares	-	-
Other investments	-	-
<b>Cash at bank and in hand</b>	<b>12,733</b>	<b>812</b>
<b>Deferred charges and accrued income</b>	<b>31,635,608</b>	<b>32,812,616</b>
<b>TOTAL ASSETS</b>	<b>1,968,205,730</b>	<b>1,981,980,719</b>

	31.12.2022	31.12.2021
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>	<b>750,306,387</b>	<b>743,519,313</b>
<b>Contribution excluding capital</b>	<b>360,729,494</b>	<b>360,729,444</b>
Contribution available	360,729,494	360,729,444
Contribution unavailable	-	-
<b>Revaluation surpluses</b>	<b>155,404,405</b>	<b>159,982,964</b>
<b>Reserves</b>	<b>203,560,178</b>	<b>198,995,660</b>
Reserves not available	38,705,128	34,482,322
In respect of own shares held	-	-
Financial support	1,433,717	1,789,470
Other	37,271,411	32,692,853
Untaxed reserves	687,999	702,040
Available reserves	164,167,051	163,811,298
<b>Accumulated profits (losses) (+)/(-)</b>	<b>28,072,470</b>	<b>22,213,562</b>
<b>Investment grants</b>	<b>2,539,839</b>	<b>1,597,682</b>
<b>Advances to shareholders on the distribution of net assets</b>	<b>-</b>	<b>-</b>
<b>PROVISIONS AND DEFERRED TAXES</b>	<b>5,891,946</b>	<b>6,328,008</b>
<b>Provisions for liabilities and charges</b>	<b>4,818,284</b>	<b>5,626,973</b>
Pensions and similar obligations	-	-
Taxation	-	-
Major repairs and maintenance	-	-
Environmental liabilities	4,481,809	5,164,078
Other risks and costs	336,476	462,896
<b>Deferred taxes</b>	<b>1,073,661</b>	<b>701,035</b>
<b>AMOUNTS PAYABLE</b>	<b>1,212,007,397</b>	<b>1,232,133,399</b>
<b>Amounts payable after more than one year</b>	<b>976,043,362</b>	<b>935,480,878</b>
Financial debts	976,043,362	935,480,878
Subordinated loans	-	-

Annex – Balance sheet and income statement of each Guarantor

	31.12.2022	31.12.2021
Unsubordinated debentures	-	-
Leasing and other similar obligations	-	-
Credit institutions	976,043,362	935,480,878
Other loans	-	-
Trade debts	-	-
Suppliers	-	-
Bills of exchange payable	-	-
Advances received on contracts in progress	-	-
Other amounts payable	-	-
<b>Amounts payable within one year</b>	<b>216,927,513</b>	<b>263,968,093</b>
Current portion of amounts payable after more than one year falling due within one year	153,459,259	158,416,419
Financial debts	-	25,466
Credit institutions	-	25,466
Other loans	-	-
Trade debts	40,217,303	73,760,463
Suppliers	40,217,303	73,760,463
Bills of exchange payable	-	-
Advances received on contracts in progress	10,283,240	7,296,348
Taxes, remuneration and social security	1,667,250	1,855,526
Taxes	1,667,250	1,855,526
Remuneration and social security	-	-
Other amounts payable	11,300,461	22,613,871
<b>Accrued charges and deferred income</b>	<b>19,036,521</b>	<b>32,684,427</b>
<b>TOTAL LIABILITIES</b>	<b>1,968,205,729</b>	<b>1,981,980,719</b>

4.2 Income statement

	31.12.2022	31.12.2021
<b>Operating income and charges</b>	<b>406,114,316</b>	<b>469,641,864</b>
Turnover	385,457,474	454,784,992
Increase (decrease) in stocks of finished goods, work and contracts in progress (+)/(-)	-290,444	-1,761,376
Own construction capitalised	-	-
Other operating income	20,947,286	16,618,247
Non-recurring operating income	-	-
<b>Operating charges</b>	<b>339,774,029</b>	<b>397,465,851</b>

Annex – Balance sheet and income statement of each Guarantor

	31.12.2022	31.12.2021
Raw materials, consumables	157,408,159	232,638,522
Purchases	157,408,159	232,638,522
Decrease (increase) in stocks (+)/(-)	-	-
Services and other goods	95,803,236	81,667,888
Remuneration, social security costs and pensions (+)/(-)	-	-
Depreciation of and amounts written off formation expenses, intangible and tangible fixed assets	74,110,235	71,233,254
Increase, Decrease in amounts written off stocks contracts in progress and trade debtors:		
Appropriations	1,346,904	2,096,204
(write-backs) (+)/(-)		
Provisions for risks and charges: Appropriations (uses and write-backs) (+)/(-)	-808,689	-85,125
Other operating charges	11,914,184	9,915,108
Operating charges carried to assets as restructuring costs (-)	0	-
Non-recurring operating charges	-	-
<b>Operating profit (loss) (+)/(-)</b>	<b>66,340,286</b>	<b>72,176,013</b>
<b>Financial income</b>	<b>12,031,078</b>	<b>11,997,638</b>
Recurring financial income	12,031,078	11,997,638
Income from financial fixed assets	10,893,758	10,820,000
Income from current assets	1,101,701	1,151,736
Other financial income	35,619	25,902
Non-recurring financial income	-	-
<b>Financial charges</b>	<b>26,171,411.39</b>	<b>29,421,710</b>
Recurring financial charges	26,171,411.39	29,421,710
Debt charges	26,170,248.43	29,420,572
Amounts written off current assets except stocks, contracts in progress and trade debtors: appropriations (write-backs) (+)/(-)	-	-
Other financial charges	1.162,96	1,138
Non-recurring financial charges	-	-
<b>Profit (loss) for the period before taxes (+)/(-)</b>	<b>52,199,953</b>	<b>54,751,941</b>
<b>Transfer from postponed taxes</b>	<b>12,928</b>	<b>10,717</b>
<b>Transfer to postponed taxes</b>	<b>-</b>	<b>-</b>
<b>Income taxes (+)/(-)</b>	<b>12,683,555</b>	<b>13,509,162</b>
Taxes	12,683,510	13,509,162

Annex – Balance sheet and income statement of each Guarantor

	31.12.2022	31.12.2021
Adjustment of income taxes and write-back of tax provisions	45	-
<b>Profit (loss) of the period (+)/(-)</b>	<b>39,529,371</b>	<b>41,253,495</b>
<b>Transfer from untaxed reserves</b>	14,041	-
<b>Transfer to untaxed reserves</b>	-	-
<b>Profit (loss) of the period available for appropriation (+)/(-)</b>	<b>39,543,412</b>	<b>41,253,495</b>

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5.1 Balance sheet

	31.12.2022	31.12.2021
<b>ASSETS</b>		
<b>Formation expenses</b>	-	-
<b>FIXED ASSETS</b>	<b>2,219,107,947</b>	<b>2,140,271,996</b>
<b>Intangible fixed assets</b>	<b>19,332,960</b>	<b>20,411,304</b>
<b>Tangible fixed assets</b>	<b>2,120,788,058</b>	<b>2,040,873,762</b>
Land and buildings	41,084,253	40,923,206
Plant, machinery and equipment	1,913,730,872	1,859,102,241
Furniture and vehicles	10,538,169	11,317,681
Leasing and similar rights	0	-
Other tangible fixed assets	28,5361	56,923
Assets under construction and advance payments	155,406,228	129,473,712
<b>Financial fixed assets</b>	<b>78,986,930</b>	<b>78,986,930</b>
Affiliated enterprises	-	-
Participating interests	-	-
Amounts receivable	-	-
Enterprises linked by participating interests	206,484	206,484
Participating interests	206,484	206,484
Amounts receivable	-	-
Other financial fixed assets	78,780,446	78,780,446
Shares	78,780,446	78,780,446
Amounts receivable and cash guarantees	-	-
<b>CURRENT ASSETS</b>	<b>172,037,673</b>	<b>206,566,176</b>
<b>Amounts receivable after more than one year</b>	<b>12,312,031</b>	<b>14,027,581</b>
Trade debtors	-	-
Other amounts receivable	12,312,031	14,027,581

Annex – Balance sheet and income statement of each Guarantor

	31.12.2022	31.12.2021
<b>Stocks and contracts in progress</b>	<b>7,815,314</b>	<b>9,877,067</b>
Stocks	-	-
Raw materials and consumables	-	-
Work in progress	-	-
Finished goods	-	-
Goods purchased for resale	-	-
Immovable property intended for sale	-	-
Advance payments	-	-
Contracts in progress	7,815,314	9,877,067
<b>Amounts receivable within one year</b>	<b>103,167,516</b>	<b>134,735,241</b>
Trade debtors	61,545,911	112,692,725
Other amounts receivable	41,621,604	22,042,516
<b>Current investments</b>	<b>-</b>	<b>-</b>
Own shares	-	-
Other investments	-	-
<b>Cash at bank and in hand</b>	<b>8,087</b>	<b>11,811</b>
<b>Deferred charges and accrued income</b>	<b>48,734,725</b>	<b>47,914,476</b>
<b>TOTAL ASSETS</b>	<b>2,391,145,620</b>	<b>2,346,838,172</b>

	31.12.2022	31.12.2021
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>	<b>735,217,385</b>	<b>724,610,682</b>
<b>Contribution excluding capital</b>	<b>361,135,046</b>	<b>359,348,221</b>
Contribution available	361,135,046	359,348,221
Contribution unavailable	-	-
<b>Revaluation surpluses</b>	<b>165,179,455</b>	<b>170,054,381</b>
<b>Reserves</b>	<b>179,941,265</b>	<b>174,148,156</b>
Reserves not available	38,166,029	33,291,103
In respect of own shares held	-	-
Other	38,166,029	33,291,103
Untaxed reserves	853,977	871,405
Available reserves	140,921,260	139,985,649
<b>Accumulated profits (losses)</b>	<b>28,514,717</b>	<b>20,600,818</b>
<b>Investment grants</b>	<b>446,902</b>	<b>459,106</b>
<b>Advances to shareholders on the distribution of net assets</b>	<b>-</b>	<b>-</b>

Annex – Balance sheet and income statement of each Guarantor

	31.12.2022	31.12.2021
<b>PROVISIONS AND DEFERRED TAXES</b>	<b>3,284,404</b>	<b>3,534,205</b>
<b>Provisions for liabilities and charges</b>	<b>2,850,777.60</b>	<b>3,091,098</b>
Pensions and similar obligations	-	-
Taxation	-	-
Major repairs and maintenance	-	-
Environmental obligations	2,194,708	2,257,263
Other liabilities and charges	656,070	833,835
<b>Deferred taxes</b>	<b>433,627</b>	<b>443,107</b>
<b>AMOUNTS PAYABLE</b>	<b>1,652,643,832</b>	<b>1,618,693,285</b>
<b>Amounts payable after more than one year</b>	<b>1,257,358,973</b>	<b>1,109,901,285</b>
Financial debts	1,257,358,973	1,109,901,285
Subordinated loans	-	-
Unsubordinated debentures	-	-
Leasing and other similar obligations	-	-
Credit institutions	1,231,357,642	1,079,064,158
Other loans	26,001,331	30,837,126
Trade debts	-	-
Suppliers	-	-
Bills of exchange payable	-	-
Advances received on contracts in progress	-	-
Other amounts payable	-	-
<b>Amounts payable within one year</b>	<b>359,470,719</b>	<b>457,063,578</b>
Current portion of amounts payable after more than one year falling due within one year	145,368,509	169,191,958
Financial debts	-	17,724
Credit institutions	-	17,724
Other loans	-	-
Trade debts	55,921,443	68,450,688
Suppliers	55,921,443	68,450,688
Bills of exchange payable	-	-
Advances received on contracts in progress	21,531,425	15,908,220
Taxes, remuneration and social security	2,153,864	4,272,664
Taxes	2,153,864	4,272,664
Remuneration and social security	-	-
Other amounts payable	134,495,478	199,222,324

	31.12.2022	31.12.2021
<b>Accruals and deferred income</b>	<b>35,814,140</b>	<b>51,728,422</b>
<b>TOTAL LIABILITIES</b>	<b>2,391,145,620</b>	<b>2,346,838,172</b>

## 5.2 Income statement

	31.12.2022	31.12.2021
<b>Operating income</b>	<b>467,802,939</b>	<b>536,031,511</b>
Turnover	448,721,573	521,595,158
Stocks of finished goods and work and contracts in progress: increase (decrease) (+)/(-)	-2,061,753	-3,495,886
Own work capitalised	-	-
Other operating income	21,143,119	17,932,239
Non-recurring operating income	-	-
<b>Operating charges</b>	<b>396,237,037</b>	<b>461,061,257</b>
Raw materials, consumables	158,385,918	235,299,638
Purchases	158,385,918	235,299,638
Stocks: decrease (increase) (+)/(-)	-	-
Services and other goods	123,635,033	117,005,735
Remuneration, social security costs and pensions (+)/(-)	-	-
Depreciation of and other amounts written off formation expenses, intangible and tangible fixed assets	89,551,922	85,252,291
Amounts written off stocks, contracts in progress and trade debtors: Appropriations (write-backs) (+)/(-)	2,630,795	4,381,524
Provisions for liabilities and charges: Appropriations (uses and write-backs) (+)/(-)	-240,321	-139,285
Other operating charges	22,273,690	19,261,354
Operating charges carried to assets as restructuring costs (-)	-	-
Non-recurring operating charges	-	-
<b>Operating profit (loss) (+)/(-)</b>	<b>71,565,902</b>	<b>74,970,253</b>
<b>Financial income</b>	<b>11,720,943</b>	<b>11,589,385</b>
Recurring financial income	11,720,943	11,589,385
Income from financial fixed assets	11,640,013	11,557,464
Income from current assets	70,334	28,018
Other financial income	10,596	3,903
Non-recurring financial income	-	-



Annex – Balance sheet and income statement of each Guarantor

	31.12.2022	31.12.2021
<b>Financial charges</b>	<b>29,796,672</b>	<b>32,553,136</b>
Recurring financial charges	29,796,672	32,553,136
Debt charges	29,795,241	32,551,555
Amounts written off current assets except stocks, contracts in progress and trade debtors: appropriations (write-backs) (+)/(-)	-	-
Other financial charges	1,431	1,580
Non-recurring financial charges	-	-
<b>Profit (loss) for the period before taxes (+)/(-)</b>	<b>53,490,173</b>	<b>54,006,503</b>
<b>Transfer from deferred taxes</b>	<b>8,944</b>	<b>1,698</b>
<b>Transfer to deferred taxes</b>		-
<b>Income taxes (+)/(-)</b>	<b>12,541,825</b>	<b>12,714,295</b>
Taxes	12,542,800	12,714,502
Adjustment of income taxes and write-back of tax provisions	975	207
<b>Profit (loss) of the period (+)/(-)</b>	<b>40,957,292</b>	<b>41,293,906</b>
<b>Transfer from untaxed reserves</b>	17,428	-
<b>Transfer to untaxed reserves</b>	-	-
<b>Profit (loss) of the period available for appropriation (+)/(-)</b>	<b>40,974,720</b>	<b>41,293,906</b>

## 6 Intergem

### 6.1 Balance sheet

	31.12.2022	31.12.2021
<b>ASSETS</b>		
<b>Formation expenses</b>	-	-
<b>FIXED ASSETS</b>	<b>974,123,287</b>	<b>941,274,921</b>
<b>Intangible fixed assets</b>	9,269,457	<b>10,001,612</b>
<b>Tangible fixed assets</b>	927,652,389	<b>894,071,868</b>
Land and buildings	22,655,024	22,883,394
Plant, machinery and equipment	834,329,927	803,733,795
Furniture and vehicles	4,814,803	5,066,177
Leasing and similar rights	-	-
Other tangible fixed assets	5,295	9,308
Tangible assets under construction and advance payments made	65,847,340	62,379,193
<b>Financial fixed assets</b>	<b>37,201,441</b>	<b>37,201,441</b>

Annex – Balance sheet and income statement of each Guarantor

	31.12.2022	31.12.2021
Affiliated enterprises	-	-
Participating interests	-	-
Amounts receivable	-	-
Enterprises linked by participating interests	101,490	101,490
Participating interests	101,490	101,490
Amounts receivable	-	-
Other financial fixed assets	37,099,951	37,099,951
Shares	37,099,951	37,099,951
Amounts receivable and cash guarantees	-	-
<b>CURRENT ASSETS</b>	<b>120,957,310</b>	<b>132,560,072</b>
<b>Amounts receivable after more than one year</b>	<b>10,389,315</b>	<b>11,442,761</b>
Trade debtors	-	-
Other amounts receivable	10,389,315	11,442,761
<b>Stocks and contracts in progress</b>	<b>2,939,353</b>	<b>3,116,549</b>
Stocks	-	-
Raw materials and consumables	-	-
Work in progress	-	-
Finished goods	-	-
Goods purchased for resale	-	-
Immovable property intended for sale	-	-
Advance payments	-	-
Contracts in progress	2,939,353	3,116,549
<b>Amounts receivable within one year</b>	<b>58,076,325</b>	<b>70,027,452</b>
Trade debtors	26,546,970	52,454,365
Other amounts receivable	31,529,355	17,573,087
<b>Current investments</b>	<b>14,670,143</b>	<b>14,670,143</b>
Own shares	-	-
Other investments	14,670,143	14,670,143
<b>Cash at bank and in hand</b>	<b>7,197</b>	<b>610</b>
<b>Deferred charges and accrued income</b>	<b>34,874,977</b>	<b>33,302,557</b>
<b>TOTAL ASSETS</b>	<b>1,095,080,597</b>	<b>1,073,834,994</b>
	31.12.2022	31.12.2021
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>	<b>357,377,046</b>	<b>354,480,888</b>
<b>Contribution excluding capital</b>	<b>137,279,243</b>	<b>137,279,243</b>

Annex – Balance sheet and income statement of each Guarantor

	31.12.2022	31.12.2021
Contribution available	137,279,243	137,279,243
Contribution unavailable	-	-
<b>Revaluation surpluses</b>	<b>85,704,693</b>	<b>88,229,766</b>
<b>Reserves</b>	<b>119,932,536</b>	<b>117,149,165</b>
Reserves not available	20,217,828	17,692,755
In respect of own shares held	-	-
Other	20,217,828	17,692,755
Untaxed reserves	375,512	383,175
Available reserves	99,339,196	99,073,235
<b>Accumulated profits (losses)</b>	<b>14,206,669</b>	<b>11,566,895</b>
<b>Investment grants</b>	<b>253,905</b>	<b>255,819</b>
<b>Advances to shareholders on the distribution of net assets</b>	<b>-</b>	<b>-</b>
<b>PROVISIONS AND DEFERRED TAXES</b>	<b>2,269,355</b>	<b>2,376,493</b>
<b>Provisions for liabilities and charges</b>	<b>2,059,549</b>	<b>2,163,814</b>
Pensions and similar obligations	-	-
Taxation	-	-
Major repairs and maintenance	-	-
Environmental liabilities	1,831,838	1,831,838
Other risks and costs	227,711	331,976
<b>Deferred taxes</b>	<b>209,806</b>	<b>212,679</b>
<b>AMOUNTS PAYABLE</b>	<b>735,434,196</b>	<b>716,977,612</b>
<b>Amounts payable after more than one year</b>	<b>550,455,727</b>	<b>487,560,142</b>
Financial debts	550,455,727	487,560,142
Subordinated loans	-	-
Unsubordinated debentures	-	-
Leasing and other similar obligations	-	-
Credit institutions	550,455,727	487,560,142
Other loans	-	-
Trade debts	-	-
Suppliers	-	-
Bills of exchange payable	-	-
Advances received on contracts in progress	-	-
Other amounts payable	-	-
<b>Amounts payable within one year</b>	<b>160,905,825</b>	<b>200,047,585</b>
Current portion of amounts payable after more than one year falling due within one year	76,987,320	62,795,069

Annex – Balance sheet and income statement of each Guarantor

	31.12.2022	31.12.2021
Financial debts	-	14,869
Credit institutions	-	14,869
Other loans	-	-
Trade debts	24,140,290	43,721,858
Suppliers	24,140,290	43,721,858
Bills of exchange payable	-	-
Advances received on contracts in progress	12,568,014	8,714,773
Taxes, remuneration and social security	60,960	2,154,984
Taxes	60,960	2,154,984
Remuneration and social security	-	-
Other amounts payable	47,149,241	82,646,033
<b>Accruals and deferred income</b>	<b>24,072,644</b>	<b>29,369,885</b>
<b>TOTAL LIABILITIES</b>	<b>1,095,080,597</b>	<b>1,073,834,994</b>

**6.2 Income statement**

	31.12.2022	31.12.2021
<b>Operating income</b>	<b>217,949,633</b>	<b>252,342,804</b>
Turnover	205,797,457	244,510,584
Stocks of finished goods and work and contracts in progress: increase (decrease) (+)/(-)	-177,196	-1,784,929
Own construction capitalised	-	-
Other operating income	12,329,372	9,617,150
Non-recurring operating income	-	-
<b>Operating charges</b>	<b>186,456,149</b>	<b>219,078,258</b>
Raw materials, consumables	77,136,492	108,195,527
Purchases	77,136,492	108,195,527
Stocks: decrease (increase) (+)/(-)	-	-
Services and other goods	57,737,830	62,380,678
Remuneration, social security costs and pensions (+)/(-)	-	-
Depreciation of and other amounts written off formation expenses, intangible and tangible fixed assets	40,598,432	38,439,399
Amounts written off stocks, contracts in progress and trade debtors: Appropriations (write-backs) (+)/(-)	588,096	1,078,390
Provisions for liabilities and charges: Appropriations (uses and write-backs) (+)/(-)	-104,265	-81,788

Annex – Balance sheet and income statement of each Guarantor

	31.12.2022	31.12.2021
Other operating charges	10,499,564	9,066,052
Operating charges carried to assets as restructuring costs (-)	-	-
Non-recurring operating charges	-	-
<b>Operating profit (loss) (+)/(-)</b>	<b>31,493,484</b>	<b>33,264,546</b>
<b>Financial income</b>	<b>6,113,044</b>	<b>5,954,581</b>
Recurring financial income	6,113,044	5,954,581
Income from financial fixed assets	5,199,082	5,159,736
Income from current assets	912,047	793,887
Other financial income	1,915	957
Non-recurring financial income	-	-
<b>Financial charges</b>	<b>12,779,267</b>	<b>13,655,681</b>
Recurring financial charges	12,779,267	13,655,681
Debt charges	12,834,964	13,596,913
Amounts written off current assets except stocks, contracts in progress and trade debtors: appropriations (write-backs) (+)/(-)	-	-
Other financial charges	-55,697	58,768
Non-recurring financial charges	-	-
<b>Profit (loss) for the period before taxes (+)/(-)</b>	<b>24,827,261</b>	<b>25,563,445</b>
<b>Transfer from deferred taxes</b>	<b>2,873</b>	<b>638</b>
<b>Transfer to deferred taxes</b>	<b>-</b>	<b>-</b>
<b>Income taxes (+)/(-)</b>	<b>5,932,922</b>	<b>6,107,322</b>
Income taxes	5,932,922	6,107,371
Adjustment of income taxes and write-back of tax provisions	-	50
<b>Profit (loss) of the period (+)/(-)</b>	<b>18,897,212</b>	<b>19,456,762</b>
<b>Transfer from untaxed reserves</b>	<b>-</b>	<b>-</b>
<b>Transfer to untaxed reserves</b>	<b>7,664</b>	<b>-</b>
<b>Profit (loss) of the period available for appropriation (+)/(-)</b>	<b>18,904,876</b>	<b>19,456,762</b>

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7.1 Balance sheet

	31.12.2022	31.12.2021
<b>ASSETS</b>		
<b>Formation expenses</b>	<b>-</b>	<b>-</b>

Annex – Balance sheet and income statement of each Guarantor

	31.12.2022	31.12.2021
<b>FIXED ASSETS</b>	<b>715,800,548</b>	<b>705,042,718</b>
<b>Intangible fixed assets</b>	<b>7,098,551</b>	<b>7,648,469</b>
<b>Tangible fixed assets</b>	<b>708,138,846</b>	<b>696,831,098</b>
Land and buildings	15,789,360	15,646,143
Plant, machinery and equipment	655,772,783	654,897,960
Furniture and vehicles	3,785,847	3,356,786
Leasing and similar rights	-	-
Other tangible fixed assets	4,056	9,676
Tangible assets under construction and advance payments	32,786,801	22,920,533
<b>Financial fixed assets</b>	<b>563,151</b>	<b>563,151</b>
Affiliated enterprises	-	-
Participating interests	-	-
Amounts receivable	-	-
Other enterprises linked by participating interests	91,174	91,174
Participating interests	91,174	91,174
Amounts receivable	-	-
Other financial fixed assets	471,977	471,977
Shares	471,977	471,977
Amounts receivable and cash guarantees	-	-
<b>CURRENT ASSETS</b>	<b>200,327,733</b>	<b>195,769,804</b>
<b>Amounts receivable after more than one year</b>	<b>41,842,276</b>	<b>52,971,564</b>
Trade debtors	-	-
Other amounts receivable	41,842,276	52,971,564
<b>Stocks and contracts in progress</b>	<b>616,812</b>	<b>1,937,665</b>
Stocks	-	-
Raw materials and consumables	-	-
Work in progress	-	-
Finished goods	-	-
Goods purchased for resale	-	-
Immovable property intended for sale	-	-
Advance payments	-	-
Contracts in progress	616,812	1,937,665
<b>Amounts receivable within one year</b>	<b>135,550,068</b>	<b>117,523,558</b>
Trade debtors	26,038,638	49,655,798
Other amounts receivable	109,511,431	67,867,760

Annex – Balance sheet and income statement of each Guarantor

	31.12.2022	31.12.2021
<b>Current investments</b>	-	-
Own shares	-	-
Other investments	-	-
<b>Cash at bank and in hand</b>	<b>23,504</b>	<b>4,768</b>
<b>Deferred charges and accrued income</b>	<b>22,295,072</b>	<b>23,332,248</b>
<b>TOTAL ASSETS</b>	<b>916,128,280</b>	<b>900,812,521</b>

	31.12.2022	31.12.2021
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>	<b>275,539,734</b>	<b>271,949,460</b>
<b>Contribution excluding capital</b>	<b>133,648,224</b>	<b>132,653,174</b>
Contribution available	133,648,224	132,653,174
Contribution unavailable	-	-
<b>Revaluation surpluses</b>	<b>54,251,011</b>	<b>55,857,181</b>
<b>Reserves</b>	<b>76,885,836</b>	<b>75,286,156</b>
Reserves not available	19,272,590	17,666,420
In respect of own shares held	-	-
Other	19,272,590	17,666,420
Untaxed reserves	318,043	324,534
Available reserves	57,295,203	57,295,203
<b>Accumulated profits (losses)</b>	<b>10,313,996</b>	<b>7,838,186</b>
<b>Investment grants</b>	<b>440,667</b>	<b>314,763</b>
<b>Advances to shareholders on the distribution of net assets</b>	<b>-</b>	<b>-</b>
<b>PROVISIONS AND DEFERRED TAXES</b>	<b>1,667,260</b>	<b>1,685,146</b>
<b>Provisions for liabilities and charges</b>	<b>1,414,357</b>	<b>1,472,048</b>
Pensions and similar obligations	-	-
Taxation	-	-
Major repairs and maintenance	-	-
Environmental obligations	775,738	781,244
Other liabilities and charges	638,619	690,804
<b>Deferred taxes</b>	<b>252,903</b>	<b>213,098</b>
<b>AMOUNTS PAYABLE</b>	<b>638,921,287</b>	<b>627,177,916</b>
<b>Amounts payable after more than one year</b>	<b>507,211,097</b>	<b>495,862,399</b>
Financial debts	507,211,097	495,862,399
Subordinated loans	-	-

Annex – Balance sheet and income statement of each Guarantor

	31.12.2022	31.12.2021
Unsubordinated debentures	-	-
Leasing and other similar obligations	-	-
Credit institutions	507,211,097	495,862,399
Other loans	-	-
Trade debts	-	-
Suppliers	-	-
Bills of exchange payable	-	-
Advances received on contracts in progress	-	-
Other amounts payable	-	-
<b>Amounts payable within one year</b>	<b>109,142,832</b>	<b>113,554,314</b>
Current portion of amounts payable after more than one year falling due within one year	76,378,089	72,008,687
Financial debts	-	11,404
Credit institutions	-	11,404
Other loans	-	-
Trade debts	21,971,804	29,791,754
Suppliers	21,971,804	29,791,754
Bills of exchange payable	-	-
Advances received on contracts in progress	5,914,497	5,231,581
Taxes, remuneration and social security	294,657	2,021,851
Taxes	294,657	2,021,851
Remuneration and social security	-	-
Other amounts payable	4,583,785	4,489,038
<b>Accruals and deferred income</b>	<b>22,567,358</b>	<b>17,761,204</b>
<b>TOTAL LIABILITIES</b>	<b>916,128,280</b>	<b>900,812,521</b>

7.2 Income statement

	31.12.2022	31.12.2021
<b>Operating income</b>	<b>191,619,464</b>	<b>219,155,771</b>
Turnover	184,526,394	213,094,421
Stocks of finished goods and work and contracts in progress: increase (decrease) (+)/(-)	-1,726,346	-802,163
Own work capitalised	-	-
Other operating income	8,819,416	6,863,512
Non-recurring operating income	-	-
<b>Operating charges</b>	<b>162,109,278</b>	<b>184,842,818</b>



Annex – Balance sheet and income statement of each Guarantor

	31.12.2022	31.12.2021
Raw materials, consumables	73,251,206	107,762,164
Purchases	73,251,206	107,762,164
Stocks: decrease (increase) (+)/(-)		-
Services and other goods	49,580,492	39,949,686
Remuneration, social security costs and pensions (+)/(-)		-
Depreciation of and other amounts written off formation expenses, intangible and tangible fixed assets	33,220,452	31,824,758
Amounts written off stocks, contracts in progress and trade debtors: Appropriations (write-backs) (+)/(-)	652,351	503,781
Provisions for liabilities and charges: Appropriations (uses and write-backs) (+)/(-)	-57,691	-35,280
Other operating charges	5,449,192	4,824,433
Operating charges carried to assets as restructuring costs (-)	-	-
Non-recurring operating charges	13,276	13,276
<b>Operating profit (loss) (+)/(-)</b>	<b>29,510,186</b>	<b>34,312,953</b>
<b>Financial income</b>	<b>1,955,583</b>	<b>2,108,173</b>
Recurring financial income	1,955,583	2,108,173
Income from financial fixed assets	32,264	31,633
Income from current assets	1,914,326	2,076,540
Other financial income	8,993	0
Non-recurring financial income	-	-
<b>Financial charges</b>	<b>12,885,425</b>	<b>14,346,048</b>
Recurring financial charges	12,885,425	14,346,048
Debt charges	12,884,305	14,344,983
Amounts written off current assets except stocks, contracts in progress and trade debtors: appropriations (write-backs) (+)/(-)	-	-
Other financial charges	1,120	1,065
Non-recurring financial charges	-	-
<b>Profit (loss) for the period before taxes (+)/(-)</b>	<b>18,580,344</b>	<b>22,075,078</b>
<b>Transfer from deferred taxes</b>	<b>5,161</b>	<b>-</b>
<b>Transfer to deferred taxes</b>	<b>-</b>	<b>-</b>
<b>Income taxes (+)/(-)</b>	<b>5,407,775</b>	<b>6,268,224</b>
Income taxes	5,407,775	6,269,389

	31.12.2022	31.12.2021
Adjustment of income taxes and write-back of tax provisions	-	1,165
<b>Profit (loss) of the period (+)/(-)</b>	<b>13,177,730</b>	<b>15,806,854</b>
<b>Transfer from untaxed reserves</b>	6,491	-
<b>Transfer to untaxed reserves</b>	-	-
<b>Profit (loss) of the period available for appropriation (+)/(-)</b>	<b>13,184,221</b>	<b>15,806,854</b>

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### 8.1 Balance sheet

	31.12.2022	31.12.2021
<b>ASSETS</b>		
<b>Formation expenses</b>	-	-
<b>FIXED ASSETS</b>	<b>1,874,178,373</b>	<b>1,812,392,617</b>
<b>Intangible fixed assets</b>	16,433,419	17,747,567
<b>Tangible fixed assets</b>	1,791,411,168	1,728,311,264
Land and buildings	42,480,048	39,367,481
Plant, machinery and equipment	1,619,175,317	1,568,090,753
Furniture and vehicles	8,706,717	9,460,541
Leasing and similar rights	-	-
Other tangible fixed assets	32,761	46,764
Assets under construction and advance payments	121,016,325	111,345,725
<b>Financial fixed assets</b>	<b>66,333,786</b>	<b>66,333,786</b>
Affiliated enterprises	-	-
Participating interests	-	-
Amounts receivable	-	-
Other enterprises linked by participating interests	190,928	190,928
Participating interests	190,928	190,928
Amounts receivable	-	-
Other financial fixed assets	66,142,858	66,142,858
Shares	66,142,858	66,142,858
Amounts receivable and cash guarantees	-	-
<b>CURRENT ASSETS</b>	<b>179,601,305</b>	<b>205,254,243</b>
<b>Amounts receivable after more than one year</b>	<b>25,561,281</b>	<b>29,816,325</b>
Trade debtors	-	-
Other amounts receivable	25,561,281	29,816,325

Annex – Balance sheet and income statement of each Guarantor

	31.12.2022	31.12.2021
<b>Stocks and contracts in progress</b>	<b>2,898,337</b>	<b>4,631,281</b>
Stocks	-	-
Raw materials and consumables	-	-
Work in progress	-	-
Finished goods	-	-
Goods purchased for resale	-	-
Immovable property intended for sale	-	-
Advance payments	-	-
Contracts in progress	2,898,337	4,631,281
<b>Amounts receivable within one year</b>	<b>110,873,864</b>	<b>133,415,437</b>
Trade debtors	49,104,136	97,189,490
Other amounts receivable	61,769,728	36,225,947
<b>Current investments</b>	<b>-</b>	<b>-</b>
Own shares	-	-
Other investments	-	-
<b>Cash at bank and in hand</b>	<b>8,685</b>	<b>1,271</b>
<b>Deferred charges and accrued income</b>	<b>40,259,139</b>	<b>37,389,929</b>
<b>TOTAL ASSETS</b>	<b>2,053,779,678</b>	<b>2,017,646,860</b>

	31.12.2022	31.12.2021
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>	<b>661,396,931</b>	<b>655,116,048</b>
<b>Contribution excluding capital</b>	<b>292,778,000</b>	<b>292,778,000</b>
Contribution available	292,778,000	292,778,000
Contribution unavailable	-	-
<b>Revaluation surpluses</b>	<b>134,787,622</b>	<b>138,934,148</b>
<b>Reserves</b>	<b>207,732,958</b>	<b>202,734,634</b>
Reserves not available	31,992,000	27,845,474
In respect of own shares held	-	-
Other	31,992,000	27,845,474
Untaxed reserves	996,087	1,016,416
Available reserves	174,744,871	173,872,745
<b>Accumulated profits (losses)</b>	<b>25,248,698</b>	<b>19,989,944</b>
<b>Investment grants</b>	<b>849,654</b>	<b>679,321</b>
<b>Advances to shareholders on the distribution of net assets</b>	<b>-</b>	<b>-</b>

Annex – Balance sheet and income statement of each Guarantor

	31.12.2022	31.12.2021
<b>PROVISIONS AND DEFERRED TAXES</b>	<b>1,701,961</b>	<b>1,767,565</b>
<b>Provisions for liabilities and charges</b>	<b>1,086,714</b>	<b>1,202,319</b>
Pensions and similar obligations	-	-
Taxation	-	-
Major repairs and maintenance	-	-
Environmental liabilities	-	-
Other risks and charges	1,086,714	1,202,319
<b>Deferred taxes</b>	<b>615,247</b>	<b>565,246</b>
<b>AMOUNTS PAYABLE</b>	<b>1,390,680,786</b>	<b>1,360,763,248</b>
<b>Amounts payable after more than one year</b>	<b>1,085,341,447</b>	<b>961,259,974</b>
Financial debts	1,085,341,447	961,259,974
Subordinated loans	-	-
Unsubordinated debentures	-	-
Leasing and other similar obligations	-	-
Credit institutions	1,085,341,447	961,259,974
Other loans	-	-
Trade debts	-	-
Suppliers	-	-
Bills of exchange payable	-	-
Advances received on contracts in progress	-	-
Other amounts payable	-	-
<b>Amounts payable within one year</b>	<b>259,914,622</b>	<b>346,999,641</b>
Current portion of amounts payable after more than one year falling due within one year	125,706,264	156,620,239
Financial debts	-	18,290
Credit institutions	-	18,290
Other loans	-	-
Trade debts	44,266,746	53,264,636
Suppliers	44,266,746	53,264,636
Bills of exchange payable	-	-
Advances received on contracts in progress	15,373,676	12,361,035
Taxes, remuneration and social security	1,569,177	5,421,314
Taxes	1,569,177	5,421,314
Remuneration and social security	-	-
Other amounts payable	72,998,760	119,314,127
<b>Accruals and deferred income</b>	<b>45,424,716</b>	<b>52,503,633</b>

	31.12.2022	31.12.2021
<b>TOTAL LIABILITIES</b>	<b>2,053,779,678</b>	<b>2,017,646,860</b>

**8.2 Income statement**

	31.12.2022	31.12.2021
<b>Operating income</b>	<b>404,532,043</b>	<b>457,146,735</b>
Turnover	384,288,641	442,434,241
Stocks of finished goods and work and contracts in progress: increase (decrease) (+)/(-)	-1,891,967	-1,677,671
Own work capitalised	-	-
Other operating income	22,135,369	16,390,165
Non-recurring operating income	-	-
<b>Operating charges</b>	<b>348,567,096</b>	<b>390,801,668</b>
Raw materials, consumables	139,369,336	204,652,290
Purchases	139,369,336	204,652,290
Stocks: decrease (increase) (+)/(-)	-	-
Services and other goods	109,916,712	97,525,133
Remuneration, social security costs and pensions (+)/(-)	-	-
Depreciation of and other amounts written off formation expenses, intangible and tangible fixed assets	77,343,105	73,546,878
Amounts written off stocks, contracts in progress and trade debtors: Appropriations (write-backs) (+)/(-)	1,088,440	585,896
Provisions for liabilities and charges: Appropriations (uses and write-backs) (+)/(-)	-115,605	-104,895
Other operating charges	20,965,108	14,596,366
Operating charges carried to assets as restructuring costs (-)	-	-
Non-recurring operating charges	-	-
<b>Operating profit (loss) (+)/(-)</b>	<b>55,964,947</b>	<b>66,345,067</b>
<b>Financial income</b>	<b>10,714,739</b>	<b>10,615,286</b>
Recurring financial income	10,714,739	10,615,286
Income from financial fixed assets	10,422,101	10,355,496
Income from current assets	290,866	259,785
Other financial income	1,772	6
Non-recurring financial income	-	-
<b>Financial charges</b>	<b>25,635,616</b>	<b>27,650,813</b>

Annex – Balance sheet and income statement of each Guarantor

	31.12.2022	31.12.2021
Recurring financial charges	25,635,616	27,650,813
Debt charges	25,634,529	27,649,625
Amounts written off current assets except stocks, contracts in progress and trade debtors: appropriations (write-backs) (+)/(-)	-	-
Other financial charges	1,087	1,188
Non-recurring financial charges	-	-
<b>Profit (loss) for the period before taxes (+)/(-)</b>	<b>41,044,070</b>	<b>49,309,541</b>
<b>Transfer from deferred taxes</b>	<b>7,367</b>	<b>-</b>
<b>Transfer to deferred taxes</b>	<b>-</b>	<b>-</b>
<b>Income taxes (+)/(-)</b>	<b>9,544,892</b>	<b>11,539,020</b>
Taxes	9,545,587	11,539,112
Adjustment of income taxes and write-back of tax provisions	695	92
<b>Profit (loss) of the period (+)/(-)</b>	<b>31,506,545</b>	<b>37,770,521</b>
<b>Transfer from untaxed reserves</b>	<b>20,328</b>	<b>-</b>
<b>Transfer to untaxed reserves</b>	<b>-</b>	<b>-</b>
<b>Profit (loss) of the period available for appropriation (+)/(-)</b>	<b>31,526,873</b>	<b>37,770,521</b>

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9.1 Balance sheet

	31.12.2022	31.12.2021
<b>ASSETS</b>		
<b>Formation expenses</b>		-
<b>FIXED ASSETS</b>	<b>260,746,388</b>	<b>243,686,442</b>
<b>Intangible fixed assets</b>	<b>2,124,732.44</b>	<b>2,045,388</b>
<b>Tangible fixed assets</b>	<b>232,611,942.68</b>	<b>215,631,341</b>
Land and buildings	9,093,550.70	9,137,652
Plant, machinery and equipment	198,616,791.94	178,069,911
Furniture and vehicles	1,126,768.28	628,171
Leasing and similar rights	180,573.50	16,930
Other tangible fixed assets	-	-
Assets under construction and advance payments	23,594,258.26	27,778,678
<b>Financial fixed assets</b>	<b>26,009,713</b>	<b>26,009,713</b>
Affiliated enterprises	-	-

Annex – Balance sheet and income statement of each Guarantor

	31.12.2022	31.12.2021
Participating interests	-	-
Amounts receivable	-	-
Enterprises linked by participating interests	12,655,036	12,655,036
Participating interests	12,655,036	12,655,036
Amounts receivable	-	-
Other financial fixed assets	13,354,677	13,354,677
Shares	13,354,552	13,354,552
Amounts receivable and cash guarantees	125	125
<b>CURRENT ASSETS</b>	<b>57,285,696</b>	<b>55,338,256</b>
<b>Amounts receivable after more than one year</b>	<b>25,763,048</b>	<b>27,320,764</b>
Trade debtors	322,752	349,785
Other amounts receivable	25,440,296	26,970,980
<b>Stocks and contracts in progress</b>	<b>413,298</b>	<b>1,397,225</b>
Stocks	-	-
Raw materials and consumables	-	-
Work in progress	-	-
Finished goods	-	-
Goods purchased for resale	-	-
Immovable property intended for sale	-	-
Advance payments	-	-
Contracts in progress	413,298	1,397,225
<b>Amounts receivable within one year</b>	<b>14,832,042</b>	<b>18,900,911</b>
Trade debtors	6,189,695	12,193,288
Other amounts receivable	8,642,347	6,707,622
<b>Current investments</b>	<b>-</b>	<b>-</b>
Own shares	-	-
Other investments	-	-
<b>Cash at bank and in hand</b>	<b>21,088</b>	<b>63,506</b>
<b>Deferred charges and accrued income</b>	<b>16,256,220</b>	<b>7,655,850</b>
<b>TOTAL ASSETS</b>	<b>318,032,085</b>	<b>299,024,698</b>
	31.12.2022	31.12.2021
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>	<b>173,307,287</b>	<b>173,445,106</b>
<b>Contribution excluding capital</b>	<b>7,976</b>	<b>7,976</b>
Contribution available	7,976	7,976

Annex – Balance sheet and income statement of each Guarantor

	31.12.2022	31.12.2021
Contribution unavailable	-	-
<b>Revaluation surpluses</b>	<b>34,551,191</b>	<b>35,544,679</b>
<b>Reserves</b>	<b>134,742,380</b>	<b>136,703,415</b>
Reserves not available	72,044,273	71,050,785
In respect of own shares held	-	-
Other	72,044,273	71,050,785
Untaxed reserves	198,618	202,936
Available reserves	62,499,488	65,449,695
<b>Accumulated profits (losses)</b>	<b>3,999,890</b>	<b>1,189,035</b>
<b>Investment grants</b>	<b>5,850</b>	<b>-</b>
<b>Advances to shareholders on the distribution of net assets</b>	<b>-</b>	<b>-</b>
<b>PROVISIONS AND DEFERRED TAXES</b>	<b>1,434,156</b>	<b>1,433,645</b>
<b>Provisions for liabilities and charges</b>	<b>1,366,000</b>	<b>1,366,000</b>
Pensions and similar obligations	-	-
Taxation	-	-
Major repairs and maintenance	-	-
Environmental obligations	-	-
Other liabilities and charges	1,366,000	1,366,000
<b>Deferred taxes</b>	<b>68,156</b>	<b>67,645</b>
<b>AMOUNTS PAYABLE</b>	<b>143,290,642</b>	<b>124,145,946</b>
<b>Amounts payable after more than one year</b>	<b>88,838,706</b>	<b>89,926,700</b>
Financial debts	88,838,706	89,926,700
Subordinated loans	-	-
Unsubordinated debentures	-	-
Leasing and other similar obligations	508,101	20,793
Credit institutions	88,330,604	89,905,907
Other loans	-	-
Trade debts	-	-
Suppliers	-	-
Bills of exchange payable	-	-
Advances received on contracts in progress	-	-
Other amounts payable	-	-
<b>Amounts payable within one year</b>	<b>51,970,650</b>	<b>31,264,993</b>
Current portion of amounts payable after more than one year falling due within one year	21,610,699	2,395,643
Financial debts	-	-



Annex – Balance sheet and income statement of each Guarantor

	31.12.2022	31.12.2021
Credit institutions	-	-
Other loans	-	-
Trade debts	8,287,680	10,566,984
Suppliers	8,287,680	10,566,984
Bills of exchange payable	-	-
Advances received on contracts in progress	1,369,586	1,915,423
Taxes, remuneration and social security	168,633	11,865
Taxes	168,633	11,865
Remuneration and social security	-	-
Other amounts payable	20,534,052	16,375,077
<b>Accruals and deferred income</b>	<b>2,481,287</b>	<b>2,954,254</b>
<b>TOTAL LIABILITIES</b>	<b>318,032,085</b>	<b>299,024,698</b>

9.2 Income statement

	31.12.2022	31.12.2021
<b>Operating income</b>	<b>59,377,319</b>	<b>64,479,680</b>
Turnover	52,879,547	61,610,332
Stocks of finished goods and work and contracts in progress: increase (decrease) (+)/(-)	-185,222	-825,475
Own work capitalised	-	-
Other operating income	6,682,993	3,694,823
Non-recurring operating income	-	-
<b>Operating charges</b>	<b>52,295,815</b>	<b>56,964,543</b>
Raw materials, consumables	19,380,185	28,629,466
Purchases	19,380,185	28,629,466
Stocks: decrease (increase) (+)/(-)	-	-
Services and other goods	19,415,457	17,362,115
Remuneration, social security costs and pensions (+)/(-)	-	-
Depreciation of and other amounts written off formation expenses, intangible and tangible fixed assets	10,540,272	8,338,805
Amounts written off stocks, contracts in progress and trade debtors: Appropriations (write-backs) (+)/(-)	220,125	232,657
Provisions for liabilities and charges: Appropriations (uses and write-backs) (+)/(-)	-	-351,000
Other operating charges	949,387	967,171

Annex – Balance sheet and income statement of each Guarantor

	31.12.2022	31.12.2021
Operating charges carried to assets as restructuring costs (-)	-	-
Non-recurring operating charges	1,790,389	1,785,329
<b>Operating profit (loss) (+)/(-)</b>	<b>7,081,504</b>	<b>7,515,137</b>
<b>Financial income</b>	<b>4,172,523</b>	<b>3,872,070</b>
Recurring financial income	4,172,523	3,872,070
Income from financial fixed assets	2,039,260	1,659,885
Income from current assets	7,940	23,995
Other financial income	2,125,323	2,188,190
Non-recurring financial income	-	-
<b>Financial charges</b>	<b>2,349,803</b>	<b>2,086,393</b>
Recurring financial charges	2,349,803	2,086,393
Debt charges	2,341,993	2,083,883
Amounts written off current assets except stocks, contracts in progress and trade debtors: appropriations (write-backs) (+)/(-)	-	-
Other financial charges	7,810	2,510
Non-recurring financial charges	-	-
<b>Profit (loss) for the period before taxes (+)/(-)</b>	<b>8,904,224</b>	<b>9,300,814</b>
<b>Transfer from deferred taxes</b>	<b>1,439</b>	<b>1,439</b>
<b>Transfer to deferred taxes</b>	<b>-</b>	<b>-</b>
<b>Income taxes (+)/(-)</b>	<b>2,046,579</b>	<b>2,172,589</b>
Taxes	2,046,579	2,172,589
Adjustment of income taxes and write-back of tax provisions	-	-
<b>Profit (loss) of the period (+)/(-)</b>	<b>6,859,084</b>	<b>7,129,665</b>
<b>Transfer from untaxed reserves</b>	<b>4,318</b>	<b>4,318</b>
<b>Transfer to untaxed reserves</b>	<b>-</b>	<b>-</b>
<b>Profit (loss) of the period available for appropriation (+)/(-)</b>	<b>6,863,402</b>	<b>7,133,983</b>

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10.1 Balance sheet

	31.12.2022	31.12.2021
<b>ASSETS</b>		
<b>Formation expenses</b>	<b>-</b>	<b>-</b>
<b>FIXED ASSETS</b>	<b>239,466,018</b>	<b>230,235,049</b>

Annex – Balance sheet and income statement of each Guarantor

	31.12.2022	31.12.2021
<b>Intangible fixed assets</b>	<b>2,022,775</b>	<b>1,558,455</b>
<b>Tangible fixed assets</b>	<b>237,407,951</b>	<b>228,641,302</b>
Land and buildings	917,289	630,882
Plant, machinery and equipment	188,615,421	187,787,530
Furniture and vehicles	134,319	89,634
Leasing and similar rights	10,167	20,335
Other tangible fixed assets	-	-
Assets under construction and advance payments	47,730,754	40,112,920
<b>Financial fixed assets</b>	<b>35,292</b>	<b>35,292</b>
Affiliated enterprises	-	-
Participating interests	-	-
Amounts receivable	-	-
Enterprises linked by participating interests	35,292	35,292
Participating interests	35,292	35,292
Amounts receivable	-	-
Other financial fixed assets	-	-
Shares	-	-
Amounts receivable and cash guarantees	-	-
<b>CURRENT ASSETS</b>	<b>45,696,002</b>	<b>48,495,939</b>
<b>Amounts receivable after more than one year</b>	<b>-</b>	<b>-</b>
Trade debtors	-	-
Other amounts receivable	-	-
<b>Stocks and contracts in progress</b>	<b>-</b>	<b>-</b>
Stocks	-	-
Raw materials and consumables	-	-
Work in progress	-	-
Finished goods	-	-
Goods purchased for resale	-	-
Immovable property intended for sale	-	-
Advance payments	-	-
Contracts in progress	-	-
<b>Amounts receivable within one year</b>	<b>45,695,270</b>	<b>48,070,297</b>
Trade debtors	1,884,996	2,258,797
Other amounts receivable	43,810,274	45,811,500
<b>Current investments</b>	<b>-</b>	<b>-</b>
Own shares	-	-

Annex – Balance sheet and income statement of each Guarantor

	31.12.2022	31.12.2021
Other investments	-	-
<b>Cash at bank and in hand</b>	<b>732</b>	<b>425,643</b>
<b>Deferred charges and accrued income</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>285,162,020</b>	<b>278,730,989</b>
	31.12.2022	31.12.2021
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>	<b>226,005,058</b>	<b>225,916,706</b>
<b>Contribution excluding capital</b>	<b>153,096,884</b>	<b>157,302,830</b>
Contribution available	153,096,884	157,302,830
Contribution unavailable	-	-
<b>Revaluation surpluses</b>	<b>-</b>	<b>-</b>
<b>Reserves</b>	<b>17,514,091</b>	<b>15,895,533</b>
Reserves not available	-	-
In respect of own shares held	-	-
Other	-	-
Untaxed reserves	-	-
Available reserves	17,514,091	15,895,533
<b>Accumulated profits (losses)</b>	<b>-</b>	<b>-</b>
<b>Investment grants</b>	<b>55,394,083</b>	<b>52,718,344</b>
<b>Advances to shareholders on the distribution of net assets</b>	<b>-</b>	<b>-</b>
<b>PROVISIONS AND DEFERRED TAXES</b>	<b>-</b>	<b>-</b>
<b>Provisions for liabilities and charges</b>	<b>-</b>	<b>-</b>
Pensions and similar obligations	-	-
Taxation	-	-
Major repairs and maintenance	-	-
Environmental obligations	-	-
Other liabilities and charges	-	-
<b>Deferred taxes</b>	<b>-</b>	<b>-</b>
<b>AMOUNTS PAYABLE</b>	<b>59,156,962</b>	<b>52,814,282</b>
<b>Amounts payable after more than one year</b>	<b>26,358,317</b>	<b>37,071,045</b>
Financial debts	26,358,317	37,071,045
Subordinated loans	-	-
Unsubordinated debentures	-	-
Leasing and other similar obligations	5,628	15,574

Annex – Balance sheet and income statement of each Guarantor

	31.12.2022	31.12.2021
Credit institutions	26,352,689	37,055,471
Other loans	-	-
Trade debts	-	-
Suppliers	-	-
Bills of exchange payable	-	-
Advances received on contracts in progress	-	-
Other amounts payable	-	-
<b>Amounts payable within one year</b>	<b>32,728,248</b>	<b>15,670,240</b>
Current portion of amounts payable after more than one year falling due within one year	10,759,946	759,638
Financial debts	-	-
Credit institutions	-	-
Other loans	-	-
Trade debts	3,160,969	2,062,474
Suppliers	3,160,969	2,062,474
Bills of exchange payable	-	-
Advances received on contracts in progress	3,099	4,639
Taxes, remuneration and social security	302,768	243,043
Taxes	302,768	243,043
Remuneration and social security	-	-
Other amounts payable	18,501,465	12,600,446
<b>Accruals and deferred income</b>	<b>70,397</b>	<b>72,997</b>
<b>TOTAL LIABILITIES</b>	<b>285,162,020</b>	<b>278,730,989</b>

10.2 Income statement

	31.12.2022	31.12.2021
<b>Operating income</b>	<b>18,219,560</b>	<b>17,921,477</b>
Turnover	18,176,831	17,904,749
Stocks of finished goods and work and contracts in progress: increase (decrease) (+)/(-)	-	-
Own work capitalised	-	-
Other operating income	42,729	16,728
Non-recurring operating income	-	-
<b>Operating charges</b>	<b>17,082,888</b>	<b>16,202,237</b>
Raw materials, consumables	-	-
Purchases	-	-

Annex – Balance sheet and income statement of each Guarantor

	31.12.2022	31.12.2021
Stocks: decrease (increase) (+)/(-)	-	-
Services and other goods	6,307,113	5,920,963
Remuneration, social security costs and pensions (+)/(-)	-	-
Depreciation of and other amounts written off formation expenses, intangible and tangible fixed assets	7,244,807	6,979,969
Amounts written off stocks, contracts in progress and trade debtors: Appropriations (write-backs) (+)/(-)	-	-
Provisions for liabilities and charges: Appropriations (uses and write-backs) (+)/(-)	-	-254,000
Other operating charges	3,530,968	3,555,304
Operating charges carried to assets as restructuring costs (-)	-	-
Non-recurring operating charges	-	-
<b>Operating profit (loss) (+)/(-)</b>	<b>1,136,672</b>	<b>1,719,240</b>
<b>Financial income</b>	<b>1,190,889</b>	<b>1,074,927</b>
Recurring financial income	1,190,889	1,074,927
Income from financial fixed assets	-	-
Income from current assets	231,976	95,277
Other financial income	958,913	979,650
Non-recurring financial income	-	-
<b>Financial charges</b>	<b>709,003</b>	<b>739,806</b>
Recurring financial charges	709,003	739,806
Debt charges	706,813	735,758
Amounts written off current assets except stocks, contracts in progress and trade debtors: appropriations (write-backs) (+)/(-)	-	-
Other financial charges	2,190	4,048
Non-recurring financial charges	-	-
<b>Profit (loss) for the period before taxes (+)/(-)</b>	<b>1,618,558</b>	<b>2,054,361</b>
<b>Transfer from deferred taxes</b>	-	-
<b>Transfer to deferred taxes</b>	-	-
<b>Income taxes (+)/(-)</b>	-	-
Taxes	-	-
Adjustment of income taxes and write-back of tax provisions	-	-
<b>Profit (loss) of the period (+)/(-)</b>	<b>1,618,558</b>	<b>2,054,361</b>

	31.12.2022	31.12.2021
<b>Transfer from untaxed reserves</b>	-	-
<b>Transfer to untaxed reserves</b>	-	-
<b>Profit (loss) of the period available for appropriation (+)/(-)</b>	<b>1,618,558</b>	<b>2,054,361</b>

## 11 Sibelgas

### 11.1 Balance sheet

	31.12.2022	31.12.2021
<b>ASSETS</b>		
<b>Formation expenses</b>	-	-
<b>FIXED ASSETS</b>	<b>220,229,638</b>	<b>211,347,707</b>
<b>Intangible fixed assets</b>	<b>2,045,304</b>	<b>2,211,754</b>
<b>Tangible fixed assets</b>	<b>218,157,346</b>	<b>209,108,965</b>
Land and buildings	1,885,761	1,866,028
Plant, machinery and equipment	186,836,148	182,184,689
Furniture and vehicles	698,449	703,652
Leasing and similar rights	-	-
Other tangible fixed assets	187,831	209,206
Assets under construction and advance payments	28,549,156	24,145,390
<b>Financial fixed assets</b>	<b>26,989</b>	<b>26,989</b>
Affiliated enterprises	-	-
Participating interests	-	-
Amounts receivable	-	-
Enterprises linked by participating interests	26,989	26,989
Participating interests	26,989	26,989
Amounts receivable	-	-
Other financial fixed assets	-	-
Shares	-	-
Amounts receivable and cash guarantees	-	-
<b>CURRENT ASSETS</b>	<b>36,532,809</b>	<b>38,873,919</b>
<b>Amounts receivable after more than one year</b>	-	-
Trade debtors	-	-
Other amounts receivable	-	-
<b>Stocks and contracts in progress</b>	<b>2,327,423</b>	<b>1,761,201</b>
Stocks	-	-
Raw materials and consumables	-	-

Annex – Balance sheet and income statement of each Guarantor

	31.12.2022	31.12.2021
Work in progress	-	-
Finished goods	-	-
Goods purchased for resale	-	-
Immovable property intended for sale	-	-
Advance payments	-	-
Contracts in progress	2,327,423	1,761,201
<b>Amounts receivable within one year</b>	<b>23,230,335</b>	<b>25,189,830</b>
Trade debtors	7,357,728	12,264,566
Other amounts receivable	15,872,607	12,925,263
<b>Current investments</b>	-	-
Own shares	-	-
Other investments	-	-
<b>Cash at bank and in hand</b>	<b>3,217</b>	<b>1,076</b>
<b>Deferred charges and accrued income</b>	<b>10,971,834</b>	<b>11,921,813</b>
<b>TOTAL ASSETS</b>	<b>256,762,447</b>	<b>250,221,626</b>
	31.12.2022	31.12.2021
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>	<b>74,333,614</b>	<b>74,093,335</b>
<b>Contribution excluding capital</b>	<b>70,923,546</b>	<b>70,923,546</b>
Contribution available	70,923,546	70,923,546
Contribution unavailable	-	-
<b>Revaluation surpluses</b>	-	-
<b>Reserves</b>	<b>418,020</b>	<b>762,097</b>
Reserves not available	-	-
In respect of own shares held	-	-
Other	-	-
Untaxed reserves	-	-
Available reserves	418,020	762,097
<b>Accumulated profits (losses)</b>	<b>2,992,048</b>	<b>2,407,693</b>
<b>Investment grants</b>	-	-
<b>Advances to shareholders on the distribution of net assets</b>	-	-
<b>PROVISIONS AND DEFERRED TAXES</b>	<b>4,661</b>	<b>24,926</b>
<b>Provisions for liabilities and charges</b>	<b>4,661</b>	<b>24,926</b>
Pensions and similar obligations	-	-



Annex – Balance sheet and income statement of each Guarantor

	31.12.2022	31.12.2021
Taxation	-	-
Major repairs and maintenance	-	-
Environmental obligations	-	-
Other liabilities and charges	4,661	24,926
<b>Deferred taxes</b>	-	-
<b>AMOUNTS PAYABLE</b>	<b>182,424,173</b>	<b>176,103,365</b>
<b>Amounts payable after more than one year</b>	<b>129,301,627</b>	<b>122,295,072</b>
Financial debts	129,301,627	122,295,072
Subordinated loans	-	-
Unsubordinated debentures	-	-
Leasing and other similar obligations	-	-
Credit institutions	129,301,627	122,295,072
Other loans	-	-
Trade debts	-	-
Suppliers	-	-
Bills of exchange payable	-	-
Advances received on contracts in progress	-	-
Other amounts payable	-	-
<b>Amounts payable within one year</b>	<b>45,962,289</b>	<b>47,532,310</b>
Current portion of amounts payable after more than one year falling due within one year	17,463,416	13,325,194
Financial debts	19,500,000	25,003,218
Credit institutions	19,500,000	25,003,218
Other loans	-	-
Trade debts	5,422,114	6,181,644
Suppliers	5,422,114	6,181,644
Bills of exchange payable	-	-
Advances received on contracts in progress	2,529,800	1,609,494
Taxes, remuneration and social security	232,343	642,841
Taxes	232,343	642,841
Remuneration and social security	-	-
Other amounts payable	814,616	769,919
<b>Accruals and deferred income</b>	<b>7,160,256</b>	<b>6,275,983</b>
<b>TOTAL LIABILITIES</b>	<b>256,762,447</b>	<b>250,221,626</b>

**11.2 Income statement**

	31.12.2022	31.12.2021
<b>Operating income</b>	<b>49,995,419</b>	<b>57,282,716</b>
Turnover	47,758,631	55,549,932
Stocks of finished goods and work and contracts in progress: increase (decrease) (+)/(-)	566,222	163,826
Own work capitalised	-	-
Other operating income	1,670,566	1,568,958
Non-recurring operating income	-	-
<b>Operating charges</b>	<b>43,967,568</b>	<b>49,904,517</b>
Raw materials, consumables	17,651,711	26,481,564
Purchases	17,651,711	26,481,564
Stocks: decrease (increase) (+)/(-)	-	-
Services and other goods	14,638,196	13,123,397
Remuneration, social security costs and pensions (+)/(-)	-	-
Depreciation of and other amounts written off formation expenses, intangible and tangible fixed assets	8,821,463	8,633,000
Amounts written off stocks, contracts in progress and trade debtors: Appropriations (write-backs) (+)/(-)	7,927	-209,074
Provisions for liabilities and charges: Appropriations (uses and write-backs) (+)/(-)	-20,265	-19,005
Other operating charges	2,868,536	1,894,635
Operating charges carried to assets as restructuring costs (-)	-	-
Non-recurring operating charges	-	-
<b>Operating profit (loss) (+)/(-)</b>	<b>6,027,851</b>	<b>7,378,199</b>
<b>Financial income</b>	<b>95,557</b>	<b>47,585</b>
Recurring financial income	95,557	47,585
Income from financial fixed assets	-	-
Income from current assets	95,557	47,583
Other financial income	1	1
Non-recurring financial income	-	-
<b>Financial charges</b>	<b>2,952,770</b>	<b>3,219,118</b>
Recurring financial charges	2,952,770	3,219,118
Debt charges	2,951,475	3,217,869

Annex – Balance sheet and income statement of each Guarantor

	31.12.2022	31.12.2021
Amounts written off current assets except stocks, contracts in progress and trade debtors: appropriations (write-backs) (+)/(-)	-	-
Other financial charges	1,295	1,248
Non-recurring financial charges	-	-
<b>Profit (loss) for the period before taxes (+)/(-)</b>	<b>3,170,638</b>	<b>4,206,666</b>
<b>Transfer from deferred taxes</b>	-	-
<b>Transfer to deferred taxes</b>	-	-
<b>Income taxes (+)/(-)</b>	<b>1,097,934</b>	<b>1,349,830</b>
Taxes	1,097,934	1,350,663
Adjustment of income taxes and write-back of tax provisions	-	832
<b>Profit (loss) of the period (+)/(-)</b>	<b>2,072,705</b>	<b>2,856,836</b>
<b>Transfer from untaxed reserves</b>	-	-
<b>Transfer to untaxed reserves</b>	-	-
<b>Profit (loss) of the period available for appropriation (+)/(-)</b>	<b>2,072,705</b>	<b>2,856,836</b>

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