Consolidated Financial Statements IFRS
Economic Group Fluvius 2024

Content

Prefrace Frank Vanbrabant (CEO Fluvius)

Dear reader,

The past year was once again particularly challenging for Fluvius. We continued to work on the energy transition, digitalisation and climate adaptation. We are now almost at cruising speed with the construction of our networks for tomorrow.

We are helping to realise the energy transition and digitalisation thanks to targeted investment plans in infrastructure and digitalisation. We want to implement these timely and efficiently, to safeguard the comfort of our customers. Last year, we installed many kilometres of new electricity cables and digital cabins. We also developed many new data applications and are continuing to focus on the digitalisation of our grid management. Because the electricity network of the future must be reliable, flexible and digital.

The cornerstone of a digital network is the digital meter. We have now installed more than 4 million of them. The measurement data is important, because it gives our customers and ourselves as grid operators insight into consumption and peak loads. And thanks to data, new services are made possible, such as energy sharing, dynamic contracts or monthly invoicing. Digitalisation will become even more important in 2025. Together with other market players, we are working on flexibility on our networks, for optimal network use. We are also drawing up a data management investment plan with our ambitions in this area for the future.

In addition, climate adaptation is also a major challenge for Fluvius. Climate change forces us to work on a modern sewerage network. In 2024, most attention went to connecting homes without a sewerage connection, in order to achieve the reduction targets of the VMM and the European framework directive. We also invested in new separate sewerage networks and local water purification plants for remote homes. From 2025, we will further increase the investment volume for sewerage.

We were only able to realise all the projects in the annual report by working together. I am proud of our team of almost 6,000 employees who are ready day and night. And they are happy to do so, because in 2024 they once again rated Fluvius as a 'Great place to work'. In the coming years, we will increasingly collaborate with our local authorities, the Flemish Government, the regulators, the transmission system operator, the other distribution system operators and a whole range of stakeholders. Only by joining forces can we successfully tackle all challenges.

Frank Vanbrabant, CEO Fluvius

Management review

About this report

Contents of the report

This version of the annual report is a translation. Only the Dutch version is binding.

In this annual report, we present the operations of the Fluvius Economic Group during the past financial year 2024.

The Fluvius Economic Group includes, in addition to the eleven Mission Entrusted Associations (MEAs) Gaselwest, Imewo, Intergem, Iveka, Iverlek, Sibelgas, Fluvius West, Fluvius Limburg, Fluvius Antwerpen, PBE, and Riobra, the accounts of their subsidiaries including Transco Energy cv and the operating company Fluvius System Operator cv and its subsidiaries, joint ventures, and associates.

The Fluvius Economic Group is not a legal entity, but for reporting and consolidation purposes, the Fluvius Economic Group can be considered as a single entity. This reporting provides a comprehensive overview of the economic activities of Fluvius and the associated Mission Entrusted Associations.

This report is a combined report in which the Management Review and the Financial Statements are combined in one single report.

In the Management Review, we present certain non-financial elements and diversity aspects (Act of 3 September 2017 on the publication of non-financial information and information on diversity by certain large companies and groups).

In the Financial Report, we present the following documents:

- The consolidated financial statements for the financial year 2024 of the Fluvius Economic Group ended 31 December 2024, in accordance with the IFRS (International Financial Reporting Standards) accounting standards;
- The declaration by the persons responsible for the financial statements and the annual report;
- The reports by the Statutory Auditor on the financial statements for 2024 in IFRS;

Reading guide

The Fluvius annual report offers an overview of the company's performance and activities during the financial year 2024. This report was approved for publication by Management Committee of Fluvius System Operator on 14 March 2025 and was published on 28 March 2025.

For all information, consolidation is valid irrespective of materiality, unless otherwise stated. The scope of consolidation includes, in addition to the eleven Mission Entrusted Associations (MEAs) Gaselwest, Imewo, Intergem, Iveka, Iverlek, Sibelgas, Fluvius West, Fluvius Limburg, Fluvius Antwerpen, PBE, and Riobra, the accounts of their subsidiaries including Transco Energy cvand the operating company Fluvius System Operator cv and its subsidiaries, joint ventures, and associates. In the management review, also the evolutions at associates Atrias, Synductis and Wyre Holding are disclosed. Supplementary interpretation on the scope of the qualitative and quantitative data is provided, where necessary, with the information for which this interpretation is relevant.

The company's structure, activities and strategy are presented. We take a look at the major financial and non-financial evolutions over the reporting period and look forward to the future of the energy and climate transition. Finally, the reader can consult the financial report.

The report is based on these starting points: our valuable role in the energy and climate transition, our stakeholder dialogue, materiality and transparency.

For the reporting purposes on the financial year 2024, the report has undergone a transformation both in terms of content and design to meet the expectations of our stakeholders.

About Fluvius

Fluvius, close to you

The cooperative company Fluvius System Operator (known operationally under the working name of 'Fluvius') is the Flemish multi-utility grid operator that came into being on 1 July 2018 from the merger of Eandis System Operator CVBA and Infrax CVBA. On 1 April 2019, the former Integan ov joined the Fluvius Economic Group when acquired by ex-Iveg (now Fluvius Antwerpen).

Fluvius is responsible for the construction, management and maintenance of distribution grids for electricity, natural gas, sewerage and heat. The company also manages a substantial part of the municipal public lighting system in Flanders, with 1,197,534 lighting points. The data management that supports the above-mentioned business activities is also part of Fluvius' remit.

In total, Fluvius manages 211,125 kilometres of utility networks. Fluvius is active in all 300 Flemish cities and municipalities[1], which means that everyone in Flanders can benefit from the professional service provided by our 5,863 employees.

In the free energy market in Flanders, Fluvius, as operator of the distribution grid, is an indispensable link between energy producers, energy consumers and transmission system operators.

[1] *Until 31 December 2024, there were 300 cities and municipalities in Flanders. As a result of a number of mergers of municipalities, this number has been reduced to 285 as from 1 January 2025.*

Working for our shareholders, the mandated associations

Fluvius System Operator is the operating company for eleven Flemish utility companies, each of which is legally constituted as an intermunicipal 'mandated association'. They are also the shareholders of Fluvius System Operator:

	Electricity	Natural gas	Sewerage	Public lighting
Fluvius Antwerpen	x	x	x	x
Fluvius Limburg	x	x	x	x
Fluvius West	x	x	x	x
Gaselwest	x	x		x
Imewo	x	x		x
Intergem	x	x		x
Iveka	x	x		x
Iverlek	x	x		x
PBE	x			x
Riobra			x	
Sibelgas	x	x		x

As from 1 January 2025, there will be a few changes to the Fluvius Economic Group structure. On the one hand, this is a consequence of a number of mergers between municipalities and, on the other hand, of the obligation for the individual distribution system operators for electricity and gas which are part of the Fluvius Economic Group, to conform with some requirements imposed by decree on their operating area and the minimum number of connections that they manage. These changes were coupled to a few name changes. The new situation is reflected in the table below.

	Electricity	Natural gas	Sewerage	Public lighting
Fluvius Antwerpen	x	x	x	x
Fluvius Halle-Vilvoorde	x	x		x
Fluvius Imewo	x	x		x
Fluvius Kempen	x	x		x
Fluvius Limburg	x	x	x	x
Fluvius Midden-Vlaanderen	x	x		x
Fluvius West	x	x	x	x
Fluvius Zenne-Dijle	x	x		x
Riobra			x	

Fluvius works on behalf of the intermunicipal utility companies listed in the tables above. As indicaed, the majority of these mandated association are active in the regulated activity of energy distribution (electricity and/or natural gas)[1]. Consequently, a substantial part of Fluvius' business is subject to regulation by the authorized energy regulator VREG (Flemish Regulator of the Electricity and Gas Market). As from 1 January 2025, VREG has been renamed Vlaamse Nutsregulator (VNR – Flemish Utility Regulator). Fluvius' sewerage business is also regulated in Flanders, namely by the VMM (Flemish Environmental Agency); this regulatory competence is expected to be transferred to VNR as from 1 January 2026.

Fluvius acts as an operating company for its shareholders/principals at cost price, i.e. no profit margin is charged on the operating tasks carried out. Every month, Fluvius charges all of its direct and indirect operating costs, investments and public service obligations (staff, contractors, suppliers, financing costs) to its shareholders/principals in full. That is why the financial statements of the operating company Fluvius System Operator close with a zero balance, with no profit or loss, with the exception of its stake in Wyre Holding bv for the business in public electronic communication networks.

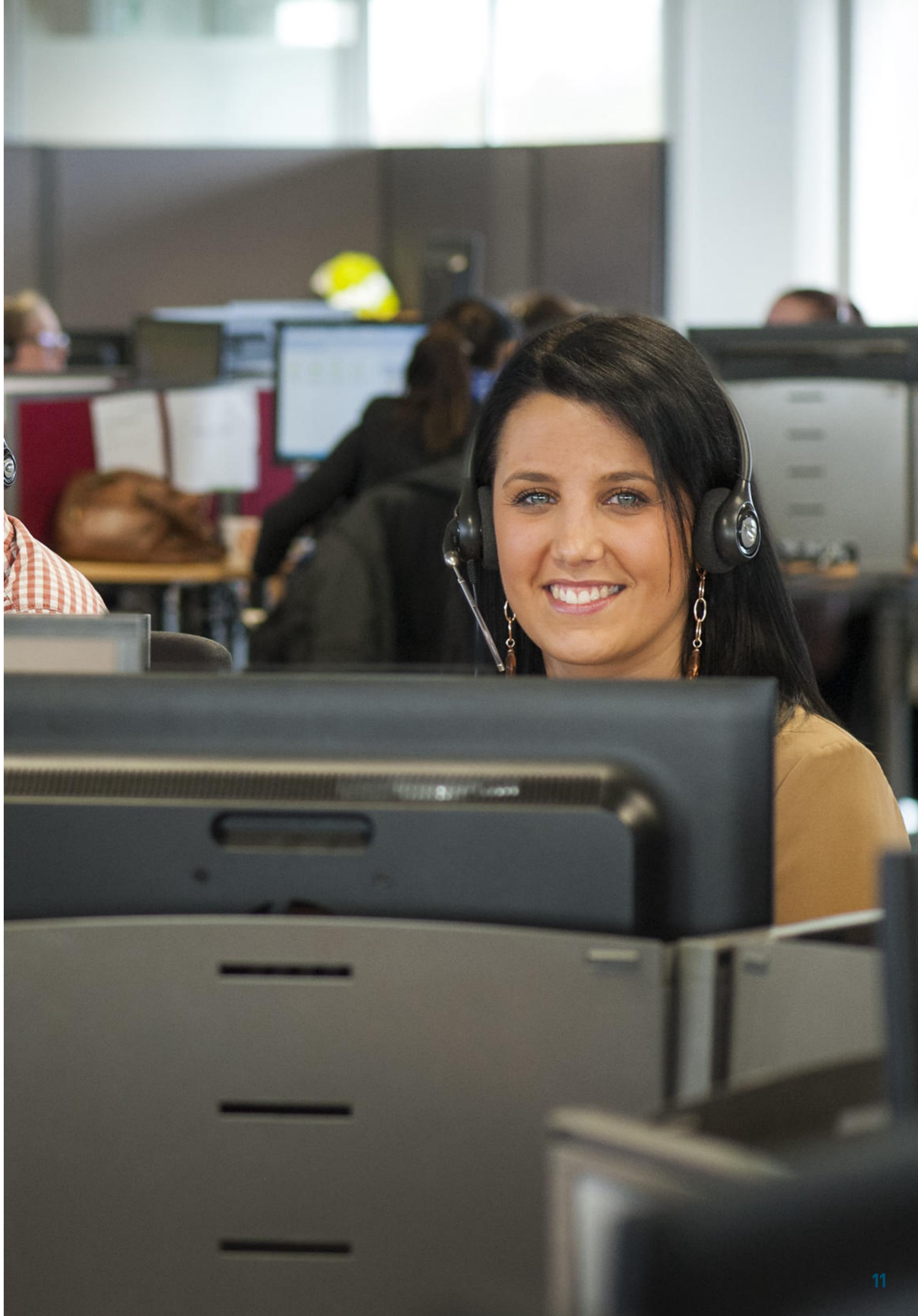
Fluvius System Operator does not own the distribution infrastructure (distribution grids with cables and pipelines, substations, measurement infrastructure etc.). the various mandated associations are the owners of this infrastructure.

1 *The intermunicipal utility companies active in electricity and natural gas are also active in district heating.*

Supported by 4 subsidiaries and associates

Fluvius System Operator relies on a number of subsidiaries and associates to carry out part of its remit:

- **De Stroomlijn cv:** the customer communication centre that handles calls from our end customers
- **Atrias cv:** the federal clearing house platform for the energy sector in Belgium
- **Synductis cv:** the company for coordination and synergy for infrastructure works carried out by utility companies in the public domain
- **Wyre Holding bv:** a holding company, with Fluvius System Operator and Telenet bv as shareholders, which owns 100% of Wyre bv, an independent self-financing infrastructure company incorporated in the context of the planned realisation by Fluvius System Operator and Telenet of a high-speed data network for the Flemish Region



Our mission, vision, strategy and values

The mission, vision and values of Fluvius give our company direction. We embody them in our interactions with all of our shareholders, employees, customers and partners.

Our mission

To sustainably connect society through our multi-utility networks.

Fluvius connects society. This involves not only the physical connection that we make via our networks. We also bring people together. And Fluvius is there for everybody.

We connect in a sustainable way. We work for the long term, and we want to contribute to a better environment and climate. And we support communities with forward-looking solutions that also provide comfort in the long term.

Fluvius aims at a wide range of utilities ('multi-utility'). Because we believe in the synergies and economies of scale this creates for all partners and customers of our company.

Our vision

Fluvius wants to co-realize the energy transition and climate adaptation for Flanders in active partnerships.

Fluvius wants to be a key player in the energy transition and climate adaptation. In order to bring about these two enormous changes in Flanders, we build 'tomorrow's networks'. Our forward-looking utility solutions and, systems make sure that we will be able live here comfortably tomorrow and the day after tomorrow.

We are not alone in doing so. We join forces with al, cities, municipalities, customers, partners, suppliers and investors. Cooperation is key. Also beyond networks. Because together we can realize more. The result? More efficiency and a better service for our customers. Because at Fluvius the customers takes the centre stage. Every day we are working for a smooth and reliable service.

For that service, we are counting upon the competence and sense of responsibility of our employees. We offer them an enjoyable working environment in which everyone can feel at ease, partly thanks to shared leadership and a culture of trust.

Our values

With all colleagues at Fluvius, we strive towards a culture in which trust, shared leadership and the Fluvius values are in focus. These values are summarized by the (Dutch) acronym 'STERK':

- **Together ('Samen'):** we reinforce each other, to achieve our goal together and as one team.
- **Proud ('Trots'):** we put safety and quality first, and we are proud of that. We seize new opportunities and ideas with both hands.
- **Commitment ('Engagement'):** as true Fluvius ambassadors, we take full responsibility.
- **Respect:** we value each other's opinions and feedback and use them to grow together.
- **Customer centric ('Klant centraal'):** satisfied customers are our biggest driver.

Strategic choices of core tasks

Fluvius has based its operation on the following strategic choice, as regards its core tasks: *'Fluvius wants to be the multi-utility operator of (public) grids in the public domain, to maximise synergy.'* This strategic choice applies to 3 sectors:

- Energy (electricity, gas and heat)
- Public lighting (street lights, lighting of public places and monuments, light-as-a-service)
- Water (sewerage and/or drinking water), if local opportunities arise

The activities mentioned above also include setting up and managing the necessary data platforms that are directly connected to the various utilities.

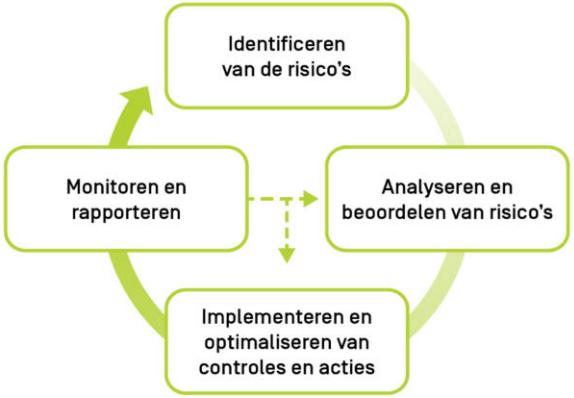
In addition, Fluvius is responsible for the public service obligations imposed on it.

We point out that the Flemish Government has decided, by way of an amendment to the Energy Decree[1], to phase out Fluvius's service to the local authorities relating to energy services. Municipal authorities could call upon Fluvius for specific projects in municipal buildings, such as relighting, renovations of heating systems, insulation projects, installation of solar panels, etc. This activity was regulated by framework agreements between the individual municipalities and Fluvius. The phase-out means in practice that the Flemish local authorities could call upon Fluvius for new projects under the existing framework agreements until the end of 2024. Ongoing projects, i.e. projects that were started on 31 December 2024 at the latest, are finalized by end 2027. The relevant framework agreements with the municipalities have been cancelled in 2024 to implement the decision by the Flemish Government.

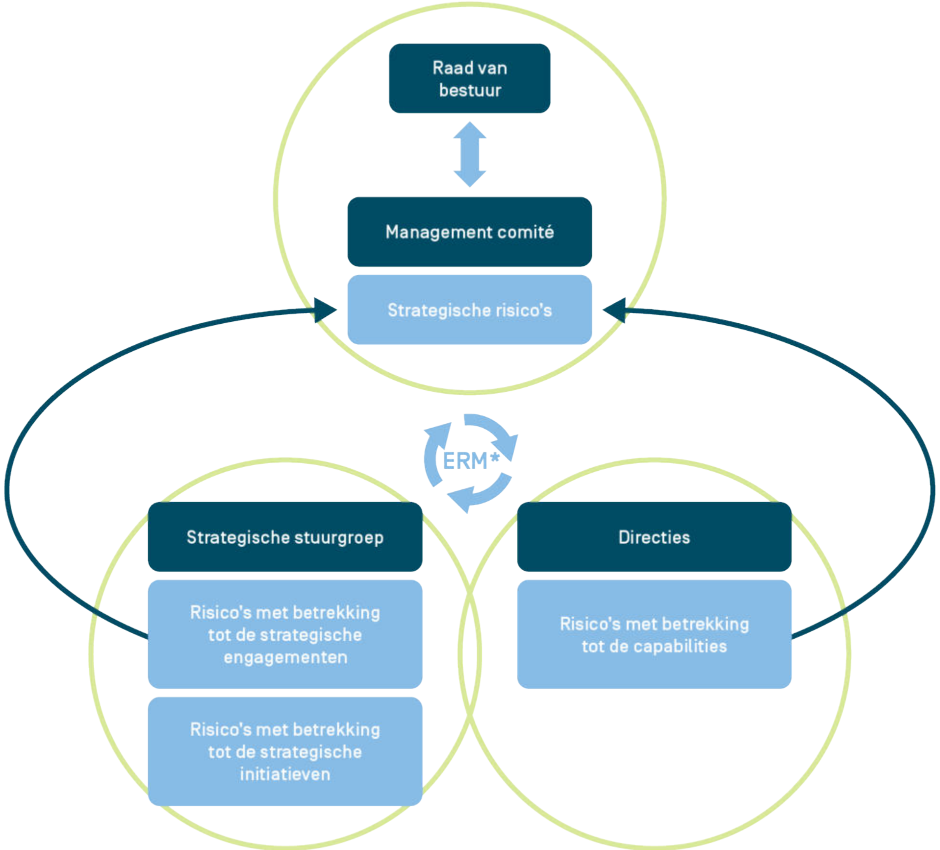
[1] *Amending Decree of 27 October 2023 and article 4.18/1 of the Energy Decree as a consequence of the transposition of the 4th European Electricity Directive.*

Risk management

As any other company, Fluvius is confronted with uncertainties, dependencies and risks. That is why Fluvius has rolled out a risk management system in which potential risks concerning all managerial aspects are tackled in a structured way through the 'integral risk management' method. Continuous monitoring and a range of procedures should help to maximally manage the uncertainties and risks. The risk management cycle consist of four parts:



Besides, for the different kinds of risk the appropriate roles and responsibilities have been assigned. These risk owners and risk managers are required to carry out a risk exercise with the appropriate frequency (at least once a year), with the facilitation of risk coordinators. They also have to safeguard the completeness and correctness of the risks for which they are responsible. Reporting takes place at the appropriate organizational level and with the appropriate frequency.



As mentioned, risk assessments are carried out. Here the aim is a.o. to determine whether managerial measures are needed? Based on impact and probability, the risk is set out o the Fluvius ERM risk matrix[1]. This matrix is being used for all types of risks in function of the comparability and priority-setting of measures. After an evaluation of the net risk (taking into account mitigating measures already in place) a risk level is set. These levels are scaled, taking into account the realization of the company's objectives, the need for a quick budgeting and implementation of actions and the time horizon in which mitigating measures can have an impact on the risk level.

The strategic risks, by definition, have a major impact on Fluvius' vision, mission and strategy. The entire Management Committee is the risk owner, and will frequently provide feedback to the Board of Directors as the ultimate risk responsible entity. The department Risk Management, within the Strategy Direction, facilitates the risk management cycle for strategic risks as the risk coordinator. This involves interviews with stakeholders to identify the risks.

The strategic risks thus identified are about stakeholder management, market evolutions, financial aspects, cyber security, technical challenges and the impact of climate change. Next, we need a sufficient number of the right profiles, both within and outside of Fluvius, to realize the energy and climate transition.

In this report, the transition from Enterprise Risk Management to IRO management (impacts, risks and opportunities), the risks related to the sustainability reporting and the financial risks are commented upon.

Next to a risk management framework, Fluvius also has a business continuity framework. Business continuity offers a structured approach following unexpected big impact events and provides to conserve (material and non-material) values of Fluvius from important negative impacts following a big impact event. The framework is complementary to existing emergency planning procedures, that are initially focussed on continuity of energy supply towards our customers. Business continuity ensures the design, implementation, evaluation and improvement of the necessary capacity to handle big impact events in a correct manner and to recover from it within the set objectives. The build-up of this capacity is based on a balanced approach of:

- Prevention (to prevent where feasible)
- Response (controlling impacts)
- Recover (minimum service recovery within set time frames)

More information can be found in our Charter for Business Continuity Management (BCM).

[1] *ERM: Enterprise Risk Management*

About 2024

Key figures d.d. 31 December 2024

Key figures financials

	31.12.2022	31.12.2023	31.12.2024
Balance sheet total (in 1000 euros)			
Fluvius System Operator Consolidated Group	6,889,767	8,778,893	9,249,461
Fluvius Economic Group	17,242,497	18,598,042	18,326,167
Turnover (= operating income in 1000 euros)			
Fluvius System Operator Consolidated Group	2,011,644	2,505,752	2,718,535
Fluvius Economic Group	3,249,064	3,749,621	2,462,815

Key figures staff

	31.12.2022	31.12.2023	31.12.2024
Contractual staff Fluvius System Operator (head count):	4,770	5,042	5,271
Executives	1,017	1,105	1,171
Non-executives	3,753	3,937	4,100
Contractual staff Fluvius System Operator (FTE):	4,574.2	4,846.6	5,077.1
Executives	993.5	1,079.2	1,145.1
Non-executives	3,580.8	3,767.4	3,932.0
Statutory staff Fluvius Mandated Association			
Head count	667	625	592
FTE	643.8	601.4	567.4
Total number of staff members Fluvius			
Head count	5,437	5,667	5,863
FTE	5,218.0	5,447.9	5,644.5

Key figures grid operations

	31.12.2022	31.12.2023	31.12.2024
Natural gas			
Connection points	2,355,263	2,364,869	2,377,118
Low-pressure network (km)	47,842	47,900	47,929
Medium-pressure network (km)	10,070	10,077	10,073
Total network length (km)	57,912	57,976	58,002
Elektriciteit			
Connection points	3,587,133	3,631,149	3,650,539
Low-voltage network (km)	88,129	89,547	91,671
Medium-voltage network (km)	47,146	47,418	47,853
High-voltage network (km)	732	734	752
Total network length (km)	136,007	137,699	140,276
Public lighting			
Light points	1,179,854	1,188,602	1,197,534
Heating			
Network length (km)	83	89	92
Connection points	2,123	2,054	3,087
Number of municipalities with Fluvius heat customers	15	15	15
Sewerage			
Sewer network (km)	11,899	12,433	12,755
Number of connections	658,991	684,909	702,530
Number of municipalities with Fluvius sewerage customers	86	87	87

Key figures services

	31.12.2022	31.12.2023	31.12.2024
Network Operation and Management			
Realised investment budget (gross, in million euros)	1,198	1,412	1,705
Unavailability of electricity grid (number of minutes/ year/customer)	25 min 16 sec	25 min 50 sec	25 min 5 sec
Social public service obligations			
Active meters prepaid electricity	49,070	60,373	69,637
Active meters prepaid natural gas	31,874	38,952	45,876
Charging points budget meter cards	mimimum 1 per municipality	mimimum 1 per municipality	mimimum 1 per municipality
Number of Social Supplier customers electricity	75,101	76,154	79,799
Number of Social Supplier customers natural gas	56,915	58,143	61,986
Number of installed digital meters	2,150,963	3,150,311	4,147,749
Customer contacts			
Number of visits to customer service centres	47,641	57,517	43,926
Number of contact center contacts	2,555,833	2,416,828	2,210,151
Average total number of visitors to the website per month	806,692	732,846	631,189
Energy premiums			
Number of premiums paid	92,790	132,959	63,866
Total premium amount paid (million euros)	91.15	140.38	70.56

Major evolutions and events at Fluvius

Tariff methodology electricity and gas for 2025-2028 & distribution grid fees electricity and gas 2025

After an intense preparation phase, the energy regulator VREG established the tariff methodology 2025-2028 for electricity and natural gas in June 2024. The tariff methodology describes in detail how the annual distribution grid fees, which are the major sources of revenue for the distribution system operators for electricity and gas, are calculated. As in the past, the new tariff methodology is valid for a four-year period.

In its premises, VREG had indicated that the distribution system operators, and their operating company Fluvius System Operator, as vital parties are facing great challenges to bring about the energy transition. The regulator is of the opinion that the grid management's quality should be maintained thanks to an efficient maintenance of the existing grids and future-oriented investment in grid expansion and grid reinforcement should take up a central position. Fluvius has always defended the view that the tariff methodology should allow for a sustainable and financially sound financing of the distribution system operators' activities. It is key – in Fluvius' view – to have market-based remuneration of the invested capital as a necessary condition for the further realization of the energy transition in Flanders through highly reliable distribution grids.

In setting the tariff methodology 2025-2028, VREG has kept a few key principles from the previous tariff methodology. For instance, the duration of the tariffication period of four years, the basic formula 'RAB[1] x WACC[2]' for determining the cost of capital, the proportion debt/equity of 60%/40% in the calculation of the weighted average cost of capital, and the trend methodology for the endogenous costs. A new element is that the allowed income is recalculated every year (instead of for the entire period of four years in the previous tariff methodology). And VREG also allows more flexibility in requesting advances at the occasion of changes in legislation or within the context of the distribution system operators' proactive investment policy.

VREG has set an equity remuneration after corporate tax of 7.37% for the year 2025. This is higher than the remuneration of 4.08% allowed in the 2021-2024 tariff methodology, but the underlying economic parameters of 2021 are difficult to compare with those of 2024. Here we should immediately note that the 7.37% allowed will be structurally lower in reality due to a host of other measures imposed by VREG. The remuneration of 2.17% for 2025 set by VREG for the loan capital is lower than the actual interest charges of the Fluvius Economic Group. This is a consequence of VREG's theoretical but completely erroneous assumption that efficient grid operators have a fixed and linear debt profile with the same amount of new debt financing every year. This view takes absolutely no account of the real need for financing and refinancing, nor of the conditions on the international financial markets. Under the current tariff methodology, deficits in the remuneration of debt are charged to the remuneration of equity.

Next, VREG has imposed a so-called 'frontier shift' of 1.1% per year and cumulatively in the business segment electricity distribution. A frontier shift boils down to an additional cost saving. These cost savings come on top of the previous cost savings of 150 million euro imposed by VREG at the occasion of the merger of ex-Eandis and ex-Infrax into Fluvius mid-2018.

When Wyre, the joint venture of Fluvius and Telenet for the further expansion of fibre infrastructure in Flanders, was established, VREG investigated this transaction. In particular, VREG analysed the contributions into Wyre by the distribution system operators of assets such as empty ducts already installed. VREG has unilaterally increased the surplus value of these contributed assets that belonged to the regulated activity of electricity distribution. This surplus value is considered to be a regulated revenue and as such it is subtracted from the allowed grid fee.

Throughout the entire process Fluvius has contested several elements in the VREG method and the premises and parameters used by the regulator. We have at all times done so with clear and verifiable arguments. The main objection of Fluvius and the distribution system operators is that the allowed remuneration in reality does not prove to be market-conform and thus seriously hampers the DSOs in correctly delivering their operations and services. Fluvius has demonstrated that the remuneration mechanisms set by VREG in this tariff methodology endanger Fluvius' and the DSOs' investment capacities to a large degree. Even more so since these investments have to be carried out in an international context of increasing electrification. A frontier shift thus is diametrically opposed to the need for more investment in the electricity segment.

1 *RAB: regulatory asset base*
2 *WACC: weighted average cost of capital*

Taken into account the elements above, the Boards of Directors of Fluvius System Operator and the distribution system operators have decided to challenge in court the VREG decision on the 2025-2028 tariff methodology. Three key arguments are highlighted:

1. The equity remuneration,
2. The frontier shift cost savings in the electricity segment,
3. And the so-called Wyre surplus value.

Fluvius – on behalf of the distribution system operators – went to the Markets Court. The Markets Court is the competent court for challenging decisions taken by the regulator. In summary, Fluvius is defending the following:

- As to item 1, Fluvius is of the opinion that the way in which VREG calculates the weighted average remuneration for the cost of capital (i.e. the remuneration used for equity and debt) contains methodological errors and is insufficient for the distribution system operators to carry out their obligatory tasks. To replace the supposed linear profile for historical debts, Fluvius is proposing the use of a weighted average of the actual debt, which better reflects the actual situation
- For item 2, Fluvius argues that imposing an annual and cumulative frontier shift saving is a completely wrong incentive at a time when the grid operators have to carry out substantial investments to tackle the socially accepted challenges (electrification).
- Finally, for item 3, Fluvius points out the position taken by the telecom regulator BIPT which supports the Fluvius' calculation of the Wyre surplus value based on the degree of usefulness of the installed empty ducts. Moreover, VREG's calculation method of this surplus value is erroneous.

Apart from these three key arguments Fluvius has brought forward a number of other elements, such as the continued decrease of the remuneration on the cost of capital for the RAB surplus values, the calculation of the net working capital, the too restrictive composition the exogenous costs which can be passed through into the distribution grid fee, the financial quality incentives and the lack of measures that could determine the future of the gas grids.

Both VREG and Fluvius have requested the Markets Court to pose two prejudicial questions to the European Union's Court of Justice. The Markets Court is expected to deliver a decision by 19 February 2025 at the latest. If the Markets Court decides to pose prejudicial questions, a longer procedure before the European Court of Justice will follow.

A logical next step after establishing the tariff methodology for the new tariff period 2025-2028, is for the regulator to set the concrete distribution tariffs for each DSO for 2025. This happened by decisions dated 17 December 2024. These tariffs taken into account the new DSO landscape after the implementation of the structural changes on 1 January 2025. On the whole, a household on average will pay about a third more for its electricity consumption in 2025 compared to 2024. The increase is especially due to the sharp increase of the electricity transmission tariffs that Fluvius has to pass through, the higher interest rates on the financial markets, the increasing investments in the distribution grid and the elimination of the remuneration from the Flemish Region for buying in green power certificates. For natural gas there is a limited increase by 6% for an average gas consumer. Here a decrease of the allowed income for the gas grid operators comes into play, but this allowed income is calculated on decreasing consumption volumes, which results in an increase of the end tariff for the consumers. Once again, these are global evolutions, the concrete tariffs are different for each distribution system operator.

We repeat that, mid-2024, the distribution system operators requested the VREG for an advance on the allowed income for electricity for the year 2025 of 69.5 million euro. This request should counter the exceptional costs for the DSOs' proactive investment policy for the energy transition and the changes in the legislation on grid and data management. In principle, an advance of 60.1 million euro was granted, but this amount was ultimately reduced to 51.1 million euro due to a restriction to 5% of the 2025 endogenous allowed income, as stipulated in the 2025-2028 tariff methodology.

Digital meter electricity & gas

The roll-out of the digital meter for electricity and gas continues. In 2024, our teams installed an aggregate of 1 million meters (rounded figure), of which approximately 665,000 electricity meters and 410,000 gas meters. The roll-out E+G now reaches 65%. A total of 4.2 million digital energy meters have now been installed in Flanders, of which almost 60% electricity meters and 40% gas meters. Fluvius now expects to reach a global roll-out rate of 80% by the end of 2025, and the roll-out should be completed by the end of 2029.

At the end of March 2024, the energy regulator published a new report with a cost-benefit analysis of the digital meter based on a roll-out between 2020 and 2029 and taking into account the latest figures on the roll-out programme. The study shows that the cost-benefit analysis for the digital E and G meter remains strongly positive in several scenarios. The contribution of the digital gas meter in the overall benefits is rather limited, but in any case positive. That is why VREG recommended that the roll-out programme of the digital meters be continued. They are an important instrument for the end consumer to gain insight into his energy consumption, a better distribution grid management and an improved market functioning; there is still a social benefit when not only the benefits but also the costs are taken into consideration.

Blocked access points

For quite a while, Fluvius is facing the problem of blocked access points (EANs[1]). Since the implementation of the Central Market System (CMS) at Atrias, millions of transactions are registered every day. In exceptional cases access points can get 'stuck'. The data are available, but they cannot be exchanged between market parties. This explains why some customers have to wait longer for a final invoice, that local production is not known by the supplier or that new metering data are no known by the supplier. Fluvius and the data platform Atrias put a lot of effort into limiting and solving this problem. At the end of 2024, there were 2,511 access points blocked for a longer period, or 0.04% of the total number of EANs. This is clearly an improvement compared to the beginning of 2024, when there were 3,552 long-time blocked EANs. Fluvius and Atrias tackle this problem in several ways by working out curative solutions as well as by taking preventive measures through adapting the Central Market System.

The energy regulator has closely monitored the situation. Finally, VREG took the measure to impose an administrative fine. The fine amounted to 40 euro for each access point which at 1 October 2024 had been blocked for more than six months; this is about 3,007 access points on a total of 6,052,767 access points managed by Fluvius. The total fine for all DSOs together amounted to 120,280 euro. Next to this, VREG also imposed a periodic penalty of 250 euro per calendar day per DSO until no more access points that had been blocked for longer than six months on 1 October 2024 are blocked within the operating area of a particular DSO. The Board of Directors of Fluvius has decided to lodge an appeal procedure against this VREG decision to impose this administrative fine and this periodic penalty.

The regulator has included a number of strict quality incentives about the influx of blocked access points in the tariff methodology 2025-2028.

Collective decree X of the Flemish Government

Early 2024 the Flemish Government approved the so-called Collective Decree X. This decree stipulates which grids the distribution system operators directly or indirectly can own, develop, manage and operate. To be precise, apart from distribution grids for electricity and natural gas, these are electronic communication networks, grids for public lighting, thermal grids, hydrogen and carbon grids and the public sanitation network. They can only develop, manage and operate water distribution grids. The management of hydrogen grids is linked to an approval by the regulator and a positive cost-benefit analysis.

Impact of extreme weather

On 9 July 2024 the region around the city of Mechelen was hit by locally extreme weather, with extremely fierce gales together with heavy rainfall.

This resulted in heavy damages to the electricity grid in the communities of Leest and Heffen, both at the level of transmission and distribution. Fallen high tension pylons of the transmission operator Elia, but also damaged poles and lines, as well as torn above-ground distribution connections on the Fluvius grid caused severe problems of supply. The electricity supply to the city of Mechelen had become very precarious and only depended on one single operational high-voltage line. It was the first priority to stabilize the dangerous situations in a safe way. This required to switch off certain parts of the local grid. During the weekend of 13-14 July, capacity-reducing measures were introduced to enable clearing up the damaged Elia lines. The population in and around Mechelen reacted to these measures in a positive way and with solidarity by effectively reducing their electricity consumption. This made it possible to limit the restrictive measures to Saturday 13 July only. Thanks to the coordinated collaboration between Fluvius, Elia, the city of Mechelen, a few large consumers in the stricken area, Infrabel and others, the technical teams of Fluvius and Elia were able to normalize the situation as quickly as possible and to start work on definitive repairs.

[1] *EAN: European Article Number. A unique EAN code identifies each connection point for electricity or gas. Each E or G meter connected to the distribution grid has an individual EAN number.*

Impact of ETS on gas activities

European climate legislation aims at climate neutrality by the year 2050. A major instrument in this policy is the emissions rights system, also known as the EU Emission Trading System (ETS). A first version of ETS (ETS-1) is applicable since 2005 for entities in energy-intensive industrial sectors. A second version, ETS-2, introduces as from 2026 (or 2028 at the latest) an emissions trading system for a few additional sectors. For the Fluvius Economic Group this means that the natural gas DSOs – in their role of social supplier and supplier of last resort – will have to join ETS-2. It is beyond doubt that this has a financial impact and will lead to extra reporting requirements. The financial cost for the Fluvius Economic Group for buying ETS-2 emissions rights is estimated at 8 million euro per year, based on the relevant gas volumes for 2023. In the current tariff methodology the DSOs can pass through these costs into the distribution grid fee which is ultimately being invoiced to the end customers of the DSO as social and last-resort supplier.

Conversion to high-calorific gas

In September 2024, Fluvius switched its last customers to high-calorific gas. A total of about 390,000 customers in 60 Flemish municipalities had to be switched from low-calorific to high-calorific gas as a consequence of the phase-out of low-calorific gas deliveries from The Netherlands.

Investing in sewerage

The importance of sewerage networks for climate adaptation is getting clearer. It is Fluvius' policy, as a sewerage operator in well over eighty Flemish municipalities, focuses on contributing to the management of the entire water cycle, thus better coping both with periods of heavy rainfall and longer droughts.

The Flemish Region included a sanitation obligation for the local authorities in the Decree of 18 July 2003 on the integral water policy (also known as the 'Water Code'). The Flemish Environmental Agency (VMM)[2] has a policing competence over the municipal sewerage operators. For the 87 municipalities that have transferred their sewerage activities to Fluvius, this means that Fluvius has to carry out the following tasks:

1. The development, the sustainable management and the optimalisation of the infrastructure for wastewater;
2. The development, the sustainable management and the optimalisation of the infrastructure for rainwater, including infiltration and buffering;
3. Maximise infiltration and buffering through natural means the use of rainwater or other means;
4. Complying with other obligations which fir into the EU Water Framework Directive[3], primarily the obligation to clean up surface water.

Fluvius substantially raised its investments for the sewerage activity over the last few years. In 2019, 75.9 million euro was invested, in 2024 159.8 million euro was invested, almost double the original amount. In spite of these efforts, Fluvius must conclude that the municipal sanitation obligation is out of reach within the available budgets. That is why Fluvius entered into a dialogue with the competent Flemish regulator to optimally align the available resources with the current objectives for reducing waste load. Furthermore, Fluvius is elaborating an investment programme with concrete projects based on a realistic investment rate which is financially feasible, can count upon sufficient technical capacities and which puts the least possible pressure on the public domain. There is no way around setting clear priorities in the project portfolio. Fluvius also provides a separate budget or strictly necessary replacement investments in the sewerage system.

The Flemish Parliament approved the 'Water Legislation' decree in April 2024. This decree makes the preparation of rainwater and drought plans a condition for being able to obtain subsidies for sewerage projects, defines the rights and duties of sewerage managers and regulates the enforcement of the municipal sanitation obligation.

In April 2024, the Flemish Parliament adapted the supra-municipal sanitation contribution. The increase of the contribution triggers a corresponding increase in the municipal sanitation contribution for the sewerage operators. To avoid a double price-increasing effect of this measure for the water consumers' invoice, the tariff for the municipal sanitation contribution decreases. Until recently, the latter was set at 1.4 times the supra-municipal contribution, this is now being reduced to 1.15 times.

[2] *(Presumably) starting on 1 January 2026, this competence will be taken over by the Flemish Utility Regulator (VNR).*
[3] *Richtlijn 2000/60/EG van het Europees Parlement en de Raad van 23 oktober 2000 tot vaststelling van een kader voor communautaire maatregelen betreffende het waterbeleid*

District heating

Policy on district heating

In 2024, Fluvius evaluated its policy on the heat activity. Building district heating grids fits into Fluvius' corporate strategy and vision, because it can contribute to the energy transition and the active reduction of CO_2 emissions. Fluvius has operations on several segments of district heating: drawing heat zone maps; designing, building, connecting and operating district heating grids, and, where needed – albeit only temporarily – the production and supply of heat. Potential projects are always evaluated using several criteria: technical feasibility, ecological efficiency, customer convenience, social criteria and, of course, financial feasibility as well.

For the benefits of district heating grids, a solidarity system between the distribution system operators and the municipal authorities was in place until recently. But such grids can only be found in a limited number of municipalities, so this solidarity system is not an evident option. That is why putting a halt to this system and introducing s system with individual accounts per municipality was investigated. The conclusion was that the current financial return of the existing heat projects is insufficient: the forecasts for the next few years indicate that that this situation will probably persist. The Board of Directors has therefore decided to switch to a cost-plus system to evaluate future heat projects on their financial feasibility. In such a system the relevant opex costs and depreciations are passed through 1-on-1. Linked to this, it was decided that Fluvius will only act as grid operator in future projects. An appropriate settlement for costs from the past will be elaborated.

The amended policy on district heating will undoubtedly give a new dynamic to this activity.

Projects

In 2024, Fluvius contributed to the development of several district heating grids and other heat projects.

In **Genk**, a cooperation agreement for the 'Thorpark' project was reached. Fluvius will take the role of grid operator. The commissioning of the heating grid with the connection of five existing buildings is expected in February 2025.

In **Antwerp**, several heat projects are ongoing. The wastewater treatment plant Deurne will act as heating source for the Antwerp East District Heating Grid, the district heating grid for the Abattoir site and the psychiatric hospital Stuivenberg. Once again, Fluvius will only be the grid operator in this project, the other project partners will be responsible for producing and supplying the heat.

Also in **Antwerp**, Fluvius has executed the tendering procedure for building the district heating grid Havana site and Luchtbal.

For the Bekaert site in **Hemiksem**, a study is ongoing into the feasibility of the construction and operation of a low-temperature grid. Fluvius would be the grid operator for this grid.

In April 2024, a letter of intent was signed for the construction of a heat grid in **Vorselaar**. Fluvius – in its own name and on behalf of Iveka (now Fluvius Kempen) – is the co-initiator together with the municipality.

At the end of April 2024, the Heat Coalition in **Mechelen** was born. Some 25 companies, organisations and institutions will together strive towards the fossil-free heating of buildings in the city of Mechelen by 2050. Fluvius s an active supporter of this initiative. District heating with sustainable heat sources will be necessary to obtain this objective.

Data management

The Flemish authorities obliges Fluvius to draw up a bi-annual data management plan. The first edition is due to be published in 2025.

Early 2024, Fluvius launched an electricity capacity monitor for companies. This online 'open data' tool enables checking out where there is still margin for offtake from and injection into the mid-voltage grid. The capacity monitor will give different parties (companies, local authorities, power producers, energy service companies and others) the opportunity for a more efficient planning and a smoother connection process.

Key developments in the companies in which Fluvius System Operator holds an equity stake

De Stroomlijn

De Stroomlijn is the customer communication centre for Fluvius, Farys and De Watergroep. The shareholders in De Stroomlijn are Fluvius System Operator (62.17%), Farys (32.03%), Synductis (2.90%) and De Watergroep (2.90%).

De Stroomlijn is fully consolidated in the consolidated financial statements of Fluvius System Operator.

At the end of 2024, De Stroomlijn had 374 in-house employees or 337.90 full-time equivalents (2023: 361 employees, or 329.45 fte's). They work at four sites: Mechelen, Ypres, Ghent (Ledeberg) and Hasselt.

In 2024, De Stroomlijn registered a turnover of 26.1 million euro (2023: 27.4 million euro). The balance sheet total as at 31 December 2024 was 4.4 million euro (end of 2023: 3.9 million euro). The company's equity at the end of 2024 was 265,400 euro, unchanged from the end of 2023.

Atrias

Atrias is responsible for creating and operating a common data exchange platform between all actors in the Belgian energy market. Atrias processes information on more than 10 million connection points and 300 million meter readings per year. Set up to replace the separate data systems within the Belgian distribution system operators, Atrias centralises data processing for the Belgian energy market into a single, federated system. The Atrias platform Central Market System (CMS) with its associated communication rules (MIG-6) went live on 1 November 2021. Since that date, CMS has controlled the mutual exchange of market data (such as meter readings and billing data) and market processes (such as people moving house and changing suppliers) through MIG-6.

All of Belgium's distribution system operators for electricity and gas are shareholders in Atrias: Fluvius System Operator (50.00%), Ores Assets (16.67%), Sibelga (16.67%), Resa (15.05%), AIEG (0.54%), AIESH (0.54%) and Réseau d'Energie de Wavre (0.54%).

At the end of 2024, Atrias had 36 employees or 34.40 full-time equivalents (2023: 31 employees or 29.6 fulltime equivalents). They realised total sales for Atrias in 2024 of 75.9 million euro (2023: 63.3 million euro). The balance sheet total as at 31 December 2024 was 56.6 million euro (2023: 77.7 million euro) with equity of 18,600 euro (unchanged during 2024).

There has been a change of CEO at Atrias: Frank De Saer has retired and has been replaced by Pascal Dekoster, who has made the switch from Fluvius to Atrias.

For consolidation purposes, Atrias is regarded as an associated participation. Atrias is consolidated with Fluvius System Operator using the equity method.

Synductis

Synductis promotes synergy in infrastructure work carried out in the public domain and helps shape an active ‘less disruption’ policy.

Fluvius System Operator's stake in Synductis is 746 shares out of a total of 2,170 shares, or 34.38%. The other shareholders in Synductis are: De Watergroep, IWVA/Aquaduin, Aquafin, Pidpa, Proximus, and Farys. In addition, Synductis works closely with the Flemish Agency for Roads and Traffic (AWV) and the Flemish public transport company De Lijn, on the basis of mutual cooperation agreements.

Synductis’ business plan is based on the principle of providing high-quality service to customers (local authorities, residents, shops and businesses). Building a high-performance IT platform must help realise this goal.

Synductis has no staff of its own. The utility companies which own it make their own staff available to Synductis as and when required, based on the projects that arise.

Synductis recorded turnover of 2.7 million euro in financial year 2024 (financial year 2023: 1.7 million euro). The balance sheet total at the end of December 2024 was 1.6 million euro (2023: 1.7 million euro). Synductis' equity remained unchanged over 2024 at 21,700 euro.

Fluvius consolidates Synductis as a company with participating interests using the equity method.

Wyre

Wyre is building a fibre network in Flanders and parts of Brussels. Wyre is rolling out this fibre network with a clear balance between urban and rural areas. Trenches for infrastructure works are maximally shared.

In 2024, Wyre had over 200,000 homes in construction.

In July 2024, Wyre signed a Memorandum of Understanding with Proximus and Fiberklaar for a potential collaboration on the further deployment of fibre networks in Flanders. The intended collaboration, which is dependent on the parties reaching a final agreement, obtaining regulatory and antitrust approvals and subject to no adverse regulatory findings or impacts, would cover approximately 2.7 million homes across zones with medium to low population density, while continuing to leverage Wyre's existing HFC network to benefit consumers, businesses and society as a whole.

Wyre, through Wyre Holding that holds 100% of the Wyre shares, has two shareholders: Telenet (66.8% of shares) and Fluvius System Operator (33.20%).

At the end of 2024, Wyre had 219 employees (or 211.8 FTE); at the end of 2023, this was 193 employees (187.1 FTE). Wyre Holding itself does not have any staff.

Based on preliminary figures provided by Wyre, the 2024 turnover amounted to 683 million euro. The balance sheet total as per end December 2024 was 6,218 million euro, with the company's equity at 2,777 million euro.

From Fluvius System Operator's view, Wyre Holding is being consolidated through the equity method.

Brief overview of the financial results

The brief review of the statement of financial position and profit & loss statement below is based on the consolidated IFRS accounts of the Fluvius consolidated group, being Fluvius System Operator cv as the consolidating entity, together with De Stroomlijn and its associated companies Atrias, Synductis and Wyre according to the equity method.

Annual accounts 2024 – Fluvius System Operator CV (consolidated, IFRS)

Profit and loss statement

(in 1.000 EUR)	2022	2023	2024	Evolution 2023-2024 (%)
Operating income	2,011,644	2,505,752	2,799,356	12%
Operating costs	1,999,662	2,407,287	2,771,183	15%
Operating profit	11,982	98,465	28,173	-71%
Financial result	-4,752	-21,594[1]	-31,538	46%
Taxes	7,230	8,916	9,176	3%
Profit for the financial year	**0**	**67,955**	**-12,541**	**-118%**

1 Including a one-off share of result from associated participations and joint ventures amounting to 10,178 k euro (profit) and -12,541 k euro (loss) in 2024

Fluvius performs its operating tasks at cost without charging any commercial margin to its principals. The negative profit balance of -12,541 k euro for the financial year 2024 is exclusively and directly a result of Fluvius System Operator's participation in Wyre Holding (and so indirectly in Wyre). The stated amount represents Fluvius' share in the loss of Wyre for the financial year 2024.

Statement of financial position

(in 1.000 EUR)	2022	2023 (as reported)	2023 (restated)	2024	Evolution 2023-2024 (%)
Fixed assets	5,324,371	7,860,695	7,835,202[1]	8,444,995	8%
Current assets	1,565,396	943,691	943,691	804,466	-15%
Total assets	**6,889,767**	**8,804,386**	**8,778,893**	**9,249,461**	**5%**
Equity	1,617	1,002,382	976,989[1]	964,448	-1%
LT liabilities	5,277,248	6,744,442	6,744,442	7,393,936	10%
ST liabilities	1,610,902	1,057,462	1,057,462	891,077	-16%
Total liabilities	**6,889,767**	**8,804,386**	**8,778,893**	**9,249,461**	**5%**

1 The final accounting treatment of the business combination in Wyre Holding bv has now been completed within the applicable period of 12 months. The impact on the reported financial statements as at 31 December 2023 amounts to -25,493 k euro on the items ' Investments in associates and joint ventures' and ' Equity'.

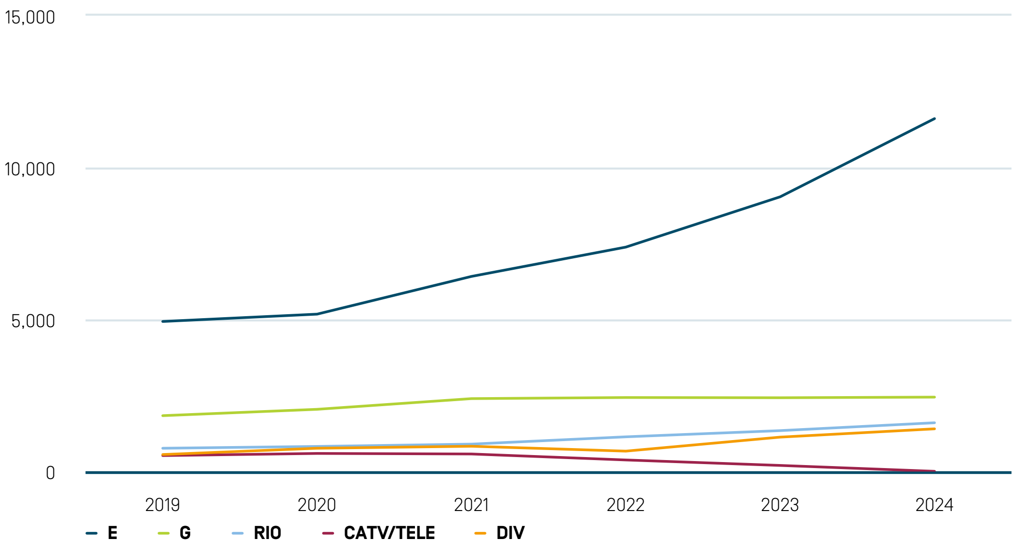
Investments made in 2024

The gross investments carried out by Fluvius in 2024 amounted to 1,704.5 million euro (2023: 1,411.6 million euro). This represents a remarkable year-on-year increase by 292.9 million euro, or +20.7%.

The investment amounts 2024 in more detail:

- 1,161.1 million euro for electricity (including the investments in 70/36 kV grids) – 2023: 903.7 million euro;
- 244.2 million euro for gas – 2023: 242.2 million euro;
- 159.8 million euro for sewerage – 2023: 133.9 million euro;
- 139.8 million euro for other activities (i.e. district heating and public lighting) – 2023: 112.5 million euro.

In the first half of 2023, Fluvius invested 19.3 million euro in the segment ‘cable and data communication’. Due to the contribution of this activity into Wyre on 1 July 2023, Fluvius no longer invests in this business segment.



Please note the following:

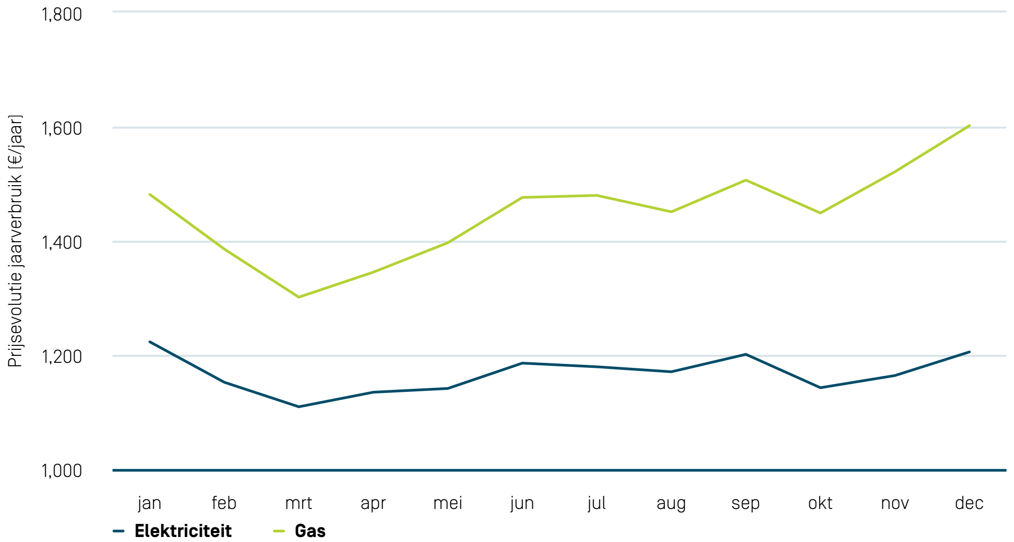
- The 2023/2024 figures already demonstrate clearly the shift within the energy segment from natural gas (with a quasi-stable investment) towards electricity (+28.5%).
- The investments for the digital meter roll-out in both electricity and gas are at cruising speed.
- Public lighting in particular, due to the acceleration in the switch towards LED, triggers an increasing investment volume in the segment ‘other’.
- Also investments in the sewerage grids are rising year after year: from 75.9 million euro in 2019 to 159.8 million euro in 2024 (+110.5%).

The energy markets in 2024

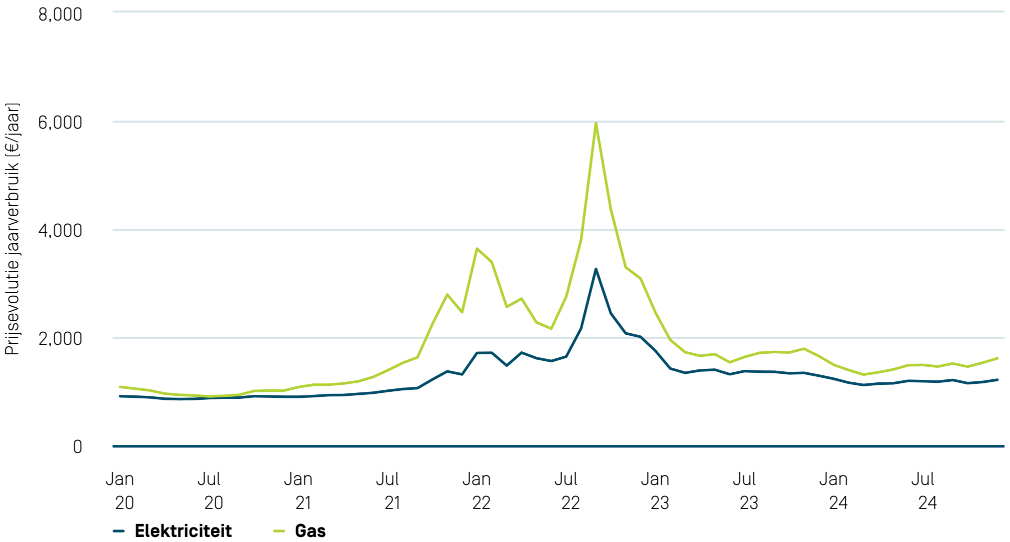
In 2024, relative calm has returned to the Flemish energy market. This is also evidenced by the graphs below; they present the price evolution for electricity and gas[1]. The first graph illustrates the monthly prices during 2024, the second graph presents these same prices for the period 2020-2024.

After a declining trend in the first quarter of 2024, prices once again started to rise, especially for natural gas. The gas price reached its highest level in 2024 near the end of the year. Viewed over a longer term, the peak prices at the time of the energy crisis (mid 2020 – early 2023) stand out. Especially the gas prices reached unprecedented levels at the time.

Price evolution of yearly consumption in 2024



Price evolution of yearly consumption in 2020-2024

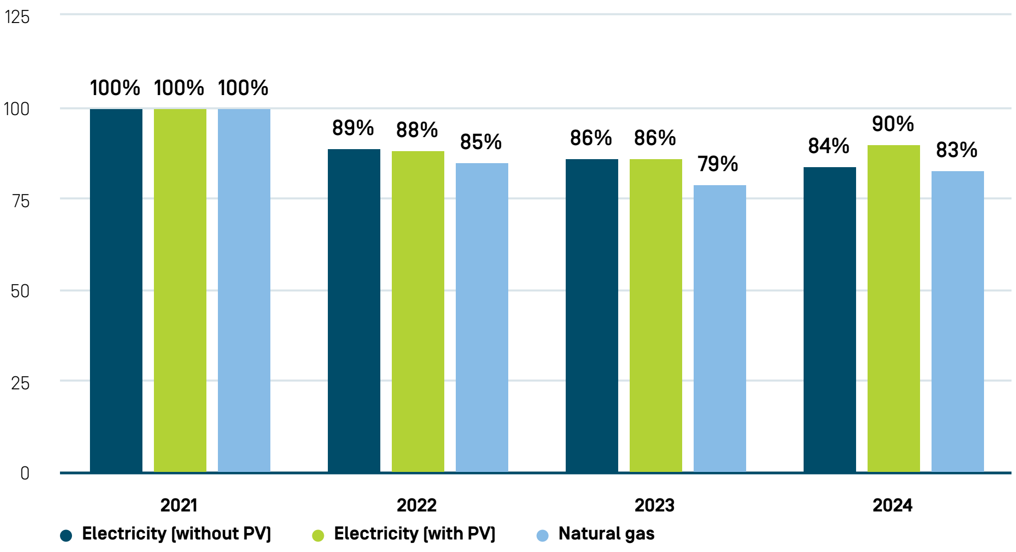


[1] *Price for annual consumption in euro; for electricity, it is based on an annual consumption of 3,500 kWh with a double-tariff meter; for gas, an annual consumption of 23,260 kWh with gas used for cooking and heating purposes (source: VNR).*

We conclude that the past energy crisis, with its elevated prices for electricity but even more so for gas, have incentivized end consumers to change their behaviour. This is demonstrated by the consumption volumes[2] we registered in the last three years:

Daily consumption in kWh	2021	2022	2023	2024
Electricity (without PV)	8.77	7.77	7.51	7.41
% evolution compared to 2021		-11.4%	-14.4%	-15.5%
Electricity (with PV)	10.32	9.09	8.83	9.24
% evolution compared to 2021		-11.9%	-14.4%	-10.5%
Natural gas	37.06	31.57	29.25	30.77
% evolution compared to 2021		-14.8%	-21.1%	-17.0%

The decreasing trend in consumptions appears very clearly in the graph below in which the 2021 consumption volume represents 100%.



The Belgian electricity market is in full transition. This is also clear from the 2024 electricity generation figures. Never before was the share of solar energy in the total generation mix so high as in 2024: 29.8% of electricity generated came from solar panels (2023: 28.2%). On the other hand, electricity generation from gas with a share of 17.6 has never before been so low as in the past year (2023: 25.2%). One of the consequences of the sharp increase of renewable electricity generation – when there is a large and simultaneous volume of solar and wind energy available – is the increasingly frequent phenomenon of negative power prices on the wholesale markets. Conversely, prices tend to rise in periods with al ow supply of solar and wind energy.

In 2024, Belgium as a whole registered increased electricity consumption by 2.0% to 80.5 TWh (2023: 78.9 TWh).

Belgian households and companies have consumed more gas in 2024. But total gas consumption in Belgium has gone down as a result of a substantially lower gas consumption in gas-fired power generation plants. The overall decrease in consumption volumes for natural gas is a continuation of the decreasing trend we saw the last few years.

The increased gas consumption by residential consumers is primarily due to the average temperature in 2024 compared to the year 2023. The number of degree days, which is an indicator for the average temperature, in 2024 came out at 1,942 (2023: 1,914). The five-year average (2020-2024) is now 1,986 degree days and the normal figure is 2,301 degree days. In other words, 2024 was 1.5% colder than 2023, but 2.2% warmer than the five-year average and even 15.6% warmer than the normal annual temperature. Industrial gas consumption, which to a large degree depends on the economic climate and less so on temperatures, increased by approximately 10% year-on-year. Gas-fired power plants consumed remarkably less gas in 2024, especially as a result of the prices on the international markets. The largely eliminating gas import from Russia and the search for alternatives have triggered an upward pressure on the price levels. Volatility in the gas reserves can also result in price fluctuations.

For the residential consumer in Flanders, the electricity price declined by 1.4% between January and December 2024. Compared to the peak price during the energy crisis (September 2022) the price in December 2024 is 63.0% lower. For natural gas, the end price for a residential Flemish end consumer increased by 8.1%. But if this price is compared to the peak level of September 2022, we register a price decline by no less than 73.1%.

[2] *Average daily consumption in kWh, for gas normalised for differences in temperature*

Economic context

The economic context for Fluvius in 2024 was characterized by the geopolitical situation and its impact on interest rates, inflation and the energy markets.

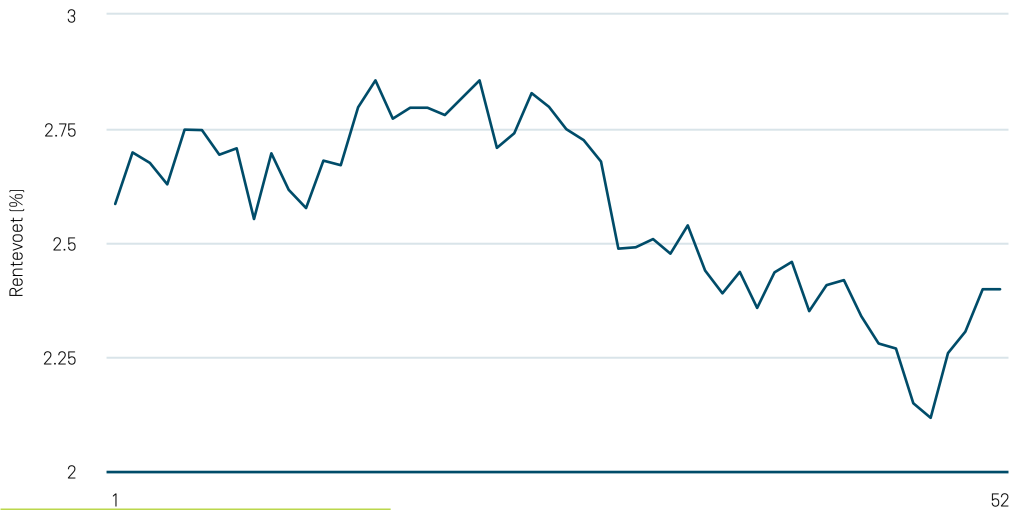
Geopolitically, the war in Ukraine continues to create tensions in Europe. However, this armed conflict does not have any real direct material or financial impact in the past financial year 2024. Fluvius System Operator and the other entities in the Fluvius Economic Group are in no way active in Ukraine or Russia. The economic sanctions against Russia do not have any substantial impact on Fluvius' activities.

To the extent that the situation in Ukraine was at the origin of a worldwide disruption of the supply chains, Fluvius is also faced with the delayed deliveries of specific materials and thus an increased risk of stock breaks. Fluvius has taken anticipatory measures by building a larger stock of certain critical materials to increase security of supply and to safeguard its operational activities.

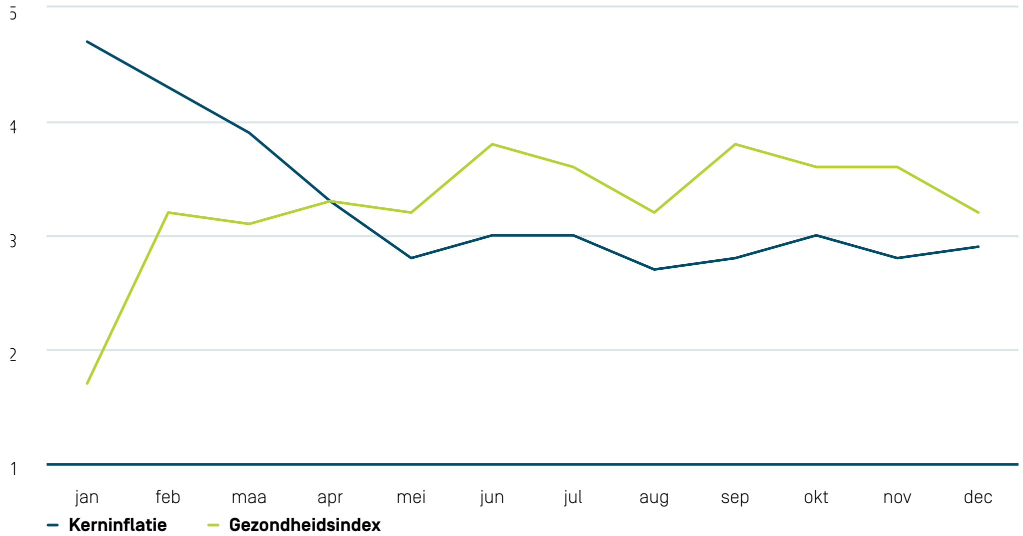
Financially, the European Central Bank (ECB) lowered interest rates four times over the course of 2024. So ECB's central deposit rate came down in four steps from 4.00% (until 6 June 2024) to finally 3.00% (as from 12 December 2024). The 10-year rate[1], which is very important as a reference rate for the long-term funding of Fluvius' operations, moved between a minimum of 2.116% in week 48 and a maximum of 2.856% in week 22. On average over 2024, this interest rate came out at 2.570%. The evolution is presented in the graph below at the left hand side.

The evolution of inflation in Belgium over 2024 is presented in the graph below at the right hand side.

Interest rates in 2024 (weekly figures)



Inflation and health index in Belgium



[1] *Euro Interest Rate Swap-rente (IRS), weekcijfers over 2024*

Legal disputes

Claim by Proximus

Following the takeover by Telenet of the cable television customers and the establishment of a lease over the cable network, Proximus filed a complaint at the Court of First Instance in Antwerp calling for the contracts to be voided and claiming damages. This claim was rejected at first instance (judgment of 6 April 2009). Proximus appealed to the Antwerp Court of Appeal.

Proximus demanded the disclosure of all documents related to the agreement between Telenet, Interkabel Vlaanderen and the cable companies. It also demanded the annulment of these agreements and damages of 1.4 billion euro based on an expert report it had commissioned. The above-mentioned agreements include a limitation of liability for the cable companies in the Fluvius Economic Group through an indemnity clause, at the expense of Telenet. As a result, in the event of a ruling against them, Interkabel Vlaanderen and the cable companies would in principle be obliged to compensate any losses incurred by Proximus only up to a maximum of 20 million euro.

The Court of Appeal fully rejected Proximus's claims in a ruling of 18 December 2017. At the end of June 2019, Proximus appealed this ruling to the Court of Cassation.

On 22 January 2021, the Court of Cassation ruled on this appeal and held that the ruling of the Antwerp Court of Appeal had to be partially annulled. The partial annulment only pertained to the point that the Antwerp Court of Appeal did not sufficiently justify its refusal to void the agreement between Telenet and the cable companies, but it did not rule on the merits on this point. The case has been sent to the Brussels Court of Appeal to examine and rule on this matter. The Court of Cassation therefore did not decide to overturn the ruling on Proximus's claim for damages. This would have meant that Proximus's claim for damages had been definitively rejected. The Court of Cassation therefore did not decide to overturn the ruling on Proximus's claim for damages.

On 16 June 2021, Proximus issued a summons to Telenet and the cable companies to appeal after cassation. Through these proceedings, Proximus is demanding the annulment of the agreements between Telenet and the cable companies. In addition, Proximus once again claims damages (currently estimated at 1 euro provisionally) for unlawfully concluding and maintaining the agreements. Furthermore, Proximus is demanding that the performance of the agreements cease, and is seeking a preliminary injunction in the event that it is considered that no remedy/damages is possible for Proximus. In the first appellate conclusion filed by Proximus following the appeal in cassation, its provisional claim for damages had not yet been estimated. Also in Proximus's latest conclusion filed in December 2022, the damages it sought are still not estimated and its claim is still limited to 1 euro provisionally. Proximus asks that the debate on the exact extent of the damages is only addressed in a second stage, following an interim judgment by the Court on the liability of Telenet and/or the intermunicipal associations. In subordinate order, Proximus requests the appointment of a court expert with the task of advising on damages. All parties have since filed their final conclusions. The date for the hearing is not yet confirmed.

Gas explosion in Wilrijk

On 3 September 2019, a gas explosion occurred in Wilrijk (Antwerp), resulting in one fatality, three cases of severe injury and significant material damage. The council chamber in Antwerp had referred the company Fluvius System Operator and two of its managers (namely the CEO and the Director of Network Operations) to the correctional court for their possible involvement in events that may have led to the explosion. The Antwerp correctional court cleared both Fluvius managers of criminal liability on 27 April 2021, finding them not personally responsible for the events. The court handed down a suspended sentence for the company Fluvius System Operator, and Fluvius was ordered to pay all civil claims. Fluvius is and remains of the opinion that the company, its managers, and staff are not at fault in the tragic events, and that the evidence and arguments presented by Fluvius in the course of the proceedings, which prove that Fluvius is not at fault, were not sufficiently taken into account. Based on these considerations, the company has appealed against this ruling by the Antwerp correctional court. An initial hearing in the appeals process took place on 18 May 2022. Following this hearing, on 1 June 2022, the Court of Appeal decided to appoint an expert from the civil interlocutory proceedings also for the criminal law aspect. The expert was to submit his report by 31 January 2023. The appeal hearing was scheduled for 29 March 2023. This hearing was postponed as the expert could not deliver his report on time. An additional appraisal was made on 9 August 2023; the final report was expected in early 2024. The court hearing took place on 13 November 2024.

Administrative fines imposed by VREG

On 20 December 2024, the energy regulator VREG imposed administrative fines on the DSOs for a total amount of €51,027.35 due to the late installation of digital meters at consumers who had notified Fluvius of a PV installation between 1 January 2022 and 31 January 2023. In reaction, on 19 February 2024, Fluvius filed a request for annulment of this decision by VREG at the Council of State. This proceedings was still pending at the end of 2024; a ruling is expected in the course of 2025.

Green power certificates fraud

Back in 2017, Distribution System Operator Gaselwest had suspended payments for the minimum support for solar panels on six PV installations. Following this, the parties involved initiated a summary proceedings. After several legal steps, the Court of Appeal in Brussels in criminal cases delivered a favourable ruling (the defendants were declared guilty, Fluvius' claim of more than 14 million euro was awarded). At the beginning of 2023, a few of the accused appealed in cassation the appeal decision, but this cassation appeal was dismissed entirely and the decision in appeal was upheld. All of this resulted in a settlement, reached after negotiations. The condemned parties will pay the damages awarded by the court in instalments.

Ruling on the minimum support for solar panels

The Antwerp Court of Appeal ruled in April 2023 in a dispute about the commissioning date of a PV installation, and by extension about the exact amount of the minimum support the installation was entitled to. The Court did not follow Fluvius' and the regulator's view in this. Both parties separately decided to appeal this ruling before the Court of Cassation.

Outlook

Major events after closure of the financial year 2024

Appeal proceedings against the establishment by VREG of the distributon grid fees electricity & natural gas 2025

Aligned with the decision to appeal the decision on the tariff methodology before the Markets Court, in January 2025 the individual DSOs went to the Council of State appealing the 16 decisions by VREG dated 17 December 2024 establishing the distribution grid fees for the year 2025. This additional proceedings is a necessary step if the Markets Court decides to annul the tariff methodology.

Preliminary ruling by the Markets Court

In the proceedings relating to the energy regulator's decision on the E&G tariff methodology 2025-2028, the Markets Court handed down a preliminary ruling on 19 February 2025: the Court will submit three prejudicial questions to the Court of Justice of the European Union. This preliminary ruling does not have a suspensive effect, which means that the tariff methodology 2025-2028 will be applied for the 2025 electricity and gas grid fees.

Gas explosion Wilrijk - appeal procedure

On 19 March 2025, the Antwerp Court of Appeal ruled in the case about the explosion in Wilrijk on 3 September 2019. This explosion was caused by a third party hitting a connection pipe with an excavating machine. Fluvius had appealed an earlier conviction by the Court of First Instance, as we believe the cause of the explosion was not our fault. Despite an extensive defence, The Court of Appeal did not follow Fluvius and Fluvius was convicted to a fine and the payment of damage compensation to the civil parties. Fluvius is now analysing the ruling in detail to see which follow-up steps are possible. An appeal in cassation is under consideration.

Rating at Creditreform Rating AG suspended

On 13 January 2025, Creditreform Rating AG informed Fluvius that it had suspended the 'unsolicited' credit rating of Fluvius as from that same date 'due to business reasons'.

Financing for Wyre

On 18 February 2025, Wyre announced that it had secured a financing facility of 500 million euro at EURIBOR +2.75%. This is the first external financing for Wyre, independent from its shareholders Telenet (66.8%) and Fluvius System Operator (33.2%). This financing facility will enable Wyre to support its roll-out ambitions and to fully fund its investment plans for the next years.

Appeal in cassation on the minimum support for solar panels

In January 2025, the Court of Cassation delivered a positive ruling in cassation in this matter, more particularly the annulment of the ruling by the Antwerp Court of Appeal. Meanwhile, all parties involved have started negotiations with a view to a definitive settlement of the matter.

European Court of Justice - public procurement law

The Commercial Court of Ghent had submitted some prejudicial questions to the European Court of Justice in a case of a judicial procedure initiated by a supplier of sewerage tubes about an alleged infringement by Fluvius of the public procurement law. On 16 January 2025, the Court ruled on these prejudicial questions and sent the matter back to the Commercial Court. The latter now has to resume the proceedings. Fluvius will continue to defend its interests in this matter.

Green bond issued

On 12 March 2024, Fluvius System Operator successfully issued a 700 million euro green bond. This debt instrument has a 10-year maturity with a fixed annual coupon of 3.500%. This issuance is a major step in financing the energy transition and climate adaptation in Flanders.

Structural changes as from 1 January 2025

We draw the reader’s attention on the decisions to implement a number of so-called structural changes. These changes were taken in the course of 2023 by different governing bodies levels of both the Fluvius Economic Group and the cities and municipalities; they will take effect starting on 1 January 2025. As from that date, they will have a considerable impact on the Fluvius

Economic Group structure. Additionally, the Fluvius Economic Group has to take into account the consequences of some voluntary mergers of municipalities, equally taking effect on 1 January 2025. These internal structural changes within the Fluvius Economic Group do not change in any way the operating area for Fluvius System Operator, which will still cover the entire Flemish Region in the future. Neither do they change the value of the technical infrastructure at the disposal of the Fluvius Economic Group.

The Decree obliges:

- that there is one single grid operator in each municipality for distributing electricity and natural gas;
- each distribution system operator should have a contiguous operating area (i.e. so-called ‘islands' are prohibited);
- and each DSO needs to have at least 200,000 connections.

All of this resulted in the following changes:

- a number of divestments at Fluvius Antwerpen, in which the divested parts are being taken over by Fluvius Imewo, Fluvius Kempen, Fluvius Limburg and Fluvius Zenne-Dijle;
- a partial divestment at Fluvius Limburg with the divested part going to Fluvius Zenne-Dijle;
- a partial divestment at Iveka with Fluvius Antwerpen taking over the divested part;
- at Fluvius West there partial divestments, and the divested parts are going to Fluvius Imewo and Fluvius Kempen;
- the remaining part of Fluvius West is merged with Gaselwest to form the (new) Fluvius West;
- at Gaselwest there is a partial divestment and the divested part goes to Fluvius Imewo;
- Intergem and Iverlek both have a partial divestment, in which the divested parts are being transferred to Fluvius Halle-Vilvoorde.

Some of the (restructured) distribution system operators within the Fluvius Economic Group change their name, taking effect on 1 January 2025.

Old name (until 31 December 2024)	New name (from 1 January 2025)
Gaselwest & Fluvius West	Fluvius West
Fluvius Antwerpen	Fluvius Antwerpen
Fluvius Limburg	Fluvius Limburg
Iveka	Fluvius Kempen
Sibelgas	Fluvius Halle-Vilvoorde
Imewo	Fluvius Imewo
Intergem	Fluvius Midden-Vlaanderen
Iverlek	Fluvius Zenne-Dijle

To be brief, starting in 2025 Fluvius System Operator will be the operating company for eight distribution system operators for electricity and gas; until the end of 2024; there were ten of them. For Riobra, which only has operations in the sewerage segment, nothing changes.

Fluvius has put in maximum effort to minimize the impact of these structural changes on our services towards our customers.

Investment plan 2024-2033 for energy and climate transition

About the investment plan

With the drive for climate neutrality by 2050 and all the associated evolutions in mobility, heating of buildings, industrial processes and the generation of renewable energy, the electricity grid will play an increasingly important role in the coming years. In the Investments plan 2024-2033, Fluvius details what changes are needed to make the Flemish electricity and gas networks ready for the energy transition (electrification of mobility, more solar and wind energy and the switch from fossil fuels to solar panels and heat pumps, etc.) and what investments are required in this regard. Fluvius bases this on the societal context and the policy framework. We rely on a number of long-term assumptions, based in part on the ambitions in the Flemish Energy and Climate Plan.

The plan for 2024-2033 is a first revision of the original investment plan 2023-2032. The second plan (2024-2033) was also jointly prepared in extensive stakeholder consultations. Sectoral and civil society organisations, universities, onshore wind farm project developers, charging station operators and reference customers were surveyed about the assumptions underlying the investment plan. As required by the Energy Decree, Fluvius also consulted transmission system operator Elia and all relevant grid users ahead of this updated investment plan.

Following the public consultation, Fluvius collected all the questions and comments submitted, formulated its response to them and submitted the complete file to the VREG, the Flemish energy regulator. The VREG approved this updated investment plan on 28 March 2024. The plan for natural gas was approved without any further remarks by the VREG. The investment plans for electricity were approved by the VREG under the condition that Fluvius would publish an addendum in which the investment scenarios and their underlying assumptions are described, the input received from stakeholders is discussed and which details how the long-term plan is translated into concrete investment projects for the next three years. This addendum has meanwhile been published.

As from 2025, Fluvius will have to draw up such an investment plan every two years.

The future role of distribution system operators

In 2024, the Board of Directors discussed the future role of the DSOs, partly against the background of the energy and climate transition and the significant regulatory push from Europe.

Two large pillars in the European energy policy are the 'Green Deal', the switch towards a carbon-free and climate-neutral economy, and the creation of the digital continent Europe. This should take place at the lowest possible cost for the consumer and whilst safeguarding the security of supply. If we translate this to the energy distribution management in Flanders, this means operating digital and efficient distribution grids, putting the customer in a central position, interoperability (i.e. exchanging data within the framework of partnerships) and creating a secure and stable digital network. Points of attention for Fluvius and the Fluvius Economic Group's DSOs are the further large-scale integration of all kinds of renewable energy sources into the distribution grid, more cross-sectoral partnerships, full focus on digitization as a means to create new market opportunities and involving the consumers as much as possible in the necessary transformations of the energy market.

Fluvius has integrated these trends into its Investment Plan Energy & Climate Transition 2024-2033 which outlines the best possible estimation of the required investment budgets over a ten-year horizon and based upon actual facts and trends.

Electricity in the investment plan 2024-2033

Like the 2023-2032 plan, the 2024-2033 plan assumes intensified electrification, with further growth in electric mobility and electric heating applications in particular. Fluvius therefore intends to realise a 'no regret' investment plan, i.e., one that anticipates higher peak consumption as much as possible. Over a 10-year period, the investment needs are estimated at around 4 billion euro (unchanged from the first edition of the plan), of which roughly three-quarters in low-voltage grids and one-quarter for reinforcing the high-voltage grid. However, essential preconditions are the availability of sufficient financial resources, qualified staff (in-house employees and/or staff at contractors), and the required materials.

The next update of the Investment Plan Energy & Climate transition will cover the period starting in 2026.

More information on our policy on energy can be found in the CSRD section of this report.

Gas in the investment plan 2024-2033

We can expect the distribution of fossil natural gas to be gradually phased out. The Fluvius Investment Plan therefore no longer includes additional funds for further expansion of the gas grid. Only investments related to the legal obligations regarding security of supply for grid users and secure access to the grid are still planned and budgeted for. The gas plan is therefore characterised as a 'keep-it-running' plan.

With regard to 'green molecules', Fluvius intends to keep all possibilities open for the future use of the existing gas distribution system pending further research and the outcome of various test projects.

More information on our policy on energy can be found in the CSRD section of this report.

The future of the gas distribution grids

Fluvius is fully aware of the question marks around the long-term future of the gas segment, and thus the distribution networks for natural gas. The general trend towards electrification and the phase-out on the long term of fossil natural gas brings along the risk for the current grids operated by Fluvius to become obsolete by then. From a financial point of view, a substantial non-depreciated value ('stranded asset') would remain. On the other hand, we notice some promising developments regarding hydrogen, biomethane and the capture and storage of carbon[1]. Partly against this background, the Board of Directors executed a broad thought exercise in 2024 on a future-oriented vision for the natural gas grids.

First and foremost, the Board concluded that there is a strong link between natural gas and electrification. A consumer who switches away from natural gas, will in most cases choose electricity. But natural gas will certainly keep an important role during the transition phase until 2050. In that period, Fluvius will have to guarantee the safe and high-quality supply and service for natural gas. This 'keep-it-running' policy is also integrated into the 2024-2033 Investment Plan for the energy and climate transition. Fluvius is anticipating in its investment policies on the gradual phase-out of natural gas by a decrease of the number of kilometers new grid to be built each year: in 2011, we installed about 1,400 kms gas grids; by 2032, this will probably be some 200 kms. Investment budgets for natural gas until 2033 will in any case be decreased substantially.

Here is a lot of uncertainty about renewable gases at this moment. Especially the potential volumes and the speed with which these technologies will be introduced remain unclear. When repurposing the current gas grids, Fluvius has the benefit that 95% of Flemish homes are connectable to a gas grid. So almost all Flemish households can in the future be reached with pipelines for alternative purposes.

The Board of Directors came to the following conclusions:

- We want to keep the infrastructure for natural gas running in a **secure** way, until a technically feasible and affordable alternative is at hand. The technical phase-out of natural gas should follow renovation and electrification; irreversible choices are not appropriate at this stage;
- **Repurposing** of the infrastructure for natural gas should happen at the right moment. That is why we want to keep open all options. We want to keep on focusing on bringing together grids and customers;
- Acting **proactively with regard to financing**: this means that the best option is to act and anticipate on the 'new normal' regarding the use and scale of the gas grid, when the financial impact is still relatively limited.

[1] *Carbon Capture Utilisation & Storage, abbreviated to CCUS. This technology allows first of all the capture of carbon in industrial processes, its purification as well as its transport and storage. The stored carbon can then be used in all kinds of production processes.*

Additional information

Participations and collaborations

Wyre

Fluvius has signed two agreements with Wyre, the subsidiary of Wyre Holding in which Fluvius itself is participating for 33.20%. The first agreement is about Wyre's access to Fluvius infrastructure such as substations, switching stations, offices etc. The second agreement is about mixed-use (electricity and telecom) street boxes within the operating area of the DSO PBE. All arrangements needed for the smooth operations of both contracting parties have been made and the necessary guarantees related to the safety and well-being legislation and cybersecurity have been established

Besides, the so-called 'Wyre Charter' has been established. This document contains a number of detailed measures on information sharing between Fluvius and Wyre. All relevant 'firewall' processes have been defined to avoid that information on Fluvius' grid operations is shared with Wyre. These measures are the result of the binding commitment taken by Fluvius vis-à-vis the Belgian Competition Authority (BMA) at the occasion of the establishment of Wyre; these measures were aimed at countering the hypothetical objections that might arise about the role of Fluvius System Operator as a Wyre shareholder (through its participation in Wyre Holding).

Participations in Publi-T and Publigas

At the end of 2024, six mandated associations from the Fluvius group[1] are participating in Publi-T cv. Publi-T is the reference shareholder (with a 44.79% participation) in the transmission grid operator Elia. Five of these mandated associations[2] are also participating in Publigas cv. Publigas is the 77.40% majority shareholder in the gas transport company Fluxys.

The daily management of these participations in Publi-T and Publigas has been entrusted to the financial department at Fluvius System Operator, as part of the latter's general management tasks for the account of its mandated associations/shareholders. The strategic importance of these participations is quite substantial, not only for the country's security of supply, but also with a view to the realization of the energy transition.

For the mandated associations participating in Publi-T and/or Publigas, the financial aspects of these participations are important. To be concrete, the associations participating in Publigas received a dividend of 31.61 million euro. In 2024, Publi-T paid out an aggregate dividend of 17.82 million euro to the associations still participating in Publi-T. For 2023, this dividend was 25.10 million euro.

In 2024, both of these participations have been reorganized. This reorganization should maintain the municipal control over and the strategic anchoring of Elia and Fluxys. And it should allow both holdings to respond to the equity need that arises in transmission grid operations and the gas transport company due to the challenges posed by the energy transition. To be precise, the DSOs Fluvius Limburg, PBE and Fluvius West have sold their Publi-T shares to, on the one hand, the Flemish Energy Holding (VEH) and, on the other, to the entities Nuhma, Creadiv and Efin, all of which are participating in VEH.

A second reorganization was the creation of Transco Energy. The DSOs Fluvius Antwerpen, Gaselwest, Imewo, Iverlek and Intergem have co-established this company. The insurer Ethias and Participation Company Flanders (PMV) have joined Transco Energy as well. The aim is that other third parties can join Transco energy. At first instance, Transco Energy has been set up as a provisional entity, the economic contribution by the different partners is foreseen in the second stage.

We also mention the establishment of NextGrid Holding, the controlling holding in which Publi-T and Fluxys will manage their shares in the transmission system operator Elia. In this new structure, Publi-T will remain Elia's reference shareholder, with Fluxys as a minority shareholder. The partnership between Publi-T and Fluxys should allow to fund future capital increases at Elia and to safeguard the municipal stake in the electricity sector.

[1] *These are: Fluvius Antwerpen, Gaselwest, Imewo, Intergem, Iveka and Iverlek.*
[2] *These are: Fluvius Antwerpen, Gaselwest, Imewo, Intergem and Iverlek.*

The rating of Fluvius System Operator

Moody's

Fluvius System Operator's corporate credit rating at Moody's remained at A3 for the entire year 2024. However, on 8 October 2024, Moody's changed the rating's outlook from 'stable' to 'negative'. For this outlook change, Moody's argued that they expect – without any balance sheet strengthening measures – Fluvius Economic Group's financial ratios to remain below the thresholds for the current A3 rating over the regulatory tariff period 2025-2028.

Fluvius also has a so-called CIS score at Moody's. This CIS score (i.e. credit impact score) reflects an assessment of the risks to the credit profile from environment and climate (also known as the E factor), social aspects (S factor) and governance (G factor). Fluvius' CIS score in 2024 also remained unchanged at CIS-3, with 1 as highest positive to 5 as highest negative. A score of 3 means there is moderate to negative ESG risk to Fluvius' overall credit profile, according to the rating agency. Fluvius' partial scores are: E-3, S-3, and G-2 where 2 means 'neutral to low' and 3 means 'moderately negative'.

Creditreform

At the end of 2024, the Fluvius rating at Creditreform was 'A' with a negative outlook. This is a so-called 'unsolicited' rating, meaning that the rating agency itself assigns a rating score based on publicly available information without the active collaboration of the rated company.

Towards a reinforcement of Fluvius Economic Group equity?

In 2024, Fluvius launched a project that investigates in what way the Fluvius Economic Group's equity can be reinforced at a moment of increasing debt. Such a reinforcement should improve the balance sheet structure, which in turn should support the corporate credit rating and ultimately benefit the Group's funding cost. A sound financial basis is a necessity, certainly in a context of a significant investment programme, so as to realize the Fluvius Economic Group's strategic objectives in the years to come.

The starting point for this analysis was a reinforcement of the equity by bringing in a foreign/domestic private/public consortium, led by a Flemish investor, with or without the possibility of an IPO[1] at a later stage. The project is split up in two stages: an initial 'landscaping' phase and then an implementation phase. In the landscaping phase, all possibilities to bring in additional capital are looked into, how this can be realized, what conditions have to be fulfilled etc.

At the end of 2024 the landscaping was not yet finalized. This project will be continued during 2025.

[1] *IPO: initial public offering*

Audit carried out by the statutory auditor, and their remuneration

The audit firm Ernst & Young Bedrijfsrevisoren BV (EY) acts as the statutory auditor of the company. EY's permanent representative is Mr Marnix Van Dooren, company auditor. EY's mandate expires after the General Meeting of Shareholders in 2026 on the 2025 financial year. The terms of this audit mandate for EY include a base fee of €125,000 (excluding VAT and indexable every year) as the starting point.

This mandate for EY also covers reporting under IFRS.

During 2024, EY was paid 355 k EUR for performing its mandate as statutory the auditor for the Mission Entrusted Associations, Fluvius OV, and Fluvius System Operator, due to statutory assignments 880 k EUR and other audit assignments 19 k EUR, and for tax and other advisory services 153 k EUR. The additional services were approved by the Audit Committee.

EY Bedrijfsrevisoren formally declared to the Audit Committee on 12 march 2025 that they are independent in the performance of their mandate as statutory auditor. An identical declaration of independence was submitted at the General Meeting of Shareholders on 22 May 2024.

Financial Statements

Consolidated Statement IFRS
Review of reporting

Consolidated Statement IFRS

Financial Statements

Translation - Dutch Version is binding

Consolidated statement of profit or loss

(In thousands of EUR)	Notes	2024	2023
Operating revenue	4	**3,797,219**	**3,749,621**
Revenue from contracts with customers		2,462,815	2,325,920
Other operating income		442,778	671,069
Own construction, capitalized		891,626	752,632
Operating expenses		**-3,484,110**	**-3,205,176**
Cost of trade goods	5	-1,241,961	-1,246,733
Cost for services and other consumables	6	-843,161	-756,476
Employee benefit expenses	7	-721,533	-663,270
Depreciation, amortization, impairments and changes in provisions	8	-587,370	-560,163
Other operational expenses	9	-125,474	-121,462
Regulated transfers	10, 35	35,389	142,928
Result from operations		**313,109**	**544,445**
Finance income	11	126,313	74,862
Finance costs	11	-282,147	-245,007
Share of profit (loss) of associates and joint ventures	16	-12,541	10,178
Profit (loss) before tax		**144,734**	**384,478**
Income tax expenses	12	-32,130	-24,153
Profit (loss) for the period		**112,604**	**360,325**

Consolidated statement of comprehensive income

(In thousands of EUR)	Notes	2024	2023
Profit for the period		**112,604**	**360,325**
Other comprehensive income			
Items not to be reclassified to profit or loss in subsequent periods			
Actuarial gains (losses) on long-term employee benefits	24	90,937	-153,538
Actuarial gains (losses) on rights to reimbursement on post-employment employee benefits	24	-54,408	137,676
Fair value other investments	17	-978,579	-230,860
Deferred tax gains (losses)	12	946	14,257
Net other comprehensive income not being reclassified to profit or loss in subsequent periods		**-941,104**	**-232,465**
Total comprehensive income for the period		**-828,500**	**127,860**

Consolidated statement of financial position

(In thousands of EUR)	Notes	2024	2023 (restated)[1]	2023 (as reported)
Non-current assets		**16,633,050**	**17,002,327**	**17,027,820**
Intangible assets	13	118,357	128,763	128,763
Property, plant and equipment	14	13,818,360	12,959,111	12,959,111
Right-of-use assets	24	74,368	73,873	73,873
Investment in joint ventures and associates[1]	18	809,623	822,164	847,657
Other investments	19, 30	1,546,402	2,667,078	2,667,078
Rights to reimbursement on post-employment employee benefits	24	89,644	141,291	141,291
Long-term receivables, other	20, 30	176,296	210,047	210,047
Current assets		**1,693,633**	**1,595,715**	**1,595,715**
Inventories	29	223,230	190,475	190,475
Short-term receivables, other	20, 30	26,078	25,804	25,804
Trade and other receivables	20, 30	1,407,557	1,292,209	1,292,209
Current tax assets	29	35,655	25,601	25,601
Cash and cash equivalents	22, 30	1,113	61,626	61,626
TOTAL ASSETS		**18,326,683**	**18,598,042**	**18,623,535**

(In thousands of EUR)	Notes	2024	2023 (restated)[1]	2023 (as reported)
EQUITY	23	**6,690,298**	**7,759,232**	**7,784,725**
Total equity attributable to owners of the parent		**6,690,194**	**7,759,132**	**7,784,625**
Contributions excluding capital, other		2,721,627	2,786,536	2,786,536
Contributions excluding capital, issue premiums		132,230	132,230	132,230
Reserves[1]		1,979,103	2,069,274	2,094,767
Other comprehensive income		797,835	1,738,939	1,738,939
Retained earnings		1,059,399	1,032,153	1,032,153
Non-controlling interest		**104**	**100**	**100**
LIABILITIES		**11,636,385**	**10,838,810**	**10,838,810**
Non-current liabilities		**10,221,064**	**9,306,031**	**9,306,031**
Interest bearing loans and borrowings	24, 30	9,005,960	8,063,135	8,063,135
Lease liabilities	24, 30	75,968	74,815	74,815
Employee benefit liabilities	24	341,801	434,628	434,628
Derivative financial instruments	25, 30	2,685	2,354	2,354
Provisions	26	8,314	9,371	9,371
Deferred tax liability	15	342,196	339,326	339,326
Government grants	27	444,140	382,402	382,402
Current liabilities		**1,415,321**	**1,532,779**	**1,532,779**
Interest bearing loans and borrowings	24, 30	523,553	738,583	738,583
Lease liabilities	24, 30	12,831	11,714	11,714
Trade payables and other current liabilities	28, 30	874,965	777,852	777,852
Current tax liabilities	29	3,972	4,630	4,630
TOTAL EQUITY AND LIABILITIES		**18,326,683**	**18,598,042**	**18,623,535**

1 The final accounting treatment of the business combination in Wyre Holding bv has now been completed within the applicable period of 12 months. The impact on the reported financial statements as at 31 December 2023 amounts to -25,493 k EUR on the items '16 Investments in joint ventures and associates' and '22 Equity'.

Consolidated statement of changes in equity

(In thousands of EUR)	Contributions excluding capital	Reserves	Other comprehensive income	Retained earnings	Total equity attributable to equity holders	Non-controlling interest	Total
Balance at 1 January 2023	**2,889,614**	**1,768,794**	**1,971,404**	**1,193,295**	**7,823,107**	**100**	**7,823,207**
Total comprehensive income for the period	0	0	-232,465	360,325	**127,860**	0	**127,860**
Repayment of equity	-3	-3,218	0	0	**-3,221**	0	**-3,221**
Issue of Equity	29,155	-307	0	0	**28,848**	0	**28,848**
Addition/decrease reserves	0	329,635	0	-329,960	**-325**	0	**-325**
Dividends	0	-137	0	-191,507	**-191,644**	0	**-191,644**
Balance at 31 December 2023	**2,918,766**	**2,094,767**	**1,738,939**	**1,032,153**	**7,784,625**	**100**	**7,784,725**
Adjustment[1]	**0**	**-25,493**	**0**	**0**	**-25,493**	**0**	**-25,493**
Balance at 31 December 2023 (restated)	**2,918,766**	**2,069,274**	**1,738,939**	**1,032,153**	**7,759,132**	**100**	**7,759,232**

(In thousands of EUR)	Contributions excluding capital	Reserves	Other comprehensive income	Retained earnings	Total equity attributable to equity holders	Non-controlling interest	Total
Balance at 1 January 2024	**2,918,766**	**2,069,274**	**1,738,939**	**1,032,153**	**7,759,132**	**100**	**7,759,232**
Total comprehensive income for the period	0	0	-741,420	112,604	**-628,816**	0	**-628,816**
Transfer within equity	-61,814	0	-199,684	261,498	**0**	0	**0**
Repayment of equity	-3,129	0	0	0	**-3,129**	0	**-3,129**
Issue of Equity	34	-34	0	0	**0**	0	**0**
Change in consolidation scope	0	0	0	0	**0**	4	**4**
Addition/decrease reserves	0	-90,137	0	90,137	**0**	0	**0**
Dividends	0	0	0	-436,993	**-436,993**	0	**-436,993**
Balance at 31 December 2024	**2,853,857**	**1,979,103**	**797,835**	**1,059,399**	**6,690,194**	**104**	**6,690,298**

1 The final accounting treatment of the business combination in Wyre Holding bv has now been completed within the applicable period of 12 months. The impact on the reported financial statements as at 31 December 2023 amounts to -25,493 k EUR on the items '16 Investments in joint ventures and associates' and '22 Equity'.

The above information is disclosed in the notes '22 Equity' and income movements regarding the other comprehensive income movements are disclosed in the notes '17 Other investments', '12 Income taxes' and '24 Employee benefit liabilities'.

The column 'Contributions excluding capital' contains the contribution outside capital, other amounting to 2,721,627 k EUR (2023: 2,786,536 k EUR) and the contribution outside capital, issue premium amounting to 132,230 k EUR (2023: 132,230 k EUR) (see note '22 Equity').

Consolidated statement of cash flows

(In thousands of EUR)	Notes	2024	2023
Profit (loss) for the period		112,604	360,325
Amortization of intangible assets	8, 13	48,504	45,097
Depreciation on property, plant and equipment and right-of-use assets	8, 14, 15	549,112	512,737
Change in provisions (Reversal -; Recognition +)	8	-1,057	-54
Impairment current assets (Reversal -; Recognition +)	8, 30	-9,189	2,383
Gains or losses on realization receivables	4	15,726	13,901
Net finance costs		163,807	175,281
Share of profit (loss) of associates and joint ventures	16	12,541	-10,178
Change in fair value of derivative financial instruments	25	331	2,167
Gains or losses on non-current assets[1]	4, 14	94,335	-209,285
Movement in government grants	27	-8,304	-7,303
Income tax expense	12	32,130	24,153
Change in inventories		-32,755	-28,620
Change in trade and other receivables		-90,701	-373,644
Change in trade payables and other current liabilities		63,157	2,389
Change in employee benefits		-4,651	2,560
Interest paid		-223,678	-189,908
Interest received		62,700	63,313
Financial discount on debts	11	573	314
Income tax paid (received)		-39,026	-51,370
Net cash flow from operating activities		**746,159**	**334,258**

(In thousands of EUR)	Notes	2024	2023
Proceeds from sale of property, plant and equipment		28,856	16,266
Purchase of intangible assets	13	-38,098	-60,319
Purchase of property, plant and equipment	14	-1,518,633	-1,211,898
Acquisition of companies and other investments	17	0	-116,318
Proceeds from sale of companies and other investments	17	125,592	0
Net investments in long-term receivables		-213	-106
Receipt of a government grant	27	70,042	35,523
Net cash flow used in investing activities		**-1,332,454**	**-1,336,852**
Proceeds from contributions excluding capital		0	29,155
Repayment of contributions excluding capital		-3,129	-3
Repayment of borrowings	23	-203,083	-957,275
Proceeds from borrowings	23	697,764	500,000
Proceeds from bonds/borrowings	23	696,367	1,427,225
Payment of finance lease liabilities	15	-15,993	-15,186
Change in current financial liabilities	23	-467,972	215,988
Provide long-term loans		0	-32,000
Repayment long-term loans		7,694	7,731
Dividends paid	22	-185,866	-191,644
Net cash flow from/used in financing activities		**525,782**	**983,991**
Net increase/decrease in cash	21	**-60,513**	**-18,603**
Cash and cash equivalents at the beginning of period	21	**61,626**	**80,229**
Cash and cash equivalents at the end of period	21	**1,113**	**61,626**

1 In 2023, the item 'Gains or losses on non-current assets' also includes the results related to the Wyre transaction for 286,827 k EUR (see note '16 Investments in joint ventures and associates').

Notes to the consolidated financial statements

1 Reporting entity

The consolidated financial statements of the Economic Group Fluvius comprise - apart from the accounts of the **eleven Flemish mission entrusted associations** (MEAs) Gaselwest, Imewo, Intergem, Iveka, Iverlek, Sibelgas, Fluvius West, Fluvius Limburg, Fluvius Antwerpen, PBE and Riobra - the accounts of its subsidiaries, including Transco Energy cv and the working company Fluvius System Operator cv with its subsidiaries, joint ventures and associates. In addition, the accounts of the company Fluvius OV (VAT BE0201.311.226) and Interkabel Vlaanderen cv (VAT BE 0458.440.014) (until 30 June 2023) are also included in the **Fluvius Economic Group**.

The MEAs are being managed centrally by their operating company Fluvius System Operator cv.

This operating company, in consolidation with its subsidiaries, also publishes IFRS accounts: **Fluvius System Operator Group**.

All companies of the Group are registered in the Flemish Region (Belgium). The aforementioned MEAs are **regulated** according to the Flemish Decree on Local Government of 22 December 2017 (as amended). A mission entrusted association is an intermunicipal legal entity which the participating municipalities have entrusted with the management of certain public utilities. The duration of the MEAs of the Economic Group Fluvius has been determined until 29 March 2037, for Riobra, the extension of the duration until this date was approved by the General Meeting on 28 June 2023.

A distribution system operator (DSO) is recognized by the Flemish energy regulator as a system operator for electricity and/or gas (See note ' Operating in a regulated environment'). The company Riobra should be considered as a MEA, not as an energy DSO.

The **statutory aim** of the MEAs is the distribution system operation as understood by the Flemish regulations (the 'Energy Decree' with the technical regulations) with respect to the distribution of electricity and gas, the transport of signals via electronic communication networks; the management and purification of wastewater and rainwater, the exercise of any ancillary activity, such as public lighting, district heating, , the management of (strategic) participations and the infrastructure for public lighting. As of 1 July 2023, the activities related to the public electronic communications networks were transferred to Wyre bv (see note 'Investments in joint ventures and associates').

Fluvius has chosen to obtain a rating from the rating agency 'Moody's Investor Services Ltd.' (Moody's) and decided to no longer actively pursue a rating with 'Creditreform Rating AG' (Creditreform). Further information was included in the note 'Financial instruments: policy'.

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

Fluvius System Operator cv operates in all cities and municipalities in the Flemish Region (Belgium).

The Economic Group employed on average 6,077 full-time equivalent persons during 2024.

This financial report for the financial year ended 31 December 2024 has been established by the operating company's Management Committee on 13 March 2025.

2 Summary of significant accounting policies

2.1 Statement of compliance and basis of presentation

The consolidated financial statements have been prepared in accordance with IFRS (International Financial Reporting Standards) accounting standards, as published by the International Accounting Standard Board (IASB) and endorsed by the European Union. The Group has not early adopted any new IFRS accounting standard that is effective after 2023.

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

2.2 Principles of consolidation

The consolidated financial statements comprise all subsidiaries over which the Group has control.

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

Subsidiaries are fully consolidated from the date on which the Group obtains control until the date on which control ends.

Investments in associates are investments in companies in which a significant influence is exercised over the financial and operational policy, but over which there is no control. This is usually evidenced by the ownership of 20% up to 50% of the voting rights.

A joint venture is a joint arrangement whereby the Group has joint control of that arrangement.

These investments and joint ventures are accounted for in the consolidation using the equity method as from the date on which that significant influence or joint control is obtained until the date on which the significant control or joint control ceases.

The financial reporting of the subsidiaries, investments in joint ventures and associates is prepared for the same reporting year as that of the parent company, using consistent accounting principles.

All intercompany transactions, balances and unrealized gains and losses between group companies are eliminated.

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

An overview of the Group's subsidiaries is set out in note '34 List of group entities included in the consolidation'.

2.3 Significant accounting policies

The accounting policies applied are consistent with last year's accounting principles.

2.3.1 Operating income

Revenue from the sale of goods and rendering of services is measured based on the consideration to which the Group expects to be entitled in the contract. The Group recognises revenue when the performance obligations are met, namely when control is transferred to the customer. Specifically, revenue recognition follows the five-step model. Step 1 in this model is the identification of the contracts with the customer; step 2 the identification of the performance obligations in the contracts; step 3 the determination of the transaction price; step 4 the allocation of the transaction price to the performance obligations and step 5 revenue recognition when the performance obligations have been met.

On the basis of these principles the sale of goods and the rendering of services have been recognized at the moment of delivery of the goods to the customer, of the customer accepting the goods and of the collectability of the related amounts.

Revenue from contracts with customers

Distribution and transport grid revenue (energy transport)

The grid fees for electricity and natural gas consist of the distribution grid fee covering the costs of construction and maintenance of the distribution grid and, specifically for electricity, the transmission costs charged in cascade by the operator of the Belgian electricity transmission grid (Elia) to Fluvius.

The distribution grid revenue (grid fee) is based on the actual billing of the grid fee of the MEAs in the relevant year.

The billing of the grid fee to energy suppliers and other MEAs is based on the approved tariffs that are published on the websites of the respective MEAs. The actual grid fee invoice contains invoiced advances (for customers whose meter is recorded annually), settlement billing (from annually recorded, manual monthly recorded and remotely read access points) as well as rectification invoices recorded in the calendar year concerned.

Energy suppliers are invoiced on a monthly basis and revenue is then recognized.

Sale of energy – Social function (energy supply)

We distinguish three supplier roles:

- Social supplier: Residential customers who are dropped by the commercial supplier due to unpaid bills become customers of Fluvius. If the customer does not yet have a digital meter, one is installed as soon as possible and the prepaid function for electricity is activated. With prepaid, those customers pay in advance for the energy they want to use.
- Supplier of last resort: Fluvius is responsible for monitoring access points without a valid supplier contract. Fluvius sensitises grid users to regularise this as soon as possible.

- Emergency supplier: If a commercial supplier files for bankruptcy, Fluvius acts as an emergency supplier. The commercial supplier's customers are supplied and invoiced by Fluvius until they have signed a contract with a new supplier. Fluvius acts as a safety net to ensure that customers do not run out of electricity and/or natural gas.

Construction works for third parties
The revenue stream from construction works for third parties includes various works performed for third parties in the context of, among others, ESLA (Energy Services for Local Authorities)]/ESCO (Energy Service Company) and public lighting as well as ground and cable works. The ESLA/ESCO activities are offered to the affiliated public authorities (cities and municipalities) at cost in support of the local energy policy. In addition, the Group is responsible for the management of the public lighting of the municipalities and for ground and cable works.

The proceeds from construction works for third parties are valued on the basis of the remuneration which the Group expects to be entitled to as a result of the contract. The contracts do not include variable elements.

The ESLA revenue is recognized at some point in time at provisional acceptance of works after acceptance by the customer. The proceeds from public lighting and from ground and cable work will also be recognized at some point in time when the performance obligations have been fulfilled.

Other sales
The Group achieves the turnover from the sewerage activity mainly out of remediation contributions. This contribution is charged via the water companies to the end user. Since the sewerage network is owned by the Group, the municipal contribution is owed to the Group. The invoicing to the water companies concerns the amount of the fees minus a percentage rate covering the logistical costs.

Revenue recognition is for the full amount and costs are recorded in the profit or loss statement.

The Group also provides a service as the drain and collection of wastewater is passed via the sewerage network.

Ex-Infrax MEAs and ex-Integan owned the cable network. In 2008, this cable network was given as a ground lease to Telenet. However, a part of the network could be used by the companies of ex-Infrax Group for a limited number of services. Such services (Fluvius Net / Infra-X) were provided to the municipalities for internet (internet service provider) and telephony (operator) and were invoiced and recognized as revenue on a monthly basis. As a result of the Wyre transaction, this leasehold and services from the Group have been discontinued as of 30 June 2023.

Other operating revenue
Various recuperations are included as a result of grants, service performance for connections and premiums. For the provision of services, revenue is recognised when the products are delivered to the customer, the customer has accepted the products and the collectability of the related receivables is reasonably assured.

Government grants
Government grants are recognised in the balance sheet as soon as there is reasonable assurance that they will be received and that the conditions attached to them will be met.
Grants related to an asset are presented in the balance sheet as 'Capital grants' and are recognised in the income statement on a systematic basis over the expected useful life of the related asset.
Because of the uncertain nature regarding both the receipt, timing and size of the grant awarded, capital grants relating to sewerage works are recognised upon receipt.
Grants as compensation for costs incurred are systematically recognised in the income statement as 'Other operating income' in the same period in which the costs are recognized.

The item *Other* contains non-recurring items such as capital gains of the realisation of sales and other proceeds.

Own construction, capitalized
Costs related to investments are periodically settled and capitalized under the item Own construction, capitalized’. This process ensures that these items cannot be regarded as income from the business activities.

Financial income and dividends received
Interest income is recorded as soon as acquired and for the period to which it relates (taking into account the asset’s actual interest rate), unless there is doubt about its collectability.

Interest income on derivatives and other financial income are recognized when they occur. The latter concerns mainly the revaluation to the fair value of the available shares.

Dividends received are recognized in the statement of profit or loss at the moment they are granted.

The Group recognises a liability to pay a dividend when the distribution is approved and no longer owned by the Group. A corresponding amount is recognised in equity.

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

The Group has the obligation to buy certificates for green energy that were offered by producers of renewable energy at a certain price. These certificates can be sold by the Group in an active market. The value of the certificates sold is usually lower than the purchase price. The resulting costs have been included as an item in 'Costs of trade goods' under the heading 'Certificates for green energy' but the revaluation costs to the fair value (see note '20 Trade and other receivables') are included as well.

The Group receives transmission charges from the Belgian electricity transmission system operator (Elia), which are approved by the Commission for Electricity and Gas Regulation (CREG) based on the latter's tariff methodology. These costs are settled in the Group's network tariffs (see under Revenues - Distribution and transport grid revenue).

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

The taxes on profit or loss for the financial year include the current and deferred taxes. The tax on profit of the year is recorded in the statement of profit or loss unless it relates to transactions that were directly recorded in equity. In this case, the taxes are directly charged to equity.

The current tax expenses are the expected current taxes payable on the taxable income for the year, based on tax rates in effect at the balance sheet date and any adjustment to current taxes payable from previous years. For the calculation of the income tax on the taxable income for the year, the current tax rate (that has been enacted or substantively enacted by the end of the reporting period) is used.

Deferred taxes are recognized for temporary differences between the tax values of assets and liabilities and the carrying amounts for financial reporting purposes.

As from 2015 onwards, the MEAs (with the exception of Inter-aqua and Riobra) have to pay corporate income tax, as was the case for Fluvius System Operator, its subsidiary, investments in joint ventures and associates. Since 1 April 2019, Inter-aqua is part of Fluvius Limburg and it is also subject to corporate income tax (see note '12 Income taxes'). However, for the calculation of deferred taxes, the current ruling was taken into account and no deferred taxes were calculated on temporary differences that arose in the past.

2.3.3 Intangible assets

Intangible assets are measured at cost less any possible accumulated amortizations and possible impairment losses.

Costs relating to research which is carried out with the purpose of obtaining new technical knowledge and insights, are recognized in the statement of profit or loss in the period in which they occur.

Costs relating to the development phase, in which knowledge obtained through research is applied in order to achieve a plan or design for the production of new or significantly improved products and processes, are included in the balance sheet if and only if the product or process is technically and commercially feasible, the entity has the necessary resources to complete the development, it is probable that future economic benefits will flow into the Group and the cost can be measured reliably. The capitalised amount includes all costs that are directly attributable to the creation, production, and the preparation of the asset, so that it could operate as intended by the management.

After initial recognition of development costs as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is depreciated over the period of expected future benefit. Amortisation is recognised in the income statement and recorded on the post 'Depreciation, amortization, impairments and changes in provisions'. During the development period, the asset is tested for impairment annually.

Intangible assets with definite useful lives are amortised using the straight-line method over their expected useful lives. Amortisation starts from the moment of commissioning.

If the carrying amount of an intangible asset exceeds its recoverable amount, the carrying amount is reduced to reflect the impairment.

The annual amortisation rate based on the estimated useful life is as follows:

Licences and similar rights	
Software	10.00%; 20.00%
Cost for smart projects, clearing house and district heating	10.00%; 20.00%
Exploitation rights sewerage	2.00%
Capitalized development costs	10.00%; 20.00%

2.3.4 Property, plant and equipment

Property, plant and equipment are measured at historical cost less third party contributions, the accumulated depreciations and impairment losses. The historical cost comprises the initial purchase price plus other directly attributable costs.

The cost price of assets of own-production comprises the cost of material, direct labour cost and a reasonable part of indirect labour costs. These indirect labour costs comprise that part of general administrative and operational costs that cannot be directly attributed to investment expenses.

These costs (for the largest part personnel costs) are added to the cost price of investment projects according to the internal billing system.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item can be depreciated separately.

The Group recognizes the cost of an expansion or replacement part of such an asset when these costs have been incurred, if it is probable that the future economic benefits associated to that asset will flow to the Group and the asset's cost can be measured reliably. All other costs are expensed as incurred and recorded in the statement of profit or loss.

The costs of the networks not yet completed are classified as 'Assets under construction'. The investments reported are not depreciated.

Property, plant and equipment are depreciated using the straight-line depreciation method over their expected useful lives. Depreciation starts from the moment of use.

Land is not depreciated.

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

Land and buildings	
Construction and administrative buildings[1]	2.00%
Industrial buildings	3.00%
Installation, machinery and equipment	
Networks and lines	2.00%; 3.00%
Sewerage networks	2.00%; 3.00%
Other distribution installations	3.00%
Service pipes for heating and brackets for public lighting	3.00%
Technical installations buildings[1]	4.00%
Heat stations, cathodic protection (heating)	5.00%
Issuing station (heating), digital meters	6.67%
Recycled equipment	6.67%
Optical fibre	10.00%
Electronic metering equipment	10.00%
Installations for public lighting, cable television and others	5.00%
Electric and mechanical equipment gas stations, basins and fixtures for public lighting	6.67%
Technical installations sewerage	7.00%
Contribution public lighting	8.33%
Furniture and vehicles	
Office furniture and tools	10.00%; 20.00%
Leasehold improvements[1]	10.00%; 11.12%
Charging points for electric vehicles	20.00%
Other property, plant and equipment	10.00%

1 The depreciation rates indicated with an asterisk were used from fiscal year 2014 for the newly acquired investments

The expected useful life and depreciation method are reviewed every financial year and adjusted prospectively if necessary.

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

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the asset is at its location and in the condition necessary for it to function in the manner intended by management.

Impairment
The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. Impairment has been recognized if an asset's carrying amount exceeds the recoverable value. Impairment is charged directly to the statement of profit or loss.

2.3.5 Leasing
Right-of-use assets
The annual depreciation percentages of leasing are as follows:

Buildings	11.11% to 33.33%
Installation, machinery and equipment	20.00%
Furniture and vehicles	20.00%

Lease liabilities

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases that have a lease term of 12 months or less from the commencement date and that do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases with a value below 5.000 euro.

Lease payments on short-term leases and leases of low-value assets are recognised as expenses on a straight-line basis over the lease term.

2.3.6 Investments in joint ventures and associates

Investments in joint ventures and associates are accounted for using the equity method and are initially recognised at cost. Unrealised gains and losses arising from transactions between the Group and the joint venture or associate shall be eliminated to the extent of the interest in the associate or joint venture.

The carrying amounts of the investments are adjusted to reflect changes in the Group's share of the net assets of the joint venture or associate since the acquisition date.

Goodwill arising from the acquisition of an associate or joint venture is included in the carrying amount of the investment and is not separately tested for impairment. Impairments and any reversals are recognized in the item 'Share of profit (loss) of associates and joint ventures' in the income statement.

The Group's share in the results of a joint venture and associate is recognised in the Group's income statement and will be reported on “Share of profit (loss) of associates and joint ventures”. This share in the results is not part of the operating profit and represents the profit/loss for the reporting period of the joint venture and associate.

2.3.7 Other investments

All investments are accounted for at trade date.

Investments in equity instruments consist of interests in entities in which the Group does not have significant influence or control. This is the case in companies where the Group has less than 20% of the voting rights.

These investments are classified as financial assets and are measured at fair value. The effects of revaluations are recognised in the profit or loss statement (fair value through profit or loss) if these are held for trading purposes and through other comprehensive income for the other strategic investments (fair value through comprehensive income).

An impairment loss is recognised if the carrying amount exceeds the expected recoverable amount.

2.3.8 Inventories

Inventories include only consumables.
The cost of inventories includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Inventories are measured at purchase cost. Their value is determined using the moving weighted average method.

An impairment is carried out for consumption goods or necessities that, due to their obsoleteness, are no longer usable for operational purposes or of which the estimated sale price is below the net realizable value. If items of inventory have not been used for more than a year, an impairment loss of 100.00 % is recorded.

Given the specificity, an impairment test is performed on the stock items destined for public lighting based on stock rotation.

These impairments are recognised as an expense in the income statement.

2.3.9 Trade and other receivables

Trade and other receivables are measured at amortized cost.

In the case of a bankruptcy or judicial reorganization, the receivable is immediately impaired and the value-added tax recovered.

For receivables of the work carried out and services delivered, with the exception of, on the one hand, the damages handled by the legal department and, on the other hand, the receivables from the affiliated municipalities, a provision is made for expected credit losses.

The Group recognises a provision for Expected Credit Losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the cash flows due under the contract and all cash flows the Group expects to receive, discounted at an approximation of the original effective interest rate.

A provision for doubtful debtors is made based on expected future losses from the moment the receivable arises. The Group applies the simplified approach (lifetime expected credit losses) for calculating the expected credit losses (ECL – Expected Credit Losses).

Receivables are permanently impaired (written off) using the provision for bad debts that was set up for this purpose as soon as certificates, provided by bailiffs, lawyers or debt collection agencies can demonstrate that recoverability is impossible.

Also, when it can be revealed that the revenue associated with a possible recovery does not compensate (i.e. does not economically justify) the costs for this recovery, the receivable is impaired completely using the provision which was set up for this purpose.

2.3.10 Assets held for sale
The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuous use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The criteria for held-for-sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group are available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

2.3.11 Contribution outside capital, other
The contribution is represented by shares with or without nominal value, according to the MEA.

The shares are indivisible and consist of shares and/or profit certificates. Furthermore, the shares are named according to the activity.

Dividends are recognized as a liability in the period in which they are approved.

2.3.12 Loans and borrowings
Interest bearing loans are recognized initially at fair value less related transaction costs.

Subsequent to initial recognition, interest bearing loans are measured at amortized cost, in which any difference between the proceeds and the reimbursement is charged to the statement of profit or loss using the effective interest method over the maturity of the loans.

2.3.13 Employee benefit liability
All pension liabilities are annually valued by a qualified actuary.

Pension plans and other post-employment benefits
The contributions for defined contribution plans have been recognized as an expense at the moment when incurred. The provision for defined contribution pension plans is valued according to the 'Projected Unit Credit'-method (PUC) without projection of the future premiums with a variable yield. The employer's portion of the pension plan Enerbel is calculated according to the PUCmethod with projection of the future premiums. The contribution by the employee is still calculated via the PUC-method without projection of the future premiums as the employees' contributions do not depend on seniority.

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

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

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

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

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

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

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

Other long-term employee benefits

Other long-term employee benefits contain provisions for retirement and jubilee bonuses, deferred leave and overtime. These benefits are treated in the same manner as pension plans. However, past service costs and actuarial gains and losses have immediately been recognized in the statement of profit or loss.

Right to reimbursement on post-employment employee benefits

The Energy Decree of 2009 (as amended) defined and the current tariff methodology confirms that the stranded costs, which consist of the charges for the unfunded pensions or the pensions of the public sector, are eligible for inclusion in the tariffs. Since it is virtually certain that these costs will be borne by third parties, a reimbursement right on post-employment employee benefits was recognized as an asset.

The reimbursement rights are therefore recognized at the same value as the recognized employee benefit liabilities (fair value). The adjustments are recognized in the same period in both profit and loss and other comprehensive income to reflect changes in assumptions or experience adjustments.

2.3.14 Derivative financial instruments

The Group uses derivative financial instruments (Linear Constant Maturity Swap – LCMS; Interest Rate Swaps - IRS and other) to hedge the exposure to interest rate risks that arise from its financing activities. Derivative financial instruments are initially recognized at fair value. The gain or loss resulting from fluctuations in the fair value is immediately accounted for through the statement of profit or loss. The fair value of the interest rate swaps is the estimated amount the Group would receive or pay to end the swap at the balance sheet date, taking into account the actual interest rate and the creditworthiness of the counterparty.

Upon early redemption ('unwinding') of the interest rate swap, the net cost is spread over the remaining term of the loan using the effective interest rate (EIR) method.

The derivatives do not qualify for hedge accounting.

2.3.15 Provisions, other

Provisions are recognized in the balance sheet when the Group has a present (legal or constructive) obligation as a result of a past event, and when it is probable that an outflow of financial resources will be required to settle the obligation and the obligation's amount can be reliably estimated.

When the Group expects that some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement should be recognised if, and only if, it is virtually certain that the reimbursement will be received when the entity settles the liability.

The consideration shall be treated as a separate asset. In the income statement, the expense relating to a provision is presented net of the amount recognised for consideration.

The amount recognized as provision is the best available estimate on the balance sheet date for the expenses needed to meet the existing liabilities, possibly discounted if the money's time value is relevant.

2.3.16 Trade and other liabilities

Trade and other liabilities have been measured at amortized cost.

2.3.17 Income tax expense

Current tax assets and liabilities are offset only if the entity has a legally enforceable right to set off the recognized amounts and has the intention to either settle the obligation on a net basis, or to realize the asset and settle the liability simultaneously.

The deferred tax assets and liabilities reflect the deductible or taxable temporary differences between the carrying amounts and the tax values.

The deferred tax assets and liabilities are measured at the tax rates that are expected to be applied in the period in which the claim will be realized or the obligation will be met, using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

The deferred tax assets are recorded when it is probable that taxable profits will be realized to settle the deferred tax.

2.4 Summary of changes in accounting policies applicable as from 2024

The new standards and interpretations that are applicable from 1 January 2024 and do not affect the consolidated financial statements of the Group were the following:

- Amendments to IAS 1 *Presentation of Financial Statements* – Classification of Liabilities as Current or Non-current (the 2020 amendments and 2022 amendments)
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures
- Amendments to IFRS 16 *Leases*: Lease Liability in a Sale and Leaseback

2.5 Use of estimates and judgments

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

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

Pensions and other post-employment benefit plans

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

Right of use assets and lease liabilities

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

Cloud applications

If management incurs costs related to the implementation and configuration of cloud applications, it makes estimates as to whether these costs can be capitalised as intangible assets. An initial assessment is made as to whether control is obtained over the software.
This takes into account the 'International Financial Reporting Interpretations Committee' (IFRIC) decision of March 2019 on the customer's right to access the supplier's software, which is hosted in the cloud. It then estimates which implementation and configuration costs are eligible to be capitalised. This takes into account the IFRIC decision of April 2021, which provided clarification regarding these costs.

Fair value of financial instruments

The following methods are used to estimate the fair values (see note ‘Financial instruments – fair values’).

Cash and short-term deposits, trade receivables (net of impairment), trade payables and other current liabilities approximate the carrying amounts as to the short-term maturity of these instruments.

The fair value of the unquoted other investments is based on the latest available financial information but with the following distinction:

- Publi-T: fair value based on the latest available financial statements but adjusted for the investments in Elia, which are at the latest available stock quotations
- Publigas: fair value based on the external valuation report
- Shares Elia: fair value at the latest available stock quotations
- Other companies: fair value at the latest available financial information

The fair value of the certificates for green energy and cogeneration certificates are the guaranteed amount, as stipulated in the decision of the Flemish Government amending the Energy Decree.

The derivative financial instruments are interest rate swaps. The valuation techniques are swap models that use value calculations. The models include various kinds of input including forward prices, yield curves that are obtained on the basis of market interest rates and derivatives from market prices of various financial products that are requested with various market participants.

The fair value of quoted bonds was obtained on the basis of the indicative quotations on Bloomberg (Bloomberg is a prominent provider of business and financial market news. On the reporting date it delivers world economic news, quotes for stock futures, stocks and other).

Impairment of trade and other receivables

For the calculation of the expected future losses on trade and other receivables the Group uses a provision matrix starting from the write-downs of the past three financial years. Supplementary indicative information is added, such as the future economic conditions, that could have a possible impact on the activities of the Group. On each reporting date, the historical write-downs and future indicative information need to be analysed (see also further: energy crisis).

Deferred taxes

Deferred taxes are recognized for temporary differences between the tax values of assets and liabilities and the carrying amounts for financial reporting purposes.

As from 2015 onwards, the MEAs (with the exception of Inter-aqua – now Fluvius Limburg - and Riobra) have to pay corporate income tax, as was the case for Fluvius System Operator, its subsidiary, investments in joint ventures and associates. Since 2019, Inter-aqua and in the future possibly Riobra are also subject to corporate income tax (see note 'Income taxes'). However, for the calculation of deferred taxes, the current ruling was taken into account and no deferred taxes were calculated on temporary differences that arose in the past.

Conflict in Ukraine

The Group has no operations in Ukraine or Russia, so there are no direct financial consequences. As a result of the war in Ukraine, the energy transition was accelerated, increasing the demand for materials and equipment and decreasing the supply of materials and equipment. Fluvius makes every effort to make good agreements with suppliers and contractors and strives for a long-term perspective.

Economic volatility

Current economic conditions are marked by stabilised inflation and continued high interest rates, with an inverse yield curve for short-term interest rates, affecting the cost of (re)financing. The Group actively anticipates these economic conditions by maintaining a balanced mix of short-term and long-term funding to maintain flexibility and mitigate liquidity risks. At the end of 2023, the Group had significant short-term funding outstanding, but due to expected expenditures and higher short-term interest rates in 2024, additional long-term funding proved necessary. As in 2023, the Group is taking into account the impact of these economic conditions on cost items, including the increased discount rate for employee benefits.

Energy transition and climate objectives

Aligned with the material impacts, risks and opportunities related to climate change as reported in our CSRD statements, Fluvius delivers significant efforts to realise the energy and climate transition in Flanders. Fluvius itself also has the ambition to become climate neutral in 2050. This ambition is segmented according to our (in)direct impact:

- For the core and supporting activities, we speed up our targets to climate neutrality in 2040 (scope 1&2)
- For the full value chain, we maintain the target of climate neutrality in 2050 (scope 3)

As reported in the Investments within the Transition plan for climate change mitigation (E1-1) in the CSRD statement of the annual report of Fluvius System Operator, several investment plans are in place.

- Investment plan energy transition 2024-2033: We choose 'no regret'-investments in our electricity grids and a 'keep it running' strategy for our gas grids. In this way, we do not experience problems in the short term and avoid overinvesting. The current planned investments cover a budget of 4 billion EUR, of which 3 billion EUR is allocated to reinforcing the low voltage electricity distribution grid and one billion EUR to the high voltage electricity distribution grid. For our gas grids, Fluvius ensures a reliable and safe supply of energy. We limit our investments in the gas grids when possible. In the following of the termination of a number of policies and investment programmes (roll out of digital metering for gas, conversion from low-calorific to high-calorific gas), the investment budget for gas will continue to decrease.
- Investment plan climate adaptation 2024-2033: Fluvius invests as a sewerage grid operator in 87 Flemish cities and municipalities in reinforcing the sewerage infrastructure. We increase the capacity of the system, the connection ratio and the avoided pollution load on water bodies. In this way, we become more resilient for the effects of climate change, we prevent pollution of water bodies and contribute to the reduction targets imposed by the European Directive for Water and the Flemish Decree of Integral Water Policy. With a total investment of 1.69 billion EUR for the coming ten years, Fluvius delivers a significant contribution to the resilience of sewerage infrastructure in Flanders.
- Investments Fluvius climate neutral: The decarbonisation plan of Fluvius demands investments in both the core & supporting activities and in the emission streams of the value chain. These investments are closely related to already provided operational resources and investments. They rather generate an added cost than an stand-alone cost. That is why today, it is not easy to determine a dedicated investment budget for the decarbonisation of Fluvius or to appoint a clear link with our EU Taxonomy results. In 2025, we will refine our budget for decarbonisation and will work on a best effort estimate.

The future of our gas grids impacts both our Investment plan for the energy transition as the ambition of Fluvius to become climate neutral in 2050. The Flemish government already imposed a number of measures that will ensure a decrease of the gas consumption, but no regulatory indications show a full exit of gas. The future of the gas grids heavily relies on future policy decisions. Fluvius investigates different possible scenarios to map out the technical and financial impacts and to start the dialogue with stakeholders on this topic. Fluvius also preserves a budget for research and participation in pilote projects for new low-carbon gases as biomethane and green hydrogen.

2.6 Standards issued but not yet effective

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

- Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates*: Lack of Exchangeability, effective 1 January 2025
- Amendments to IFRS 9 Classification and measurement requirements and IFRS 7 Disclosures, effective 1 January 2026[1]
- Amendments to IFRS 9 and IFRS 7 - *Contracts Referencing Nature-dependent Electricity*, effective 1 January 2026[1]
- Annual Improvements Volume 11[1]
- IFRS 18 *Presentation and Disclosures in Financial Statements,* effective 1 January 2027[1]
- IFRS 19 *Subsidiaries without Public Accountability: Disclosures,* effective 1 January 2027[1,2]

[1] *Not yet endorsed by the EU at 23 December 2024*
[2] *EU endorsement effective date still open*

Segment information

3 Segment information

The Management Committee, responsible for the day-to-day management and the operational functioning of Fluvius System Operator (Fluvius SO), its subsidiary, investments in joint ventures and associates as well as the Flemish Mission Entrusted Associations, reviews the financial data on the basis of a report in accordance with Belgian accounting standards.

This reporting is presented for the MEAs per energy component **electricity** and **gas**, as this is the best reflection of the nature and the financial profile of the activities. This segmentation also reflects the framework within which should be reported to the regulator VREG and it also forms the basis for the calculation of the distribution network tariffs for the electricity and gas activities (see note '35 Electricity and gas'). As a result, they are distinguished from each other and each has its own cost drivers, specificities and risks.

The MEAs also report a segment '**Other**' which includes sewerage activities, subject to regulation at the Flemish level, specifically by the Flemish Environment Agency (VMM) (see note '36 Sewerage'), the heat activity (within the permitted legal framework), and the management of public lighting in Flemish cities and municipalities. The management of participations in Publi-T and Publigas and shares in ELIA (see note '17 Other investments'). Additionally, non-regulated activities, mainly the activities for Energy Services to Local Authorities/Energy Service Company (EDLB/ESCO) and other activities such as Grids for Third Parties, Public Electronic Communication Networks (Cable Networks until the end of June 2023), and Vertical Infrastructure. This segment 'Other' also includes the company Fluvius OV, which, through a service agreement with Fluvius SO, fully deploys the employees of Fluvius OV in the service of Fluvius SO.

The MEAs are organized by region and each applies separate network tariffs. The information per legal entity can be consulted, for the individual financial statements of the MEAs, at the Central Balance Sheet Office of the National Bank of Belgium.

The activities of the operating company Fluvius System Operator and its subsidiary, investments in joint ventures and associates are reported separately in the column 'Fluvius SO consolidated' without segmentation per energy component. All costs of these companies are recharged at cost price to mainly the MEAs where a breakdown by activity is performed based on an allocation system. Therefore, the result of the operating company (Fluvius System Operator Group) is always 'null', with the exception of the participation in Wyre Holding bv for the public electronic communications networks activities.

In accordance with IFRS 8, the Group reported on 31 December 2024 and 31 December 2023 the following financial segmented information on the basis of the Belgian GAAP (BE-GAAP).

All transactions of the Group take place in Flanders, Belgium.

Statement of profit or loss 2024

(In thousands of EUR) - Belgian GAAP	Electricity	Gas	Other	Fluvius SO consolidated	Aggregated total
Turnover	1,760,608	580,863	223,997	2,722,065	5,287,533
Other income	428,222	83,257	103,483	113,183	728,145
Operating costs	-2,079,223	-459,326	-395,634	-2,808,683	-5,742,866
Operating profit (loss)	**109,607**	**204,794**	**-68,154**	**26,565**	**272,812**
Financial income	-701	11,013	321,415	190,875	522,602
Financial costs	-158,642	-58,866	-22,938	-208,264	-448,710
Profit (loss) of the period before taxes	**-49,736**	**156,941**	**230,323**	**9,176**	**346,704**
Transfer from/transfer to deferred taxes	81	7	953	0	1,041
Transfer from/transfer to untaxed reserves	240	1	43	0	284
Income taxes	3,423	-43,653	21,091	-9,176	-28,315
Profit for the period	**-45,992**	**113,296**	**252,410**	**0**	**319,714**

Statement of financial position 2024

(In thousands of EUR) - Belgian GAAP	Electricity	Gas	Other	Fluvius SO consolidated	Aggregated total
Tangible and intangible fixed assets	7,836,244	3,825,732	2,342,236	1,630	14,005,842
Financial fixed assets	1,117	494	915,903	951,806	1,869,320
FIXED ASSETS	**7,837,361**	**3,826,226**	**3,258,139**	**953,436**	**15,875,162**
Amounts receivable after more than one year	24,658	11,522	152,692	7,360,868	7,549,740
Stocks and contracts in progress	0	0	91,464	223,230	314,694
Amounts receivable within one year	796,695	170,474	176,269	463,017	1,606,455
Cash at bank and in hand	-423	64	15,058	5,942	20,641
Deferred charges and accrued income	220,053	227,095	9,593	233,748	690,489
CURRENT ASSETS	**1,040,983**	**409,155**	**445,076**	**8,286,805**	**10,182,019**
Total Assets	**8,878,344**	**4,235,381**	**3,703,215**	**9,240,241**	**26,057,181**
Contribution excluding capital, other	945,546	622,715	1,159,771	497,767	3,225,799
Contribution excluding capital, share premium	109,127	0	23,103	127	132,357
Revaluation surplus	698,106	334,993	32,970	0	1,066,069
Reserves	721,250	488,162	440,038	495,880	2,145,330
Retained earnings and result of the period	56,775	93,015	117,627	19	267,436
Government grants	121	30	381,607	0	381,758
EQUITY	**2,530,925**	**1,538,915**	**2,155,116**	**993,793**	**7,218,749**
MINORITY INTEREST	**0**	**0**	**0**	**100**	**100**

(In thousands of EUR) - Belgian GAAP	Electricity	Gas	Other	Fluvius SO consolidated	Aggregated total
PROVISIONS FOR LIABILITIES AND CHARGES	**1,768**	**9,661**	**81,960**	**121,079**	**214,468**
Amounts payable after more than one year	5,346,651	2,786,911	1,065,668	7,244,637	16,443,867
Amounts payable within one year	839,381	-134,416	390,494	758,891	1,854,350
Accrued charges and deferred income	159,619	34,310	9,977	121,741	325,647
AMOUNTS PAYABLE	**6,345,651**	**2,686,805**	**1,466,139**	**8,125,269**	**18,623,864**
Total Liabilities	**8,878,344**	**4,235,381**	**3,703,215**	**9,240,241**	**26,057,181**

Reconciliation of the financial data 2024 mentioned above based on Belgian GAAP to IFRS

(In thousands of EUR)	Assets	Equity and minority interest	Liabilities	Proft / (Loss) for the period	Revenue from contracts with customers
Aggregated total BE-GAAP	**26,057,181**	**7,218,849**	**18,838,332**	**319,714**	**5,287,533**
Eliminations of balances and transactions	-8,579,201	-522,310	-8,056,890	-2,259	-2,676,104
Reclassifications	-42,416	-381,758	339,342	0	-148,614
Recording of investment in joint ventures and associates, other investments and long-term receivables	987,822	987,822	0	-225,262	0
Adjustments for employee benefits	-103,668	-314,264	210,596	15,386	0
Recording of deferred taxes	0	-342,196	342,196	-3,815	0
Others as recording of derivative financial instruments, provisions and impairment and lease recognition	6,965	44,155	-37,191	8,840	0
Total IFRS	**18,326,683**	**6,690,298**	**11,636,385**	**112,604**	**2,462,815**

For the electricity segment, two customers achieved together 58% of the turnover and for the gas segment there were also two customers that together achieved 58% of the turnover.

Statement of profit or loss 2023

(In thousands of EUR) - Belgian GAAP	Electricity	Gas	Other	Fluvius SO consolidated	Aggregated total
Turnover	1,743,273	595,151	229,678	2,364,198	4,932,300
Other income	343,210	34,445	102,583	73,930	554,168
Operating costs	-1,962,899	-470,422	-421,654	-2,417,214	-5,272,189
Operating profit (loss)	**123,584**	**159,174**	**-89,393**	**20,914**	**214,279**
Financial income	-2,484	9,287	165,891	736,732	909,426
Financial costs	-127,978	-54,343	-15,269	-170,230	-367,820
Profit (loss) of the period before taxes	**-6,878**	**114,118**	**61,229**	**587,416**	**755,885**
Transfer from/transfer to deferred taxes	32	3	764	0	799
Transfer from/transfer to untaxed reserves	92	1	1	0	94
Income taxes	-7,378	-33,600	16,820	-8,916	-33,074
Profit for the period	**-14,132**	**80,522**	**78,814**	**578,500**	**723,704**

Statement of financial position 2023

(In thousands of EUR) - Belgian GAAP	Electricity	Gas	Other	Fluvius SO consolidated	Aggregated total
Tangible and intangible fixed assets	7,188,144	3,815,909	2,152,213	1,626	13,157,892
Financial fixed assets	1,232	494	1,036,243	951,584	1,989,553
FIXED ASSETS	**7,189,376**	**3,816,403**	**3,188,456**	**953,210**	**15,147,445**
Amounts receivable after more than one year	34,756	16,648	82,844	6,709,125	6,843,373
Stocks and contracts in progress	0	0	46,188	190,475	236,663
Amounts receivable within one year	610,200	147,011	235,160	603,907	1,596,278
Cash at bank and in hand	-508	6	15,193	66,348	81,039
Deferred charges and accrued income	300,912	168,076	4,447	236,971	710,406
CURRENT ASSETS	**945,360**	**331,741**	**383,832**	**7,806,826**	**9,467,759**
Total Assets	**8,134,736**	**4,148,144**	**3,572,288**	**8,760,036**	**24,615,204**
Contribution excluding capital, other	945,513	622,715	1,224,700	497,767	3,290,695
Contribution excluding capital, share premium	109,127	0	23,103	127	132,357
Revaluation surplus	719,836	345,635	28,701	0	1,094,172
Reserves	815,366	447,947	463,744	495,880	2,222,937
Retained earnings and result of the period	58,607	93,656	67,440	20	219,723
Government grants	125	51	333,336	0	333,512
EQUITY	**2,648,574**	**1,510,004**	**2,141,024**	**993,794**	**7,293,396**
MINORITY INTEREST	**0**	**0**	**0**	**100**	**100**

(In thousands of EUR) - Belgian GAAP	Electricity	Gas	Other	Fluvius SO consolidated	Aggregated total
PROVISIONS FOR LIABILITIES AND CHARGES	**3,773**	**9,691**	**68,474**	**153,342**	**235,280**
Amounts payable after more than one year	4,537,936	2,744,451	909,975	6,564,501	14,756,863
Amounts payable within one year	803,472	-147,098	446,964	961,384	2,064,722
Accrued charges and deferred income	140,981	31,096	5,851	86,915	264,843
AMOUNTS PAYABLE	**5,482,389**	**2,628,449**	**1,362,790**	**7,612,800**	**17,086,428**
Total Liabilities	**8,134,736**	**4,148,144**	**3,572,288**	**8,760,036**	**24,615,204**

Reconciliation of the financial data 2023 mentioned above based on Belgian GAAP to IFRS

(In thousands of EUR)	Assets	Equity and minority interest	Liabilities	Proft / (Loss) for the period	Revenue from contracts with customers
Aggregated total BE-GAAP	**24,615,204**	**7,293,496**	**17,321,708**	**723,704**	**4,932,300**
Eliminations of balances and transactions	-7,874,217	-517,165	-7,357,052	-97,539	-2,316,063
Reclassifications	-33,383	-333,512	300,129	0	-290,317
Recording of investment in joint ventures and associates, other investments and long-term receivables[1]	1,991,978	1,991,978	0	-272,047	0
Adjustments for employee benefits	-94,702	-366,179	271,477	13,259	0
Recording of deferred taxes	0	-339,326	339,326	8,921	0
Others as recording of derivative financial instruments, provisions and impairment and lease recognition	-6,838	29,940	-36,778	-15,973	0
Total IFRS	**18,598,042**	**7,759,232**	**10,838,810**	**360,325**	**2,325,920**

1 The final accounting treatment of the business combination in Wyre Holding bv has now been completed within the applicable period of 12 months. The impact on the reported financial statements as at 31 December 2023 amounts to -25,493k EUR on the items '16 Investments in joint ventures and associates' and '22 Equity'.

For the electricity segment, three customers achieved 60% of the turnover and for the gas segment there were three customers that together achieved 60% of the turnover.

Performance of the year

4 Operating revenue

(In thousands of EUR)	2024	2023
Distribution and transport grid revenue	2,222,030	1,985,494
Sale of energy	82,477	207,098
Construction works for third parties	75,316	52,079
Other sales	82,992	81,249
Total revenue from contracts with customers	**2,462,815**	**2,325,920**
Recuperations	406,317	343,077
Other	36,461	327,992
Other operating income	**442,778**	**671,069**
Own construction, capitalized	**891,626**	**752,632**
Total operating revenue	**3,797,219**	**3,749,621**

Total revenue from contracts with customers

Revenue from contracts with customers amounts to 2,462,815k EUR at 31 December 2024 and 2,325,920 k EUR at 31 December 2023, an increase of 136,895 k EUR.

The revenue from the distribution and transport of electricity and gas via its networks and the sale of energy is recognized on a monthly basis. The proceeds from the billing of works to third parties are recognized at some point in time. The other sales for the activity sewerage are recognized on the one hand for the performance recognition of maintenance on the moment in time and, on the other hand, it is spread over the period for the investment. Hence, the remediation contribution is recognized over the period of the works performed.

The Group has realized most of its revenue from the remuneration of the distribution of electricity and gas via its networks. This revenue should be evaluated together with the regulatory transfers and balances. The distribution and transmission grid fee is set based on the tariff methodology prepared by the VREG for the period 2021 to 2024 (see note ' Operating in a regulated environment (see page 126)').

The **distribution and transmission grid fee** amounts to 2,222,030 k EUR at the end of 2024 and 1,985,494 k EUR at the end of 2023.
The distribution and transmission grid fee for electricity increased to 1,749,814 k EUR at the end of 2024, compared to 1,564,188 k EUR at the end of 2023.
The distribution grid fee for gas increased to 472,216 k EUR at the end of 2024, compared to 452,818 k EUR at the end of 2023.

On 4 October 2023, the allowed income of each electricity and natural gas distribution system operator in its periodic distribution network tariffs for the year 2024 was determined. The allowed income for DSOs will increase by 7,4% for electricity and 7,9% for gas compared to the allowed income of 2023. An important reason for this increase is the disappearance of the regularity balance for the year 2023. An expected inflation rate of 4,07% for 2024 was taken into account. Furthermore, the Flemish government will pay out 67 million EUR in 2024 as compensation for the purchase of depositary receipts, compared to 148 million EUR in 2023.

Energy sales are mainly the deliveries of energy to individuals who do not find an energy supplier on the market due to payment difficulties. This item saw a decrease of 124,621 k EUR at the end of 2024 compared to the end of 2023 due to sharply decreased energy prices. In both 2023 and 2024, there were no new customers in the context of the role as emergency supplier, however, limited invoices were issued or revised for existing emergency supplier contracts.

The billing of **construction works for third parties** comprises mainly:
The works carried out for Energy Services to Local Authorities and Energy Service Companies (EDLB/ESCO)[1] and public lighting.
The contracts with customers are generally from three promises. The first promise is to perform a study of potential energy savings. After this study, works are started up and the Group is responsible for the project coordination and the implementation. These three promises form one performance obligation as the Group provides a significant integrated service to bundle its promises for the combined project for its customer.

[1] *Energy services will be abolished as of 1 January 2025, with a transitional measure allowing these activities to continue until 31 December 2027 at the latest, provided that these activities have already started by 31 December 2024 at the latest.*

The performance obligation is fulfilled upon provisional acceptance and the payment is due within 30 to 60 days on average after the provisional acceptance.
A guarantee period of twelve months is allowed to the customer. This is a standard warranty that is not seen as a separate performance obligation.

The contracts for public lighting with customers generally include two promises. The first promise is the demolition of the current public lighting. After the demolition the new public lighting is constructed. These promises are considered as two separate performance obligations. The performance obligations are fulfilled upon acceptance and payment is due within 30 to 60 days on average after acceptance.

Additionally, this includes the transition services provided to Wyre (see note '16 Investments in joint ventures and associates').

The **other sales** reflect the revenue of the remediation of wastewater (2024: 82,991 k EUR; 2023: 79,217 k EUR) by means of a municipal wastewater treatment contribution charged by the water companies (see note ' Operating in a regulated environment (see page 126)').
As a result of the Wyre transaction, revenues related to Infra-GIS and Infra-X-net for the first semester of 2023 amounted to 2,032 k EUR.

Other operating income

The **recuperations** amount to 406,317 k EUR in 2024 and 343,077 k EUR in 2023. This item includes recoveries from VEKA for REG premiums (2024: 303,055 k EUR; 2023: 269,844 k EUR) (see note '6 Cost for services and other consumables', as well as compensations for operating activities performed at customers (2023: 34,748 k EUR; 2023: 45,356 k EUR), recoveries from personnel (2024: 12,679 k EUR; 2023: 14,699 k EUR), operational fee charged to Elia (2024: 14,046 k EUR; 2023: 12,524 k EUR), the movement of the reimbursement right on provisions for employee benefits (2024: 2,761 k EUR; 2023: 0 k EUR), and reimbursements of general expenses by contractors, insurances or various operating subsidies.

The **other** operating income amounts to 36,461 k EUR at the end of 2024 and 337,850 k EUR at the end of 2023, including compensation for damage cases of 10,883 k EUR at the end of 2024 and 10,325 k EUR at the end of 2023, recoveries for overdue prosumer tariffs of 5,512 k EUR at the end of 2024 and 5,877 k EUR at the end of 2023, and for the minimum supply of electricity and gas to persons in payment difficulties (2024: 2,607 k EUR; 2023: 5,877 k EUR). Additionally, recoveries from previously recorded trade receivables (100 k EUR in 2024 and 1,535 k EUR in 2023), as well as gains on the realization of tangible fixed assets (12,482 k EUR in 2024 and 11,472 k EUR in 2023) are included.

For 2023, this also includes the result of 286,827 k EUR from the contribution of the Group's HFC networks, leasehold rights, and other assets related to cable infrastructure activities to Wyre bv, and the sale of 2.1% of Wyre bv shares to Telenet (see note '16 Investments in joint ventures and associates').

Own construction, capitalized

All costs related to distribution activities have been registered as operational costs. Periodically, a settlement has been recorded and certain costs related to investments have been activated through the item 'Own construction, capitalized'. As a result, this revenue cannot be considered as an operating income. This item also contains the contributions received from customers (148,582 k EUR in 2024 and 154,910 k EUR in 2023) which are also deducted as own construction, capitalized (-148,582 k EUR in 2024 and -154,910 k EUR in 2023)

5 Cost of trade goods

(In thousands of EUR)	2024	2023
Cost for transportation	384,771	379,837
Purchase of energy	52,644	124,734
Purchase of consumables	393,881	323,494
Purchase of grid losses	68,914	118,705
Certificates for green energy and cogeneration	341,751	299,963
Total	**1,241,961**	**1,246,733**

The cost of trade goods have slightly decreased compared to the end of 2023, due to the sharply decreased energy prices in 2024, offset by an increase in the purchase of consumables as a result of the increasing activities related to the energy transition.

The costs for the purchase of certificates (green energy certificates (GEC) and cogeneration certificates (CHP)) increased from 299,963 k EUR at the end of 2023 to 341,751 k EUR at the end of 2024, or +41,788 k EUR. The cost for GEC increased compared to the end of 2023 mainly due to the decision of the Flemish government to reduce the costs of the public service obligation in the electricity bill for the end customer by 148,000 k EUR in 2023 and 67,000 k EUR in 2024, compensated by a lower purchase at minimum support in 2024. By directly deducting these from the costs for the purchase of green energy certificates, the cost for the distribution network operators and the pass-through to the end customer decreases. Furthermore, the cost was recorded for the number of certificates purchased (in 2024: 1,853,759 GEC and 4,420,847 CHP; in 2023: 2,046,367 GEC and 4,160,494 CHP) and the result on the sale of certificates (see note '20 Trade and other receivables').

The costs for the purchase of electricity and gas for social and dropped customers and costs related to purchase for grid losses decreased by 72,090 k EUR and 49,791 k EUR respectively, due to the sharply decreased energy prices.

The increase in the purchase of consumables by 70,387 k EUR compared to the end of 2023 is the result of rising purchase costs and increased investment and operational activities related to the energy transition.

6 Cost for services and other consumables

(In thousands of EUR)	2024	2023
Cost contractors for grid construction and maintenance	183,406	154,090
Subsidy for rational use of energy (RUE)	295,304	268,910
Consultancy and other services	138,285	114,553
Management costs of enterprises	52,041	47,517
Cost for direct purchases	19,928	25,093
Fee for usage various equipment and installations	14,624	13,325
Use of the public domain	16,697	18,076
Contractual compensations	17,617	15,709
Licensing costs	28,306	20,678
Advertising, information, documentation, receptions a.o.	9,784	10,715
Short-term or low-value lease	5,127	5,375
Utilities and fuel costs	14,116	23,657
Communication costs	12,771	10,622
Insurances	5,753	4,517
Transport, travel, and representation costs	6,414	5,952
Professional fees	7,095	6,100
Other	15,893	11,587
Total	**843,161**	**756,476**

Services and other consumables amount to 843,161 k EUR as of 31 December 2024 and 756,476 k EUR as of 31 December 2023, an increase of 86,685 k EUR.

The item 'Cost contractors for grid construction and maintenance' increased by 29,316 k EUR due to increased activities related to the energy transition.

The item 'Subsidy for rational use of energy (RUE)' paid to individuals and companies is recorded as an expense in the income statement.

Subsidies for rational use of energy (RUE) amount to 295,304 k EUR as of 31 December 2024 and 268,910 k EUR as of 31 December 2023, an increase of 26,394 k EUR. These costs reflect the payment of premiums for RUE requested by individuals and companies.
These premiums are granted when individuals and companies invest in energy savings and renewable energy. Since 1 October 2022, a new website has been made available for energy premiums and the renovation premium: www.Mijnverbouwpremie.be. A number of the former Fluvius energy premiums (insulation premiums, solar water heater, heat pump, heat pump boiler) can be applied for. Additionally, there are also premiums that must be applied for directly via 'Mijn Fluvius' (solar panels, EPC label premium, electric heat control, asbestos removal, relighting, etc.). These premiums are laid down in the Energy Decree and are subject to regular changes.
The increase is entirely attributable to significantly higher numbers and amounts of various energy premiums applied for through the 'Mijn Verbouw Premie' portal. Conversely, the premiums applied for through 'Mijn Fluvius' experienced a sharp decline (halving) in both numbers and amounts compared to 2023. The primary reason for this is that the solar panel premium could no longer be applied for installations inspected from 1 January 2024.

'Contractual compensations' increased by 23,732 k EUR due to increased IT projects.

'Consultancy and other services' for support, service fees, maintenance, and IT costs increased by 1,908 k EUR, as well as 'Licensing costs' which increased by 7,628 k EUR for IT-related fees concerning platform management by third parties and license fees that should be considered as service costs.

Additionally, there is a significant decrease in the item 'Utilities and fuel costs' by 9,541 k EUR due to the sharply decreased energy prices, as well as a slight decrease of 1,379 k EUR in the fees (levies) paid for the use of public domain in the context of works carried out.

The item 'Other' includes costs for contractual compensations (2024: 3,602 k EUR; 2023: 3,026 k EUR), professional contributions to professional associations (2024: 6,031 k EUR; 2023: 5,619 k EUR), and directors' remunerations (2024: 265 k EUR; 2023: 309 k EUR).

7 Employee benefit expenses

(In thousands of EUR)	2024	2023
Remunerations	508,160	476,350
Social security contributions	134,054	125,824
Contributions to defined benefit plans and other insurances	45,186	30,024
Other personnel costs	34,133	31,072
Total	**721,533**	**663,270**

Employee benefits amount to 721,533 k EUR as of 31 December 2024 and 663,270 k EUR as of 31 December 2023, an increase of 58,263 k EUR.

The lines for remunerations and social security contributions increased by 31,810 k EUR and 8,230 k EUR respectively, or an increase of 6.7%. Remunerations are adjusted for inflation on a monthly basis. In 2024, the increase is mainly due to an increase in the number of employees and indexation.

The charges for defined benefit plans and other insurances increased by 15,162 k EUR to 45,186 k EUR, primarily due to increased costs related to employee obligations, including significantly higher premiums for health care coverage.

Other personnel costs include expenses for meal vouchers, tariff benefits, medical services, and the like.

The average number of full-time equivalent employees was 6,077 during 2024 and 5,831 during 2023.

8 Amortization, depreciation, impairments and changes in provisions

(In thousands of EUR)	2024	2023
Amortization of intangible assets	48,504	45,097
Depreciation of property, plant and equipment and right-of-use assets	549,112	512,737
Total amortization and depreciation	**597,616**	**557,834**
Impairment of trade receivables	-9,189	2,383
Changes in provisions	-1,057	-54
Total	**587,370**	**560,163**

The amortization and depreciation amounts to 597,616 k EUR as of 31 December 2024 and 557,834 k EUR as of 31 December 2023, an increase of 39,782 k EUR.

The Impairment of trade receivables include both additions and reversals of impairments. See note '20 Trade and other receivables' and '30 Financial instruments: Risks and fair value'. Impairments on trade receivables in 2024 include a decrease for trade receivables, mainly due to a reduction in impairments following incorrectly requested payments for green energy certificates, for which several receipts have been realised.

The item 'Change in provisions' includes the movement for the provision for remediation costs, a net decrease of 1,057 k EUR for 2024. The decrease in provisions is due to utilisations and specific elements that allowed the estimation of remediation costs to be reduced (see note '26 Provisions, other').

9 Other operational expenses

(In thousands of EUR)	2024	2023
Loss on disposal/retirement of fixed assets	106,817	89,014
Loss on realization receivables	15,826	15,436
Other	2,831	17,012
Total	**125,474**	**121,462**

Other operating expenses amount to 125,474 k EUR as of 31 December 2024 and 121,462 k EUR as of 31 December 2023, an increase of 4,012 k EUR. This increase is due to the loss on the disposal/retirement of fixed assets of 17,803 k EUR, mainly due to the replacement of analogue meters with digital meters.

The item '**Other**' decreased by 14,181 k EUR, which included the movement of the reimbursement right on provisions for employee benefits of 11,846 k EUR in 2023 (2024: 0 k EUR).

Additionally, an administrative fine imposed by the VREG in 2024 related to the issue of blocked access points (see ' Blocked access points (see page 22)') resulted in a fine of 120 k EUR being recorded in the results.

In April 2023, the VREG proceeded to collect the administrative fine, which amounted to approximately 1 million EUR for all distribution network operators. The VREG had issued a notice of default to Fluvius System Operator (DSOs) in 2022 and subsequently imposed a one-time and a daily administrative fine for the late delivery of informative monthly volumes to energy suppliers. Fluvius had opted to prioritize resolving the urgent issue of blocked access points (EANs) within the Atrias platform. Due to this policy choice aimed at smooth market operation, the delivery of informative monthly volumes was postponed. Moreover, the activation of the informative monthly volumes on the initial start date of 1 April 2023 could have caused problems and damage to market participants.

This item also includes various business taxes.

10 Regulated balances and transfers

Since 2011, the Group reports the additions, recoveries and regularisations for transfers in this separate section as 'Operating expenses'.

The Group believes that the balance between actual income and expenses and the budgeted income and expenses is not part of revenue, since the recovery through tariffs will occur in a subsequent period.

The cost and revenue of the items 'Addition and recuperation transfers' relates to the additional revenue registration (in plus or minus) that is allowed as the difference between the actual income and expenses and the budgeted income and expenses as approved by the regulator. The result thus additionally reported will be recuperated through the tariffs of the following years (see note ' Operating in a regulated environment (see page 126)').

Regulated transfers

(In thousands of EUR)	2024	2023
Additional transfers	-20,560	-130,616
Recuperation of transfers	-14,829	-12,312
Total	**-35,389**	**-142,928**

The item 'Addition transfers' represents a revenue in 2023 and in 2022.

11 Financial results

(In thousands of EUR)	2024	2023
Interest income	931	1,647
Interest income, derivative financial instruments	0	18
Other financial income	125,382	73,197
Finance income	**126,313**	**74,862**
Interest expenses, non-current loans	232,116	188,451
Interest expenses, current loans and other borrowings	10,772	10,235
Interest expenses, derivative financial instruments	331	2,167
Other financial expenses	38,928	44,154
Finance costs	**282,147**	**245,007**

Finance income amounts to 126,313 k EUR as of 31 December 2024 and 74,862 k EUR as of 31 December 2023, an increase of 52,185 k EUR, mainly due to a realised gain from the sale of Publi-T shares in 2024 under 'other financial income' for 51,443 k EUR.

Interest income, derivative financial instruments includes the spread recognition of the proceeds from the repurchased derivatives in 2023 for 18 k EUR.

Other financial income amounts to 125,382 k EUR at the end of 2024 and 73,197 k EUR at the end of 2023, an increase of 52,185 k EUR, and mainly includes:

- Received dividends and revaluations of other investments in companies (2024: 57,529 k EUR and 78 k EUR; 2023: 57,004 k EUR and 1,318 k EUR);
- Realised gain from the sale of Publi-T shares in 2024 for 51,443 k EUR (see note '17 Other investments');
- Interest from receivables (see note '18 Long- and Short-term receivables, other'):
  - From Telenet for the sale of 2.1% of Wyre bv shares (2024: 3,470 k EUR; 2023: 1,861 k EUR);
  - From Atrias (2024: 1,089 k EUR; 2023: 1,465 k EUR);
  - From Wyre bv of 32,000 k EUR (2024: 1,031 k EUR; 2023: 516 k EUR);
  - From municipalities for loans related to, among others, the takeover of financing associations and ESCO (2024: 1,518 k EUR; 2023: 1,568 k EUR);

- Compensation from the telecommunications company Telenet recorded for an amount of 1,007 k EUR at the end of 2023;
- Government grants (2024: 8,304 k EUR; 2023: 7,303 k EUR);
- Received financial discounts from suppliers (573 k EUR at the end of 2024; 314 k EUR at the end of 2023).

Finance costs amount to 282,147 k EUR as of 31 December 2024 and 245,007 k EUR as of 31 December 2023, an increase of 37,140 k EUR.

Interest expenses, non-current loans increased by 43,665 k EUR compared to 2023 due to increased loans and higher interest rates.

Interest expenses, current loans and other borrowings increased by 537 k EUR compared to 2023 and relate to short-term financing held throughout the year.

Other financial expenses amount to 38,928 k EUR at the end of 2024 and 44,154 k EUR at the end of 2023, a decrease of 5,226 k EUR, and mainly include:
- Interest costs on defined benefit liabilities (2024: 14,301 k EUR; 2023: 15,827 k EUR);
- Revaluations of other investments in companies (2024: 16,583 k EUR; 2023: 7,834 k EUR);
- Interest costs from leasing (2024: 2,878 k EUR; 2023: 1,996 k EUR);
- Issuance costs of debts (2024: 4,950 k EUR; 2023: 4,628 k EUR);
- In 2023, a financial expense of 13,516 k EUR was recorded due to the discounting of the receivable from Telenet for the sale of 2.1% of Wyre bv shares (see note '18 Long- and Short-term receivables, other').

12 Income taxes

(In thousands of EUR)	2024	2023
Current income tax expenses	-29,152	-32,697
Current income tax expenses on previous year result	837	-377
Deferred income tax benefits (+) / expenses (-)	-3,815	8,921
Total income tax expenses	**-32,130**	**-24,153**

Current income tax expense on the result

Based on the Programme Act of 19 December 2014, the MEAs (except those operating in water and sewerage) are subject to the corporate income tax as from accounting year 2015 and thus they are no longer subject to the legal entity tax.

Below is the calculation of the taxable base according to BE-GAAP principles:

(In thousands of EUR)	2024	2023
Taxable profit (loss)	348,031	756,779
At the statutory Belgian corporate tax rate of 25,00%	**-87,008**	**-189,195**
Effect portion subject to legal entity tax	678	743
Effect non-deductible expenses	-22,973	-21,233
Effect exempt revenues Wyre-transaction	64,603	144,626
Effect non-taxable dividends	13,112	38,539
Effect non-taxable government grants	800	878
Effect investment tax deduction	890	0
Tax losses carried forward	-598	-7,055
Utilisation of tax losses carried forward	1,344	0
Total current income tax expenses	**-29,152**	**-32,697**

The statutory Belgian corporate tax rate is at 25.00% and is calculated on the taxable base. This includes the result of the financial year as well as costs that, according to taxation, cannot be deducted from the result and exempt revenues. The non-deductible costs thus include rejected expenses mainly for revaluation capital gains (2024: 53,621 k EUR; 2023: 54,524 k EUR), as well as social and employee benefits (2024: 26,327 k EUR; 2023: 21,213 k EUR).

The Pillar 2 legislation (Act of 19 December 2023 introducing a minimum tax for multinational enterprises and large domestic groups) has been adopted in the jurisdiction where Fluvius System Operator, Atrias, De Stroomlijn, and Synductis ("the Group") operate. The legislation is effective for the financial year of the Economic Group starting on 1 January 2024, as well as the impact of the amendments to IAS 12, which were introduced in response to the OECD's Pillar 2 model rules. The

Group is required to prepare consolidated financial statements from an accounting perspective, whereby Fluvius System Operator, Atrias, De Stroomlijn, and Synductis qualify as 'group entities' under the Pillar 2 legislation.

Since only Fluvius System Operator has control or ownership interest in the other three companies, it is considered the 'ultimate parent entity' of the group. The Group's consolidation perimeter exceeds the minimum revenue threshold of 750 million EUR at least twice in the period 2020-2023, making Fluvius System Operator, Atrias, De Stroomlijn, and Synductis subject to the (Belgian) Pillar 2 legislation as a 'large domestic group'. The Group is currently utilising the 'safe harbour' transitional provisions in Articles 63 and 64 of the Belgian Pillar 2 legislation, resulting in a zero additional tax liability during the transition period. Although these provisions only mention MNE groups, it was confirmed in writing by the Federal Public Service Finance (Corporate Tax/ Pillar 2 department) that the 'safe harbour' transitional provisions can also be applied by large domestic groups.

In 2024, the Group complied with all administrative obligations imposed under the (Belgian) Pillar 2 legislation. The Group was registered with the Crossroads Bank for Enterprises, obtaining a Pillar 2 identification number.

Based on the analysis conducted, the members of the Group can currently rely on the transition rules provided in the Pillar 2 regulations. Therefore, based on its current profile, the Group does not have any additional taxes arising from the Pillar 2 legislation in 2024. Therefore there is no current tax effect accounted for.

Deferred taxes

Since the aforementioned law was ratified in 2014, deferred taxes for temporary differences have been calculated between the tax values of assets and liabilities and the carrying amounts for financial reporting purposes, in accordance with the application of IAS12 *income tax*.

In 2016, various advance rulings were requested from the Federal Public Service Finance, Ruling Commission, for the DSOs, requesting decisions on the correct tax treatment of, among other things, revaluation gains on fixed assets, notional interest deduction, and impairments of trade receivables. These rulings were valid until the financial year 2019 and were extended or adjusted as needed until the financial year 2024. Contact has already been made with the Ruling Commission to renew the rulings, and the applications are currently being prepared. It should be noted that the renewed rulings must be obtained no later than the submission of the corporate tax return for the financial year 2025, which is mid-September 2026.

For Riobra, a new ruling was obtained confirming the continued subjection to legal entity tax (this company is therefore not subject to corporate tax) until the financial year 2024, and the VAT treatment of the municipal and supra-municipal remediation contribution was confirmed until 1 January 2025. Contact has already been made with the Ruling Commission to renew this ruling, and the renewal applications are currently being prepared.

In the context of the Fluvius Public Lighting offer, a ruling was also obtained in 2019 to secure legal certainty in advance that the costs (investments, (non-regulated) maintenance, energy consumption, etc.) and depreciation borne by the relevant electricity distribution system operator, and which are associated with this offer, are considered tax-deductible expenses in corporate tax and that the funds used in this context do not constitute abnormal or benevolent advantages. This decision is valid until the financial year 2030. Additionally, in the context of public lighting, a ruling was obtained on 19 November 2024 confirming the application of the investment deduction for investments in LEDs and communication modules. This decision is only valid for the financial years 2023 and 2024.

For the Tramontana dossier (public electronic communication networks), an advance ruling was requested and obtained in 2022 regarding corporate tax, VAT, and registration duties (tax neutrality of the structuring), followed by an addendum to this decision at the end of October 2022. In Q4 2023, contact was again made with the Ruling Commission due to the booking of a revaluation gain within the cable companies of their participation in Interkabel. In January 2024, an addendum was obtained from the Ruling Commission confirming that the booking of the revaluation gain does not impact the tax neutrality of the intended structuring steps.

On 30 January 2024, Fluvius System Operator cv and Atrias cv obtained rulings regarding the granting of flat-rate expense allowances to employees. These rulings reaffirm earlier rulings that expired on 31 December 2022. The new rulings were granted for a period of 5 years, starting from 1 January 2023.

The deferred taxes are a result of the following items and trigger the following movements on the balance sheet:

(In thousands of EUR)	2024	2023
Property, plant & equipment	-420,150	-433,555
Derivative financial instruments	676	622
Employee benefit liabilities	78,566	91,545
Provisions	-5,320	-5,543
Other	4,032	7,605
Net deferred tax asset/(liability)	**-342,196**	**-339,326**

The movements in the statement of profit or loss and other comprehensive income are as follows At the end of 2024:

(In thousands of EUR)	Movements via P&L	Movements via OCI*
Property, plant & equipment	3,327	10,078
Derivative financial instruments	54	0
Employee benefit liabilities	-3,846	-9,132
Provisions, rehabilitation gas sites	223	0
Impairment on trade receivables	-3,574	0
Deferred tax benefit/(expense)	**-3,816**	**946**
Net movement during the year	**-2,870**	

At the end of 2023

(In thousands of EUR)	Movements via P&L	Movements via OCI*
Property, plant & equipment	3,340	10,291
Derivative financial instruments	600	0
Employee benefit liabilities	-3,315	3,966
Provisions, rehabilitation gas sites	267	0
Impairment on trade receivables	8,029	0
Deferred tax benefit/(expense)	**8,921**	**14,257**
Net movement during the year	**23,178**	

The main temporary differences relate to the revaluation of property, plant and equipment and provisions for employee benefits. For the revaluation of property, plant and equipment, a deferred tax liability of 420,150 k EUR was recognised (433,555 k EUR in 2023) as this cost is not deductible under Belgian tax law. For provisions for employee benefits, the cost will be deductible under Belgian tax law, resulting in a deferred tax asset of 78,566 k EUR (91,545 k EUR in 2023).

Deferred taxes on the right-of-use assets and lease liabilities are recognised net under the item 'Other' as a tax asset (2024: 2,502 k EUR; 2023: 2,473 k EUR). These can be divided into a deferred tax liability for the right-of-use assets (2024: 1,311 k EUR; 2023: 964 k EUR) and a deferred tax asset for the lease liabilities (2024: 3,813 k EUR; 2023: 3,437 k EUR).

The net deferred tax liability is composed of:

(In thousands of EUR)	2024	2023
Deferred tax asset	83,274	99,772
Deferred tax liability	-425,470	-439,098
Deferred tax liability, net	**-342,196**	**-339,326**

The movements in the item deferred tax liability are as follows:

(In thousands of EUR)	2024	2023
Total as at 1 January	**-339,326**	**-362,504**
Tax income/(expense) recognised in profit or loss	-3,816	8,921
Tax income/(expense) recognised in OCI	946	14,257
Total at end of reporting period	**-342,196**	**-339,326**

Assets

13 Intangible assets

(In thousands of EUR)	Licences and similar rights	Development costs	Total
Acquisition value at 1 January 2024	1,992	612,588	614,580
Acquisitions	0	38,098	38,098
Disposals	-822	-209,913	-210,735
Acquisition value at 31 December 2024	**1,170**	**440,773**	**441,943**
Amortization and impairment at 1 January 2024	**1,896**	**483,921**	**485,817**
Amortization	42	48,462	48,504
Disposals	-822	-209,913	-210,735
Amortization and impairment at 31 December 2024	**1,116**	**322,470**	**323,586**
Net book value 31 December 2024	**54**	**118,303**	**118,357**

(In thousands of EUR)	Licences and similar rights	Development costs	Total
Acquisition value at 1 January 2023	**1,992**	**552,271**	**554,263**
Acquisitions	0	60,714	60,714
Other	0	-397	-397
Acquisition value at 31 December 2023	**1,992**	**612,588**	**614,580**
Amortization and impairment at 1 January 2023	**1,849**	**438,873**	**440,722**
Amortization	47	45,050	45,097
Other	0	-2	-2
Amortization and impairment at 31 December 2023	**1,896**	**483,921**	**485,817**
Net book value 31 December 2023	**96**	**128,667**	**128,763**

The intangible assets category includes capitalized amounts for development costs related to Hydronaut modelling (a study for sizing the global sewerage network) and regarding 'New-Foundations': since the formation of the integrated company Fluvius System Operator cv, these are the costs to address new developments in the energy landscape (including integrated systems).

In 2023, new investments were mainly under the category New Foundations and energy transition. Energy transition projects involve acquiring new technologies and/or developing know-how for energy efficiency. This includes adjustments for energy sharing, quarter-hour values, and public lighting for light management and geomatching.

In 2024, new investments were mainly under the category energy transition and to a lesser extent New Foundations.

During 2024 and 2023, no costs for research were recorded.

There were no intangible assets with an indefinite useful life.

14 Property, plant and equipment

(In thousands of EUR)	Land and buildings	Installation, machinery and equipment	Furniture and vehicles	Others	Assets under con-struction	Total
Acquisition value at 1 January 2024	**443,623**	**20,551,776**	**316,852**	**19,740**	**1,153,458**	**22,485,449**
Acquisitions	15,760	67,202	28,584	1,196	1,405,891	1,518,633
Sales	-37,725	-3,341	-9,547	0	-26	-50,639
Disposals	577	-322,427	-2,582	-1,076	0	-325,508
Transfer to others	16,096	1,059,939	0	0	-1,076,035	0
Acquisition value at 31 December 2024	**438,331**	**21,353,149**	**333,307**	**19,860**	**1,483,288**	**23,627,935**
Depreciation and impairment at 1 January 2024	**158,807**	**9,096,797**	**252,025**	**18,709**	**0**	**9,526,338**
Depreciation	9,305	498,748	27,899	241	0	536,193
Sales	-22,626	-1,417	-8,473	0	0	-32,516
Disposals	709	-217,570	-2,582	-997	0	-220,440
Depreciation and impairment at 31 December 2024	**146,195**	**9,376,558**	**268,869**	**17,953**	**0**	**9,809,575**
Net book value at 31 December 2024	**292,136**	**11,976,591**	**64,438**	**1,907**	**1,483,288**	**13,818,360**

(In thousands of EUR)	Land and buildings	Installation, machinery and equipment	Furniture and vehicles	Others	Assets under con- struction	Total
Acquisition value at 1 January 2023	**440,461**	**19,830,339**	**292,101**	**20,495**	**997,666**	**21,581,062**
Acquisitions	12,772	181,432	32,761	266	945,141	1,172,372
Acquisitions from third parties	0	39,131	0	0	0	39,131
Sales	-9,449	-1,335	-4,484	0	0	-15,268
Disposals	-161	-287,457	-3,526	-1,021	-80	-292,245
Transfer to others	0	789,666	0	0	-789,269	397
Acquisition value at 31 December 2023	**443,623**	**20,551,776**	**316,852**	**19,740**	**1,153,458**	**22,485,449**
Depreciation and impairment at 1 January 2023	**156,284**	**8,829,754**	**235,380**	**19,282**	**0**	**9,240,700**
Depreciation	7,886	466,755	24,440	259	0	499,340
Acquisitions from third parties	0	1	0	0	0	1
Sales	-5,323	-733	-4,432	0	0	-10,488
Disposals	-40	-198,982	-3,363	-832	0	-203,217
Transfer to others	0	2	0	0	0	2
Depreciation and impairment at 31 December 2023	**158,807**	**9,096,797**	**252,025**	**18,709**	**0**	**9,526,338**
Net book value at 31 December 2023	**284,816**	**11,454,979**	**64,827**	**1,031**	**1,153,458**	**12,959,111**

The acquisitions for investments during 2023 and 2024 mainly concerned investments in metering equipment, including the installation of digital electricity and gas meters. Furthermore, in the electricity segment, investments were primarily noted for the low-voltage and medium-voltage networks due to the necessary reinforcement of the electricity grid. In the gas segment, investments in the network decreased compared to 2023.

In addition to investments in digital gas meters, investments were mainly noted in low-pressure and medium-pressure installations. In 2024, higher investments were noted for public lighting and lower for sewerage. The increase in public lighting is attributable to the LED conversion rate; overall in Flanders, the target was to achieve an LED conversion rate of 58.5% by the end of 2024. In practice, however, we see that a global LED conversion rate of 60.9% was achieved on 31/12/2024. The decrease in sewerage is caused by delays in projects yet to be realised due to permits, municipal budgets, changes in planning by the main contractor,....

The decommissioning in 2023 and 2024 mainly involved the demolition of old electricity or gas networks during redevelopment or relocations. Furthermore, these decommissioning activities also involved the demolition of analogue meters (electricity and gas) when they were replaced by digital meters.

The commitments for the acquisition of property, plant and equipment at the end of 2024 amounted to 7,774 k EUR compared to 5,611 k EUR at the end of 2023.

The net book value includes the assets paid by clients (third party contributions) and corresponds to the fair value of the Group's network.

As per 31 December 2024 and 2023, there are no restrictions on title and property, plant and equipment serving as pledge for liabilities.

In 2024, several buildings were sold, the most significant of which were located on Bomastraat in Ghent, Aarschotsesteenweg in Wilsele, and Noordlaan in Turnhout. In 2023, the largest sale concerned the building on Elektriciteitsstraat in Mechelen.

15 Right-of-use assets and lease liabilities

Below is an overview of the right-of-use assets at 31 December 2024:

(In thousands of EUR)	Land and buildings	Installation, machinery and equipment	Furniture and vehicles	Total
Acquisition value at 1 January 2024	**23,820**	**39,612**	**58,360**	**121,792**
Acquisitions	1,395	1,701	15,549	18,645
Disposals	-243	-218	-8,224	-8,685
Other	-3,868	-64	-428	-4,360
Acquisition value at 31 December 2024	**21,104**	**41,031**	**65,257**	**127,392**
Depreciation and impairment at 1 January 2024	**7,518**	**1,722**	**38,679**	**47,919**
Depreciation	2,092	1,691	9,136	12,919
Sales and disposals	-243	-158	-7,413	-7,814
Depreciation and impairment at 31 December 2024	**9,367**	**3,255**	**40,402**	**53,024**
Net book value at 31 December 2024	**11,737**	**37,776**	**24,855**	**74,368**

The **other** category pertains to the lease agreement for the 7th floor of the Zenith building in Brussels, which was subleased to Atrias under the same conditions. As a result of the sublease, the right-of-use asset was derecognised for a net book value of 1,956 k EUR, against a lease receivable of 2,004 k EUR as of 30 June 2024. This item also includes adjustments to the term and granted discounts of existing contracts.

Below is an overview of the right-of-use assets at 31 December 2023:

(In thousands of EUR)	Land and buildings	Installation, machinery and equipment	Furniture and vehicles	Total
Acquisition value at 1 January 2023	**22,242**	**2,678**	**53,255**	**78,175**
Acquisitions	9,777	37,958	12,519	60,254
Disposals	-8,199	-1,024	-7,326	-16,549
Other	0	0	-88	-88
Acquisition value at 31 December 2023	**23,820**	**39,612**	**58,360**	**121,792**
Depreciation and impairment at 1 January 2023	**12,343**	**1,534**	**36,428**	**50,305**
Depreciation	3,374	1,182	8,841	13,397
Sales and disposals	-8,199	-994	-6,590	-15,783
Depreciation and impairment at 31 December 2023	**7,518**	**1,722**	**38,679**	**47,919**
Net book value at 31 December 2023	**16,302**	**37,890**	**19,681**	**73,873**

Below are the lease liabilities and the movements during 2024 and 2023:

(In thousands EUR)	2024	2023
Lease liabilities at 1 January	**86,529**	**31,613**
Additions	15,386	68,106
Accretion of interest	2,877	1,996
Payments	-15,993	-15,186
Lease liabilities at 31 December	**88,799**	**86,529**
Non-current lease liabilities	75,968	74,815
Current lease liabilities	12,831	11,714

The lease liabilities as of 31 December 2024 related to the category land and buildings for 15,058 k EUR (2023: 17,597 k EUR), the category installations, machinery, and equipment for 46,741 k EUR (2023: 46,208 k EUR), and the category furniture and rolling stock (vehicles only) for 26,999 k EUR (2023: 22,722 k EUR).

As part of the decarbonisation levers, a gradual phasing out of fossil-fuel cars. For leased vehicles full electrification is foreseen by 2030 at the latest, for the service vehicles the electrification depends on the availability of these types of vehicles.

As a result of the new leasehold agreement entered into with the Wyre transaction, the Group will use fibre-optic connections made available through Wyre for the management of the distribution networks. The right-of-use asset recorded at 31 December 2024 amounted to 37,515 k EUR, with a lease liability of 46,473k EUR. The additional fibre-optic connections made available after 1 Januari 2024 amounted to 1.700 k EUR.

No lease agreements were entered into that have not yet started as of 2024.

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

- For Land and buildings: 2.00% and 3.08%
- For Installation, machinery and equipment: between 2.00% and 7.00%
- For Furniture and vehicles: between 3.00% and 7.00 %

The recognised costs related to lease liabilities amount to 5,127 k EUR as of 31 December 2024 (2023: 5,375 k EUR) and include 4,193 k EUR costs for low-value and short-term leases (2023: 4,281 k EUR) and 944 k EUR rental expenses and service costs (2023: 1,094 k EUR). These expenses were included in the note '6 Cost for services and other consumables'.

16 Investments in joint ventures and associates

Investments in joint ventures and associates amount to to 809,623 k EUR at the end of 2024 and 822,164 k EUR at the end of 2023. These investments are being held in Wyre Holding bv, Atrias cv, Synductis cv and S-Lim (until 27 June 2023).

Atrias cv

On 9 May 2011, Atrias cv was established as a joint initiative of Belgium's largest energy distribution operators Fluvius, Ores, Sibelga and RESA.

Atrias is a central clearing house for the Distribution System Operators and is charged with the development of a Message Implementation Guide (MIG), the development of a clearing house application, and the management and maintenance of this application. MIG describes how the communication flow between the various players of the energy market should happen.

Fluvius System Operator participates for an amount of 9 k EUR and the share percentage amounts to 50% at the end of 2024 and at the end of 2023.

Atrias is an unlisted company and has no official price quotation.

The Group receives its share of the operating costs of Atrias. But the Group also grants services and funding (see note '31 Related parties').

Synductis cv

Synductis cv was founded on 21 December 2012 and aims to coordinate the infrastructure works by various utility companies in the Flemish cities and municipalities and so reduce nuisance caused by the works.

Fluvius System Operator participates for an amount of 8 k EUR and the share percentage amounts to 34.38% at the end of 2023 and at the end of 2022.

Synductis is an unlisted company and has no official price quotation.

The Group receives its share of the operating costs of Synductis. But the Group also grants services and funding (see note '31 Related parties').

S-Lim cv

S-Lim cv (Smart Region Limburg) was founded on 7 Augustus 2017 by Fluvius Limburg (ex Intermedia), Nuhmeris and Nuhma with the mission to create a better and more attractive environment in Limburg by investing in technology and innovation. S-Lim accompanies municipalities by means of translating their administrative and social requirements into technological and software related applications. The Group held an investment of 2.000 k EUR (50%) at the end of 2022 The investment held in the cooperative company S-Lim has been transferred to the mission entrusted association S-Lim through a partial demerger. The financial effects of this transaction have been directly processed in the reserves, amounting to 3.218 k EUR, and have had an impact of 1.218 k EUR on the financial result. This partial demerger was approved during the General Assembly of Fluvius Limburg on 27 June 2023.

Wyre holding bv

On 1 July 2023, the Wyre transaction between Fluvius and Telenet, concerning the partnership around the 'data network of the future' in Flanders, was completed. Wyre bv is an independent selffinancing infrastructure company, in which the fixed data network assets of Fluvius and Telenet have been brought together. Wyre bv's goal is to implement a hybrid network strategy to offer speeds of up to 10 Gbps to all its customers and ensure they enjoy the best possible network experience. The fibre optic network is expected to cover up to 78% of all homes in Flanders and parts of Brussels. Wyre will operate a network with fully open access and without discriminatory conditions and provide wholesale access to other interested telecom operators, including Telenet and Orange.

This carve-out took place by means of a number of legal steps which entered into force simultaneously, but with a legal chronology.
Initially, the MEAs contributed their HFC networks, leasehold rights and other assets related to cable infrastructure activities (including the participation in Interkabel Vlaanderen cv) to Fluvius System Operator. Immediately following this contribution, a silent merger took place between Fluvius System Operator cv and Interkabel Vlaanderen cv. Subsequently, Fluvius contributed the stock, assets, leasehold rights related to cable infrastructure activities as well as a loan of 32,000 K EUR (see note '18 Long- and Short-term receivables, other') to Wyre bv, for which a transfer of shares of 35.3% of the total number of shares, with a value of 1,010,000 k EUR, took place. Immediately after this contribution, Fluvius sold 2.1% of its shares in Wyre bv to Telenet for 120,000 k EUR in the context of a 'synthetic dividend', which reflects a deferred payment over 6 years (see note '18 Long- and Short-term receivables, other'). As a result of this entire transaction, the Group realized a profit of 286,827 k EUR, taking into account the elimination of 112,453 k EUR for the Group's own gain on the contribution of the assets.

In a final phase, both Fluvius and Telenet BV contributed their shares in Wyre bv to Wyre Holding bv. In this joint holding company, Telenet bv and Fluvius System Operator cv will hold 66,8% and 33,2% of the shares respectively. This holding company in turn owns 100% of Wyre bv.

The final accounting treatment of the business combination has been completed within the applicable 12 month period. The impact on the reported financial statements as of 31 December 2023 for the Group's share amounts to -25,493 k EUR, mainly due to adjustments to the fair value of network assets, licences, customer contracts, and loans, which also affected the calculation of deferred taxes. The Group's participation in Wyre Holding bv amounts to 809,606 k EUR at the end of 2024 and 822,147 k EUR at the end of 2023, with a shareholding percentage of 33.2%.

The Group's interest in Wyre Holding bv is accounted for using the equity method in the consolidated financial statements.

The included table presents a summary of the financial information including the redetermined figures for the financial year 2023, and provides a breakdown of the carrying amount of the investment in the consolidated financial statements.

Based on the shareholders' agreement between Fluvius and Telenet, Fluvius' approval is required for any changes to the dividend policy of Wyre Holding bv. The Group does not foresee any distribution as of the reporting date. Wyre Holding bv has no significant contingent liabilities as of 31 December 2024.

In view of the operational migration to Wyre bv, the Group has provided transition services to Wyre from 1 July 2023 (See note '31 Related parties'). In 2024, these transition services related to:
- HFC works that was carried out over a period of up to one year, according to a migration schedule per operating area. All operating areas were transferred in the first half of 2024 and by the end of June, Fluvius stopped performing HFC;
- IT migration of the data associated with the telecom activities contributed to Wyre was completed in May 2024;
- Electronic communication services offered under the name 'Fluvius Net' are still going to be carried out by the Group until 1 October 2025.

(In thousands of EUR)	31 December 2024	31 December 2023 (restated)	31 December 2023 (as reported)
Current assets	536,362	276,021	276,021
Non-current assets	5,681,705	5,816,921	5,667,101
Current liabilities	385,565	194,856	210,474
Non-current liabilities	3,054,713	3,082,470	2,840,246
EQUITY	**2,777,789**	**2,815,616**	**2,892,402**
of which non-controlling interests	*503*	*557*	*557*
of which equity attributable to owners of the parent	*2,777,286*	*2,815,059*	*2,891,845*
Group's share in equity - 33.2%	**922,059**	**934,600**	**960,093**
Adjustment for Fluvius Group[1]	-112,453	-112,453	-112,453
Group's carrying amount of the investment	**809,606**	**822,147**	**847,640**
Operating revenue	683,464	346,251	346,776
Operating expenses	-591,209	-314,881	-243,549
Finance income	13,547	2,289	2,289
Finance costs	-145,266	-91,332	-60,806
Profit before tax	**-39,464**	**-57,673**	**44,710**
Income tax expenses	2,272	12,131	-13,465
Profit for the period	**-37,192**	**-45,542**	**31,245**
Net other comprehensive income not being reclassified to profit or loss in subsequent periods	-635	-628	-628
Total comprehensive income for the period	**-37,827**	**-46,170**	**30,617**
of which attributable to non-controlling interests	-54	-37	-37
of which attributable to owners of the parent	-37,773	-46,133	30,654
Group's share of profit for the year - 33.2%	**-12,541**	**-15,315**	**10,178**

1 Elimination of 112,453 k EUR for the Group's own share of the profit on the contribution of assets.

17 Other investments

Other investments amount to 1,546,402 k EUR as of 31 December 2024 and 2,667,078 k EUR as of 31 December 2023, a decrease of 1,120,676 k EUR.

Other investments in 2024 and 2023 include, *on the one hand*, the **participations in Publi-T** (2024: 33.95%; 2023: 47.83%), **Publigas** (30.36%), and **shares in Elia.**

In 2024, the participations in Publi-T and Publigas were restructured (see note ' Participations in Publi-T and Publigas (see page 42)'). This restructuring aimed to maintain municipal control and the strategic anchoring of Elia and Fluxys. It also aimed to enable both holdings to address the capital needs arising at the level of the transmission system operator and the gas transport company due to the challenges of the energy transition. This reorganisation within the Group broadly involved the following transactions:

- Fluvius Limburg, Fluvius West, and PBE sold their Publi-T shares (13.88% Publi-T shares) to the Flemish Energy Holding (VEH) and entities participating in VEH; the involved municipalities will hold their Publi-T and Publigas shares in the same manner after the completion of this transaction, namely through VEH. The Publi-T shares were sold for an amount of 376,606 k EUR, of which 125,479 k EUR was received in cash and 251,127 k EUR was recorded as a receivable as of 30 June 2024. This receivable was granted as a dividend in kind to the municipalities in the autumn of 2024. Subsequently, each municipality contributed its receivable to its regional holding (RHO) in exchange for additional shares in the RHO. Finally, the RHO made a contribution in kind of the Publi-T shares to VEH in exchange for VEH shares.
- A second reorganisation involved the creation of Transco Energy. The DSOs Fluvius Antwerpen, Gaselwest, Imewo, Iverlek, and Intergem co-founded this company. Insurer Ethias and Participatiemaatschappij Vlaanderen (PMV) also joined Transco Energy. The intention is for other external parties to join Transco Energy as well. Initially, Transco Energy was set up as a holding structure, with the economic contribution from the various partners in a second phase.

The sale of Publi-T shares to VEH led to new information regarding the fair value of the investment, with a 20% illiquidity discount being established on the previously recorded valuation due to limited marketability (see note '30 Financial instruments: Risks and fair value'). The fair value recognition of these participations in Publi-T and Publigas and the held shares in Elia as of 31 December 2024 amounted to 1,542,196 k EUR, with the fair value change recorded in unrealised results ('fair value through other comprehensive income') for 778,895 k EUR (expense), 15,546 k EUR through financial costs (Elia), and due to the sold Publi-T shares to VEH for 376,606 k EUR, a financial income of 51,443 k EUR was realised (see note '11 Financial results'), and a transfer of the unrealised results to retained earnings for 199,684 k EUR was made, resulting from the historical fair value adjustments of the sold Publi-T shares to VEH.

As of 31 December 2023, 2,661,800 k EUR through other comprehensive income amounted to 230,860 k EUR and 7,794 k EUR through financial income. In June 2023, all Ovs, with the exception of Iveka and Fluvius West who participate in Publi-T, subscribed to the proportionally reserved shares. As a result, 60,144 additional shares of Publi-T were acquired for a total of 116.32 million EUR.

On the other hand, other investments also include participations held by the group, including **business centres** in the territory of Gaselwest (business centres Kortrijk, Vlaamse Ardennen, and Waregem), Imewo (business centres Brugge and Gent), and PBE (business centres Leuven and Tienen). **Participations** are also held in companies by Fluvius West (service company Leiedal and the Intermunicipal Centre for Informatics (CEVI) VZW), by Fluvius Limburg and Fluvius Antwerpen (service company Cipal), and the Group holds a participation in EthiasCo, Duwolim cv, and Poolstok. In 2024, Fluvius West sold its participation in West-Vlaamse Intercommunale for 113 k EUR. The fair value recognition of these other investments amounts to 4,206 k EUR as of 31 December 2024 (2023: 5,278 k EUR) with the fair value change recorded for an amount of 78 k EUR through financial income and 1,037 k EUR through financial costs (2023: fair value change recorded for an amount of 99 k EUR through financial income and 40 k EUR through financial costs).

18 Long- and Short-term receivables, other

The 'long- and short-term receivables, other' amount to 202,374 k EUR as of 31 December 2024 and 235,851 k EUR as of 31 December 2023, a decrease of 33,477 k EUR. These include:

- Receivables related to the Wyre transaction (see note '16 Investments in joint ventures and associates'):
  - Receivable from Telenet, arising from the sale of 2.1% of Fluvius' share in Wyre bv. This is repaid in annual instalments of 20,000 k EUR over a period of 6 years, with the final payment due on 30 June 2029. In 2024, the first of 6 instalments was repaid. As of the end of 2024, this receivable consists of 18,396 k EUR (2023: 18,107 k EUR) short-term receivable and 73,418 k EUR (2023: 90,237 k EUR) long-term receivable;
  - Receivable resulting from contributed financing in Wyre bv of 32,000 k EUR, collectible on 18 July 2028 (see note '31 Related parties')
- Receivables from municipalities for loans related to the takeover of financing associations (2024: 44,421 k EUR; 2023: 52,115 k EUR) and for EDLB/ESCO[1] (Energy Services to Local Authorities and Energy Service Companies) (2024: 5,128 k EUR; 2023: 5,542 k EUR);
- Receivable from recharged financing to Atrias cv (2024: 25,600 k EUR; 2023: 36,625 k EUR) (see note '31 Related parties');
- Receivables related to the lease agreement for the 7th floor of the Zenith building in Brussels to Atrias. As of the end of 2024, this receivable consists of 252 k EUR short-term receivable and 1,721 k EUR long-term receivable (see note '15 Right-of-use assets and lease liabilities');
- Receivables related to guarantees (2024: 1,438 k EUR; 2023: 1,225 k EUR).

19 Inventories

(In thousands of EUR)	2024	2023
Raw materials and consumables	232,909	200,127
Accumulated impairment on inventories	-9,679	-9,652
Total	**223,230**	**190,475**

The increase in inventory can mainly be attributed to electricity and gas. The network transition, particularly cables and transformers, is the primary source of this increase. More inventory is being purchased to meet future demand. For gas, it mainly concerns replacement investments.

The net addition on impairment losses amounted to 27 k EUR in 2024 (2023: 2,025 k EUR net write-back). These amounts were recognised in the income statement under 'purchases of consumables' (see note ' Cost of trade goods').

[1] *Energy services will be abolished as of 1 January 2025, with a transitional measure allowing these activities to continue until 31 December 2027 at the latest, provided that these activities have already started by 31 December 2024 at the latest.*

20 Trade and other receivables

(In thousands of EUR)	2024	2023
Trade receivables - gross	627,982	594,521
Impairment	-162,102	-174,332
Total trade receivables - net	**465,880**	**420,189**
Other receivables	596,670	520,004
Other receivables - Transfers	345,007	352,016
Total other receivables	**941,677**	**872,020**
Total trade and other receivables	**1,407,557**	**1,292,209**

The information regarding outstanding balances with the associate was included in the note '31 Related parties'.

The detail of the trade receivables – net is as follows:

(In thousands of EUR)	2024	2023
Trade receivables from distribution grid activities		
Outstanding debt	284,266	269,958
Impairment	-3,880	-9,461
Trade receivables social customers		
Outstanding debt	148,509	149,684
Impairment	-104,756	-102,484
Other trade receivables		
Outstanding debt	129,657	129,345
Construction works for third parties	56,181	25,522
Impairment	-55,478	-62,387
Trade receivables public authorities, state and country	663	7,114
Other	10,718	12,898
Total trade receivable - net	**465,880**	**420,189**

Net trade receivables related to distribution grid fees increased by 19,889 k EUR to 280,386 k EUR, due to the increased allowed income (see note ' Operating in a regulated environment' - '35 Electricity and gas').

Net trade receivables from social suppliers remain virtually unchanged and amount to 43,753 k EUR in 2024 and 47,200 k EUR in 2023. An impairment of more than 50% of the total outstanding amount was recognised for social suppliers. Because the Group operates in a regulated environment, it is possible that the costs can be recovered through the tariffs.

Other trade receivables include amounts of doubtful receivables from the period before the liberalisation of the energy market, as well as receivables related to works performed and services rendered, and costs to be recharged related to third-party works. Additionally, amounts are included here related to receivables in the context of incorrectly requested payments for green energy certificates (see also note '8 Amortization, depreciation, impairments and changes in provisions').

The trade receivables from distribution grid activities are payable within 18 calendar days following the dispatch of the invoice as provided in the Access Code. Payment terms are 30 days for private and professional customers, 60 days for municipal authorities and 90 days for ministries.

The detail of the other receivables is as follows:

(In thousands of EUR)	2024	2023
VAT receivable	17,111	3,666
Receivables municipalities	11,674	7,653
Green energy and cogeneration certificates	553,159	444,691
Receivables options	4,858	4,743
Other current receivables	9,869	59,251
Other receivables	**596,671**	**520,004**
Transfer tariff	193,423	158,034
Complement to annual energy sales	73,291	93,116
Financial reconciliation	51,989	81,766
Deferred charges	17,516	17,785
Accrued income	8,787	1,315
Other receivables - Transfers	**345,006**	**352,016**
Total other receivables	**941,677**	**872,020**

Total other receivables amount to 941,677 k EUR at the end of 2024 and 872,020 k EUR at the end of 2023, an increase of 69,657 k EUR.

This increase was mainly due to the rise in receivables for unsold green energy and cogeneration certificates (GEC and CHP) by 108,468 k EUR, transfers of DSO tariff by 35,389 k EUR (see note '35 Electricity and gas'), recoverable VAT by 13,445 k EUR, offset by the decrease in other short-term receivables by 49,382 k EUR, complement to annual energy sales by 19,825 k EUR, and financial reconciliation by 29,777 k EUR.

The value of the held inventory of **green energy and cogeneration certificates** (GEC and CHP) amounts to 444,691 k EUR at the end of 2023 and 553,159 k EUR at the end of 2024.

The MEAs are required on the basis of the Energy Decree (article 7.1.6 and article 7.1.7) to buy renewable energy certificates, which are offered by the owners of solar panels, cogeneration plants and other producers of renewable energy. The minimum support for solar panels varies between 450 EUR and 90 EUR; for cogeneration support amounts to between 27 EUR and 31 EUR.

The electricity suppliers are obliged to deliver a specific quantity of green electricity and cogeneration certificates to the regulator; the exact quantity of certificates is determined in relation to a certain percentage of the energy delivered to their end customers. Hence, the MEAs can offer these certificates to the energy suppliers.
The sales price in this market, however, is significantly lower than the minimum paid out by the MEAs for the certificates.

From June 2019 onwards, the Flemish Government decided to value the GECs at 93 EUR and the CHPCs at 27 and 31 EUR (which is equal to the minimum support in function of the period to which they relate).
The resulting cost is included in the post '5 Cost of trade goods'.

Due to this adjustment in the Energy Decree those certificates should as from 2018 be sold at least once a year instead of several times a year.
In 2024, sales were organised through two auctions held in the first and third quarters. GECs were sold for an amount of 165,469 k EUR and CHPs for an amount of 12,814 k EUR. The average price for a GEC was 97.57 EUR and for a CHP 21.65 EUR.
The Group received an amount of 25,000 k EUR in December 2024 through the purchase and destruction of 806,451 CHPs at 31 EUR from the Flemish Energy and Climate Agency (VEKA); this amount was fully deducted from the receivable.
Additionally, the Group received an amount of 67,000 k EUR in December 2024 from the Flemish Energy and Climate Agency (VEKA); this amount was fully deducted from the costs (see note '5 Cost of trade goods').

In 2023, sales were organised through three auctions held in the first, second (extra auction at the request of the cabinet and Flemish Utilities Regulator for GEC), and third quarters. GECs were sold for an amount of 251,206 k EUR and CHPs for an amount of 1,105 k EUR.
The average price for a GEC was 98.63 EUR and for a CHP 24.36 EUR.
The Group received an amount of 148,000 k EUR in December 2023 from the Flemish Energy and Climate Agency (VEKA); this amount was fully deducted from the costs (see note '5 Cost of trade goods').

The **other current receivables** mainly include a receivable from 'Wonen in Vlaanderen' in the context of paid 'Mijn Verbouw Premies' amounting to 3,431 k EUR at the end of 2024 and 41,552 k EUR at the end of 2023. This receivable has significantly decreased due to an advance received.

Additionally, this item also includes a receivable in the context of the basic energy package, which is a government compensation for high gas and electricity prices on energy sales as a social supplier amounting to 13,323 k EUR at the end of 2023.

For regulatory **transfers**, a receivable of 193,423 k EUR was recognised at the end of 2024 and 158,034 k EUR at the end of 2023. These items relate to revenue corrections that will be eligible for recovery through the distribution grid tariff in the following years (see note ' Operating in a regulated environment' - '35 Electricity and gas').

The **complement** to the **annual energy sales** (2024: 73,291 k EUR; 2023: 93,116 k EUR) relates to the estimate of energy delivered but not yet invoiced to social customers.

The **financial reconciliation** concerns an amount that can be recovered up to the costs incurred for REG premiums (2024: 47,347 k EUR; 2023: 70,000 k EUR) (see note '6 Cost for services and other consumables') and a balance yet to be recovered for energy deliveries (2024: 4,642 k EUR; 2023: 11,687 k EUR).

The **costs to be carried forward** mainly relate to received invoices with costs for trade goods and services (2024: 14,654 k EUR; 2023: 13,652 k EUR).

The item **accrued income** includes interest receivable from long-term loans (2024: 1,056 k EUR; 2023: 1,311 k EUR) and amounts receivable from the sale of tangible fixed assets for 7,557 k EUR at the end of 2024.

21 Cash and cash equivalents

Cash and cash equivalents amount to 1,113 k EUR as of 31 December 2024 and 61,626 k EUR as of 31 December 2023, a decrease of 60,513 k EUR.

Cash and cash equivalents comprise bank deposits, cash resources, and fund investments that are readily exchangeable into cash. In 2023, due to the borrowing during the year, these 'surpluses' of cash were temporarily held as cash.

All resources are reported in EUR.

Liabilities

22 Equity

Equity amounts to 6,690,298 k EUR as of 31 December 2024 and 7,759,232 k EUR as of 31 December 2023, a decrease of 1,068,934 k EUR.

The various components of equity and the movements from 2023 to the end of 2024 are presented in the ' Consolidated statement of changes in equity (see page 53)'.

Contributions excluding capital, other

Contributions excluding capital, other amount to 205,804,138 k EUR as of 31 December 2024 and 2,786,536 k EUR as of 31 December 2023, a decrease of 64,909 k EUR.

The table below gives an overview of the contributions of each MEA at the end of 2024 and 2023

MEA	Number	(in thousands of EUR)	Number	(in thousands of EUR)
	31 December 2024	31 December 2024	31 December 2023	31 December 2023
Gaselwest	32,199,729	347,707	32,199,729	360,732
Imewo	28,849,688	347,515	28,849,688	361,136
Intergem	17,225,663	125,728	17,225,663	131,458
Iveka	11,364,266	127,295	11,364,266	134,184
Iverlek	41,694,433	281,706	41,694,433	292,779
Sibelgas	3,264,367	70,924	3,264,367	70,924
Fluvius OV	984	24	984	24
Fluvius West	9,997,137	246,659	9,995,780	249,895
Fluvius Limburg	24,298,838	600,883	24,298,819	600,882
Fluvius Antwerpen	30,918,769	424,745	30,918,769	432,951
PBE	2,593	8	2,593	8
Riobra	5,987,671	148,434	6,113,881	151,563
Total	**205,804,138**	**2,721,628**	**205,928,972**	**2,786,536**

The contributions are represented by shares with or without nominal value, depending the MEA.

The shares are in the names of the participating municipalities. The participants are not jointly and severally liable. They are only liable for the obligations of the MEA up to the amount of their subscriptions.

The shares are divided by activity: electricity, gas, sewerage, cable networks, (replaced since 1 July 2023 by public electronic communication networks), heat, strategic participations and public lighting. Each participant must subscribe and to pay up at least one share per activity they are joining.

The distribution system operators that only carry out regulated activities for electricity and natural gas distribution are Gaselwest, Fluvius Antwerpen, Imewo, Fluvius West, Fluvius Limburg, Intergem, Iveka, Iverlek, PBE (only electricity) and Sibelgas. These MEAs also carry out district heating.
The MEAs that carry out sewerage activities are Fluvius West, Fluvius Limburg, Fluvius Antwerpen and Riobra.
The MEAs that carry out the cable television activities are Fluvius West, Fluvius Limburg, Fluvius Antwerpen and PBE.

The MEAs issued shares and profit participation certificates (not for the public lighting activity). With the exception of those for sewerage and public lighting, shares and profit participation certificates are subject to a right to dividends. The shares are divided into preference shares (471.315 shares at Fluvius Antwerp), nonpreference shares (198.551.732 shares) and non-voting shares (6.781.091 shares).

Structural changes

By Energy Decree of 16 November 2018 (as published in the Belgian Official Journal of 14 December 2018), the Flemish Government decided to divide the territory of Flanders into local geographically contiguous operating areas for electricity and gas with the aim of increasing operational efficiency.

The structural changes concern the decretal obligation that in each city and municipality there is only one Distribution System Operator for electricity and natural gas by 1 January 2023. Also, each Distribution System Operator has the decretal obligation to form a contiguous geographically defined area with at least 200.000 connected customers by 1 January 2025.

To meet these obligations, municipalities have carried out partial unbundling and between DSOs mergers and partial demergers are prepared to take place as of 1 January 2025.

These changes do not affect the Group's accounts. See also note' Structural changes as from 1 January 2025 (see page 36)' for further clarification.

The evolution of the Contributions excluding capital, other during 2024 and 2023 is as follows:

(In thousands of EUR)	Contributions excluding capital, other	Contributions excluding capital, issue premiums	Total
1 January 2023	**2,762,203**	**127,411**	**2,889,614**
Sewerage	-3	0	-3
Repayment of contributions excluding capital	**-3**	**0**	**-3**
Incorporation of unavailable reserves	307	0	307
Public electronic communication networks	8	0	8
Sewerage	19,069	4,819	23,888
Public lighting	4,952	0	4,952
Proceeds from contributions excluding capital	**24,336**	**4,819**	**29,155**
31 December 2023	**2,786,536**	**132,230**	**2,918,766**
Public lighting	-61,814	0	-61,814
Sewerage	-3,129	0	-3,129
Repayment of contributions excluding capital	**-64,943**	**0**	**-64,943**
Incorporation of unavailable reserves	33	0	33
District heating	1	0	1
Proceeds from contributions excluding capital	**34**	**0**	**34**
31 December 2024	**2,721,627**	**132,230**	**2,853,857**

The incorporation of unavailable reserves is, in accordance with the articles of association of Fluvius West, an annual allocation of shares for municipal interventions to bring into the underground low-voltage networks and cable television networks in order to reduce the number of air lines. This allocation is made on the basis of the underlying value of a share on 31 December of the previous year.

At Riobra, an annual addition to the sewerage fund is made through a current account (See note ' Operating in a regulated environment' '36 Sewerage'). The utilisation of these funds is through this current account and may need to be cleared through conversion of shares if the account were to be negative due to debt drawn.

Transactions in 2023:
'Contributions excluding capital, other' with regard to the public lighting have increased by 4,952 k EUR following the contributions in kind of the public lighting by the city of Aalst and the municipality of Brasschaat.
A net increase 'contributions excluding capital, other' relating to sewerage activity of 19,069 k EUR, following, on the one hand, the provisional contributions in kind of 19,066 k EUR for the municipalities of Hamont-Achel and Tessenderlo and the final valuation of the sewerage infrastructure previously contributed by Sint-Pieters-Leeuw and, and on the other hand, the exit by the municipality of Nijlen (3 k EUR).

Transactions in 2024:
In 2024 'Contributions excluding capital, other' for public lighting were reduced. The aim was to offset part of the carried forward loss caused by depreciation on the contribution of public lighting installations compensated in shares.

Contributions excluding-capital, issue premiums

The 'contributions excluding capital, issue premiums' amounts to 132.230 k EUR on 31 December 2024 and 31 December 2023.

Reserves

(In thousands of EUR)	Unavailable reserves	Available reserves	Total
Total at 1 January 2023	**591,758**	**1,177,036**	**1,768,794**
Movements to the reserves	-307	0	-307
Proceeds from contribution excluding capital	**-307**	**0**	**-307**
Movements regarding the profit distribution	-16,000	311,645	295,645
Movement of revaluation surplus value	33,340	0	33,340
Partial demerger S-Lim cv	0	-3,218	-3,218
Movements to the reserves	-288	801	513
Addition/decrease reserves	**17,052**	**309,228**	**326,280**
Total at 31 December 2023 as reported)	**608,503**	**1,486,264**	**2,094,767**
Adjustment[1]	**0**	**0**	**-25,493**
Total at 31 December 2023 (restated)	**608,503**	**1,460,771**	**2,069,274**
Movements to the reserves	-34	0	-34
Proceeds from contribution excluding capital	**-34**	**0**	**-34**
Movements regarding the profit distribution	-5,219	-117,849	-123,068
Movement of revaluation surplus value	33,239	0	33,239
Movements to the reserves	-374	66	-308
Addition/decrease reserves	**27,646**	**-117,783**	**-90,137**
Total at 31 December 2024	**636,115**	**1,342,988**	**1,979,103**

1 The final accounting treatment of the business combination in Wyre Holding bv has now been completed within the applicable period of 12 months. The impact on the reported financial statements as at 31 December 2023 amounts to -25,493 k EUR.

Since 2008, amounts have been included as unavailable reserve equal to the depreciation of the (RAB-added value) revaluation surplus value in accordance with the settlement with the CREG.

From 2010 onwards, the costs of the surplus value of land, buildings and installations sold during the accounting year were taken into account. Furthermore, it was decided to transfer during 2014 the total of the unavailable reserves of 380,801 k EUR to the available reserves in order to balance the account at 1 January 2016. Since then, additions have again been recorded as an unavailable reserve. In 2017, a withdrawal from the reserves was also included in order to comply with the tax regulations that were obtained through a ruling.

Other comprehensive income

(In thousands of EUR)	Notes	2024	2023
Related to employee benefit liabilities	24	102,490	11,553
Related to rights to reimbursement on post-employment employee benefits	24	-116,776	-62,368
Related to fair value other investments	17	1,126,199	2,104,778
Related to deferred tax liabilities	12	-314,078	-315,024
Total other comprehensive income		**797,835**	**1,738,939**

The movement of unrealised results (2024: -941,104 k EUR; 2023: -232,465 k EUR) originates from the movements in the accounting period (see ' Consolidated statement of comprehensive income (see page 50)').

Non-controlling interest

Minority interests amount to 104 k EUR as of 31 December 2024 and 100 k EUR as of 31 December 2023. These were recognised for the participation held by Farys/TMVW in De Stroomlijn cv, the participation held by De Watergroep in De Stroomlijn cv since 2019 (7 k EUR), and from 2024 also for the participation held by insurer Ethias and Participatiemaatschappij Vlaanderen (PMV) in Transco Energy (4 k EUR) (see notes ' Participations in Publi-T and Publigas (see page 42)' and '17 Other investments').

Dividend

In accordance with the articles of association, the profit (according to Belgian accounting principles) is distributed to each participant in proportion to the equity value of the shares A and profit certificates C.

Dividend policy 2021-2024 and pay-out scheme

As of the 2022 financial year, a uniform distribution between interim dividend and balance dividend will be introduced. Both dividends from the regulated and non-regulated activities over a given financial year are paid 90% as interim dividends in December of that year and 10% as balances in June of the following year. However, public lighting lump sum are deducted in full from their interim dividend.

For the disbursement, the amount was paid out from the profit for the financial year and retained earnings or, in the event of insufficient funds, as a cash advance.

During the financial year 2024, 436,993 k EUR was allocated as dividends. Dividends of 185,866 k EUR were paid out, of which 156,526 k EUR was the dividend for 2024 and 29,340 k EUR was from a dividend that was approved but not paid out in 2023. Due to the restructuring of the Publi-T participation and the associated transaction, 251,127 k EUR was allocated as a dividend to settle the receivable arising from this transaction (see note '17 Other investments').

During the financial year 2023, 191,644 k EUR was paid out as dividends, of which 170,154 k EUR was the dividend for 2023 and 21,490 k EUR was from a dividend that was approved but not paid out in 2022.

Approved and paid out dividends per MEA in 2024 and 2023

(In thousands of EUR)	2024	2023
Gaselwest	*28,448*	*31,483*
Imewo	*25,663*	*28,879*
Intergem	*14,190*	*14,429*
Iveka	*8,774*	*9,880*
Iverlek	*21,943*	*22,689*
Sibelgas	*1,339*	*1,356*
Fluvius West	*61,944*	*10,701*
Fluvius Limburg	*205,363*	*37,890*
PBE	*42,812*	*8,270*
Fluvius Antwerpen	*26,517*	*26,067*
Total	**436,993**	**191,644**

After the balance sheet date, the Board of Directors of each of the MEAs has formulated a dividend proposal. At their MEA's General Assembly, the shareholders have approved the payment of these dividend balances. According to IFRS, these dividends are only reported in the year in which the dividends have been approved. The dividend balance for 2024 amounted to 34.428 k EUR and will be included in the 2025 accounts, the dividend balance for 2023 amounted to 29.340 k EUR and was included in the 2024 accounts. The amounts mentioned are the net dividends before withholding tax.

The Group's **profit** comprises the capital cost remuneration (fair remuneration) for the DSOs and the other remunerations for the MEAs, as described among others in the note ' Operating in a regulated environment (see page 126)'.

23 Interest bearing loans and borrowings

(In thousands of EUR)	2024	2023
Long-term loans	**9,005,960**	**8,063,135**
Current portion of long-term loans	456,025	203,083
Short-term loans	67,528	535,500
Short-term loans	**523,553**	**738,583**
Total	**9,529,513**	**8,801,718**

Long and short-term loans amount to 9,529,513 k EUR as of 31 December 2024 and 8,801,718 k EUR as of 31 December 2023, an increase of 727,795 k EUR.

This increase is explained in the overview 'movements of long and short-term loans'.

During 2024, an institutional bond loan of 700,000 k EUR via the EMTN programme of Fluvius and a bank loan via the European Investment Bank (EIB) of 198,000 k EUR were provided to the MEAs, and six bank loans with various maturities and a total value of 500,000 k EUR were taken out by the MEAs to repay short-term financing of 525,000 k EUR and long-term bank loans of 203,083 k EUR that matured in 2024. Additionally, the new financing was used to realise replacement investments and new expansion investments. 73.6% of this new financing was allocated to the electricity activity, 13.3% to the gas activity, 4.8% to public lighting, 6.7% to sewerage, and 1.6% to the heat activity. The green EIB term loan was specifically used to finance the rollout of the digital meter chain.

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

(In thousands of EUR)	2024		2023	
	Cash	Non-cash	Cash	Non-cash
Total as at 1 January	**8,801,718**		**7,613,013**	
Movements on non-current loans (LT)				
Proceeds of non-current loans	1,394,131	0	1,927,225	0
Change in non-current loans	0	4,702	0	3,537
Transfer of short-term portion of LT loan to ST	0	-456,008	0	-203,124
Movements on current loans (ST)				
Proceeds of current loans	67,528	0	535,500	0
Transfer of short-term portion from LT loan to ST	0	456,008	0	203,124
Change in current loans	0	17	0	-770
Repayment of short-term portion of long-term loan	-203,083	0	-957,275	0
Repayment current loans	-535,500	0	-319,512	0
Total movements	**723,076**	**4,719**	**1,185,938**	**2,767**
Total at end of reporting period	**9,529,513**		**8,801,718**	

The items in 'Change in non-current and current loans' include the recognition/derecognition of the premium/discount of various loans.

Long-term loans

This item **contains** the debts relating to the issue of private placements, bond loans since 2012 and the borrowing of bank loans.

All outstanding loans are expressed in EUR.

The bank loans were mainly concluded at fixed interest rates, but there are also some bank loans at variable interest rates and some loans with a derivative structure.

For bank loans with a derivative instrument, the Group subscribed to interest rate swaps in order to swap the variable interest rate to a fixed interest rate or some forward **interest swaps** were concluded (see note '25 Derivative financial instruments').

For all bond loans, the **principle** applies that each of the MEAs is **guarantor** on a several but non-joint basis, limited to its proportional share in the contribution of its former working company (ex-Eandis or ex-Infrax). The portion in the contribution was set fixed at the moment of issuance and remains fixed over the remaining term of the bond loans. As a result of the merger (ex-Eandis and ex-Infrax to Fluvius System Operator) dated 1 July 2018 the acquired EMTN bond loans registered on the name of Infrax cv only have the MEAs of ex-Infrax as guarantor. Similarly, for the bonds issued by Eandis System Operator cv, only the MEAs that belonged to the former Economic Group Eandis act as guarantors.

For the issues under the 2020 EMTN-programme, the principle is that all MEAs belonging to the 'Fluvius Economic Group' will each act as guarantor on a non-committed and non-solidary basis but limited to the proportional share in the 'contribution excluding capital' of the operating company.

The loan drawn from the EIB is guaranteed by the ten individual MEAs, shareholders of Fluvius System Operator with electricity activities each in proportion to the share held by the relevant MEA in the total contribution, but adjusted for the exclusion of Riobra which has no electricity activities. The EIB loans were not on-lent to Riobra.

Overview of the long-term loans borrowed during 2024 and 2023

(In thousands of EUR)	2024	2023	Initial amount	Interest rate %	Maturity
Bankloans - Fixed interest rate - January 2024	197,781		198,000	3.12	2037
Bond issue - EMTN - May 2024[1]	696,610		700,000	3.88	2034
Bankloans - Fixed interest rate - December 2024	50,000		50,000	2.29	2029
Bankloans - Floating interest rate - December 2024	100,000		100,000	2.39	2034
Bankloans - Floating interest rate - December 2024	100,000		100,000	2.49	2044
Bankloans - Floating interest rate - December 2024	50,000		50,000	2.54	2034
Bankloans - Floating interest rate - December 2024	50,000		50,000	2.42	2039
Bankloans - Floating interest rate - December 2024	150,000		150,000	2.56	2044
Total 31 December 2024	**1,394,391**		**1,398,000**		
Bond issue - EMTN - May 2023[2]	695,476	694,933	700,000	3.88	2033
Bond issue - Retail (Green) - June 2023[2]	239,905	239,866	240,000	3.88	2027
Bond issue - EMTN - September 2023[2]	494,035	493,073	500,000	3.97	2031
Bankloans - Fixed interest rate - October 2023	229,064	250,000	250,000	3.12	2033
Bankloans - Fixed interest rate - October 2023	237,514	250,000	250,000	3.88	2038
Total 31 December 2023	**1,895,995**	**1,927,872**	**1,940,000**		

1 EMTN = Euro Medium Term Note-program - During 2024 there was a raise of a nominal amount of 700.000 k EUR long term financing
2 EMTN = Euro Medium Term Note-program - During 2023 there was a raise of a nominal amount of 1.472.000 k EUR long term financing

At the end of 2024, the composition of the long-term loans is as follows:

(In thousands of EUR)	2024	Initial amount	Current interest rate %	Maturity
Bond issue - retail	439,889	440,000	2.00 - 4.00	2025 - 2027
Bond issue - EMTN[1]	5,783,390	5,810,500	0.25 - 4.78	2026 - 2042
Bond issue - private[2]	436,948	440,000	2.60 - 3.55	2027 - 2044
Bank loans - fixed interest rate	2,211,815	2,991,914	0.14 - 3.97	2025 - 2038
Bank loans - floating interest rate	451,852	487,362	-0.39 - 4.61	2025 - 2044
Bank loans - with derivative instrument	138,091	844,322	2.84 - 4.18	2026 - 2036
Total	**9,461,985**	**11,014,098**		
Current portion of long-term debt	-456,025			
Total long-term loans	**9,005,960**	**11,014,098**		

1 EMTN: Euro Medium Term Note - is a program that provides the Group flexibility to issue bonds with varying durations
2 Private: concerns issues of bonds according to German law: Schuldschein and Namensschuldverschreibung, and also private placements to institutional investors (stand alone format)

At the end of 2023, the composition of the long-term loans is as follows:

(In thousands of EUR)	2024	Initial amount	Current interest rate %	Maturity
Bond issue - retail	439,817	440,000	2.00 - 4.00	2025 - 2027
Bond issue - EMTN[1]	5,082,730	5,110,500	0.25 - 4.78	2026 - 2042
Bond issue - private[2]	436,710	440,000	2.60 - 3.55	2027 - 2044
Bank loans - fixed interest rate	2,112,472	2,243,914	0.14 - 4.57	2024 - 2038
Bank loans - floating interest rate	4,822	37,403	-0.39 - 4.61	2024 - 2033
Bank loans - with derivative instrument	189,667	844,322	2.84 - 4.41	2024 - 2036
Total	**8,266,218**	**9,116,139**		
Current portion of long-term debt	-203,083			
Total long-term loans	**8,063,135**	**9,116,139**		

1 EMTN: Euro Medium Term Note - is a program that provides the Group flexibility to issue bonds with varying durations
2 Private: concerns issues of bonds according to German law: Schuldschein and Namensschuldverschreibung, and also private placements to institutional investors (stand alone format)

The return at issuance reflects the gross actuarial return.

The bonds are listed on the regulated market of the Luxembourg Stock Exchange and the issues have been listed on the Euronext Brussel, Euronext Growth Brussels and the Freiverkehr of Frankfurt markets since November 2012. All outstanding loans are expressed in EUR and have a fixed interest rate.

The capital of the debenture is repayable at maturity.

During 2024, a nominal amount of 1,398,000 k EUR in long-term financing was raised: the bond loan and the bank loan via the EIB were issued and taken up via the operating company, and the six bank loans were taken up via the Mission Entrusted Associations (MEAs):

✓ An institutional bond loan was issued worth 700,000 k EUR with an issue price of 99.634%, with a term of 10 years, at a fixed coupon rate of 3.875%, and fully repayable at maturity on May 2, 2034.

✓ A third tranche of a loan from the EIB, which is part of the financing contract for the rollout of the digital meter chain, was taken up worth 198,000 k EUR, with a term of 13 years, at a fixed interest rate of 3.103%, with annual capital repayments and interest accounts.

✓ The MEAs took out a loan with a total value of 50,000 k EUR, with a term of 5 years, at a fixed interest rate of 2.294%, with annual capital repayments and interest accounts.

✓ The MEAs took out a loan with a total value of 100,000 k EUR, with a term of 10 years, at a 5-yearly revisable interest rate of 2.394%, with annual capital repayments and interest accounts.

✓ The MEAs took out a loan with a total value of 100,000 k EUR, with a term of 20 years, at a 5-yearly revisable interest rate of 2.494%, with annual capital repayments and interest accounts.

✓ The MEAs took out a loan with a total value of 50,000 k EUR, with a term of 10 years, at a 5-yearly revisable interest rate of 2.538%, with annual capital repayments and interest accounts.

✓ The MEAs took out a loan with a total value of 50,000 k EUR, with a term of 15 years, at a 5-yearly revisable interest rate of 2.423%, with annual capital repayments and interest accounts.

✓ Finally, the MEAs took out a loan with a total value of 150,000 k EUR, with a term of 20 years, at a 5-yearly revisable interest rate of 2.562%, with annual capital repayments and interest accounts.

During 2023, a nominal amount of 1,940,000 k EUR in long-term financing was raised: all bonds were issued through the operating company and two bank loans were raised through the commissioning associations:

✓ An institutional bond was issued in the amount of EUR 700,000 k EUR with an issue price of 99.350%, with a maturity of 10 years, at a fixed coupon rate of 3.875% and fully repayable on 9 May 2033.

✓ A retail bond was issued in the value of 240,000 k EUR with an issue price of 101.625%, with a maturity of 4 years, at a fixed coupon rate of 4.00% and fully repayable on 28 June 2027.

✓ An institutional bond was issued with a value of EUR 500,000 k EUR with an issue price of 98.705%, with a maturity of 7.5 years, at a fixed coupon rate of 3.875% and fully repayable on 18 March 2031.

✓ The MEAs, except Riobra, took out a loan with a total value of 250,000 k EUR, with a term of 10 years, at a fixed interest rate of 3.883% with annual capital repayments and interest payments.

✓ Finally, with the exception of Riobra, the MEAs have taken out a loan, with a total value of 250,000 k EUR, with a term of 15 years, at a fixed interest rate of 3.971% with annual capital repayments and interest payments.

Short-term loans

The loans on short-term **contain** the portion of the long-term loans that are repayable within one year (456,025 k EUR at the end of 2024; 203,083 k EUR at the end of 2023) and the loans taken out with financial institutions and third parties as listed below:

(In thousands of EUR)	Maturity	Available amounts	Amounts used	Amounts not used	Average interest rate[1]
Commercial paper	NA	500,000	0	500,000	NA
Fixed advances	NA	300,000	0	300,000	NA
Fixed loans/Bank overdraft	Daily	200,000	57,992	142,008	3.39%
Fixed loans	NA	25,000	0	25,000	NA
Loans from third parties	NA	9,500	9,500	0	3.61%
Total at 31 December 2024		**1,034,500**	**67,492**	**967,008**	
Commercial paper	[2]	500,000	425,000	75,000	4.16%
Fixed advances	[3]	300,000	100,000	200,000	NA
Fixed loans/Bank overdraft	Daily	200,000	0	200,000	Nvt
Fixed loans	NA	25,000	0	25,000	NA
Loans from third parties	NA	10,500	10,500	0	3.00%
Total at 31 December 2023		**1,035,500**	**535,500**	**500,000**	

1 The weighted average interest rate of the withdrawn amounts at the end of the period
2 Outstanding the 31st of December 2023: maturities between 4th of January and 12th of February 2024
3 Maturity on the 4th of January 2024

Fluvius System Operator can take out all short-term loans, except for the loan from third parties, in the name of the Mission Entrusted Associations (MEAs). For the bank debts (a straight loan of 36,000 k EUR and an overdraft on the current accounts of 21,992 k EUR as of 31 December 2024), there is no guarantee.

For the other short-term loans, the MEAs guarantee their share in the capital of Fluvius System Operator and act jointly as co-debtors.

IBOR reform

A fundamental reform of the major interest rate benchmarks is to be implemented, with some interbank offered rates (IBORs) being replaced by alternative near-risk-free rates.

The Group has financial instruments that will be reformed as a result of this global initiative. The main IBOR used by the Group at the reporting date is the EURIBOR (Euro Interbank Offered Rate).

In addition, the Eonia is also used. The alternative reference rate for the Eonia is known and will be the €STER. For the Euribor, its administrator, the European Money Markets Institute (EMMI), initiated a transition to a new methodology for calculating Euribor in 2019. Since the end of 2019, Euribor is calculated using a new hybrid methodology based on a combination of transactions in the market and quotes from banks. The manager believes that the new calculation of Euribor does not change the underlying interest rate. Since 2 July 2019, EMMI has been licenced by the Belgian regulator. Obtaining this licence confirms that EMMI meets the requirements of the European Benchmark Regulation and is also included in the European register of ESMA (European Securities and Markets Authority), allowing the benchmark to be used beyond 1 January 2020. EURIBOR is therefore intended to be retained for the time being. The ‘Working Group on Euro Risk-Free Rates’ is currently examining suitable fallback options based on €STR in case EURIBOR ceases to exist or is no longer representative. The banks also monitor developments in the market and will inform their clients in a timely manner if necessary. The Authority for the Financial Markets supervises the implementation of the EU Benchmark Regulation by the banks.

Evaluation of the conversion

There is no longer a contract related to Eonia. One contract is related to the reference interest rates €STR, and several other contracts are related to Euribor. As there is currently no concrete decision to stop using the Euribor, the risk of contracts being converted or terminated is considered very low in the period until 2024. After 2024, this currently concerns the short-term loans (the Commercial Paper programme, the straight loan contract) and the bank loans with derivative structure.

Long and short-term loans on 31 December 2024 and 31 December 2023 that are Euribor-related and are not yet at maturity

(In thousands of EUR)	30 June 2024	31 December 2023	Issuance	Interest rate %	Maturity
Bank loans - with derivative structure	37,664	55,322	250,000	4.18	2026
Bank loans - with derivative structure	41,656	55,541	250,000	3.55	2027
Bank loans - with derivative structure	35,145	38,074	74,000	2.84	2036
Bank loans - with derivative structure	23,625	27,125	70,000	3.31	2031
Total	**138,090**	**176,063**	**644,000**		

The long-term portion of these loans on 31 December 2024 amounts to 99,335 k EUR (31 December 2023: 138,090 k EUR).

24 Employee benefit liabilities

Defined contribution plans

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

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

As of 2018, the employer contributions with respect to O.F.P. Enerbel are calculated according to the PUC method with projection of future contributions. The employee contributions are still be valued according to the PUC method without projection of future contributions because those are independent to seniority.

The legally guaranteed interest is variable and each year aligned to 85% of the average return over the last 24 months of linear bonds of the Belgian State (OLOs) with a duration of 10 years (at least 1.75% and maximum 3.75%).

The applied interest rate starting from 2016 is 1.75% and is applied, according to the vertical method, for all contributions paid to the pension funds and in the insurance company (products of TAK 21 with interest guarantee).

The pension funds are not subject to the Solvency II regulation of insurance companies and can obtain better expected returns by diversification of their investments. Hence, the reserves and a compensation of the group insurance were transferred during 2016 to a pension fund (OFP Powerbel/OFP Enerbel) as a cash-balance plan with a minimum guaranteed return of 3.25%.

As from 2018, executives were offered the opportunity to move from pension fund Powerbel to the cash balanced plan Powerbel New. For the accumulated rights a "Cash Balance" system applies, meaning that the regulated formula determines the employer contributions and the return is fixed at 3.25%. No employee contributions are foreseen. Allowances in case of decease and incapacity are defined benefit meaning that those different allowances are determined by a formula. The contributions to be paid will be adjusted to this target.

On April 1, 2019, the entire contractual staff of the ex-Infrax MEAs and of ex-Integan were taken over by Fluvius System Operator. The employees of ex-Infrax and ex-Integan retain their fixed contribution scheme at Ethias. The pension obligations of ex-Infrax executives, who have switched to the Fluvius SO status, and ex-Integan executives have been included in the existing structure Cash Balance plan Powerbel New. The executives who have not switched to the Fluvius SO status, retain their fixed contribution scheme at Ethias. Ex-Infrax executives will each year be given the option to switch to Fluvius SO status. In that case they will be affiliated to the Cash Balance Powerbel New plan. Employees who will be promoted to executives in the future, will also be affiliated to the Cash Balance Powerbel New Plan.

The fixed contribution plan at Ethias is managed horizontally, as a result of which a return guarantee of 1.75% is applied to the premiums from 2016 and for premiums before 2016 a return guarantee of 3.25%. The plan is evaluated according to the PUC method but without projection of future premiums.

Defined benefit plans

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

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

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

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

For permanent (statutory) employees, there are defined benefit plans, which differ for each individual MEA, as a result of the merger carried out in 2018. The MEAs have joined the ‘Common Pension Fund’ (Gesolidariseerd Pensioenfonds) that since 2017 is managed by the Federal Pension Service. As a result, an important part of current and future legal pension obligations was acquired by this Common Pension Fund. In return, there is the obligation to pay pension contributions to this Fund on the basis of the payroll of the statutory employees, the so-called basic contributions and any additional pension contributions for individual empowerment, if the amount of the pension payments charged to the Common Pension Fund exceeds the amount of the basic contributions.

The MEAs have each subscribed an insurance contract for the financing and payment of contributions due to the ‘National Social Security Office’ (NSSO - Rijksdienst voor Sociale Zekerheid). The insurance companies ensure the payment of pension contributions (basic contributions and empowerment contributions) and manage the payments of pensions into the Common Pension Fund. As a result of the subscription, the basic pension will be spread across numerous public administrations. The current pensions are largely taken over by the NSSO and the new pensions are in any case at the expense of the NSSO’s. The employer's contributions payable are in line with the basic contributions determined by the NSSO, supplemented by a empowerment contribution. The existing reserves in the own pension funds remain the property of the MEAs and will be used to co-finance the expected increase of the basic contribution and the empowerment contribution.

This insurance aims to secure the basic pension contributions and the additional pension contributions for individual empowerment. By building up reserves, the MEAs aim to be able to pay the empowerment contribution and these reserves that, as from the moment no statutory employees are employed anymore, are equal to the current and future pension obligations of the MEAs that are due to the Common Pension Fund.

The valuation of these plans was recorded based on the discounted value of all future empowerment contributions taking into account the current pensions, future pensions based on the accumulated reserves on the acquisition date and projected salaries up to the retirement date.

The other pension obligations, not included in the Common Pension Fund, were accommodated in a group insurance, called first pillar. This ensures the oldest statutory pensions, which were not included in the Common Pension Fund at the time of the establishment, and the additional pension being the difference between the amount of the new pensions as from the start and thus chargeable to this Fund (legal calculation) and the amount of the pension calculated in accordance with the then applicable statute of the permanent employee.

As from 2015 or 2016, depending on the MEA, the pension obligations of the active employees have been transferred to a supplementary pension obligation (also called second pillar). The commitment includes a defined benefit expressed as an interest, but is also different per MEA as they have different pension schemes.

On 1 March 2019, the permanent staff of ex-Integan was taken over by one of the ex-Infrax MEAs, as a result of which the pension schemes of this MEA became applicable to these staff members as well. In 2020, improved pension arrangements were developed for this group of personnel.

On 1 April 2019, the entire statutory staff was transferred from the ex-Infrax MEAs to Fluvius OV.

The Group also grants **post-retirement allowances** being reimbursement of healthcare costs and tariff benefits.

The other **long-term employee benefits** contain provisions for retirement and jubilee bonuses and holidays carried over or overtime.

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

Right of reimbursement

The Energy Decree of 2015 stipulates and the current tariff methodology confirms that the stranded costs which consist of the charges for the unfunded public sector pension or supplementary pension, are eligible for inclusion in the tariffs. Since it is virtually certain that these costs will be borne by third parties, a reimbursement right for the employee benefits was recognised and recorded as an asset.

The reimbursement rights are therefore recorded at the same value as the corresponding value for the liability for employee benefits (i.e. fair value). The adjustments in the period to date are - as a result of the changes in the assumptions or experience adjustments - all recognised as other comprehensive income as well as adjustments for the reimbursement rights.

The restitution rights amount to a total of 89,644 k EUR at the end of December 2024 (2023: 141,291 k EUR).

Actuarial risks

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

Investment risk

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

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

Interest rate risk

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

Longevity risk

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

Prospective mortality tables were used to reflect improvements in life expectancy in the future, as defined in the IAS 19 standard.

Salary risk

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

The major actuarial assumptions used at balance sheet date to determine the provision for employee benefits and other allowances are summarized below.

Depending on the status of the staff members, the pension plans and the related discount rates differ, as do the expected salary increases and staff turnover.

	2024	2023
Discount rate - pensions DB, cash balance, other contributions	3.16%	3.06%
Discount rate - pensions DC, health benefits, tariff advantages, leave	3.40%	3.25%
Discount rate - others	3.16%	3.06%
Expected average salary increase (inflation excluded) - old[1]	0.45%, 0.63%, 0.33%	0.45%, 0.67%, 1.04%
Expected average salary increase (inflation excluded) - new[2]	1.93%, 2.37%	2.02%, 2.42%
Expected average salary increase (inflation excluded) - additional	0.00%	0.00%
Expected average salary increase (inflation excluded) - additional statutory staff	0.33%	1.04%
Expected inflation	2.10%	2.10%
Expected increase of health benefits (inflation included)	3.10%	3.10%
Expected increase of tariff advantages	2.10%	2.10%
Average assumed retirement age	63	63

	2024	2023
Mortality table used	IA|BE Prospective Tables	IA|BE Prospective Tables
Turnover - old[1]	0.64%, 0.42%	0.41%, 0.40%
Turnover - new[2]	1.10%, 4.06%	1.73%, 3.91%
Turnover - statutory staff	0.00%	0.00%
Life expectancy in years of a pensioner retiring at age 65:		
For a Person aged 65 at closing date:		
- Male	20	20
- Female	24	24
For a Person aged 65 in 20 years:		
- Male	22	20
- Female	26	26

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

Accounting treatment

The notes below include the provision for employee obligations under IAS19 for 2024 and 2023.

The movement in the 'Employee Benefits Provisions' in 2024 is mainly due to the increased discount rate and the higher return on the funds.

Furthermore, an amount of 89,644 k EUR at the end of 2024 (2023: 141,291 k EUR) was recognized as a ‘Reimbursement right’, as it can be recovered through future tariffs.

Amounts recognized in comprehensive income

(In thousands of EUR)	2024	2023
Current Service cost (employer only) - tax on service cost included	-53,817	-50,969
Interest expense	-58,659	-63,847
Interest income - interest income from asset ceiling excluded	44,359	48,020
Past service cost	0	-1,844
Actuarial gains and (losses) recognised immediately in profit or loss	-2,867	-16,685
Total costs included in profit or loss	**-70,984**	**-85,325**
Actuarial (gains) losses on liabilities:		
changes in financial assumptions	-28,977	107,675
changes in demographic assumptions	-118	7,199
effect of experience adjustments	12,983	65,731
Actuarial (gains) losses on assets	-78,222	-19,681
Effect of variation of the asset ceiling	3,397	-7,386
Total costs included in other comprehensive income	**-90,937**	**153,538**

Amounts recognized in the balance sheet

(In thousands of EUR)	Present value of funded defined benefit obligation	Fair value of plan assets	Total
Pensions - funded status	1,460,288	-1,504,101	**-43,813**
Pensions - unfunded status	69,288	0	**69,288**
Healthcare costs, tariff benefits - unfunded status	152,226	0	**152,226**
Other long-term employee benefits - funded status	21,130	-25,645	**-4,515**
Other long-term employee benefits - unfunded status	135,510	0	**135,510**
Impact on minimum funding requirement/effect of asset ceiling	0	33,105	**33,105**
Total defined benefit obligation and long-term employee benefits at 31 December 2024	**1,838,442**	**-1,496,641**	**341,801**
Pensions - funded status	1,449,959	-1,396,093	**53,866**
Pensions - unfunded status	72,432	0	**72,432**
Healthcare costs, tariff benefits - unfunded status	150,989	0	**150,989**
Other long-term employee benefits - funded status	21,566	-23,822	**-2,256**
Other long-term employee benefits - unfunded status	130,771	0	**130,771**
Impact on minimum funding requirement/effect of asset ceiling	0	28,826	**28,826**
Total defined benefit obligation and long-term employee benefits at 31 December 2023	**1,825,717**	**-1,391,089**	**434,628**

Changes in the present value of the obligation

(In thousands of EUR)	2024	2023
Total at 1 January	**-1,825,717**	**-1,617,687**
Actuarial gains (losses) - financial assumptions	31,490	-112,594
Actuarial gains (losses) - demographic assumptions	150	-5,444
Actuarial gains (losses) - experience adjustments	-18,397	-79,251
Current service cost & taxes included	-53,817	-50,969
Participant contributions	-2,763	-2,160
Interest cost	-58,659	-63,847
Benefit payments & taxes included	89,271	108,079
Past service cost	0	-1,844
Total at 31 December before tax on unfunded obligations	**-1,838,442**	**-1,825,717**
Taxes on unfunded obligations	0	0
Total at 31 December	**-1,838,442**	**-1,825,717**

Changes in the fair value of the plan assets

(In thousands of EUR)	2024	2023
Total at 1 January	**1,419,915**	**1,362,251**
Actuarial gains (losses) - correction on assets at 1 January	15,264	-23,878
Return on plan assets (excluding interest income)	62,959	43,559
Interest income	45,241	49,292
Employer contributions & taxes included	49,252	63,898
Participant contributions	2,763	2,160
Benefit payments & taxes included	-65,648	-77,367
Total at 31 December	**1,529,746**	**1,419,915**
Irrecoverable surplus (effect of asset ceiling)	-33,105	-28,826
Total at 31 December	**1,496,641**	**1,391,089**

Changes in asset ceiling

(In thousands EUR)	2024	2023
Total at 1 January	28,826	34,941
Interest income	882	1,271
Changes in asset ceiling	3,397	-7,386
Total at 31 December	**33,105**	**28,826**

Changes in other comprehensive income

(In thousands EUR)	2024	2023
Total at 1 January	-11,553	-165,091
Other comprehensive loss (gain)	-90,937	153,538
Total at 31 December	**-102,490**	**-11,553**

Classification of the plan investments on the balance sheet date

The classification of the plan investments in function of the major category at the end of 2024

Category	Elgabel %	Pensiobel %	Insurance companies %	Powerbel and Enerbel %	Other %	Total %
Investments quoted in an active market	**91.57**	**90.18**	**100.00**	**91.42**	**91.42**	**90.36**
Shares (Eurozone)	15.47	11.07	0.00	11.87	11.87	14.60
Shares (Outside eurozone)	16.19	9.81	0.00	16.10	16.10	14.05
Government bonds (Eurozone)	2.43	4.62	50.00	9.73	9.73	18.01
Other bonds (Eurozone)	28.36	35.06	50.00	27.18	27.18	24.93
Other bonds (Outside eurozone)	29.11	29.61	0.00	26.54	26.54	18.77
Unquoted investments	**8.43**	**9.82**	**0.00**	**8.58**	**8.58**	**9.64**
Real estate	2.48	1.51	0.00	2.84	2.84	2.30
Cash and cash equivalents	0.45	0.22	0.00	0.70	0.70	3.79
Other	5.51	8.08	0.00	5.04	5.04	3.55
Total in %	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**
Total (In thousands of EUR)	**394,290**	**129,404**	**5,213**	**221,252**	**221,252**	**1,529,746**

The classification of the plan investments in function of the major category at the end of 2023

Category	Elgabel %	Pensiobel %	Insurance companies %	Powerbel and Enerbel %	Other %	Total %
Investments quoted in an active market	**94.52**	**93.73**	**100.00**	**90.87**	**88.76**	**91.07**
Shares (Eurozone)	11.23	7.44	0.00	9.71	14.35	12.21
Shares (Outside eurozone)	23.37	20.26	0.00	18.88	12.40	16.80
Government bonds (Eurozone)	0.00	0.00	50.00	6.71	30.36	16.56
Other bonds (Eurozone)	25.60	28.90	50.00	24.67	21.86	24.01
Other bonds (Outside eurozone)	34.33	37.14	0.00	30.90	9.80	21.50
Unquoted investments	**5.48**	**6.27**	**0.00**	**9.13**	**11.24**	**8.93**
Real estate	2.26	1.46	0.00	2.77	1.48	1.85
Cash and cash equivalents	2.52	2.58	0.00	2.62	6.04	4.31
Other	0.70	2.23	0.00	3.74	3.72	2.77
Total in %	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**
Total (In thousands of EUR)	**373,633**	**128,601**	**7,425**	**190,189**	**720,067**	**1,419,915**

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

(In thousands of EUR)	2024	2023
Breakdown of defined benefit obligation by type of plan participants	**-1,838,442**	**-1,825,717**
Active plan participants	-1,461,182	-1,436,961
Terminated plan participants with deferred benefit entitlements	-112,735	-111,209
Retired plan participants and beneficiaries	-264,525	-277,547

(In thousands of EUR)	2024	2023
Breakdown of defined benefit obligation by type of benefits	**-1,838,442**	**-1,825,717**
Retirement and death benefits	-1,550,706	-1,543,957
Other post-employment benefits (medical and tariff reductions)	-152,226	-150,989
Jubilee bonuses (Seniority payments)	-135,510	-130,771

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

(In thousands of EUR)	Effect: increase [-] / decrease [+]
Discount rate (+0,25%)	50,566
Inflation (+0,25%)	-50,874
Salary increase (+0,10%)	-6,023
Healthcare increase (+0,10%)	-162
Tariff advantages (+0,50%)	-3,378
Employee turnover (+0,50%)	12,273
Life expectancy of pensioners (+1 year)	-37,803

The annual balance of the defined benefit lump sum is financed by the Group through a recurrent allocation expressed as a percentage of the total payroll. This percentage is defined by the aggregate cost method and is reviewed annually. This method of financing is used to smooth out future costs over the remaining period of the plan. The costs are estimated on projected bases (salary growth and inflation taken into account).

The assumptions related to salary increase, inflation, employee turnover and age-term are defined on the basis of historical statistics of the Group. The mortality tables used are the ones corresponding to the observed experience within the financing vehicle. The discount rate is set up with regard to the investment strategy of the company.

These assumptions are challenged on a regular basis.

Exceptional events (such as modification of the plan, change of assumptions, insufficient coverage…) can eventually lead to additional payments by the Group.

The average duration of the defined benefit obligation at 31 December 2024 is 14 years (2023: 14 years) and for the defined contribution obligation at 31 December 2024 15 years (2023: 15 years).

Expected payments or contributions to the defined benefit plan in future years:

(In thousands of EUR)	2024
Within the next 12 months	25,962
Between 1 and 5 years	102,497
Between 5 and 10 years	124,785
Beyound 10 years	369,035

25 Derivative financial instruments

The Group has entered into interest rate swaps in order to convert the variable interest rate on long-term loans into a fixed interest rate.

The derivative financial instruments amount to 2,685 k EUR on 31 December 2024 and 2,354 k EUR on 31 December 2023, an increase of 331 k EUR.

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

The changes in the fair value are recognized in the income statement (see note '11 Financial results').

Overview of the derivative financial instruments:

- A Linear Constant Maturity Swap in the context of a loan of 200 million EUR over 20 years taken out in December 2004, came into effect in December 2009[1].
- A Bonus Range Accrual in the context of a loan of 250 million EUR over 20 years taken out in December 2006, came into effect in December 2011.
- A Varifix, in the context of a loan of 250 million EUR over 20 years taken out in December 2007, was concluded in October 2010.

[1] *Expired in 2024*

- A forward fixing IRS swap was concluded in July 2013 in the context of a loan taken out in December 2013 for an amount of 150 million EUR over 10 years[2].
- An Interest Rate Swap in the context of a loan of 74 million EUR over 30 years taken out in September 2006, came into effect in September 2016.
- An Interest Rate Swap in the context of a loan of 70 million EUR over 20 years taken out by Fluvius System Operator in September 2011, came into effect in September 2011.

26 Provisions, other

(In thousands of EUR)	Site remediation
Total at 1 January 2023	**9,425**
Used	-54
Total at 31 December 2023	**9,371**
Used	-1,057
Total at 31 December 2024	**8,314**

The provisions comprise the obligations recognized for the remediation of the former gas factory sites and other contaminated sites. The MEAs own several gas factory sites on which soil and groundwater have been polluted in the past. Tackling this pollution has already started on a voluntary basis and a framework agreement with OVAM was concluded in 2001. Meanwhile, the number of such sites has been reduced. In a new agreement with OVAM, it has been determined what the spread in time, the budget, the order of priority and the modalities of execution of the works for rehabilitating the soil, and possibly other measures, will be.

In 2024, an amount of 5,661 k EUR (2023: 5,661 k EUR) was pledged to OVAM.

On certain sites already sold, remediation duties still remain for an amount of 60 k EUR in 2024 and 710 k EUR in 2023 (see note '32 Contingencies').

The Soil Decree (Article 31) requires an exploratory soil survey to be carried out for uninvestigated land with a potential for historical soil contamination. One of the important objectives of the soil policy is to have started the remediation of all historical soil contamination by 2036.

In order to achieve the objective of research and decontamination of land with historical soil pollution by 2036, the amendment to the decree provides for an instrument to also inventory the unexamined risk land so that the soil quality of all land with historical risk activities is known.

Since the period from exploratory soil investigations to the soil decontamination works can take up to eight years, it is important to complete the soil investigations by 2028.

In order to spread the implementation of these exploratory soil surveys over time, an amending decree provides for a phased implementation of the obligation to carry out exploratory soil surveys by the end of 2021, the end of 2023 and the beginning of 2027.

The Group will do what is necessary to comply with this obligation to carry out exploratory soil investigations and will take the necessary measures in this respect, if necessary.

The Group expects that the provision for the remediation will decrease by a maximum of 886 k EUR in 2025, that the largest works will be carried out in the period 2025 to 2027, which can be estimated at 6,696 k EUR, and that the remediation will be completed by 2030.

27 Government grants

(In thousands of EUR)	2024	2023
Total at 1 January	**382,402**	**354,182**
Received during the year	70,042	35,523
Released to the income statement	-8,304	-7,303
Total at 31 December	**444,140**	**382,402**

Government grants amount to 444,140 k EUR at 31 December 2024 and 382,402 k EUR at 31 December 2023, an increase of 61,738 k EUR. The increase results from the additional received government grants.

[2] *Expired in 2023*

The Flemish Region (Vlaams Gewest) and the Flemish Energy and Climate Agency have granted capital subsidies to the MEAs for various projects. These support measures are part of the projects 'green energy' and sewerage investment activities (see note '36 Sewerage'). The Flemish Decree on government grants states which types of investment costs are eligible for obtaining a government grant for sewerage activities. The amount of the grant equals 75% of the effective costs related to the construction and improvements of sewerage, and the related spring facilities for rainwater. Because of the uncertainty with respect to the receipt, the timing and the amount of the grants awarded for sewerage, they are recognized at the moment the actual cash is received.

28 Trade payables and other liabilities

(In thousands of EUR)	2024	2023
Trade debts	311,004	313,649
VAT and other taxes payable	75,039	29,884
Remuneration and social security	126,011	110,388
Advances Soclev clients and other	81,323	76,376
Other current liabilities	281,588	247,555
Total	**874,965**	**777,852**

Trade payables and other current liabilities amount to 874,965 k EUR on 31 December 2024 and 777,852 k EUR on 31 December 2023, an increase of 97,113 k EUR.

The trade payables remain approximately at the level of 2023 and decrease slightly by 2,645 k EUR. These consist of outstanding debts to suppliers (2024: 206,090 k EUR; 2023: 192,519 k EUR) and invoices to be received (2024: 104,914 k EUR; 2023: 121,130 k EUR).

The VAT payable and other tax liabilities increase by 45,155 k EUR and mainly include VAT payable (2024: 56,949 k EUR; 2023: 12,622 k EUR) and withholding tax (2024: 15,932 k EUR; 2023: 15,507 k EUR).

Liabilities related to employee benefits increase by 15,623 k EUR (2024: 126,011 k EUR; 2023: 110,388 k EUR) due to rising inflation during 2024 and the resulting higher outstanding debt for holiday pay and social security contributions and tariff benefits.

The item advance payments from customers Soclev and others increase by 4,947 k EUR at the end of 2024 compared to the end of 2023, mainly due to the received advance payment on consumption.

Other current liabilities include accrued expenses (2024: 169,433 k EUR; 2023: 138,544 k EUR), including financial costs for bond loans (2024: 106,832 k EUR; 2023: 72,874 k EUR), energy purchases (2024: 13,833 k EUR; 2023: 18,548 k EUR), network loss purchases (2024: 28,658 k EUR; 2023: 27,828 k EUR), and service delivery (2024: 20,110 k EUR; 2023: 18,808 k EUR). Additionally, there are debts to municipalities, mainly for the sewerage fund (2024: 72,735 k EUR; 2023: 69,511 k EUR).

The terms and the conditions for the debts are as follows: For the standard trade debts the average payment term amounted to 34 days. Debts for VAT and withholding tax are paid respectively 20 and 15 days after the end of the month. All debts are paid by the maturity date.

29 Current tax liabilities

(In thousands of EUR)	2024	2023
Current income tax expenses	29,152	32,697
Advances paid	-10,638	-12,915
Deductible witholding tax	-16,019	-18,191
Tax liability/(asset) current year	**2,495**	**1,591**
Tax liabilities/(assets)	**-34,178**	**-22,562**
Current tax liabilities/(assets)	**-31,683**	**-20,971**

The net tax receivable amounts to 31,683 k EUR at the end of 2024 and 20,971 k EUR at the end of 2023. At the end of 2024, a tax receivable of 35,655 k EUR was recorded (2023: 25,601 k EUR) and a tax liability of 3,972 k EUR (2023: 4,630 k EUR).

In 2024, a total of 39,026 k EUR (2023: 51,370 k EUR) in taxes was paid.

Financial instruments

30 Financial instruments: Risks and fair value

Risks

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

Equity structure

The Group's equity structure consists of equity and the financial liabilities.

Apart from the legally (Belgian) required minimum levels for equity that are applicable, the Mission Entrusted Associations are also subject to the Flemish Decree on Local Government. This decree (22 December 2017) stipulates that a legal person governed by private law may participate in the capital of the associations under certain conditions.

The Group's purpose is to maintain a strong balance sheet structure and to ensure that the Fluvius Group can retain a 'good' investment grade rating from the credit rating agencies.

In 2024, Fluvius launched a project to investigate how to strengthen Fluvius Economic Group's equity in a context of increasing debt levels. Such an operation should improve the balance sheet situation, stabilise the credit rating and, ultimately, benefit the Group's funding cost. A sound financial basis is an absolute prerequisite for the realisation of the Fluvius Economic Group's strategic objectives in the next few years, certainly taking into account the significant investments ahead. The starting point for this analysis was a strengthening of group equity by attracting a domestic/foreign private/public consortium led by a Flemish investor, with or without the possibility of an IPO at a later stage. The project was split up in two parts: first a 'landscaping' phase and then an implementation phase. In the landscaping exercise, the investigation focuses on which possibilities are feasible to attract capital, how that could be carried out, which conditions have to be fulfilled then etc. At the end of 2024, the landscaping was not finalised yet. The project will be continued in 2025.

As the Group works within a regulated environment with a guaranteed remuneration (fair remuneration/profit and a guaranteed return/dividend), the risk is rather limited.

During 2024 and 2023, the Group fulfilled all 'expected' obligations.

The Group has called upon long and short-term funding to support its capital structure.

The Group monitors its solvency. Solvency means the degree to which the Group, in case of liquidation, can meet its financial obligations towards the providers of debt capital.

Credit risk

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

The Group pursues a credit policy whereby the credit risk is scrutinized and diversification of counterparties is necessary.

The maximum credit risk is each financial asset's balance sheet value.

Trade debtors

Impairment is recognised for receivables from customers.

Movements in accumulated impairments on trade receivables

(In thousands of EUR)	2024	2023
Balance at 1 January	**-174,332**	**-171,949**
Other	3,040	0
Charge of impaired receivables	-9,455	-38,999
Write-back of impaired receivables	18,645	36,616
Balance at end of the period	**-162,102**	**-174,332**

The **other** concerns a reversal of the value reduction in the context of compensation for wrongly requested payments for green certificates.

Information on the credit risk of the Group's trade receivables

(In thousands of EUR)		Days past due				
	Total	Current	<30 days	61-90 days	91-180 days	>180 days
Expected credit loss rate	**25.8%**	0.4%	14.4%	26.4%	30.2%	79.8%
Carrying amount	**627,987**	401,552	13,581	6,280	15,921	190,652
Expected credit loss	**162,107**	1,491	1,950	1,656	4,808	152,202

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

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

The Group can call upon several banks to attract resources on short term. It has the possibility to issue commercial paper within the framework of a treasury bill programme. The commercial papers and the fixed loans have a maturity of one day up to twelve months. The fixed loans (straight loans) can have a maturity of one day or one month to twelve months, whereby the minimum maturity depends on the borrowing bank. Fixed advances can be requested with a duration from one week to twelve months. All loans have fixed interest rates except for the bank overdraft that has a variable interest rate.

The Group borrows on a long-term basis mainly to finance its ongoing investments in the distribution grids including the roll-out of the digital meter, the realisation of the energy transition, the maintenance and replacement of grids (electricity, gas and also sewerage), the realisation of district heating grids, the acquisition and replacement of the public lighting infrastructure, to finance shareholdings, to refinance loans, to pay interests and for working capital purposes.

In 2010, the first bond loans were issued for private investors in Belgium and the Grand Duchy of Luxembourg. This step further diversified and broadened the funding sources, ensuring a safe, reliable, efficient, and innovative distribution of energy to end consumers.

In order to be able to easily address the market of institutional investors, a credit rating was requested. In October 2011, **'Moody's Investors Service Ltd.' ("Moody's")** granted the former company Eandis System Operator a rating. Later, a rating was also obtained from **'Creditreform Rating AG' ("Creditreform")**. To determine the creditworthiness of Fluvius, the accounts of the distribution system operators were also taken into account, given its close connection with its shareholders. As a result, the rating is assessed on the basis of the financial statements of the 'Fluvius Economic Group'.

Between October 2021 and October 2024, Fluvius credit rating at Moody's was A3 with a stable outlook. However, on 8 October 2024, Moody's decided to maintain the A3 rating, but to bring the rating's outlook from stable to negative. Moody's predominantly argued that they expect Fluvius Economic Group's financial ratios – without balance sheet strengthening measures – to remain below the thresholds for the current A3 rating during the regulatory tariff period 2025-2028.

Moody's has also assigned an ESG (Environmental, Social and Governance) Credit Impact Score (CIS) of 3 (on a scale of 1 to 5). Fluvius's CIS-3 reflects a moderately negative exposure to social and environmental risks and a neutral to low risk for governance. The impact of those considerations on the rating is mitigated by the Group's supportive regulatory framework.

Mid-2023, Fluvius decided to cease its active participation in the rating procedure at **Creditreform**. From that date onwards, all rating information published by Creditreform is therefore on a non-solicited basis. In the course of 2024, Creditreform has maintained this rating at 'A', but switched the outlook from stable to negative.

Since 2011, Fluvius System Operator – via Eandis System Operator – had a 5,000,000 k EUR Euro Medium Term Note (EMTN) programme for issuing bonds and which ran through 2021. At the end of 2019, an amount of 2,980,500 k EUR or 59.61% had been issued. Since year end 2014 no more bonds were issued under this programme. This EMTN-programme has since been terminated. On top of this, Fluvius, via Infrax, issued bonds in the framework of its 500,000 k EUR EMTN programme launched in 2013. By issuing two bonds of 250,000 k EUR each (in 2013 and 2014), this programme was fully utilised. A new 5,000,000 k EUR Fluvius EMTN programme for issuing bonds was launched on 1 July 2020 with a maturity of 10 years, extendable by Fluvius for a maximum of 24 months. The issues are guaranteed by the Group's eleven mandated associations. At the end of 2024, an amount of 4,640,000 k EUR or 92.80% of the programme's total amount had been issued. That is why Fluvius updated and extended the EMTN programme in 2024. With a view to the substantial funding needs for the Fluvus Economic Group, Fluvius recognized the need for large flexibility and and diversity in funding possibilities and to attract the largest possible investor base. So it was decided to raise the programma's maximum issuance amount to 10,000,000 k EUR. It was also decided to list new EMTN issuances at the non-regulated market Euronext Growth Brussels.

Next to this, Fluvius has fully updated its existing Green Financing Framework, approved by the Board of Directors on 23 October 2024. This framework enables Fluvius to issue so-called **green debt instruments**. The accompanying 'Second Party Opinion' was delivered by Sustainable Fitch (19 December 2024).

An overview of the loans is included in the note '23 Interest bearing loans and borrowings'.

The following schedule shows the maturity schedule of the different loans:

At the end of 2024:

(In thousands of EUR)	2024	1 year or less	2-3 year	4-5 year	More than 5 year
Bond issue - retail	440,000	200,000	240,000	0	0
Bond issue - EMTN	5,810,500	0	400,000	1,354,500	4,056,000
Bond issue - private	440,000	0	50,000	0	390,000
Bank loans - fixed interest rate	2,212,316	186,099	681,140	510,533	834,544
Bank loans - floating interest rate	451,852	31,184	62,224	62,146	296,298
Bank loans - with derivative instrument	138,091	38,755	59,851	12,858	26,627
Total	**9,492,759**	**456,038**	**1,493,215**	**1,940,037**	**5,603,469**
Total bullet payment	**7,271,343**	**200,000**	**720,843**	**1,904,500**	**4,446,000**
Total excluded bullet payment	**2,221,416**	**256,038**	**772,372**	**35,537**	**1,157,469**

At the end of 2023:

(In thousands of EUR)	2023	1 year or less	2-3 year	4-5 year	More than 5 year
Bond issue - retail	440,000	0	200,000	240,000	0
Bond issue - EMTN	5,110,500	0	400,000	554,500	4,156,000
Bond issue - private	440,000	0	0	50,000	390,000
Bank loans - fixed interest rate	2,112,853	148,537	316,546	803,311	844,459
Bank loans - floating interest rate	4,822	2,970	631	554	667
Bank loans - with derivative instrument	189,667	51,576	78,292	26,743	33,056
Total	**8,297,842**	**203,083**	**995,469**	**1,675,108**	**5,424,182**
Total bullet payment	**6,571,343**	**0**	**630,843**	**1,394,500**	**4,546,000**
Total excluded bullet payment	**1,726,499**	**203,083**	**364,626**	**280,608**	**878,182**

Information regarding the repayment schedule of the lease obligations of the undiscounted payments of the lease liabilities.

(In thousands of EUR)	Lease Liabilities total	1 year or less	1-3 year	4-5 year	More than 5 year
2024	114,984	15,383	22,716	14,340	62,545
2023	113,914	14,356	28,527	14,858	56,173

Long-term receivables and short-term receivables, other:

- Related to Wyre bv As at 31 December 2024, the Group has long-term receivables for 32,000 k EUR collectible on 18 July 2028, as a result of financing contributed in the Wyre transaction.
- Related to Telenet As at 31 December 2024, the Group has a discounted long-term and short-term receivable for a total of 91,814 k EUR, of which 20.000 k EUR are collectible over 6 years with a maturity date of 30 June 2029. This following the sale of 2,1% of the Wyre bv shares to Telenet

(See note '16 Investments in joint ventures and associates').

Interest rate risk

The Group has entered into long-term loans with a fixed and variable interest rate.

A part of the loans with variable interest was swapped to a fixed interest rate (see note '25 Derivative financial instruments'). For certain loans, forward swap contracts, were concluded. All other loans were initially at a fixed interest rate.

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

(In thousands of EUR)	2024	2023
In 2024	0	200,771
In 2025	251,200	205,226
In 2026	240,454	195,968
In 2027	226,722	183,725
In 2028	200,603	158,906
In 2029	191,282	151,079
In 2030 and beyond	759,177	556,220
Total	**1,869,438**	**1,651,894**

Other

More information about the risks of the Group and its shareholders is included in the EMTN base prospectus (edition June 2023) concerning the issue of a bond loan and the Investor Presentation of February 2024. These documents can be consulted on the website of Fluvius System Operator www.fluvius.be.

Fair value

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

Fair value hierarchy The Group uses the following fair value hierarchy classification to determine and classify the fair value of the financial instruments by a valuation technique:

- Level 1: valuation is based on quoted (unadjusted) prices in an active market for identical assets or liabilities
- Level 2: other techniques for which all input with a significant impact on the recorded fair value can be observed either directly or indirectly
- Level 3: techniques that use input with a significant impact on the recorded fair value that is not based on observable market data.

The following methods and assumptions have been used to estimate the fair values: Cash and short-term deposits, trade receivables (net of impairment), trade payables and other current liabilities approximate the carrying amounts because of the short-term maturity of these instruments.

The fair value of the unquoted other investments is based on the latest available information with distinction for the following investments:

- Publi-T:
  The valuation method for the fair value of Publi-T shares has changed compared to 31 December 2023. This is due to the sale of Publi-T shares to VEH (see note '17 Other investments'), where a 20% illiquidity discount was applied to the previously recorded valuation due to limited marketability.
  New fair value method for Publi-T shares:
  - Fair value based on the latest available balance sheet, adjusted for the investments held in Elia by recording at Elia's share price on the reporting date. Subsequently, a 20% illiquidity discount is applied due to the limited marketability of the shares. The change in the valuation method results in the Publi-T shares being classified under 'Level 3' in the fair value hierarchy in 2024 instead of 'Level 2'.
- Publigas: Fair value based on an external valuation report.
- Elia: Fair value based on Elia's share price on the reporting date.
- Other companies: Fair value based on the latest available annual information.

Fair Value Movement Publi-T Shares

(In thousands of EUR)	
1 January 2024	**1,785,128**
Transfer to level 3	-280,164
Sale to VEH	-325,163
Movement of the year	-510,529
31 December 2024	**669,272**

The fair value of the certificates for green energy and cogeneration certificates is the guaranteed amount, as stipulated in the decision of the Flemish Government amending the Energy Decree.

The derivative financial instruments are interest rate swaps. The valuation techniques are swap models that use value calculations. The models include various kinds of input including forward prices, yield curves that are obtained on the basis of market interest rates and derivatives from market prices of various financial products that are requested with various market participants.

The fair value of quoted bonds was obtained on the basis of the indicative quotations on Bloomberg (Bloomberg is a prominent provider of business and financial market news. On the reporting date it delivers world economic news, quotes for stock futures, stocks and other).

The fair value of the quoted bonds, issued for a total amount of 6,250.5 million EUR varies according to the market interest rate. The fair value at 31 December 2024 amounts to 6,072.3 million EUR and differs from the amount that will be reimbursed and the carrying value.

The fair values as at 31 December 2024 are as follows:

(In thousands of EUR)	Fair value Level 1	Level 2	Level 3	Book value
Other investments	29,735	843,189	673,478	1,546,402
Long-term receivables, other	176,296	0	0	176,296
Green energy and cogeneration certificates (GEC & CGC)	553,159	0	0	553,159
Trade and other receivables excluding GEC and CGC	854,398	0	0	854,398
Short-term receivables, other	26,078	0	0	26,078
Cash and cash equivalents	1,113	0	0	1,113
Total	**1,640,779**	**843,189**	**673,478**	**3,157,446**
Loans on long-term	8,860,010	0	0	9,005,960
Loans on short-term	522,089	0	0	523,553
Derivative financial instruments	0	2,685	0	2,685
Trade payables and other current liabilities	874,965	0	0	874,965
Total	**10,257,064**	**2,685**	**0**	**10,407,163**

The effect of a change in the illiquidity discount, as calculated in the sensitivity analysis within Level 3 for the fair valuation of the Publi-T shares, amounts to -41,830 k EUR on an increase of 5% and +41,830 k EUR on a decrease of 5%.

The fair values as at 31 December 2023 are as follows:

(In thousands of EUR)	Fair value Level 1	Level 2	Level 3	Book value
Other investments	45,282	2,616,518	5,278	2,667,078
Long-term receivables, other	210,047	0	0	210,047
Green energy and cogeneration certificates (GEC & CGC)	444,691	0	0	444,691
Trade and other receivables excluding GEC and CGC	847,518	0	0	847,518
Short-term receivables, other	25,804	0	0	25,804
Cash and cash equivalents	61,626	0	0	61,626
Total	**1,660,569**	**2,616,518**	**5,278**	**4,282,365**

(In thousands of EUR)	Fair value Level 1	Level 2	Level 3	Book value
Loans on long-term	7,830,235	0	0	8,063,135
Loans on short-term	736,327	0	0	738,583
Derivative financial instruments	0	2,354	0	2,354
Trade payables and other current liabilities	777,852	0	0	777,852
Total	**9,344,414**	**2,354**	**0**	**9,581,924**

The other investments included in level 3 concern business centres and other companies. The fair value is based on their latest available Belgian financial statements which were published with the Central Balance Sheet Office of the National Bank of Belgium. The calculation of the fair value is based on this information, taking into account the share percentage in the company.

Other information

31 Related parties

Transactions between the MEAs and their subsidiaries (the associated parties) have been eliminated in the consolidation process and are therefore not included in this note.

The total remunerations paid to the Management Committee and the directors for 2024 amounted to 3,852 k EUR and 4,072 k EUR for 2023. The post-employment benefits included in the total remuneration mentioned amounted to 211 k EUR for 2024 (235 k EUR for 2023). There are no other benefits in kind, share options, credits or advances in favour of the directors.

Transactions of the Group with companies with a non-controlling interest (Farys/ TMVW) and De Watergroep (starting 2019) were as follows:

(In thousands of EUR)	2024	2023
Amount of the transactions		
Recharge of costs to non-controlling interest companies	95,662	86,798
Recharge of costs from non-controlling interest companies	-2,324	-3,389
Amount of outstanding balances		
Trade and other receivables	11,091	9,748
Trade payables and other liabilities	306	971

Transactions of the Group with other companies (Atrias, Synductis, Wyre Holding and S-Lim (until June 2023) were as follows:

(In thousands of EUR)	2024	2023
Amount of the transactions		
Recharge of costs to associates	18,458	15,400
Recharge of costs from associates	-45,890	-40,554
Amount of outstanding balances		
Trade and other receivables	11,507	13,203
Trade payables and other liabilities	970	4,829
Provide financing	58,674	70,082

Membership of professional organisations

Fluvius System Operator is a member of several professional organisations, including:
- AquaFlanders, a non-profit organisation with the objective of supporting the Flemish water companies and sewer managers
- The Association of European Smart Grid Distribution System Operators (EDSO for Smart Grids ivzw)
- Vzw Flux50, the member organisation for innovation in energy transition and energy renovation in Flanders
- ODE Vlaanderen vzw (Organisation for Sustainable Energy Flanders)
- Synergrid vzw, a joint interest group of the operators of networks in Belgium of transmission of electricity, of transport of natural gas and of the distribution of electricity and natural gas
- VLARIO vzw, acting as a consultation platform and knowledge centre for the sewerage and wastewater treatment sector in Flanders
- Vzw VVSG (Association of Flemish Cities and Municipalities) that represents the interests of the local authorities, sharing knowledge and creating network opportunities.

During 2024, the fees to the statutory auditor, for the MEAs, Fluvius OV and Fluvius System Operator amount to 355 k EUR, an amount for legal mandates of 880 k EUR and 19 k EUR for other assignments performed by related persons and for tax and other advice an amount of 153 k EUR. The fee for other assignments was approved by the Audit Committee.

32 Contingencies

(In thousands of EUR)	2024	2023
Rent deposits, buildings	522	1,508
Other bank guarantees	882	743
Pledge trade receivables	5,661	5,661
Total guarantees given	**7,065**	**7,912**
Guarantees obtained from contractors and suppliers	493,508	216,714
Goods held by third parties in their own name but at risk for the Group	342	400
Obligation to purchase property, plant and equipment	7,774	5,611
Obligation to sell property, plant and equipment	0	14
Obligation to remediate	60	710

Committed orders in 2024 amounted to72,127 k EUR (2023: 93,374 k EUR).

Furthermore, there are also legal disputes pending between the MEAs and various parties for a total of 2.501 k EUR in 2024 and 2023.

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

Also a dispute between Telenet and Proximus should be reported. Following the takeover by Telenet of the cable television customers and the establishment of a lease over the cable network, Proximus filed a complaint at the Court of First Instance in Antwerp calling for the contracts to be voided and claiming damages. This claim was rejected at first instance (judgment of 6 April 2009). Proximus appealed to the Antwerp Court of Appeal.
Proximus demanded the disclosure of all documents related to the agreement between Telenet, Interkabel Vlaanderen and the cable companies. It also demanded the annulment of these agreements and damages of EUR 1.4 billion based on an expert report it had commissioned. The above-mentioned agreements include a limitation of liability for the cable companies in the Fluvius Economic Group through an indemnity clause, at the expense of Telenet. As a result, in the event of a ruling against them, Interkabel Vlaanderen and the cable companies would in principle be obliged to compensate any losses incurred by Proximus only up to a maximum of EUR 20 million. The Court of Appeal fully rejected Proximus's claims in a ruling of 18 December 2017. At the end of June 2019, Proximus appealed this ruling to the Court of Cassation.
On 22 January 2021, the Court of Cassation ruled on this appeal and held that the ruling of the Antwerp Court of Appeal had to be partially annulled. The partial annulment only pertained to the point that the Antwerp Court of Appeal did not sufficiently justify its refusal to void the agreement between Telenet and the cable companies, but it did not rule on the merits on this point. The case has been sent to the Brussels Court of Appeal to examine and rule on this matter. The Court of Cassation therefore did not decide to overturn the ruling on Proximus's claim for damages. This would have meant that Proximus's claim for damages had been definitively rejected. The Court of Cassation therefore did not decide to overturn the ruling on Proximus's claim for damages.
On 16 June 2021, Proximus issued a summons to Telenet and the cable companies to appeal after cassation. Through these proceedings, Proximus is demanding the annulment of the agreements between Telenet and the cable companies. In addition, Proximus once again claims damages (currently estimated at EUR 1.00 provisionally) for unlawfully concluding and maintaining the agreements. Furthermore, Proximus is demanding that the performance of the agreements cease, and is seeking a preliminary injunction in the event that it is considered that no remedy/damages is possible for Proximus. In the first appellate conclusion filed by Proximus following the appeal in cassation, its provisional claim for damages had not yet been estimated. Also in Proximus's latest conclusion filed in December 2022, the damages it sought are still not estimated and its claim is still limited to EUR 1,00 provisionally. Proximus asks that the debate on the exact extent of the damages is only addressed in a second stage, following an interim judgment by the Court on the liability of Telenet and/or the intermunicipal associations. In subordinate order, Proximus requests the appointment of a court expert with the task of advising on damages. All parties have since filed their final conclusions. The date for the hearing is not yet confirmed.

On 3 September 2019, a gas explosion occurred in Wilrijk (Antwerp), resulting in one fatality, three cases of severe injury and significant material damage. The council chamber in Antwerp had referred the company Fluvius System Operator and two of its managers (namely the CEO and the Director of Network Operations) to the correctional court for their possible involvement in events that may have led to the explosion. The Antwerp correctional court cleared both Fluvius managers of criminal liability on 27 April 2021, finding them not personally responsible for the events. The court handed down a suspended sentence for the company Fluvius System Operator, and Fluvius was ordered to pay all civil claims. Fluvius is and remains of the opinion that the company, its managers, and staff are not at fault in the tragic events, and that the evidence and arguments presented by Fluvius in the course of the proceedings, which prove that Fluvius is not at fault, were not sufficiently taken into account. Based on these considerations, the company has appealed against this ruling by the Antwerp correctional court. An initial hearing in the appeals process took place on 18 May 2022. Following this hearing, on 1 June 2022, the Court of Appeal decided to appoint an expert from the civil interlocutory proceedings also for the criminal law aspect. The expert was to submit his report by 31 January 2023. The appeal hearing was scheduled for 29 March 2023. This hearing was postponed as the expert could not deliver his report on time. An additional appraisal was made on 9 August 2023; the final report was expected in early 2024. The court hearing took place on 13 November 2024.

33 Events after the reporting date

After the close of the 2024 fiscal year on 31 December 2024, the following significant facts and evolutions have occurred.

Appeal proceedings against the establishment by VREG of the distribution grid fees electricity & gas 2025

Aligned with the decision to appeal the decision on the tariff methodology before the Markets Court, in January 2025 the individual DSOs went to the Council of State appealing the 16 decisions by VREG dated 17 December 2024 establishing the distribution grid fees for the year 2025. This additional proceedings is a necessary step in case that the Markets Court decides to annul the tariff methodology.

Preliminary ruling by the Markets Court

In the proceedings relating to the energy regulator's decision on the E&G tariff methodology 2025-2028, the Markets Court handed down a preliminary ruling on 19 February 2025: the Court will submit three prejudicial questions to the Court of Justice of the European Union. This preliminary ruling does not have a suspensive effect, which means that the tariff methodology 2025-2028 will be applied for the 2025 electricity and gas grid fees.

Gas explosion Wilrijk - appeal procedure

On 19 March 2025, the Antwerp Court of Appeal ruled in the case about the explosion in Wilrijk on 3 September 2019. This explosion was caused by a third party hitting a connection pipe with an excavating machine. Fluvius had appealed an earlier conviction by the Court of First Instance, as we believe that the cause of the explosion was not our fault. Despite an extensive defence, the Court of Appeal did not follow Fluvius and Fluvius was convicted to a fine and the payment of damage compensation to the civil parties. We are now analysing the ruling in detail to see what follow-up steps are possible. An appeal in cassation is under consideration.

Rating at Creditreform Rating AG suspended

On 13 January 2025, Creditreform rating AG informed Fluvius that it had suspended the 'unsolicited' credit rating of Fluvius as from that same date 'due to business reasons'.

Green bond issued

On 12 March 2025, Fluvius System Operator successfully issued a EUR 700 million green bond. This debt instrument has a 10-year maturity with a fixed annual coupon of 3.500%. This issuance is a major step towards financing the energy transition and climate adaptation in Flanders.

Financing for Wyre

On 18 february 2025, Wyre announced that it had secured financing facility of EUR 500 million at EUROBOR +2.75%. This is the first external financing for Wyre, independent from its shareholders Telenet (66.8%) and Fluvius System Operator (33.2%). This financing facility will enable Wyre to support its roll-out ambitions and to fully fund its investments plans for the next years.

Structural changes as from 1 January 2025

We draw the reader’s attention on the decisions to implement a number of so-called structural changes. These changes were taken in the course of 2023 by different governing bodies levels of both the Fluvius Economic Group and the cities and municipalities; they will take effect starting on 1 January 2025. As from that date, they will have a considerable impact on the Fluvius Economic Group structure. Additionally, the Fluvius Economic Group has to take into account the consequences of some voluntary mergers of municipalities, equally taking effect on 1 January 2025. These internal structural changes within the Fluvius Economic Group do not change in any way the operating area for Fluvius System Operator, which will still cover the entire Flemish Region in the future. Neither do they change the value of the technical infrastructure at the disposal of the Fluvius Economic Group.

The Decree obliges:

- that there is one single grid operator in each municipality for distributing electricity and natural gas;
- each distribution system operator should have a contiguous operating area (i.e. so-called ‘islands’ are prohibited);
- and each DSO needs to have at least 200,000 connections.

(See also note ' Structural changes as from 1 January 2025 (see page 36)'

34 List of group entities included in the consolidation

Below the list of group entities included in the consolidation:

At 31 December 2024:

Subsidiary	Office	Number of shares owned %	Voting rights %
Mission entrusted associations [1]			
Fluvius Antwerpen	Antwerpsesteenweg 260, 2660 Antwerpen-Hoboken		
Fluvius Limburg	Trichterheideweg 8, B-3500 Hasselt		
Gaselwest	President Kennedypark 12, B-8500 Kortrijk		
Imewo	Brusselsesteenweg 199, B-9090 Melle		
Fluvius West	Noordlaan 9, B-8820 Torhout		
Intergem	Administratief Centrum (AC), Franz Courtensstraat 11, B- 9200 Dendermonde		
Iveka	Koningin Elisabethlei 38, B-2300 Turnhout		
Iverlek	Aarschotsesteenweg 58, B-3012 Wilsele-Leuven		
PBE	Diestsesteenweg 126, B-3210 Lubbeek		
Riobra	Oude Baan 148, B-3210 Lubbeek		
Sibelgas	Stadhuis, Grote Markt, 1800 Vilvoorde		
Subsidiaries			
Fluvius System Operator cv	Brusselsesteenweg 199, B-9090 Melle	100.00	100.00
De Stroomlijn cv	Brusselsesteenweg 199, B-9090 Melle	34.38	34.38
Transco Engergy cv	Brusselsesteenweg 199, B-9090 Melle	71.43	71.43
Investment in joint ventures and associates			
Atrias cv	Koning Albert II-laan 37, B-1030 Brussel	50.00	50.00
Synductis cv	Brusselsesteenweg 199, B-9090 Melle	34.38	34.38
Wyre Holding bv	Liersesteenweg 4, B-2800 Mechelen	33.20	33.20

Subsidiary	Office	Number of shares owned %	Voting rights %
Other companies			
Fluvius OV	Trichterheideweg 8, B-3500 Hasselt	N/A	N/A

1 Contact address: Brusselsesteenweg 199, B-9090 Melle

At 31 December 2023

Subsidiary	Office	Number of shares owned %	Voting rights %
Mission entrusted associations [1]			
Fluvius Antwerpen	Antwerpsesteenweg 260, 2660 Antwerpen-Hoboken		
Fluvius Limburg	Trichterheideweg 8, B-3500 Hasselt		
Gaselwest	President Kennedypark 12, B-8500 Kortrijk		
Imewo	Brusselsesteenweg 199, B-9090 Melle		
Fluvius West	Noordlaan 9, B-8820 Torhout		
Intergem	Administratief Centrum (AC), Franz Courtensstraat 11, B- 9200 Dendermonde		
Iveka	Koningin Elisabethlei 38, B-2300 Turnhout		
Iverlek	Aarschotsesteenweg 58, B-3012 Wilsele-Leuven		
PBE	Diestsesteenweg 126, B-3210 Lubbeek		
Riobra	Oude Baan 148, B-3210 Lubbeek		
Sibelgas	Stadhuis, Grote Markt, 1800 Vilvoorde		
Subsidiaries			
Fluvius System Operator cv	Brusselsesteenweg 199, B-9090 Melle	100.00	100.00
De Stroomlijn cv	Brusselsesteenweg 199, B-9090 Melle	62.17	62.17
Investment in joint ventures and associates			
Atrias cv	Kanselarijstraat 17a, B-1000 Brussel	50.00	50.00
Synductis cv	Brusselsesteenweg 199, B-9090 Melle	34.38	34.38
Wyre Holding bv	Liersesteenweg 4, B-2800 Mechelen	33.20	33.20

Subsidiary	Office	Number of shares owned %	Voting rights %
Other companies			
Fluvius OV	Trichterheideweg 8, B-3500 Hasselt	N/A	N/A

1 Contact address: Brusselsesteenweg 199, B-9090 Melle

The Fluvius Economic Group also contains the company Fluvius OV. As from 1 April 2019, all statutory employees of the ex-Infrax companies are employed by this company. These employees are seconded to Fluvius System Operator cv. All ex-Infrax municipalities are shareholder in **Fluvius OV.**

The company Fluvius System Operator cv together with its subsidiaries De Stroomlijn, Wyre Holding, Atrias and Synductis form the (legal) '**Fluvius System Operator group**'. This group reports its IFRS results, which can be consulted on the website www.fluvius.be.

Operating in a regulated environment

35 Electricity and gas

Renewal of permission to call on the operating company

The Flemish energy regulator VREG has by its decision of 24 February 2015 granted permission to the MEAs to call on the services of Fluvius System Operator cv as operating company for electricity. This authorisation applies as from 5 September 2014 and is valid for a period of twelve years.

Following the structural changes, the VREG gave permission to the distribution system operators Gaselwest, IMEA, Imewo, Intergem, Iveka, Iverlek, Sibelgas, Infrax West, Inter-energa, IVEG and PBE to call on the services of operating company Fluvius System Operator cv and this up to 25 September 2026.

These internal structural changes within the Fluvius Economic Group do not change in any way the operating area for Fluvius System Operator, which will still cover the entire Flemish Region in the future. See the notes ' Structural changes as from 1 January 2025 (see page 36)' and ' Tariff methodology electricity and gas for 2025-2028 &distribution grid fees electricity and gas 2025 (see page 19)' for more information.

Recognition of the distribution system operators

The Flemish energy regulator VREG reported, by letter of 6 February 2015, its decision of 3 February 2015 to renew the recognition of the abovementioned MEAs as electricity distribution system operators. This designation is valid for a period of 12 years starting from 5 September 2014.

On 29 September 2015, the VREG decided to renew the term for the abovementioned MEAs (except for PBE that does not distribute gas) for gas distribution for a period of 12 years beginning on 14 October 2015.

Regulated tariff methodology

The Group operates in a regulated environment whereby the Energy Decree establishes the guidelines.

As a result of the Sixth State Reform the VREG – Flemish Regulator of the electricity and gas markets - has as from 1 July 2014, retrieved the competence of the federal regulator CREG to determine the tariff methodology for electricity and gas distribution in the Flemish region.
The distribution system operators must submit their tariff proposals within this framework.
Every year, the regulator sets the allowed income that the MEA can derive from the distribution grid tariffs.
This fixed income is then converted by the MEA into tariff proposals.
The regulator supervises the correct application.

Every year, all MEAs must report to the VREG their current non-exogenous and exogenous costs. This report is reviewed by the auditor.

The endogenous costs are the costs of expanding and managing the distribution grid. The MEA has control over these costs. These costs include operating costs, depreciation and the cost of capital. The difference between the revenue from the distribution grid tariffs for the endogenous costs and the actual endogenous costs constitutes the profit for the MEA. This profit can be used to remunerate the shareholders for their contribution (dividend distribution) and to finance investments. However, the income from the distribution grid tariffs is capped, creating an incentive to efficiently use the available resources. The allowed income from the endogenous costs is determined on the basis of this efficiency incentive and a trend calculation. The difference between the actual endogenous costs and income can be either a bonus or a malus for the grid operator.

The exogenous costs are costs over which the MEA has no control. They mainly include Elia's transmission grid tariffs as well as the costs of transit, fees to be paid to cities and municipalities, RUE premiums, costs (including capital cost reimbursement) to buy the GECs and CHPs, reduction of the regulatory asset/liabilities and the costs of non-capitalised supplementary pensions. These costs are passed on in the distribution grid tariffs. The allowed income of the exogenous costs is equal to the expected amount of costs. The difference between the actual exogenous costs and revenues is settled later (in a subsequent tariff period).

Regulated tariff methodology 2021-2024

The Energy Decree stipulates that the regulator must consult with the system operator before deciding on a new tariff methodology.

Formal consultation between Fluvius and the VREG started in the first half of 2020. The VREG is holding public market consultations and will decide whether or not to take account of the comments on the new tariff methodology for the 2021-2024 period.

On 13 August 2020, the VREG published the tariff methodology for the distribution of electricity and natural gas for the period 2021-2024.

The VREG proposed an adjustment to the tariff structure so that, in future, it will better reflect the costs of using the grid and allocate the costs to the grid users in a more balanced way. As a result, the grid costs for electricity from 2023 onwards will be charged on the basis of capacity (kW peak) instead of volume (kWh consumed).

Measures and effects of the 2021-2024 tariff methodology

The new tariff methodology for the period 2021-2024 has a negative impact on the DSOs' regulated revenues and their profitability. The reasons for this are the decrease in the Weighted Average Cost of Capital (WACC) and the decrease in the remuneration base. This is because the remuneration on the surplus value on the Regulated Asset Base (RAB) will be phased out over a period of eight years. As a result, the DSOs receive fewer resources to carry out their tasks and assignments and the dividend to the shareholders is reduced.

The Group worked out actions in different areas to be able to preserve the 'financial health' of the DSOs. Several **mitigating measures** were taken, including the application for an **advance payment scheme**. As the Allowed Income was determined by VREG on the basis of the trend in endogenous costs in the period 2015-2019, a discrepancy between the costs incurred and the corresponding revenues arises in the event of an accelerated cost increase. This is particularly the case when large new projects are started up, such as the roll-out of the digital meters.

The VREG acknowledged this problem and, by means of advances, increased the endogenous income of 2021 by 43 million EUR (14 million EUR for electricity and 29 million EUR for gas).

For 2022, the endogenous electricity income was increased by an advance of 22 million EUR.

Each year, the VREG can determine the amount of the advances. In 2023, due to the demand to limit the impact of inflation on network tariffs, the advances obtained so far were fully repaid.

Furthermore, the Group has developed additional financial criteria for **capital expenditure** and a programme has been initiated to achieve the **cost savings** imposed by VREG of 150 million EUR by 2024.

In order to keep the equity of the various DSOs and the Group as strong as possible, a modified **dividend policy** (for the electricity and gas segment) has been developed on the basis of the ratio (calculations using BE-GAAP figures) of Equity to Regulated Asset Base. This innovation will be applied from 2022 onwards (see also note 'Equity').

Tariffs 2024

The VREG approved the periodic network tariffs for electricity and natural gas on 14 December 2023 for the period from 1 January 2024 to 31 December 2024.

The tariffs for electricity and gas will increase compared to 2023. For both natural gas and electricity, this increase is mainly due to the elimination of the negative advance for the year 2023 and the rising inflation during 2024. Furthermore, in 2024, the Flemish government will pay €67 million as compensation for the purchase of certificates compared to €148 million in 2023.

The VREG may still revise the allowed income for the year 2024 because ELIA's tariffs for 2024 may increase significantly.

Tariffs 2023

On 21 November 2022, the VREG approved the periodic network tariffs for electricity and gas for for the period from 1 January 2023 to 31 December 2023.

From then on, not only large companies, but also households and SMEs will pay a capacity tariff for electricity.

The allowed income for the DSOs fell for five years in a row but in 2023 the allowed income for electricity rises by 2% and for gas by 11%. This increase is mainly due to rising inflation during 2022. The increase for electricity was limited by additional measures obtained from the Flemish government (an allowance of 148 million EUR as compensation for the purchase of certificates) and extra efforts by Fluvius (repaying the assigned advances amounting to 72 million EUR early) and not requesting new advances for 2023 (for electricity and energy transition).

Accounting treatment

The regulatory transfers are recognised on specific balance sheet accounts and are called 'regulatory balances' since the tariff methodology is determined by the VREG. The movements of these accounts including the federal contribution (additions, recoveries and regularisations) constitute the regulatory transfers.

Overview of the assets and liabilities of the settlement mechanism (see note 'Trade and other receivables' and 'Trade and other short-term liabilities').

Overview of the assets and liabilities of the settlement mechanism

(In thousands of EUR)	2024	2023
Transfers 2023	52	52
Transfers 2024	16	0
Total federal contribution	**68**	**52**
Balances from 2021	-8	-70,598
Balances from 2022	26,061	98,824
Balances from 2023	146,736	129,756
Balances from 2024	20,566	0
Total regulatory balances	**193,355**	**157,982**
Total amount recoverable	**193,423**	**158,034**
of which reported as Current assets/(liabilities)	**193,423**	**158,034**

Reconciliation of the settlement mechanism

(In thousands of EUR)	2024	2023
Regulatory assets/(liabilities) at 1 January	**158,034**	**15,376**
Paid to/received from CREG	0	-270
Additional transfers from 2023	0	52
Additional transfers from 2024	16	0
Total movements federal contribution	**16**	**-218**
Additional transfers from 2022	0	808
Additional transfers from 2023	-23	129,756
Additional transfers from 2024	20,566	0
Recovered transfer from 2020	0	-5,504
Recovered transfer from 2021	70,590	64,518
Recovered transfer from 2022	-72,763	-46,702
Recovered transfer from 2023	17,003	0
Total movements regulatory balances	**35,373**	**142,876**
Total movements	**35,389**	**142,658**
of which - movement through the income statement	35,389	142,928
of which - paid to/received from CREG federal contribution	0	-270
Regulatory assets/(liabilities) at the end of the reporting period	**193,423**	**158,034**

On 9 July 2024, the VREG approved the regulatory balances for electricity and gas relating to the financial year 2023, subject to an additional cost of 23 k EUR to be recognised.

On 18 July 2023, the VREG approved the regulatory balances for electricity and gas relating to the financial year 2022, subject to an additional revenue of 808 k EUR to be recognised.

We hereby draw attention to the fact that the regulatory balances with respect to each of the accounting periods were estimated, taking into account all available information. However, these amounts will only be final after approval of these balances by the VREG. This uncertainty includes the fact that the check by the regulator could still lead to additional differences which then need to be processed via adjustments to the regulatory assets/liabilities or the result of the next accounting year.

Regulated Tariff Methodology 2025-2028

The Energy Decree stipulates that the regulator must consult with the network operator before making a decision on a new tariff methodology. In the second half of 2023, formal consultations between Fluvius and the VREG were initiated. Following a public market consultation, the VREG made a final decision on 21 June 2024 regarding the new tariff methodology for the period 2025-2028.

On 24 June 2024, the VREG published the tariff methodology for the distribution of electricity and natural gas for the period 2025-2028. The VREG proposes an adjustment to the calculation of the capital cost allowance. Unlike the tariff methodology 2021-2024, where the pre-tax WACC was 3.5% for the entire period, the VREG decided that in the new tariff methodology 2025-2028, the WACC will be adjusted annually based on the changing risk-free interest rate. In the decision of the tariff methodology 2025-2028, the VREG has already decided on the final pre-tax WACC of 5.2% for the year 2025, as this is based on the market interest rates of 2023.

The reduction in the compensation for revaluation surpluses, which was already initiated in the tariff methodology 2021-2024, will continue in the tariff methodology 2025-2028, resulting in the compensation being fully phased out after 2028.

The imposed merger savings following the merger (in 2018 of ex-Eandis with ex-Infrax) that were imposed in previous tariff periods are considered fully realised by the VREG. Additionally, the VREG imposes an annual productivity improvement (frontier shift). This amounts to a cumulative annual 1.1% for electricity and 0.0% for natural gas.

Furthermore, the VREG sets the allowed income for 2025-2028 based on the trend of endogenous costs in the period 2019-2023. This will result in a significant discrepancy between the incurred costs and the corresponding revenues in light of the enormous challenges in the context of the energy transition in the period 2025-2028. The VREG intends to address this difference by introducing an advance payment scheme. The VREG has agreed to an advance payment for electricity of €60.1 million for the year 2025, but since the tariff methodology 2025-2028 limits the amount of an advance payment to 5% of the basic endogenous allowed income for 2025, the advance payment for 2025 was capped at €51.1 million. Granted advances must be reclaimed at a later date, resulting in a decrease in future allowed income.

The DSOs from the Fluvius Economic Group have decided to file a lawsuit before the Market Court (Court of Appeal in Brussels) against the energy regulator VREG regarding the tariff methodology 2025-2028. After an analysis, Fluvius concluded that this tariff methodology is unlawful on several points and infringes on the rights and interests of the distribution network operators, particularly regarding (i) the compensation for debt as part of the compensation for invested capital, (ii) the imposed 'frontier shift' savings, and (iii) the VREG's calculation of the so-called 'Wyre surplus value'. A preliminary ruling was issued on 19 February 2025 (see note '33 Events after the reporting date').

Tariffs 2025

On 17 December 2024, the VREG approved the periodic network tariffs for electricity and natural gas for the period from 1 January 2025 to 31 December 2025. The tariffs for electricity and gas will increase compared to 2025.

The sharp increase for electricity is mainly due to the significant rise in transmission network tariffs in 2025, higher interest rates in the financial markets, and the necessary investments in the electricity distribution network.

Despite the slight decrease in allowed income for natural gas, the network tariffs for natural gas will increase. This is due to the declining natural gas consumption. The calculation volumes for 2025 are 10.71% lower than in 2024. The reason for this is that the tariffs for 2024, in accordance with the provisions in TM 2021-2024, were still based on the volumes of 2019. The tariffs for 2025, on the other hand, are based on the average of the calculation volumes for 2022-2023.

Due to the reorganisation of the distribution network areas at the beginning of 2025, the differences in network tariffs between the network operators will be less significant.

IFRS guidelines

At the moment there are no specific IFRS guidelines as to the accounting treatment of the settlement mechanism in a regulated environment.

On 30 January 2014, the IASB published a new standard IFRS 14 Regulatory Deferral Accounts. This new standard is applicable for "first time adopters" and allows the recording of regulated assets and liabilities as separate items of the balance sheet and profit and loss account. This standard was not endorsed by the EU and is awaiting the final standard.

On 28 January 2021, the IASB published the 'Exposure Draft ED/2021/1 *Regulatory Assets and Regulatory Liabilities*'. The company reviews the evolution of this exposure draft and will evaluate the effect with the used valuation and reporting method. Following the feedback received, the IASB is working on the further development of the new standard. No date has yet been set to publish this standard.

36 Sewerage

Operation

The sewerage activity of the Group is stipulated in the **Water Decree**, now included in the so-called Water Code (Decree on integrated water policy).

This Decree states that the remediation obligation of the municipalities can be entrusted to a Mission Entrusted Association or intermunicipal cooperation. The Decree was amended in 2005 and led to the introduction of the municipal remediation contribution (drinking water consumers) and in 2006 to the municipal remediation fee (own water winners). The Decree states that the remediation contribution/fee is intended for the financing of the remediation obligation. The municipal sewerage contribution and sewerage fee respectively, should be used for investment or maintenance costs after having billed a municipal remediation contribution or remediation fee in the municipality concerned and to the extent that the expenses are not being subsidized or financed by the Flemish Region.

The participating municipalities of the Group contributed all of their sewerage infrastructure, rights and obligations (capex) to the DSOs (Fluvius Limburg, Fluvius West, Riobra and Fluvius Antwerpen). As a consequence, the Group is responsible for the execution of all works (capex and opex) on the sewerage grid.

The proceeds from the sewerage activity can be divided into three broad categories:
- The first category are the **remediation contributions** received from the water companies. In accordance with the circular (LNE2013/2), these contributions and reimbursements can only be used for investments in the sewerage grid or maintenance expenditures related to the sewerage grid.
- The second category includes **contributions** for new connections and the fees charged to **developers** if the developer uses existing road infrastructure. If land is allotted and no roads existed before, the land owner must finance the sewerage infrastructure himself and then transfer it to the Group free of charge.
- A third category are **government grants**. If the projects are considered a priority by the Flemish Region, via the Flemish Environment Agency (Vlaamse Milieumaatschappij - VMM) as regulator, a grant can be obtained that amounts to 75% of the allowed investments, the so-called 'subsidisable works'. The Group carries out the works and collects the grant from the Flemish Region. After completion of 20% of the works, a first tranche of 80% of the subsidy can be applied for. The balance of the subsidy is paid at the time of final delivery.

If Flemish subsidies cannot be obtained, a municipality can decide to start the project and can subsidize the investments itself.

Sewerage fund

The interventions of the municipalities do not always result in an actual cash exchange because the municipalities can call upon the usage of the sewerage fund. This fund has been established to reduce the impact of sewerage investments on the municipal budgets.

The proceeds of the sewerage fund can only be used within the guidelines set out in the Ministerial circular for the municipal remediation contribution and compensation.

Regulation

The sewerage activity is subject to the supervision by the Flemish Environment Agency (VMM), which acts as a regulator for both economic and environmental monitoring.

The municipal remediation contribution and compensation is legally capped at 1.15 (previously 1.4) times the intermunicipal contribution from 2025 onwards, which has been substantially increased in 2025.

Both the intermunicipal and the municipal remediation contributions and compensations are part of the integral water invoice. The Group charges the water contributions and fees invoiced by the water company, withholding a cost percentage. This withholding is the compensation for the drinking water companies for administration, operating costs, and debtor management.

Vision 2050

Fluvius has drawn up its vision paper on the development of sewerage and how the company can contribute to addressing the water problems caused by climate change and increasing population growth in Flanders.

Fluvius will work around four objectives which stipulate that drinking water consumption should decrease, water should be reusable with a maximum circular use and the (re)installation of the natural cycle for rainwater, the sewerage networks should be future-proof and the information from the sewerage system should be made available to the users of the system. Further action points for each of these objectives were developed.

Review of reporting

Declaration of the responsible persons

The undersigned declare that, to the best of their knowledge,

- the financial statements of the Economic Group Fluvius for the financial year 2024 have been prepared in accordance with the International Financial Reporting Standards (IFRS) accounting standards and present a true and fair view of the equity of the companies in the consolidation scope.
- the Management Review about 2024 presents a true and fair view of the company's developments and results and of the position of the company and its subsidiaries, as well as a description of the major risks and uncertainties they are facing

Melle, 13 March 2025

Frank VANBRABANT, CEO Fluvius System Operator

David TERMONT, CFO Fluvius System Operator

Independent auditor's report to the shareholders of the Flemish distribution net owners on the consolidated financial statements of Fluvius Economic Group for the year ended 31 December 2024

We report to you as independent auditor on the Consolidated Financial Statements) of Fluvius Economic Group (the "Company" or the "Group"), we report to you as statutory auditor. This report includes our opinion on the consolidated statement of the financial position as at 31 December 2024, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 31 December 2024 and the disclosures including material accounting policy information (all elements together the "Consolidated Financial Statements") as well as our report on other legal and regulatory requirements. These two reports are considered one report and are inseparable. The Consolidated Financial Statements of the Economical Group Fluvius consist of nine Flemish Mission Entrusted Associations ("MEAs"): Fluvius Antwerpen, Fluvius Halle-Vilvoorde, Fluvius Imewo, Fluvius Kempen, Fluvius Limburg, Fluvius Midden-Vlaanderen, Fluvius West, Fluvius Zenne-Dijle en Riobra who have joint control over Fluvius System Operator CV and its subsidiaries (De Stroomlijn CV, Synductis CV, Atrias CV and Wyre Holding BV), Fluvius OV and Transco Energy CV.

Report on the audit of the Consolidated Financial Statements

Unqualified opinion

We have audited the Consolidated Financial Statements of Fluvius Economic Group, that comprise of the consolidated statement of the financial position on 31 December 2024, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the year and the disclosures including, material accounting policy information, which show a consolidated balance sheet total of € 18.326.683 thousand and of which the consolidated income statement shows a profit for the year of € 112.604 thousand.

In our opinion, the Consolidated Financial Statements give a true and fair view of the consolidated net equity and financial position as at 31 December 2024, and of its consolidated results for the year then ended, prepared in accordance with the IFRS Accounting Standards as adopted by the European Union and with applicable legal and regulatory requirements in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA's") applicable in Belgium. In addition, we have applied the ISA's approved by the International Auditing and Assurance Standards Board ("IAASB") that apply at the current year-end date and have not yet been approved at national level. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the Consolidated Financial Statements" section of our report.

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

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

Emphasis of certain matters

Without qualifying our opinion, we would like to draw the attention to Note 35 of the Consolidated Financial Statements 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 that are not yet approved by the Flemish Utility Regulator.

Responsibilities of the Management Committee for the preparation of the Consolidated Financial Statements

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

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

Our responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance whether the Consolidated Financial Statements are free from material misstatement, whether due to fraud or error, and to express an opinion on these Consolidated Financial Statements based on our audit.

Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with the ISA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

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

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

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

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

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

Report on other legal and regulatory requirements

Independence matters

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

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

Ghent, 28 March 2025

EY Bedrijfsrevisoren BV
Statutory auditor
Represented by

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

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fluvius.