

Investor update: financial results 30 June 2026 and outlook

Corporate, Investor Relations

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Fluvius Economic Group: key figures

IFRS (in million EUR, unless otherwise stated)	30 June 2026	30 June 2025
Result		
Operating revenue	2,188	2,333
Operating expenses	-2,016	-2,094
Result from operations	173	239
Net finance costs	-112	-120
Other (mainly income tax expenses)	-21	-42
Result for the period	40	77
Cash flow		
Net cash flow from operating activities	337	296
	30 June 2026	31 Dec 2025
Balance sheet		
Non-current assets (Fixed assets)	18,914	18,055
Current assets	1,797	1,744
Equity	7,682	7,270
Interest bearing loans and borrowings (long and short term)	10,920	10,361
Other liabilities	2,110	2,168
Balance sheet total	20,711	19,799
Other key figures		
EBITDA ¹ (annualised)	1,018	1,107
CAPEX (annualised)	1,631	1,780
EQ/RAB ² ELED & GASD (in %)	31% ³	33%
Total employees ⁴ (in FTE)	5,693.7	5,721.6

Recent developments

Fluvius manages an extensive infrastructure that is essential to the daily energy and utility services of households, businesses and local authorities across Flanders. Through the distribution system operators, Fluvius supports the energy transition by investing in reliable, sustainable and future-proof networks for electricity, natural gas, public lighting, sewerage and district heating.

During the first half of 2026, Fluvius continued to deliver robust operational performance in a challenging environment characterized by accelerated electrification and the ongoing energy transition. Key priorities included the further reinforcement of the electricity grid, the proactive management of grid congestion, the rollout of digital energy infrastructure, the gradual phase-out of natural gas, and the continued conversion of public lighting to LED technology.

Given the scale of these investments, Fluvius continues to work on strengthening the equity base of the Fluvius Economic Group in order to maintain a balanced capital structure and a manageable level of indebtedness. In this context, the Flemish Government acknowledged in 2025 the need to strengthen the equity base of the Flemish distribution system operators by 1.56 billion euros.

¹ EBITDA: [Result from operations] + [depreciation, amortisation, impairments and changes in provisions]

² EQ/RAB represents the ratio of equity to the regulated asset base for electricity distribution and natural gas distribution (ELED & GASD) in BE GAAP

³ Based on assumptions of year-end 2026

⁴ Total number of employees of Fluvius System Operator and Fluvius OV in full-time equivalent (FTE)

During the first months of 2026, intensive negotiations took place between Fluvius and PMV (the investment company of the Flemish Government) regarding the envisaged transaction and its terms and conditions. Following thorough consideration, the Board of Directors of Fluvius System Operator, and subsequently the Boards of Directors of the distribution system operators, decided that they could not support PMV's proposal. The parties had previously agreed not to disclose the contents of the negotiations publicly.

The termination of the discussions with PMV does not diminish the strategic importance of strengthening the equity base of the Fluvius Economic Group. Nor does it mark the end of the dialogue between Fluvius and the Flemish Government. Both parties remain committed to continued discussions aimed at further shaping their cooperation in support of the energy transition in Flanders.

The Board of Directors of Fluvius System Operator has decided to explore and initiate alternative options to strengthen the balance sheet of the Fluvius Economic Group, while maintaining an **A3 credit rating** as a strategic objective.

In light of the Group's financing needs in the coming years and Moody's emphasis on strengthening liquidity, the volume of committed revolving credit facilities increased by 1 billion euros as of 30 June 2026, bringing the total amount to 1.5 billion euros. These additional credit facilities were spread across various maturities with the objective of limiting concentration risk in relation to existing credit lines, enhancing financing flexibility, and further reducing refinancing risk.

Notes on key figures

Result for the period

The result for the first half of 2026 amounted to 40 million euros, compared with 77 million euros in the corresponding period of the previous year. The decrease was mainly attributable to lower operating profit and higher finance costs, which were only partially offset by higher finance income.

For the regulated electricity and natural gas distribution activities, the Flemish utility regulator (VNR) maintained the allowed weighted average cost of capital (WACC) at 5.2%, unchanged from the level applied in 2025.

Operating revenue

The operating revenues decreased by 145 million euros in the first half of 2026 compared with the corresponding period of the previous year. This reduction was mainly driven by lower allowed income⁵ in the electricity distribution segment. This was only partially compensated by a modest increase in allowed revenue from natural gas distribution and higher revenues from sewerage activities (as a result of remediation contributions received).

Operating revenue from electricity distribution decreased in the first half of 2026, reflecting the combined effect of several factors:

- Endogenous:
 - The frontier shift under the current tariff methodology has a negative impact on allowed income and consequently on operating revenue. This measure represents an annual and cumulative efficiency target of 1.1% applied to endogenous electricity distribution costs.
 - In addition, the gradual phase-out of the remuneration on RAB revaluation gains⁶ reduced allowed income.
 - The negative effects of the frontier shift and the treatment of the RAB revaluation gains, were partly offset by a positive trend.
 - The decline also reflects the evolution of the prices and volumes of the electricity network losses. In the first half of 2025, the reconciliation of these network losses generated a positive revenue contribution of 32 million euros. This compares with an expense of 19 million euros in first half of 2026 and is therefore recognised under operating expenses.
 - The advances for electricity distribution approved by the VNR remain stable compared with the previous year (51 million euros for the full year 2026).

⁵ The allowed income represents the maximum amount that Fluvius, as a distribution system operator, is permitted to receive through network tariffs for electricity and natural gas. The allowed income consists of exogenous and endogenous costs. Exogenous costs are costs on which Fluvius has no control, such as transmission charges from Elia. Endogenous costs are costs that Fluvius is expected to be able to influence itself, including operating expenses depreciation and capital costs.

⁶ RAB revaluation gains are historical upward revaluations of certain regulated network assets, part of the Regulated Asset Base (RAB). Fluvius receives a regulated return on these revaluation gains; however, under the current tariff methodology, this remuneration is being gradually phased out.

- Exogenous:
 - In the first half of 2026, pass-through revenues related to public service obligations decreased, primarily due to the lower volume of certificates purchased at the minimum support level that was foreseen in the 2026 tariffs.
 - In addition, recoveries from the Flemish Energy and Climate Agency (VEKA) for rational energy use premiums (REG premiums) were 36 million euros lower than in the same period last year. This decrease was mainly driven by regulatory changes, including revisions to income categories and adjustments to premium rates, resulting in a lower number of premiums granted and paid out.

Operating revenue from natural gas distribution increased slightly, reflecting the combined effect of several factors:

- Endogenous:
 - The negative gas trend had a downward impact on allowed income and, consequently, on operating revenue.
 - In addition, revenue from the pass-through of natural gas supplied to social customers and default customers was lower in 2026 than in the previous year.
- Exogenous:
 - Despite these endogenous developments, total operating revenue increased slightly, driven by the recovery of revenues relating to 2023 and 2024 that could not be fully recuperated in those years due to natural gas consumption being lower than originally forecast.

Operating expenses

Operating expenses decreased (by 78 million euros) in the first half of 2026 compared with the same period last year. This decline was less pronounced than the decrease in operating revenue, mainly due to higher endogenous cost components. In addition to the endogenous developments discussed above, staff expenses increased (by 26 million euros) as a result of wage indexation, while depreciation and amortisation charges rose year-on-year (by 22 million euros). Furthermore, purchase of consumables decreased (by 30 million euros), reflecting a lower investment volume at the distribution system operators. This trend is consistent with the long-term investment plan and mainly reflects the advanced stage of the electricity and natural gas digital meter roll-out, which results in a lower level of investments in 2026 compared to the previous year (see also CAPEX evolution).

In addition, exogenous costs related to the purchase of green electricity certificates (GECs) and cogeneration certificates (CHPs) decreased (by 7 million euros). First, the number of GECs purchased was lower than in 2025. At the beginning of last year, purchase volumes were temporarily elevated due to a freeze of the VNR trading database in 2024. Furthermore, a limited gain was realised on GECs through auction sales, as the average selling price exceeded their carrying value. By contrast, a loss was recorded on CHPs, as the average selling price was below the valuation determined in accordance with Flemish Government regulations. For information on certificate inventories held, reference is made to the discussion of balance sheet positions.

Costs relating to regulatory transfers decreased (by 71 million euros) compared with the same period last year. These transfers represent temporary differences between actual revenues and costs on the one hand, and the revenues permitted by the regulator on the other hand. Such differences are settled through future network tariffs.

Net finance costs

Financial income increased (by 24 million euros) in the first half of 2026 compared with the same period last year. This increase was mainly driven by the interim dividend received from Publi-T (23 million euros) and the capital gain realized on the sale of Elia shares by distribution system operator Fluvius Midden-Vlaanderen (10 million euros). These positive effects were partly offset by lower dividends received from Elia following the sale of the shares and by lower gains on the remaining Elia shares. In addition, the revaluation impact was lower than in the first half of 2025, when the strong performance of Elia's share price resulted in a significant unrealized gain.

Financial expenses increased by (16 million euros) compared with the first half of 2025. This increase is primarily attributable to higher interest expenses on long-term financing, reflecting a larger volume of outstanding debt.

Non-current assets (fixed assets)

Non-current assets increased (by 0.9 billion euros) over the past months, reaching 18.9 billion euros at the end of June 2026.

This increase is primarily attributable to the growth in property, plant and equipment (470 million euros), in line with the execution of the investment programme.

In addition, other investments increased by 418 million euros. This increase is attributable, on the one hand, to the higher valuation of the strategic participations in Publi-T (32.06%), Publigas (30.36%) and the directly held shares in Elia, resulting in a combined fair value gain of 347 million euros. On the other hand, during the first half of 2026, seven distribution system operators participated for 116.1 million euros in the capital increase of Publi-T, which was carried out to finance its investment in Elia. Finally, Fluvius Midden-Vlaanderen sold its directly held shareholding in Elia.

The fair value changes of Publi-T and Publigas are recognised through unrealised gains and losses in other comprehensive income (FVOCI), while the fair value change relating to the directly held Elia shares is recognised under financial income.

Current assets

The value of the GEC and CHP certificates held in inventory amounts to 650 million euros at the end of June 2026, (of which 561 million euros related to CHPCs). The high CHP inventory on the balance sheet results from the statutory purchase obligation at minimum support levels, combined with an oversupply and limited market demand. For the impact on the results, we refer to the section of operating expenses.

Equity

The increase in equity amounted to 411 million euros and was primarily driven by higher unrealised gains on strategic participations (as discussed in the section on non-current assets).

In addition, the equity of the electricity and natural gas distribution activities strengthened as a result of the lower dividend payout ratio following the revision of the dividend policy in 2025.

The total dividend relating to the 2025 financial year amounted to 130 million euros (compared to 191 million euros for the 2024 financial year), of which the remaining balance of 16 million euros was paid out in June 2026.

Interest bearing loans and borrowings

Long-term and short-term interest bearing loans and borrowings amounted to 11.0 billion euros as at 30 June 2026, representing a net increase of 559 million euros.

On 16 February 2026, Fluvius System Operator successfully issued a 650 million euros green bond under its existing EMTN programme. The instrument has a maturity of 10 years and carries a fixed annual coupon of 3.750%. This green bond issuance represents another important step in financing the energy transition and climate adaptation investments in Flanders.

Other key figures

Annualised **EBITDA** amounted to 1,018 million euros in 2026, lower than in the previous financial year. This decrease was mainly driven by a lower operating result, partly offset by higher amortisations.

The **EQ/RAB** ratio for both electricity and natural gas distribution continued to decline in 2026, reflecting the growth of the Regulatory Asset Base (RAB).

Recent credit rating developments

On 20 May 2026, the credit rating was placed “under review” for a potential downgrade following Fluvius’ announcement on 24 April 2026 that its Board of Directors had not reached agreement on PMV’s proposal. Earlier, on 8 October 2024, Moody’s had revised the outlook on the rating from stable to negative.

Our outlook

Exploration of alternative measures to strengthen equity

Fluvius remains engaged in discussions with the Flemish Government to achieve structural improvements to its balance sheet structure.

The alternatives currently being explored and further developed over the coming months include:

- The issuance of new shares to be subscribed by the existing shareholders using their own funds;
- The divestment of interests in companies that may be considered less strategic by the local authorities than the distribution networks themselves;
- The issuance of equity-like instruments, such as hybrid bonds;
- A structural solution for the inventory of cogeneration certificates recorded on the balance sheet (561 million euros as of the end of June 2026).

The most appropriate combination of measures will be further developed and assessed over the coming months, taking into account market conditions, financial sustainability and the interests of all stakeholders.

In addition, from 2029 onwards, a more realistic tariff methodology, without annual frontier shifts⁷ and with compensation for financing costs that better reflects economic reality, could significantly improve Fluvius' financial resilience.

Proactive capacity management on the Flemish distribution network

Together with transmission system operator Elia, and in close coordination with the Flemish Government, the energy regulators and other relevant stakeholders, Fluvius has established a joint task force to proactively address network capacity challenges. This task force identifies both current and future bottlenecks and oversees the implementation of an integrated action plan aimed at preventing potential grid congestion in a timely manner.

The recent amendments to the Flemish Energy Decree provide a key regulatory framework for the deployment of flexible grid connections. In situations where grid congestion risks emerge, the framework allows network operators to implement temporary and proportionate measures, including limitations on power offtake, to safeguard network stability and ensure the efficient operation of the electricity system.

Fluvius continues to prioritize investments in grid reinforcement, innovation and collaboration with all relevant stakeholders to ensure that the energy infrastructure remains fit for the future. The energy transition presents significant challenges, but through a proactive approach, supportive regulation and targeted investments, Fluvius is confident that these challenges can be managed in a controlled and sustainable manner.

Vision for the future of natural gas distribution

Fluvius' vision for the future of natural gas distribution networks is fully aligned with Flemish and European policy objectives. Fluvius supports the Flemish Government's policy goal of a gradual phase-out of natural gas.

However, natural gas remains an essential energy source in Flanders today. Nearly twice as much energy is transported through the natural gas distribution network as through the electricity distribution network. Approximately 2.4 million customers are connected to the natural gas network, and around 65% of households use natural gas for heating. This situation is partly attributable to the former connection obligation imposed by the Flemish Government, which remained in force until 2017 and aimed to achieve a connection rate of 99% in non-rural residential areas. In addition, thousands of companies still depend on natural gas.

At the end of 2025, the Flemish Utility Regulator (VNR) published a future outlook study on Flemish natural gas distribution networks. Based on the findings of this study, Fluvius highlighted two key societal challenges associated with the energy transition: (1) maintaining affordable natural gas distribution tariffs and (2) providing all natural gas consumers with clarity and perspective through a well-defined long-term vision.

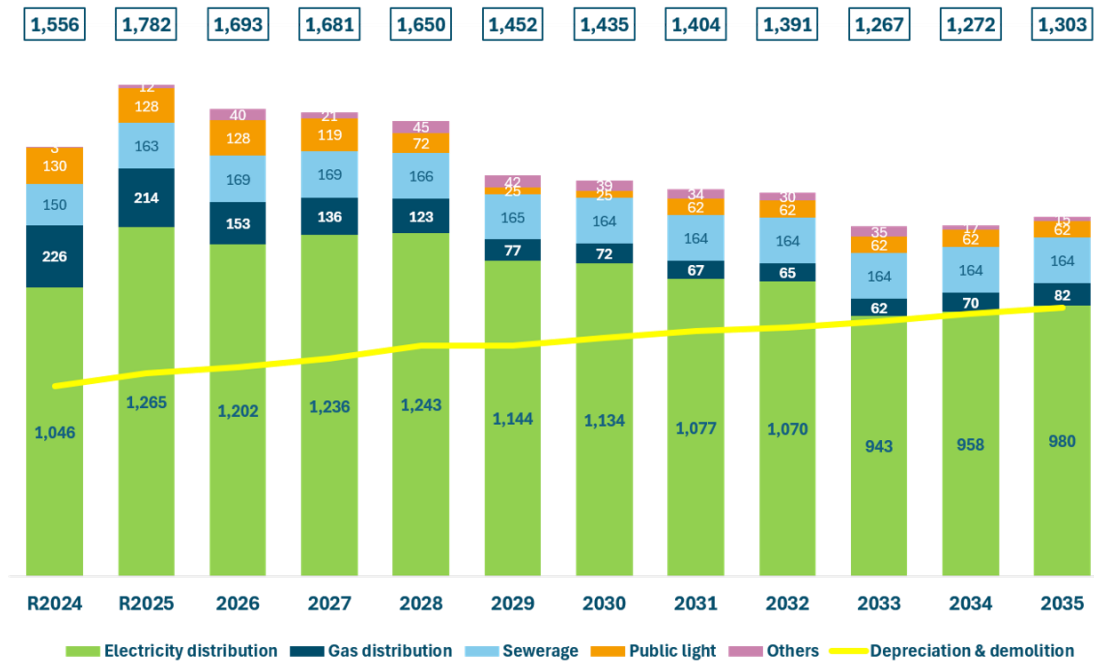
During the first half of 2026, the publication of this study led to a broader public debate, including a hearing in the Flemish Parliament involving all relevant stakeholders.

In the meantime, Fluvius continues to apply a "keep-it-running" approach, maintaining its focus on the safe, reliable and efficient operation of the existing natural gas distribution network for as long as it continues to play an essential role in Flanders' energy supply.

⁷ The frontier shift under the current tariff methodology represents an annual and cumulative efficiency target of 1.1% on the endogenous costs of electricity distribution.

CAPEX⁸ evolution (2024-2035 in EURm):

The decline in investments compared to 2025 mainly reflects the advanced progress of the rollout of digital electricity and natural gas meters.



Other developments

At the end of July 2026, Wyre Holding BV returned part of its available contributed capital to its shareholders. As a result, Fluvius System Operator received a distribution of 198 million euros. Furthermore, in connection with the refinancing of the Wyre Group, Wyre BV repaid a 32 million euros shareholder loan to Fluvius System Operator.

References:

Further information on the result of the first half year of 2026:

- Interim report Fluvius Economic Group [Financial info](#) | Fluvius
- Questions? Investors@fluvius.be

⁸ This graph is based on BE GAAP figures. As of 2025 the CAPEX figures include the Wyre leasehold.