Sibelga

ANNUAL ACCOUNTS 2024

English

Contents

Report of the board of directors

To the general meeting of shareholders of 17 june 2025
Regarding the activities of the year 2024

Ladies and Gentlemen,

In accordance with the law and the articles of association, we are honoured to report to you on the activities of our company during its 43rd financial year and submit for your approval the balance sheet, the income statement as at 31 December 2024, the notes to the accounts and the distribution of profits as required by Article 40 of the articles of association. This report is drawn up in accordance with Articles 3:5 and 3:6 of the Companies and Associations Code (CSA).

I. Preliminary remarks

Although Sibelga is reporting on its activities for its 43rd financial year, this is in fact the 22nd financial year since the reorganisation of distribution network management activities in the Brussels-Capital Region, and the 16th in a fully deregulated environment.

- Following the full deregulation of the electricity and gas market, the intermunicipal company focuses on its role as a distribution network operator and its turnover is now almost exclusively derived from grid fees paid by suppliers.

- It is important to note that the private partner withdrew from it on 31 December 2012. Since then, the public authorities involved have held all the shares representing the capital.

- Furthermore, an ordinance amending the electricity and gas ordinances, particularly to establish a new framework for distribution tariffs, was adopted by the Brussels Parliament on 25 April 2014. This ordinance came into force on 1 July 2014 with respect to the provisions on tariff methodology and tariffs, the same date that Article 19 of the special Law of 6 January 2014 on the Sixth State Reformentered into force, transferring distribution tariffs to the regions.

  Under this ordinance, the power to establish a tariff methodology for the distribution of electricity and gas, as well as the power to approve distribution tariffs established in accordance with this methodology, is vested in Brugel, the Brussels regulator of the electricity and gas markets.

- The electricity and gas ordinances were last amended by an ordinance published in the Belgian Official Gazette on 20 April 2022 and entered into force on 30 April 2022. Among other changes, this ordnance reshapes the framework for the deployment of smart meters and transposes the new European obligations relating to electricity and gas, particularly with regard to energy sharing.

II. Regulatory framework

Following consultation with the network operator and the official consultation process, the regulator Brugel approved the electricity and gas tariff methodology decisions at its Board of Directors meeting on at its Board of Directors meeting of 7 March 2019. These decisions apply to the regulatory period 2020–24. These decisions were taken in accordance with the application of Art. 9c of the Electricity Ordinance and Art. 10a of the Gas Ordinance.

The tariff methodologies applicable to the 2024 financial year are based on the following main elements:

- Tariff period of five years;
- Cost -plus system distinguishing between manageable and non-manageable costs;
- determining a rate of return on capital;
- an incentive regulation on cumulative manageable costs capped at a specified amount with a 50/50 split between shareholders and tariffs;
- the regulator's decision not to allocate all tariff balances towards reducing tariffs in 2020–24;
- separation of project costs into 4 groups:
    - Projects related to network investments, projects related to public service obligations and innovative projects are considered as non-manageable;
    - Other IT projects (including Smartrias) are considered as manageable;
- creation of a target-based incentive regulation (KPI) that can yield up to €1 M/year in favourable circumstances;
- a cap on manageable costs based on the 2017 budget excluding controllable IT projects – incentive regulation on 2017 costs (down by nearly €4.7 M) + indexation + real 2017 IT projects (with a cap of 85% for Smartrias);
- efficiency factor on manageable costs of 0.75% per year excluding indexation from 2021;
- Brugel's intention to transition to a revenue cap by 2025.

The tariff proposals under this framework were validated by the regulator.

The regulatory framework applicable to the financial year results from the following decisions:

1. Decisions

1.1. Decisions (BRUGEL-DECISIONS-20191218-122BIS AND 123BIS) concerning the approval of electricity and gas tariffs

As part of the tariff methodologies, Sibelga submitted tariff proposals for 2020–24 in September 2019. In mid-December 2019, Brugel validated Sibelga's tariffs for five years, through its decisions 20191218-122bis and 123bis.

1.2. Decisions (BRUGEL-DECISIONS-20191127-124 AND 20191218-126) concerning the performance trajectories of the KPIs and concerning the entry into force of the performance indicators (KPIs) relating to Sibelga's service quality incentive pricing mechanism

From the financial year 2020 onwards, an incentive regulation on service quality has been put in place. In this context, and following various exchanges between Sibelga and Brugel, the latter has set performance thresholds and trajectories for each of the monitoring indicators.
The list of KPIs that came into force in 2020 at Sibelga's request has been validated by Brugel. There were no additional KPIs in 2021, 2022, 2023 and 2024.

1.3. Decisions (BRUGEL-DECISIONS-20231026-247 and 20231026-248) concerning the approval of SIBELGA's specific electricity and gas tariff adjustment proposals for 2024

In accordance with the electricity and gas tariff methodology, Sibelga has introduced specific tariff proposals aimed at adjusting the "public service obligation" tariffs, the surcharge for corporation tax and the surcharge for the municipal fees for occupation of the public domain. At the end of October 2023, Brugel validated Sibelga's adjusted tariffs for 2024, through its decisions 20231026-247 and 248.

1.4. Decisions (BRUGEL-DECISIONS-20241024-292 and 20241024-293) relating to the tariff balances reported by the network operator SIBELGA for the operating year 2023

With these decisions, the regulator checked the electricity and gas tariff balances for the year 2023 and validated the results of the KPIs on service quality, resulting in a financial incentive for Sibelga. These decisions resulted in a correction of the regulatory balances for 2023 for a total of €159,618 in favour of the regulatory funds, as well as to the granting of a financial incentive for a total of €554,155 based on the objectives on the quality of the services provided by Sibelga in 2023. These two corrections are reflected in Sibelga's 2024 accounts.

1.5. Decision (BRUGEL-DECISION-20240119-255) on the adjustment of the tariffs for the reinvoicing of the costs of using the transmission system

In accordance with the electricity and gas tariff methodology, Sibelga recalculated the transmission tariffs for the year 2024. These were approved by the regulator on 19 January 2024.

1.6. Decision (BRUGEL-DECISION-20231128-250) on the first set of adaptations to the electricity and gas tariff methodology 2025–2029

The first set of adjustments under this decision concerns the regulatory model and framework for the period 2025–2029. A brief description of the main adjustments can be found in point **2**. **Summary.**

1.7. Decision (BRUGEL-DECISION-20240319-264) on the second set of adaptations to the electricity and gas tariff methodology

The second set of adjustments covered by this decision relates to the tariff structure and conditions of application for the period 2025–2029.

2. Summary

The 2024 applicable tariffs are based on the 2020–2024 tariff proposal, which consists of a forecast tariff budget and forecast distributed quantities. Tariffs are the calculated by dividing the budget by the quantities.

The tariff budget consists of three main elements:

- manageable costs;
- non-manageable costs;
- fair return.

The fair margin for the 2020–2024 period is calculated on the basis of the forecast RAB (network value) and a return formula based on a forecast risk-free rate ($_{\text{10-year}}$ OLO) and forecast equity. The optimal return on equity is achieved when the ratio of equity to RAB (**S**) is 40%. Above the 40% ratio, the portion of the RAB financed by equity is remunerated at the risk-free rate plus 100 basis points [1] (b.p.), provided it does not exceed 80%.

Costs are categorised as manageable and non-manageable according to the methodology. The OPEX over which the DSO has control are considered manageable. Taxes, losses, interest charges, depreciation and write-offs, public service obligations, unfunded pension charges and exceptional charges are the main unmanageable costs under the 2020–2024 methodology.

The tariff proposal, consisting of the tariff budget, the forecast quantities and the tariffs, is submitted to the regulator for approval and analysis. At the end of the process, the proposal, if adjusted, is approved.

The DSO's actual remuneration consists of three elements:

- the actual fair margin calculated on the basis of the actual RAB (average of the year), the actual equity (average of the year) and the actual risk-free rate of the year channelled in a tunnel ranging from 2.20% to 5.20%,
- the incentive on manageable costs,
- incentives on service quality targets (KPIs).

The differences between the various forecast and actual items are categorised into **3 balances**:

- the balance of manageable costs,
- the balance of non-manageable costs (which includes the difference between the actual and the forecast fair margin),
- the volume balance.

The balance of manageable costs is the basis for the manageable cost incentive. However, this is capped (both upwards and downwards) at 50% of 10% of manageable costs.

The non-manageable balances, the volume balance and the manageable balance not included in the manageable cost incentive are integrated into the Tariff Regulation Fund. If there is an accumulated debt (overpayment), it can be used to reduce or smooth tariffs and/or to cover specific non-manageable costs. If there is an accumulated shortfall , this claim is added in full to the costs charged to customers when the tariff proposal for the next tariff period is drawn up.

[1] 1 basis point corresponds to 0.01% on the principal

3. Extracts and comments

3.1. Total income and fair margin

Total income

The total income includes all expenses (including fair margin) less the revenue the network operator incurs in the course of carrying out its regulated activities. These costs are made up of manageable costs on the one hand, and non-manageable costs on the other.

The total income for the electricity and gas activities combined amounts to €347.5 M for the specific 2024 tariff proposal.

a. Manageable costs

Manageable costs are the expenses and revenues relating to the safety, efficiency, reliability of the network or quality of service to customers, over which the network operator has direct control. These amount to €131.4 M for the 2024 tariff proposal before recalculation of the indexation.

b. Non-manageable costs

Non-manageable costs are the expenses and revenues relating to the safety, efficiency, reliability of the network or quality of service to customers, over which the network operator has no direct control.

Among these, the main ones are:
- costs of purchasing grid losses or covering them with the grid operator’s own production facilities;
- unfunded supplementary pension costs;
- taxes;
- levies, contributions and charges;
- depreciation (including depreciation of capital gains);
- decommissioning costs;
- financial expenses;
- costs for public service obligations;
- transmission costs charged by Elia;
- exceptional expenses and revenues imposed by a change in the legal or regulatory framework or in the rules and processes supporting the organisation or proper functioning of the deregulated electricity market;
- the use of regulatory balances.

These amount to €216.1 M for the 2024 tariff proposal.

c. Fair margin

This is determined each year by applying the percentage return set out below to the average value at the beginning (1 January) and end (31 December) of the financial year, with the regulated asset calculated and evolving annually in accordance with the rules set out below.

The fair margin is a net return, after application of Corporate and Legal Entities Tax, but before application of the withholding tax on dividends.

This amounts to €47.9 M for the 2024 tariff proposal.

Regulated assets (RAB)

a. Initial value of the regulated assets

The initial value of the regulated assets corresponds to the value of the regulated tangible fixed assets as at 31 December 2018, as approved by Brugel.

On 3 April 2019, Brugel approved the initial value of the regulated assets as at 31 December 2018. This amounts to €1,197.6 M.

b. Changes in regulated assets over time

The value of the regulated assets changes annually from 1 January 2019 through:

- the addition of the acquisition value of new regulated tangible fixed assets. These investments include those contained in the investment plans approved by the Government;
- the deduction of the net book value of regulated tangible and intangible fixed assets decommissioned during the year concerned;
- the deduction of depreciation, write-downs or write-offs of the RAB capital gain, at the rate of the underlying assets, recorded during the year concerned;
- the deduction of depreciation of regulated tangible and intangible fixed assets, recorded during the year concerned;
- the deduction of third-party contributions relating to regulated tangible and intangible fixed assets, recorded during the year in question;
- the deduction of subsidies relating to regulated tangible and intangible fixed assets, during the year in question;
- the deduction of depreciation (reversals) of subsidies, at the rate of the underlying assets, recorded during the year concerned.

The result of the above treatments determines the final value of the RAB of year N and can be taken as the initial value of the regulated assets of year N+1 (see evolution below).

c. Depreciation percentage

The annual amount of depreciation referred to in the previous point is determined on the basis of the historical acquisition value and the depreciation percentages approved by the regulator.

Percentage return to be applied to the regulated assets

The applicable formula for calculating the percentage return (R) is derived from the Capital Asset Pricing Model (CAPM) and is as follows:

Equation 1: Percentage return to be applied to the regulated assets

- If S ≤ 40% -> $R = 40\% * (t_{OLO} + (RP \times ß))$
- If S > 40% -> $R = (t_{OLO} + (RP \times ß))] + [(S - 40\%) * (t_{OLO} + 100\ bp)]$

Where:
- S = ratio between the average value of the equity of the year in question and the average value of the regulated assets (%)
- t_{OLO} = risk free interest rate (%)
- RP = risk premium (%)
- ß = beta factor which captures the specific risk associated with the DSO

These different parameters are specified below.

a. Risk-free interest rate

The risk-free interest rate is determined each year on the basis of the average real return of ten-year OLO bonds issued in that year by the Belgian authorities. The average real return percentage published by the National Bank of Belgium is used as a reference - specifically the average reference rate calculated from daily data on linear bonds, based on the yield of Belgian government bonds on the secondary market.

For the tariff budget, the risk-free interest rates used in the tariff proposal are those provided as "long-term interest rate (10 years)" by the Federal Planning Bureau in the latest edition of the macroeconomic outlook.

Thus, the interest rates included in the tariff proposal for the 2020–24 regulatory period are those of the 2019–24 economic outlook, published in February 2019.

Brugel has determined an acceptability interval for the OLO rate by setting limit values for the ex post recalculation. A minimum threshold of 2.2% and a maximum threshold of 5.2% were determined.

This resulted in the following rates being used in the 2020–2024 tariff proposal (actual rates are reviewed annually based on the actual OLO):

2020	2021	2022	2023	2024
↓	↓	↓	↓	↓
2,20[2] %	2,20 %	2,20 %	2,80 %	3,30 %

The introduction of a method in which the OLO rate must remain is a method used to limit the impact of the OLO rate on the fair return. This tunnel also provides the distribution system operator with greater stability and predictability in financing its activities over the tariff period.

b. Risk premium

The market risk premium is the factor that reflects the extra return expected by investors in other companies in the market compared to the risk-free interest rate.

Notwithstanding what is stated below, the risk premium is set at 4.50%.

c. Beta factor

The beta coefficient is the factor that captures the specific risk associated with the DSO. As the DSO is not publicly listed, the beta does not correspond to the theoretical beta, but also reflects the illiquidity resulting from this non-listing.

Notwithstanding what is said below, the beta factor (ß) is set at 0.7.

d. S-factor

The S-factor is the ratio of the average value of equity in the relevant year to the average value of regulated assets (%). The S-factor therefore represents the proportion of the regulated assets that is financed from equity. Its complement, 1-S, represents the share of the regulated assets financed by debt.

Both the equity value and the regulated asset value are calculated for the year in question as the arithmetic mean of the final value (after allocation of the result) from the previous year and the final value (after allocation) from the current year.

[2] The Federal Planning Bureau published values of 1.1% for 2020 and 1.6% for 2021. The minimum threshold of 2.2% therefore applies for the risk-free interest rate. For 2022, the Federal Planning Bureau forecast was 2.2%.

Brugel considers that the optimal value of S is 40%. The return t OLO + (RP x ß) is therefore only allowed for S ≤ 40%. Beyond this optimal value, Brugel considers that the optimum is no longer achieved and that the allowable remuneration should therefore be lower, while approaching the cost of the debt for the DSO.

Brugel sets the return on equity above 40% at OLO + 100 b.p. However, if S > 80%, the return on equity above 80% will be zero.

e. Calculation rules

At the end of each year in the regulatory period, the system operator recalculates the OLO and S parameters according to the applicable values for that year, in line with the provisions outlined above, including an ex-post calculation of the financial structure based on the actual balance sheet after allocation of the result, rather than on the forecast balance sheets used in the budget.

The grid operator and Brugel take these recalculated parameters into account when determining the difference between the fair margin actually granted to the grid operator and the fair margin estimated in the approved budget, as referred to in the tariff methodology.

f. Review of the parameters

The above parameters of the formula for calculating the percentage return (R) are fixed for the entire duration of the regulatory period. If, based on objective and transparent data, it becomes clear that the percentage return obtained using these parameters no longer leads - by international comparison - to a normal return on the capital invested in regulated assets, Brugel may revise the parameter(s) for the next regulatory period, in compliance with Article 9 quater §3 of the Electricity Ordinance and Article 10 bis §3 of the Gas Ordinance.

3.2. Regulatory balances

Definition

Regulatory balances are the discrepancies observed for each of the five years in the regulatory period between, on one hand, the forecast costs in the approved budget and the reported costs and on the other, the forecast revenue and the actual recorded revenue. Indeed, the tariffs for a regulatory period are calculated so that revenue covers total costs. In reality, both costs and revenues may differ from the budgeted amounts.

The balance for each year is broken down into several types of balances:

- **The "manageable costs" balance:** the difference between the actual manageable costs and the forecast costs corrected ex post using the national consumer price index.

- **The "non-manageable costs" balance**:
  - The difference resulting from the gap between the actual and forecast indexation coefficient applied to the forecast costs;
  - The difference between actual and forecast non-manageable costs;
  - The difference between the forecast fair margin in the approved budget and the fair margin granted to the network operator;

- **The "volume" balance:** which is the difference between the actual revenue (from the periodic tariffs) and the forecast revenue resulting, among other things, from the difference between the actual volumes distributed and the forecast volumes included in the approved budget.

Management and allocation of balances

The allocation of balances depends on the type of balance:

- **The "manageable costs" balance** is allocated to the accounting result of the network operator and/or to the Tariff Regulation Fund (a specific item under balance sheet accruals) in line with incentive regulation principles.

- **The "non-manageable costs" balance** is transferred to the accruals and deferred income in the balance sheet under a specific heading "Tariff Regulation Fund".

  - If the fund is in debt (operating surplus or bonus) at the time when the system operator has to submit a tariff proposal for the next regulatory period, this proposal must contain a proposal to allocate all or part of the amounts in the Tariff Regulation Fund to a general reduction or smoothing of tariffs and/or to covering specific non-manageable costs.
  - If it has a claim (operating deficit or penalty) at the time when the system operator has to submit a tariff proposal for the next regulatory period, this claim shall be fully added to the costs passed on to customers in the tariffs for that regulatory period.

- In the gas sector, there is **a specific "gas volume" fund** which evolves according to the volume balance and for which automatic allocation mechanisms from the Tariff Regulation Fund are in place.

3.3. Cost control and service quality – incentive regulation

Cost incentive regulation

Brugel has decided to encourage the distribution system operator to maintain sound management by incentivising cost control, through the introduction of an incentive regulation mechanism.

Since the 2017 financial year, whether the cumulative manageable cost balance is positive or negative, the portion exceeding 10% of the manageable cost budget for the relevant year is deemed uncontrollable and is automatically transferred to the electricity/gas tariff regulation fund.

For the portion not exceeding 10% of the manageable costs budget, half of this accumulated balance is allocated to the accounting result of the network operator and the other half transferred to the electricity/gas tariff regulation fund. The allocation to the accounting result and the transfer to the electricity/gas tariff regulation fund is verified annually as part of the ex-post control performed by Brugel.

This puts the maximum incentive before indexation for Sibelga for 2024 at €6.6 M (50% of 10% of €131.4 M) [3].

Target-based incentive regulation

The introduction of a target-based incentive regulation system (KPI) aims to encourage the network operator to improve the quality of services offered to network users and market players, by setting performance thresholds for three families of indicators covering its three main missions:

- management of electricity and gas networks;
- market facilitator;
- general provision of services to network users.

For the regulatory period 2020–24, the incentive amount is measured annually by applying a percentage of 2.75% to the value of the fair margin. The overall annual bonus amount is calculated based on the number of indicators in force before 1 January of each year for the remainder of the tariff period, with each KPI carrying a predefined weight in this envelope.

The result of each target compared to the threshold set by the regulator is used to calculate the resulting bonus or penalty. Where applicable, the amounts of the penalty calculated for the indicators are deducted from the bonuses. If the total penalties from all indicators exceed the total bonuses, then the DSO will receive no incentive.

[3] €131.4 M = manageable costs of the tariff proposal for 2024 (before recalculation of the indexation)

For the year 2024, 12 KPIs (out of a total of 18) came into force and represent 72.3% of the incentive amount, i.e. a maximum bonus of €0.9 M.

Incentives are assessed and awarded annually following the ex-post review of year N and are recorded in year N+1, as provided for in the tariff methodology. The result of the 2024 incentive regulation will therefore be recorded in principle in 2025, once Brugel has determined its value. The result of the 2023 incentive regulation was recorded in 2024, following Brugel decisions 20241024- 292 and 293 on the electricity and gas tariff balances for the 2023 financial year, amounting to €0.6 M.

III. Highlights

1. Level of inflation

Whereas in 2023 inflation began to stabilise after the spectacular increase in 2022, in 2024 the real inflation rate was 3.14% based on the consumer price index, higher than the initial forecast of 1.90% in the 2020–2024 tariff proposal.

Although inflation was lower than in 2022 and 2023, it continued to have a direct impact on the tariff envelope. The increase in costs, not offset by a corresponding rise in revenue and considered non-controllable under the regulatory framework, has once again resulted in a reduction in regulatory balances.

2. Evolution of the $_{10\text{-year}}$ OLO rate

The $_{10\text{-year}}$ OLO rate is, under the tariff methodology applicable until 2024, a key parameter in the formula for remunerating invested capital.

The following graph shows the evolution of the $_{10\text{-year}}$ OLO rate over the last few years.

$_{10\text{-Year}}$ OLO RATE
2016-2024

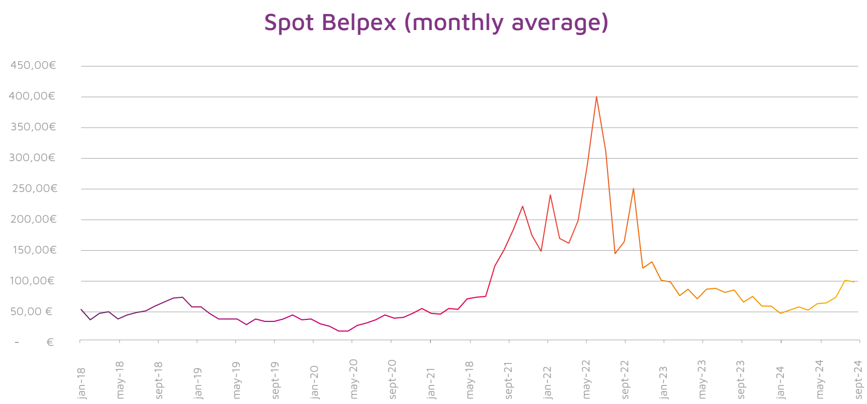
As a reminder, the estimated $_{10\text{-year}}$ OLO rate in the 2020–24 multiannual tariff proposal was 3.3% for the 2024 financial year (ex ante). In absolute terms, a variation in the10-year OLO rate of 1% (i.e. 100 b.p.) results in a 1% variation in fair remuneration relative to equity — i.e. €8.6 million, whether up or down.

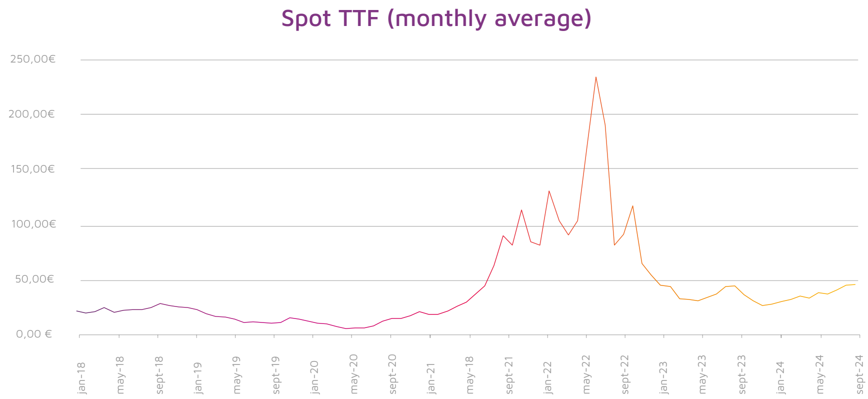
The mathematical result of the ex-post calculation of the $_{\text{10-year}}$ OLO rate for 2024 is 2.91%. This is the second time in the two previous tariff periods since the 2.2% threshold was introduced that the $_{\text{10-year}}$ OLO rate has been above this threshold. However, this is below the level estimated in the 2020–2025 tariff proposal and also represents a reduction in the applicable rate compared with 2023.

It should be noted, however, that under the tariff methodology applicable for the period 2025–2029, the remuneration rate will be based on a WACC fixed for the entire period (this will no longer be adjusted annually according to changes in the OLO).

3. Changing energy prices

Energy prices, which had soared at the end of 2021 and throughout 2022, fell sharply in 2023. Prices appeared to have stabilised at a level that still higher than before the energy crisis. However, we have seen an upturn in energy prices at the end of 2024. That said, this increase does not reach the same levels as those seen at the height of the energy crisis. The following graphs show us the evolution of spot prices for electricity (Belpex) and gas (TTF) from 2018 to 2024.





However, Sibelga's energy purchase costs for its own needs, for network losses and for energy for protected customers in 2024 have increased significantly despite the relatively stable energy prices observed in 2023–2024. This increase in 2024 is mainly due to the fact that Sibelga buys most of its gas and electricity requirements in advance. Prices for 2024 were therefore high because they had been set on the basis of market prices in 2023 and previous years. In more detail, the increase in the cost of energy purchases in 2024 is the result of several combined effects:

- Purchasing energy for protected customers: a significant increase in the number of protected customers (+30%) between 2023 and 2024,
- Purchasing electricity for public lighting: an increase in the average purchase price offset by a 10% reduction in the consumption for public lighting (resulting from the gradual switch to LED for public lighting),
- Compensation for network losses: a significant increase in the electricity purchase price to compensate for network losses combined with a higher purchase volume following the shutdown of our cogeneration unit located at Quai des Usines during the first half of 2024 (this shutdown followed a road subsidence that affected the operation of the gas pipeline supplying this cogeneration unit). In addition, the purchase price of gas to supply the cogeneration units (whose electricity production makes it possible to cover part of the network losses at an attractive price) has also risen (largely offset, however, by a fall in the purchase volume following the shutdown of the cogeneration unit at Quai des Usines, mentioned above).

4. Sale of green certificates

To encourage the production of green electricity, the Brussels Region has introduced a system of green certificates under the supervision of Brugel. Electricity suppliers are required to comply with green certificate quotas in order to meet demand on this market.

As laid down in the Ordinance of 19 July 2001 on the organisation of the electricity market in the Brussels-Capital Region - Article 28 § 2, "any supplier, with the exception of the distribution system operator, shall submit to Brugel a number of green certificates corresponding to the proceeds of the annual quota imposed on it by virtue of this paragraph, by the total supplies to eligible customers established in the Brussels-Capital Region, expressed in MWh, that it has made during the year, divided by 1 MWh. "

For several years now, the supply has outstripped the market demand; as a result, Sibelga had not been able to sell all its green certificates in 2022 and 2023. In order to restore some balance between supply and demand, Brugel has suggested revising the quotas for the coming years. While the quota percentage for 2023 was set at 18.5%, it has been increased to 26.7% for 2024, 27.9% for 2025 and 22.7% for 2026, before falling back to 20.6% for the following years. The aim of this increase in quotas, particularly for the years 2024 and 2025, is to allow the stocks of green certificates built up in recent years to be cleared.

In June 2024, after a market analysis showed strong interest among energy suppliers in concluding long-term contracts, Sibelga concluded a contract with Electrabel, following a competitive tendering process among the various potential buyers, under which the latter undertook to purchase 105,000 green certificates from Sibelga between 1 January 2025 and 31 March 2027, at a rate of 35,000 certificates per calendar year, at prices fixed in advance. Sibelga also launched a spot sale in November 2024, during which it sold 10,000 green certificates to Electrabel.

In accordance with the opinion of the Accounting Standards Committee 2009/14, the certificates still held by Sibelga have been recorded as intangible assets. These were valued using the FIFO method on the basis of the sales prices contractually agreed with Electrabel.

5. Methodology and tariff proposal 2025–2029

The establishment of the 2025–2029 tariff methodology was completed on 19 March 2024 with Brugel's decision on the second part of the methodology, relating to the "tariff structure".

It was on the basis of this methodology that Sibelga submitted its tariff proposal, which Brugel approved on 4 December 2024. The new tariffs came into force on 1 January 2025.

With the approval of this tariff proposal, Sibelga will be in a position to continue to carry out its primary mission with the same level of quality and safety, but also to carry out new missions, in particular the deployment of smart meters enabling customers to benefit from new services, upgrading and digitising the electricity network and support for the energy transition.

Sibelga's distribution tariffs will rise in 2025, but the increase will remain reasonable. This is mainly due to inflation catch-up for 2020–2024, as actual inflation in recent years has been much higher than expected in the 2020–2024 tariff proposal. Tariffs have also risen mechanically as a result of lower consumption volumes, particularly for gas. Finally, to a lesser extent, the increase is justified by additional costs to prepare the network for the energy transition.

6. Development plans

During 2024, Sibelga submitted its development plan (one for electricity and one for gas) for the period 2025–2029 to Brugel. The definition of a development plan is an annual exercise to which Sibelga is subject, in accordance with the gas and electricity ordinances.

The 2025–2029 development plan has introduced a new framework and presented the best estimates of investment needed to maintain and modernise the energy infrastructure of the Brussels network while supporting the regional energy transition.

Initially, a public consultation was organised to gather feedback from stakeholders on the initial proposals. This approach has made it possible to incorporate adjustments that take account of the needs expressed by the various stakeholders, in particular administrations, network users and other key partners.

Following this dialogue phase, Sibelga presented a revised version of its development plan to Brugel and the Government. They in turn asked Sibelga to make some minor adjustments. A corrigendum was filed in November 2024. This was followed by a favourable opinion from Brugel in December 2024 and, in February 2025, the Government's formal decision to approve the draft electricity and gas development plans, thereby validating Sibelga's strategic direction for the coming years. The costs arising from the investments described in the development plan are also included in the 2025–2029 tariff proposal (via a separation between "business as usual" costs and "additional costs" according to the tariff methodology). These costs have been validated for the entire tariff period for gas, but only for the years 2025–2027 for electricity. Brugel has asked Sibelga to re-submit a request for additional costs to cover depreciation costs in excess of the "business as usual" level for the years 2028 and 2029.

Sibelga plans to invest over €528 million in the electricity network and more than €45 million in the gas network for the period 2025–2029. This ambitious budget will enable the modernisation and extension of Brussels' networks. Projects include the laying of 253 km of high-voltage cables, 509 km of low-voltage cables and the installation of almost 372,000 smart meters. These initiatives are designed not only to improve the reliability and safety of infrastructure, but also to meet the needs of growing electrification and expectations related to the energy transition.

7. Technical regulations

In 2024, Sibelga continued its efforts to adapt and modernise the technical frameworks governing the distribution of electricity and gas, in response to changes in the market and the expectations of the various stakeholders. This approach has resulted in a number of key initiatives and milestones, in close collaboration with the regulator Brugel.

Technical regulation on electricity

The technical regulations relating to electricity received particular attention in 2024.

Brugel has approved a major reform of the technical electricity regulations, proposed by Sibelga in February 2024. The aim of this reform was to modernise the existing rules, in particular to accommodate new developments in the sector such as decentralised production, energy storage, and the rise of smart technologies. The latter was published in the Belgian Official Gazette on 18 March 2024.

A new proposal to amend the Electricity Technical Regulation, taking into account specific developments such as the rules for managing market processes, interactions with customers and innovative technologies, was introduced in October 2024 and put out to public consultation from 22 October to 22 November 2024. This provided an opportunity to gather the views of stakeholders, including the administrations concerned, network users and other players in the sector. Following this, Sibelga submitted a revised version of its proposal, which was approved in its final version in December 2024, marking an important step in updating the electricity regulatory framework to meet current and future challenges.

Technical regulation on gas

At the same time, progress has also been made on the technical regulations for the gas network.

Brugel has approved a proposal from Sibelga to update the technical gas regulations in the Brussels-Capital Region in February 2024. This validation followed an initial submission by Sibelga in October 2023 and a public consultation held from 31 October to 28 November 2023. The revised regulation was published in the Belgian Official Gazette on 18 March 2024.

The changes introduced concerned the rules for detection and billing in the event of consumption outside the contract, the rules for detection and billing in the event of tampering with the connection and/or the metering equipment, the reading of metering data, the estimation of metering data, the correction of metering data and the resulting bill.

Outlook and impact

These regulatory changes reflect Sibelga's commitment to maintaining a technical framework that keeps pace with changes in the energy sector. They enable more efficient management of distribution networks while guaranteeing their reliability and safety.

What's more, these initiatives are part of a long-term strategy to support the energy transition and offer solutions tailored to the needs of both residential and business customers.

8. Electric mobility

Increase in public charging points

In 2024, Sibelga continued its commitment to sustainable mobility in Brussels by coordinating the roll-out of public charging points for electric vehicles. Almost 600 new recharging points have been installed, bringing the total number of on-street recharging points to 3,040. This initiative is part of the regional objective of reaching 22,000 recharging points by 2035. Sibelga will be responsible for installing half of this infrastructure on public roads, while the other half will be deployed on semi-public sites under the responsibility of other players.

As part of this drive, a major innovation has been introduced: the fitting of recharging points on public lighting poles. By the end of 2024, 41 charging points had already been installed using this model. This solution offers a number of advantages, including a smaller footprint on the roadway and a reduction in installation costs by coordinating the work with the renewal of the public lighting infrastructure. However, deployment is still limited by parking constraints, with some streets not having enough space to accommodate these new charging hubs.

Sibelga rewarded for its commitment to sustainable mobility: the Zero Emission Van Trophy 2024

On 27 September 2024, Sibelga was honoured at the "Zero Emission Xperience" event with the Zero Emission Van Trophy 2024. This distinction, awarded by TransportMedia in collaboration with Febiac, highlights the efforts of companies that have registered the highest number of zero-emission light commercial vehicles over the past year.

Sibelga manages a fleet of 440 commercial vehicles operating in Brussels. Today, more than 50% of these vehicles already run on alternative or electric fuels, demonstrating the company's strong commitment to reducing CO_2 emissions linked to its activities.

The company is committed to replacing every light commercial vehicle at the end of its life with a fully electric alternative. During 2024, 84 electric vans were added to the fleet, marking a key stage in this transition. These concrete actions are part of an ambitious sustainable mobility policy aimed at limiting the environmental impact of business travel and actively contributing to the decarbonisation of Brussels.

This award confirms Sibelga's position as a pioneer in zero-emission mobility and underlines the importance of its efforts to build a greener city.

9. LEDs: achievements and outlook

In 2024, Sibelga successfully continued its programme to accelerate the switch to LEDs, a key project aimed at modernising public lighting in Brussels. Thanks to this initiative, 8,838 new LED lights have been installed, exceeding the initial target of 8,500 units. In addition, more than 400 LED lights were installed as part of maintenance and repair work.

This programme, launched in response to the phasing out of conventional light bulbs by 2030, aims not only to ensure more efficient and sustainable lighting, but also to significantly reduce energy consumption. The systematic integration of Luminaire Controllers (LuCo) in each new installation enables efficient remote control via the Intelligent Street Lighting (ISL) system, optimising network management and maintenance. By the end of 2024, some 26,700 luminaires had been remotely controlled.

Energy performance results have also been encouraging: electricity consumption for street lighting has fallen by around 9% compared with 2023, confirming the positive impact of the transition to more efficient technologies.

Looking ahead, Sibelga is staying on course, aiming to replace all its luminaires by the end of 2030. This project also involves the standardisation of lighting components and the increased integration of new technologies, particularly to improve data management and responsiveness to faults.

With these developments, Sibelga reaffirms its commitment to providing the citizens of Brussels with public lighting that is high-performing, sustainable, and aligned with the environmental and technological challenges of tomorrow.

10. Financing

In order to meet the financing requirements associated with the challenges of the energy transition and the reduction in regulatory balances, Sibelga has taken out five bank loans with banking institutions, with a view to taking advantage of the most advantageous rates offered by each of them.

In June 2024, a €20 million loan was taken out with BNP Paribas, specifically for the roll-out of smart meters. This 10-year bullet loan is in addition to three other amortising bank loans taken out at the same time:

- €50m over 15 years with KBC,
- €30m over 10 years from Belfius,
- €25m over 10 years with ING.

In addition, a further loan of €25 million has been taken out with KBC, with the funds being made available in December 2024, in the form of a 10-year bullet.

11. Reorganisation and Management Committee

The end of 2024 was marked by an in-depth review of the internal organisation of Sibelga following the departure of two members of the Executive Committee, namely Herbert Carracillo, ex-Chief Information Officer, and Alain Vannerum, ex-Chief Grid Operations Officer, and the sudden death of Catherine Gaudissart, ex-Chief Client Officer.

This led to an internal reorganisation. The aim is to enhance synergy and efficiency, and anticipate the new skills and developments required by the energy transition. To achieve these objectives, the main organisational changes are as follows:

- The creation of a "Strategy" department, whose mission is to draw up Sibelga's strategy for customers, markets, networks and data, and to define the target architecture, while prioritising and managing the portfolio of corporate projects to guide Sibelga's transformation.
- The Client and Market & Assets departments have now been merged into a single department ("Client & Market") to achieve greater synergy and offer a high-quality experience to market players and both business and residential customers, through administrative interactions, technical services and fluid, efficient services.

12. Rollout of smart meters

The smart meter roll-out programme picked up pace in October 2023. The details of this programme are set out in a note which was sent to the government in October 2022. This smart meter roll-out roadmap was subsequently amended at the request of the government in a new version, which was submitted in March 2023.

Sibelga has set itself the target of reaching 80% smart meter penetration by the end of 2030, thereby helping to control consumption and offering new opportunities for customers, suppliers and the grid operator itself. To carry out its ambitious roll-out programme, Sibelga is also bringing in contractors.

By 2023, more than 25,000 smart meters had been installed. The target set for 2024 was 52,000 meters. In 2024, Sibelga installed just over 46,000 meters. Although the target was not fully achieved, it can nevertheless be considered a major success, given that before the roll-out began, Sibelga was installing around 10,000 smart meters a year, whereas by the end of 2024, this had increased to almost 5,000 a month.

At the start of the rollout, the teams worked to identify and implement the most efficient organisational set-up, notably by launching targeted initiatives by geographic area. In addition, Sibelga brought in new subcontractors, who also had to be trained. Now that rollout is well under way, there is every reason to be optimistic that operations will accelerate in the years ahead, with a view to achieving the 65,000 meters installed by 2025.

13. The war for talent and the shortage of technicians

Amid a highly competitive Belgian employment market, Sibelga, through BNO, is faced with the reality of a shortage of talent. The need to stand out from other employers in order to attract talent is therefore of paramount importance.

Strengthening Employer Branding has therefore been a major focus of the HR strategy for 2024. Sibelga has stepped up its outreach by taking part in iconic Brussels events such as the Bright Festival, the Brussels 20K, the Van Damme Memorial and the Anderlecht-Union football match. In parallel, four dedicated selection days were organised for targeted audiences, and a first event with Sibelga's active ambassadors was held, attended by the CEO and the Director of Human Resources.

This attractiveness strategy has also been rewarded with a major accolade: Sibelga was ranked the fourth most attractive employer in Randstad's Employer Branding survey, a distinction that underlines its position as one of the companies most appreciated by talented people. Sibelga is certified as a Top Employer for the 13th year running.

2024 thus saw significant growth in Sibelga's recruitment activities through BNO. The number of positions filled increased by 14% compared with 2023, while the jobs page on the website saw a 94% rise in visitor numbers. The number of applications rose by 13%, bringing the total number of applications processed to around 5,200 and the number of new recruits to 216.

Technological innovation is playing an increasingly important role in Sibelga's working methods. The integration of AI-based tools, such as Metaview, enables automatic generation of interview reports, thereby streamlining the recruitment process. In addition, to support the training of future technicians, an innovative project has been launched in collaboration with education sector partners. This is a virtual reality project that allows students to test their knowledge of electricity in an immersive environment. This educational software, designed to reinforce the learning of technical skills, was created with the support of the Exploratory Committee.

Other collaborations have also been established, notably with Green Energy Park, a VUB spin-off specialising in energy distribution and transition, and with BTecCH, a Brussels-based training centre that plays an active role in training technicians. The partnership with the Cardinal Mercier Institute has been renewed to strengthen ties with technical education.

2024 saw a strong recruitment and training drive, supported by technological innovations, strategic partnerships and targeted Employer Branding initiatives.

14. Soil remediation at the Forest site

Sibelga's property portfolio includes the Forest site, formerly used as an operational base for part of the company's activities. This site underwent soil remediation analysis.

An initial exploratory soil survey was carried out in 2004. After twenty years of procedures, Bruxelles Environnement approved an alternative approach, avoiding heavy-duty decontamination. Instead of carrying out a massive excavation of polluted soil and transporting it to a storage site near Antwerp, a phytosanitary solution was chosen. This approach makes it possible to limit soil removal while creating a green space on the site – at a much lower economic and environmental cost.

The permit was granted on 6 August 2024, and the remediation work began in early December 2024 and was completed at the end of January 2025. Most of the remediation work carried out in 2024 involved excavating only the top 30 centimetres of soil, treating it and backfilling with clean soil.

The final phase of the project, including the planting of trees and a flower meadow, is scheduled for the first quarter of 2025.

15. Evolution of electricity and gas consumption

The energy crisis has had a definite effect on the level of consumption of both electricity and gas.

However, these effects have been more marked for gas, as can be seen from the graphs below showing the infeed volumes [4] (12 rolling months) for electricity and gas respectively. For gas, [5] the data has been normalised to 2,222 degree days [6] in order to offset the impact of hot/cold years. In 2024 we observed a partial rebound in the level of infeed, but remained below pre-crisis levels. This partial recovery in consumption can undoubtedly be attributed to the fall in gas prices compared with the prices in force at the time of the energy crisis, and the relative stabilisation of these prices over the last two years. It would seem, however, that the experience of the crisis has left a lasting impression on consumers, prompting them to rethink and rationalise their consumption levels, which explains why the recovery in consumption has been only very partial.

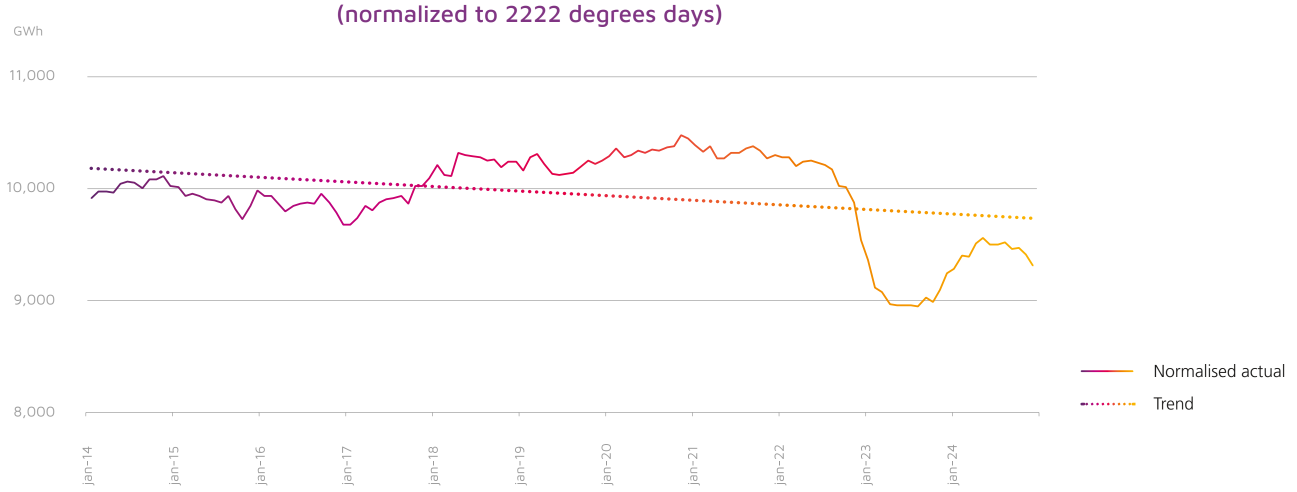
The graph below shows a continuous downward trend in electricity consumption from the first year. This downward trend, in a context of electrification, can be explained by an increase in the energy efficiency of electrical appliances, a change in behaviour (energy sobriety), but also by a rise in self-consumption, mainly due to the continuing growth in the installation of solar panels. It is interesting to note, however, that consumption in 2024 was slightly higher than in 2023. Indeed, this is the first time since 2010 that electricity infeed has risen compared with the previous year. It will therefore be interesting to see whether this trend persists over time, as we might reasonably expect with the gradual decarbonisation of the economy, or whether it is simply a rebound from the fall in energy prices.

4 Infeed refers to energy injected into the distribution network for consumption.

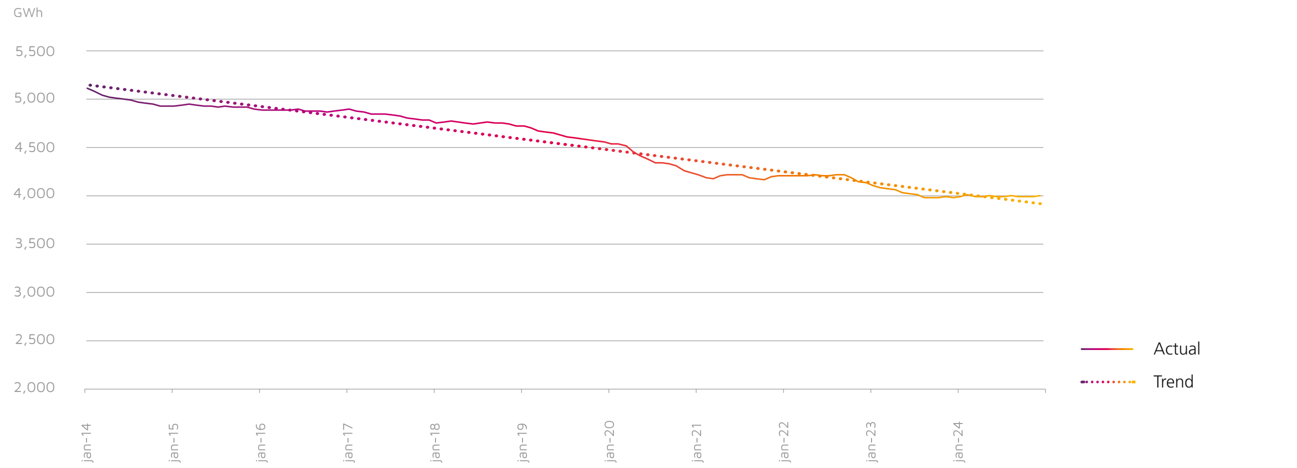
5 This is the number of degree days defined as the standard in the 2020–2024 tariff proposal.

6 A degree day is a measurement expressing the variation in temperature in relation to a reference temperature. Degree days are calculated by subtracting the reference temperature from the average daily temperature, thus making it possible to estimate the energy consumption needed to maintain thermal comfort.
"The degree-days used by the natural gas sector in Belgium correspond to the difference between 16.5°C and the average temperature measured by the IRM in Uccle."
https://www.synergrid.be/fr/centre-de-documentation/statistiques-et-donnees/degres-jours

Infeed gas (gwh) 12 rolling months (normalized to 2222 degrees days)



Infeed electricity (gwh) 12 rolling months



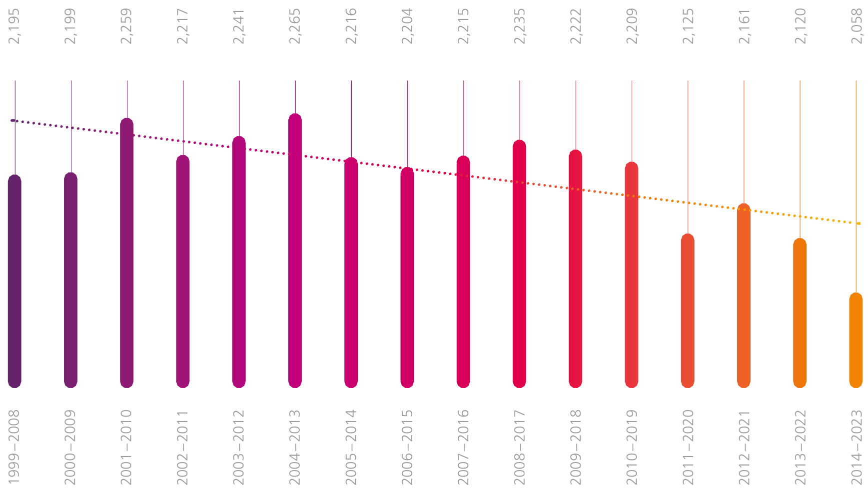
As part of the 2025–2029 tariff proposal, Sibelga had to estimate the level of consumption for the period 2025–2029 in order to determine the new tariffs.

The estimates submitted to Brugel were largely based on a study carried out by an external company commissioned by Sibelga, the initial aim of which was to draw up energy transition scenarios and long-term prospects for the period from 2030 to 2050. Sibelga has therefore carried out a linear interpolation between the actual volumes for 2023 and those included in this study for 2030 for the scenarios considered most likely.

The proposal for electricity volumes initially submitted by Sibelga would have signalled an end to this downward trend in electricity consumption, justified by increased electrification in line with the energy transition. Sibelga forecast volumes for 2025 to be 2.9% higher than in 2023, followed by annual growth of around 1.3%. However, Brugel considered it more prudent to accept the proposal relating to the year 2025 and to use these for the years 2026 to 2027. Electricity volume projections for the years 2028–2029 will be reassessed as part of the process of establishing the “evolved” tariff.

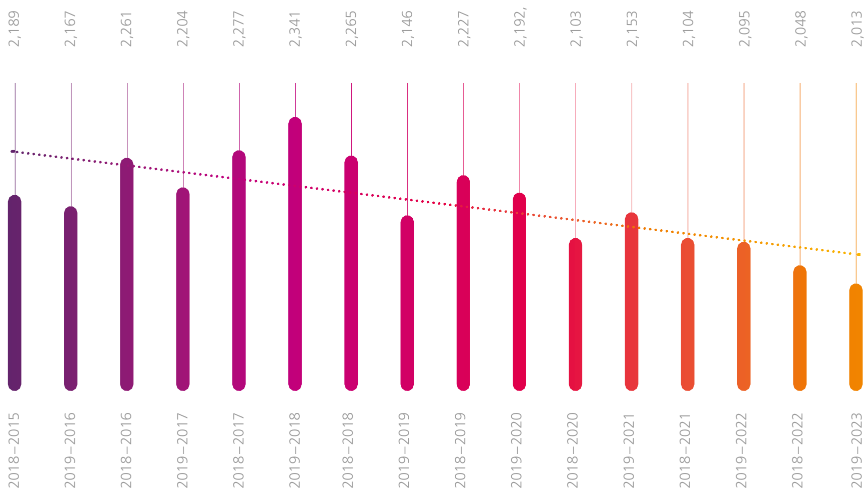
As far as gas is concerned, it should be noted that in recent years there has been a significant reduction in the number of degree days per year. While the degree-day standard used in the previous tariff period was 2,222 degree-days, based on the average over the previous 10 years (2009–2018), the graph below clearly illustrates the sharp decline in recent years.

10-year average of heating degree days



Based on this observation, Sibelga submitted a tariff proposal using normalised gas volumes calculated not from an average over the last 10 years, but from the most recent 5 years instead. Accordingly, the normalisation of gas volumes for the 2025–2029 proposal has been based on the average for the years 2019 to 2023, which amounts to 2,013 degree days.

5-year average of heating degree days



The proposed gas volumes are part of a decarbonisation drive, leading to an annual fall in gas volumes of 0.5%. At Brugel's request, Sibelga has also included the impact of the closure of the Audit Forest site in these volume forecasts (estimated at 82,000 MWh per year).

IV. Risks and uncertainties

1. Risks related to the uncertainty of the current regulatory framework

1.1. 2025–2029 tariff methodology

Within the scope of its jurisdiction, between 2022 and 2024 the regulator Brugel has established the gas and electricity tariff methodologies for the period 2025–2029. This was defined in consultation with the distribution network operator. Brugel's objective was threefold:

- Encourage the distribution network operator to control costs and improve efficiency
- Ensure that the operator's profit remains reasonable
- Facilitate investment in the energy transition

The new tariff methodology, decided by Brugel at the end of 2023 and beginning of 2024, introduces a number of important changes, both in terms of opportunities and risks for Sibelga.

Return on capital employed based on a WACC fixed over the entire 2025–2029 tariff period

Sibelga's remuneration for each year from 2025 to 2029 is calculated by multiplying the RAB (Regulated Asset Base) by the WACC (Weighted Average Cost of Capital). The WACC was fixed for the entire period at 4.91% (net remuneration, after tax, and nominal). This value has been calculated using the parameters set out in the pricing methodology:

- a normative gearing (debt ratio) of 55%,
- a debt cost of 3.82% (reflecting an average of historical debt costs and an estimate of future borrowing during the 2025–2029 period)
- a cost of equity of 6.24%, calculated on the basis of the Capital Asset Pricing Model (CAPM) taking into account Sibelga's specific risk profile.

Compared with the previous tariff period, there have been two major changes:

1. a fixed rate of remuneration for the entire tariff period (whereas previously remuneration fluctuated according to the risk-free rate), reducing exposure to fluctuations in the financial markets. This mechanism strengthens the predictability of remuneration and, consequently, Sibelga's financial stability.
2. The cost of debt is now included in the remuneration formula, whereas it was previously covered by the "embedded cost" mechanism (debt covered by tariff revenue at actual cost). This means that Sibelga faces greater risk in the event of an unexpected rise in risk-free rates on the markets, but also an opportunity to take advantage of favourable conditions to make a small gain.

Cost incentive regulation

The pricing methodology distinguishes between manageable and non-manageable costs. For unmanageable costs, the actual costs can be passed on in tariffs, as the regulator considers that the network operator has little means of influencing them (for example, the costs of covering electricity network losses). For manageable costs, the authorised costs are determined in advance and it is Sibelga's responsibility to stay within this tariff budget (the differences between the tariff budget and actual costs are an incentive to remain as efficient as possible).

Cost-based incentive regulation therefore represents both an opportunity and a risk for Sibelga: any savings achieved will generate bonuses, with no specific limit, enabling Sibelga to benefit fully from efficiency gains. However, this regulation also entails a risk: if manageable costs exceed the planned budget, a penalty will be applied.

Compared with the previous tariff period, three major developments stand out:

1. From 2025, depreciation costs will be treated as manageable, (the regulatory approach is therefore referred to as the TOTEX approach, since the scope of the incentive no longer covers only operational costs (OPEX), but also the depreciation costs of invested assets).
2. Brugel grants resources to finance the energy transition. The "manageable costs" envelope for the period 2025–2029 will be calculated as the sum of:
    - "Business As Usual" costs calculated on the basis of previous years' costs, indexed and reduced annually by an efficiency factor,
    - Plus "additional costs" for additional tasks that Sibelga will have to carry out during the tariff period, in particular for the energy transition.
3. The difference between the actual manageable costs and the tariff budget will now be 100% for the grid operator, whereas previously a 50%/50% distribution key was applied (50% of the difference for the DSO and 50% going back, via the tariffs of subsequent years, to the grid users), as well as a ceiling (upwards or downwards) in the event of a difference of more than 10%.

This incentive structure encourages optimum management of resources. It should also be noted that, as in the past, the regulator recognises that inflation is a non-manageable component for Sibelga. Consequently, the impact of inflation on manageable costs is still considered non-manageable and the thresholds are adjusted each year to take account of this.

Objective-based incentive regulation (KPI)

The key performance indicators (KPIs) have been adapted to address the new challenges facing the energy sector, in particular the roll-out of smart meters and the smart grid. These KPIs are integrated into an incentive mechanism which can result in a bonus for Sibelga in the event of strong performance or a penalty in the event of poor performance.

Through this mechanism, Brugel aims to promote the continuous improvement of services, while at the same time encouraging Sibelga to roll out smart meters and implement the smart grid.

Tariff balances

The difference between the manageable costs determined ex-ante and the manageable costs actually incurred are now entirely borne by or accrue to the DSO. However, other differences are recorded as “tariff balances”. These include:

- Variances in non-manageable costs
- Variances in the fair margin (resulting from differences in the Regulated Asset Base (RAB) Revenue variances resulting from discrepancies between projected and actual volumes

The 2025–2029 tariff methodology introduces the following new rules for managing these tariff balances:

Refunding of past balances over two tariff periods (balances prior to 2024, the year in which the tariff proposal was introduced).

- As a general rule, the balances generated in each year N of the tariff period will be automatically refunded in year N+2; these balances must also be separate for gas and electricity and further broken down into
    - Differences in revenue and costs related to network usage tariffs
    - Differences in revenue and costs related to public service obligation (OSP) tariffs
    - Differences in revenue and costs related to electricity transmission tariffs

Pricing structure

The tariff structure for gas will remain largely unchanged throughout the period, and for electricity for the first three years of the regulatory period (2025–2027). However, a new tariff structure is planned from 1 January 2028, mainly for low-voltage electricity customers. The aim of this change is to better reflect Sibelga’s real costs and encourage more efficient consumption. This gradual transition will enable Sibelga to adapt to market developments while maintaining a degree of tariff stability.

In conclusion, the 2025–2029 tariff methodology offers Sibelga many opportunities to strengthen its financial stability, operational efficiency and role in the energy transition. However, this regulation also introduces risks, particularly in terms of managing costs and adapting to new pricing structures, which requires constant vigilance to maximise benefits while controlling uncertainties.

1.2. 2025–2029 tariff proposal

Following Brugel’s decision on the 2025–2029 tariff methodology, and in accordance with the procedure defined in this methodology, Sibelga submitted its 2025–2029 tariff proposal to Brugel.

On the basis of the rules defined in the methodology, it presents a proposed tariff based on projections of authorised costs and gas and electricity consumption volumes.

After an initial version introduced in May 2024, which was rejected by Brugel following numerous exchanges and questions, Sibelga introduced an amended version in October 2024. Brugel has approved this latest tariff proposal for 2025–2029.

With this approval,

- Sibelga now benefits from regulatory certainty regarding its authorised cost envelope for the next five years (including remuneration, authorised OPEX and CAPEX costs, etc.).
- Gas and electricity consumers in Brussels have a clear view of how tariffs will evolve over the next few years (even though, as indicated above, low-voltage electricity distribution tariffs are likely to undergo a structural change between now and 2028).

It should be noted that the 2025 distribution tariffs are higher than the 2024 tariffs (the increase is around 11.7% and 14.6% for residential and non-residential customers respectively). This increase is mainly explained by:

- Catching up with inflation from 2020 to 2024
- The fall in volumes of gas and electricity
- To a lesser extent, additional costs to prepare the network for the energy transition

2. Technical and operational risks

The company's risk identification and assessment were reassessed and restructured in March 2023. This review was carried out on the basis of working sessions involving the members of the Management Committee as well as the company's Senior Managers. The aim of these sessions was to identify past incidents likely to recur, as well as future incidents that could jeopardise the achievement of strategic and operational objectives of the various departments, or even the company itself. This process made it possible to establish Sibelga's risk profile. It is made up of 49 risks (classified into seven categories) with which an impact and a probability have been associated. Following this assessment, 13 of these 49 risks were assessed as major in terms of their probability of occurrence and their potential impact on our operations. The discussion below focuses solely on Sibelga's 13 major risks.

The management of these risks is organised in seven areas: (1) Customer risks (2) Legal, regulatory, compliance, and governance risks (3) Human resources and organisational risks (4) Internal operational risks (5) External operational risks (6) Technological risks (7) Financial risks.

Monitoring the development of the risks is an essential part of the company's effective management. This activity is carried out within the internal management bodies designated for this purpose by the Management Committee or by the Board of Directors. In addition to monitoring the evolution of risks and their (re)assessment, the effectiveness of mitigation plans is also addressed. The objective is to put in place and monitor the effective and proportionate implementation of actions to reduce the consequences of the occurrence of a risk to an acceptable level for the company. Responsibility for implementing mitigation actions lies with the operational lines.

2.1. Customer-related risks

THE ABILITY TO TRANSFORM SIBELGA TO ACHIEVE THE ENERGY TRANSITION

This risk is linked to Sibelga's ability to achieve the energy transition in terms of cultural change, by hiring qualified resources and deploying financial resources commensurate with the challenge. Effective management of this risk is essential if Sibelga is to play its part in the energy market of the future. In this context, Sibelga is setting up a structure to translate its positioning and ambitions into concrete objectives and to organise, manage and monitor the transformation at all levels of the company (not just the technical aspects).

2.2. Legal, regulatory, compliance and governance risks

STAKEHOLDER MANAGEMENT

It is vital that Sibelga continues to maintain productive relationships with its stakeholders, whether they be shareholders, the regulator, energy suppliers, government departments or political authorities. Given the nature of its missions and its three roles (network operator, market facilitator, partner of the authorities), the quality of these interactions is crucial to their successful execution, which is in the interests of everyone, and in particular the residents of Brussels.

The first challenge is to maintain a map of our stakeholders and to assess their importance (in terms of influence, impact on our business, etc.). The next step is to properly assess the expectations of these stakeholders, identify the most appropriate ways of working together and define the actions to be taken in order to strike the right balance between their respective concerns, constraints and interests.

2.4. Human resources and organisational risks

PROJECT MANAGEMENT AND IMPLEMENTATION

This risk relates to the delivery of projects to budget, on time and within the required scope, as well as the operationalisation of business-critical projects such as Smart Metering or ISL LED [7]. This is why Sibelga ensures that resources are available, that third parties who have to deliver key products are properly managed, that the nec-

---

7 Intelligence Street Lighting LED

essary cross-functional approach is taken in needs analyses, that change is managed effectively, and that all projects or changes affecting the same team or department are taken into account.

This risk is managed by monitoring and managing the project portfolio through the company's various governance bodies. The Change Management aspect of projects is also developing, in order to bring about the cultural and behavioural changes needed to complete and implement projects.

ATTRACTING AND RETAINING TALENT

This risk concerns, on the one hand, the ability to recruit the internal and external human resources needed to maintain and develop the operations and services provided by the company. On the other hand, this risk also concerns Sibelga's ability to retain these resources within the company and, ultimately, the ability to train and develop them.

Sibelga has implemented various mitigation measures to address this risk. This is borne out, for example, by the many hours of training (technical and otherwise) that are provided. Attracting talent, whether for technical or non-technical roles, remains a major challenge to manage, which is why Sibelga is continually looking at new initiatives, such as the introduction of an employee signing bonus to facilitate the hiring of new recruits.

STAFF PHYSICAL SAFETY AND WELL-BEING

This risk concerns the identification of factors influencing the well-being of workers in the performance of their work, in terms of safety, health, psychosocial risks, ergonomics, hygiene, workplace improvements and environmental measures. The initiatives to be put in place to ensure the well-being of workers are formalised in a five-year plan called the "Global Prevention Plan". This is set out in an annual plan to ensure its implementation and monitoring.

2.5. Internal operational risks

INCREASING COMPLEXITY OF RAW MATERIALS SUPPLY

This risk concerns the impossibility of carrying out our activities due to a global or local shortage affecting the supply of critical products such as cables or transformers. On the other hand, because of the complexity of the process of submitting bids via public tenders, one consequence could be a lower number of bids, with a potential impact on choice. Finally, given the growing number of investments (by other network operators in Europe) involving the same companies or contractors, whose number is limited, their availability could also be reduced, with a potential upward impact on prices. Aware of this risk, Sibelga has launched a comprehensive review of the purchasing strategies to be implemented in order to limit it as much as possible.

DATA MANAGEMENT

The risk involves managing data to ensure that it remains of high-quality, consistent and available, not only to support smooth operations, but also to enable management to take appropriate decisions and act effectively. Several measures are in place to mitigate this risk, for example in terms of the quality of the data to be transmitted to the market, or in terms of having a backup IT infrastructure to ensure the availability of this data. Initiatives are also in place to define and maintain data governance.

NETWORK RELIABILITY RISK

This risk relates to Sibelga's ability to ensure, on an ongoing basis, via monitoring or a development plan, that its infrastructure receives the maintenance and investment it needs to avoid any malfunctions, and therefore to guarantee its availability.

In concrete terms, in order to achieve the performance objectives of its installations, Sibelga must be able to control the impact of an incident or a number of similar incidents that occur on its networks. To this end, Sibelga analyses incidents, studies their causes and proposes remedies. These are formalised in the five-year investment plan, in preventive maintenance policies and in the "gas safety plan".

Moreover, even if Sibelga manages its networks with a view to maximising reliability, they are not immune to incidents that could lead to a local or general interruption of distribution. These incidents may be due to natural phenomena, unintentional damage or malicious acts (sabotage, theft of copper, etc.). Insurance policies are in place to partially cover the financial consequences of these risks, and measures are taken to secure our facilities.

ATRIAS

Atrias supports the development of the liberalised Belgian energy market at distribution level, playing a key role as an information provider. Atrias is a joint initiative of the four largest distribution system operators in Belgium: Fluvius, ORES, Sibelga and RESA.

Atrias provides market facilitation data on behalf of and in close collaboration with distribution system operators. Atrias is also developing an innovative IT infrastructure that benefits all players in the market.

This is why effective collaboration with Atrias is vital to ensure that the market functions smoothly, in the interests of Brussels customers. In this context, Sibelga is doing its utmost to contribute to the sound management of this entity, over which it does not have complete control, and whose governance with all the Belgian network operators, energy suppliers and regulators is sometimes complex, in order to reach agreements that are in the interests of all the stakeholders.

External operational risks

ABILITY TO CARRY OUT CONSTRUCTION WORK

This risk refers to the ability to implement projects and carry out construction work given the imposed or de facto constraints (urban planning or other). In this context, Sibelga follows the principles of centralised management of building sites in the Brussels region, in particular via the OSIRIS platform, and Sibelga has processes in place to ensure the proper management of permit applications in particular.

Technological risks

RISKS RELATED TO THE SECURITY OF INFORMATION SYSTEMS

In the context of an increasing reliance on digital solutions for its operational activities, and a changing legislative framework (notably the transposition of the European NIS2 Directive, under which Sibelga has been classified as an Essential Entity since October 2024), Sibelga must manage several information and communication technology risks, including:

- the continuity of information systems, since any malfunction, even short-lived, causes downtime that prevents the staff concerned from carrying out their daily activities or potentially generates errors that are damaging to Sibelga's operational activities;
- the security of information systems and data protection.

To manage these risks Sibelga :

- has confirmed and consolidated its programme to obtain ISO27001 certification for its information security management system by April 2027;
- has deployed a continuous improvement approach to its security activities to ensure that it maintains the required level of protection;
- continues to invest in the skills of the security management team headed by the Chief Information Security Officer (CISO);
- has stepped up its information security awareness programmes for all its employees;
- Has held cyber risk insurance since 2018.

2.6. Financial risks

RISK RELATED TO THE BANKRUPTCY OF A MAJOR ENERGY SUPPLIER

Within the framework of the risk policy linked to its commercial activities, Sibelga has, for the majority of its activities, the option of requesting a bank guarantee from its counterparties who lack sufficient solvency criteria. Sibelga closely monitors its trade receivables and routinely assesses the financial capacity of its counterparties. This limits the risk of default.

Nevertheless, given that the number of Sibelga's debtors is limited – only one debtor (Engie-Electrabel) accounts for 66% of turnover and the three largest debtors account for 89% of turnover – the risk linked to the solvency of Sibelga's debtors is highly concentrated.

It should be noted, however, that the costs resulting from the bankruptcy of an "energy supplier" debtor are in principle considered to be non-manageable. This means that these are eventually offset through the regulatory balances and that only the temporary cash flow impact would have to be taken into account.

The risk of default by an energy supplier had increased considerably in 2022 as a result of the sharp rise in energy prices, especially for smaller suppliers without the necessary cash or own production facilities. This was reflected in 2022 by the withdrawal of access contracts from three suppliers in the Brussels region, as well as one bankruptcy. In 2023, no energy supplier went bankrupt; only one supplier asked to withdraw its gas and electricity access contracts, having stopped supplying customers in Brussels at the beginning of 2022. In 2024, Brugel withdrew the gas and electricity licences of three small suppliers, resulting in the termination of their access contracts.

As a result of this increased risk, Sibelga is in frequent contact both with energy suppliers to assess their difficulties and with the regulator to act very quickly in the event of an actual or expected default, in order to limit unpaid bills for Sibelga as much as possible. In addition, in order to reduce this transitional impact, Sibelga is able to diligently identify the customer portfolio of a bankrupt debtor and transfer it to the substitute supplier designated by the Government.

INFLATION AND COST OVERRUNS

This is the risk that Sibelga may have to bear higher-than-expected or unforeseen costs that are not covered by the regulatory framework in force, which could have a negative impact on the execution of works and other core activities. In this context, Sibelga has a budgeting process in place, along with monitoring monthly and quarterly budgets in order to quickly identify any significant deviations and address them.

3. Other financial risks

3.1. Interest rate risk

As Sibelga operates in a regulated sector, its exposure to interest rate fluctuations depends on the regulatory framework applicable for the current period. Under the 2020–2024 regulatory framework, all costs related to the financing policy (including interest charges and other associated costs) were covered by the regulatory tariff envelope. By contrast, under the new framework for the period 2025–2029, Sibelga is more exposed to this risk. This is because the cost of debt was fixed for the entire period, as mentioned in section **IV./ 1. /1.1 2025–2029 Tariff Methodology**. However, this risk also presents an opportunity for Sibelga, as a drop in interest rates could enable Sibelga to improve its financial performance.

Sibelga does not use "swap" or "cap"-type hedging derivatives. Interest rate positions are reviewed periodically and whenever new financing is raised.

With regard to possible excess liquidity, in 2024 Sibelga did not face the problem of negative interest rates. Sibelga's financial policy has since then been to maximise these surpluses through cash pooling within the group and to actively manage the term investment of cash surpluses.

3.2. Liquidity and credit risk

Liquidity and credit risk is linked to Sibelga's need to obtain the external financing required, among other things, to carry out its development programme and to refinance existing financial debts. Sibelga's liquidity is also based on continuing confirmed credit availability and facilities.

The sensitive situation on the European credit or capital market could, if it were to deteriorate, adversely affect Sibelga's activities, financial situation and results.

Sibelga's diversified and adapted financing policy aims to limit this liquidity and credit risk. The USPP bond issue with US investors in 2023 to finance the redemption of the 2013 bond issue is fully in line with this policy. The same applies to the bank loans arranged in 2021 and 2024 with the four major Belgian banks.

Financing requirements were necessary in 2024 and are still expected in the coming years. These are mainly linked to the following points:

- Part of Sibelga's funding is provided by the regulatory balances and the regulator has requested that these be reduced in the 2025–2029 tariff proposal.
- In addition, investments are globally higher than depreciation.

To expand the range of financing tools available, Sibelga has set up a Medium Term Notes (MTN) programme with a ceiling of €200 million.

3.3. Pension risk

Prior to 1993, the pension plan for employees (or their dependants) charged to Sibelga consisted of annuities. The annual payments under these pensions are gradually decreasing as the number of beneficiaries is declining. In 2024, the amounts actually disbursed for unfunded pension costs amounted to €4,238,938.13.

Annuities paid are recognised as operating expenses at the time of payment and are invoiced by the subsidiary BNO to Sibelga. These annuity charges (like other personnel costs) are passed on by Sibelga in the distribution tariffs.

It should be pointed out that, in accordance with Belgian accounting standards, the actuarial value of these future payment obligations is not recognised as a financial liability. This actuarial value of future pension payments is estimated, taking into account certain assumptions, including the discount rate and residual life expectancy, at an estimated amount of €25,009,155.08. This estimate is subject to change depending on the assumptions made.

It should be noted that pension charges are covered by a tariff surcharge approved by the regulator in accordance with the "electricity" and "gas" ordinances and methodologies.

In addition, the residual financial risk in the event of a change in the legal or regulatory framework is covered,

- on the one hand, by the Synatom credit line which took over Electrabel's commitments after the latter's withdrawal from Sibelga's capital at the end of 2012,
- and, on the other hand, by Interfin, for its share, which has recorded in its accounts an unavailable reserve specially dedicated to this purpose. This reserve is adjusted each year by Interfin's Annual General Meeting according to changes in this risk.

3.4. Tax risk

The impact of the tax reforms on Sibelga is limited, as the taxes for which it is liable are passed on in the tariffs in line with the Ordinance of 8 May 2014.

3.5. Sibelga's additional debts

Sibelga's debt ratio is still relatively low, although it increased further in 2024. As mentioned above, the debt burden is expected to increase in the future as a result of two factors: a reduction in regulatory funds and a sustained investment plan in the network to ensure the energy transition.

3.6. Macroeconomic and cyclical risks

The economic turbulence we have experienced in recent years has shown us that cyclical events can have repercussions on demand for gas and electricity. However, a decrease in volumes, compared with those provided for in the tariff proposal, due to macroeconomic or cyclical factors, is a risk that Sibelga does not bear, since under the current regulatory regime, the loss of revenue resulting from volume reductions can be recovered in the context of the approval of balances at the end of the regulatory period and can therefore be passed on in the tariffs for the next regulatory period. The same applies to inflation.

V. Analysis of the 2024 result according to the regulatory approach

Income for the year amounts to €49,067,501.29. It results from our network management activities:

- **regulated**: + €49,136,784.13 constituting Sibelga's core business. This regulated result (after recognition of non-controllable balances) breaks down as follows according to the activities:

	Electricity	Gas	Total
Fair remuneration 2024	30,536,444.22 €	14,298,658.11 €	44,835,102.33 €
Manageable cost-based incentive regulation	2,925,051.40 €	982,093.53 €	3,907,144.93 €
Target-based incentive regulation on KPI 2023 [8]	375,430.00 €	178,725.00 €	554,155.00 €
Correction of regulatory balances 2023 [9]	-127,336.20 €	-32,281.93 €	-159,618.13 €
Total "regulated"	**33,709,589.42 €**	**15,427,194.71 €**	**49,136,784.13 €**

- **non regulated:** € - 69,282.84 This result, which is not significant, can be broken down as follows:

	Electricity	Gas	Total
Remaining ex-supply activity	4,229.61 €	-106.00 €	4,123.61 €
"Radiator rental" activity		-26,373.28 €	-26,373.28 €
"MobiClick" project	-7,883.17 €		-7,883.17 €
"Heating network" project	-39,150.00 €		-39,150.00 €
Total "non-regulated"	**-42,803.56 €**	**-26,479.28 €**	**-69,282.84 €**

8 see Brugel decisions 20241024-292 and 293 concerning the 2023 financial year

9 Idem

The “MobiClick” project is not strictly speaking a non-regulated activity, since it is a public service mission, with the part not financed by subsidies being borne by the intermunicipal company and therefore falling outside the scope of the tariffs. It can therefore be considered as non-regulated in the tariff sense.

1. Comments on the headings

The fair remuneration is determined by the formula set out in the tariff methodology approved by Brugel.

The manageable cost-based incentive regulation grants Sibelga 50% of the difference in manageable costs between the actual situation and the budget/tariff standard. The incentive is a maximum of 10% of the indexed budgeted manageable costs. The other 50% of the difference is included in non-controllable balances and is transferred to the regulatory fund.

The incentive regulation on quality of services (KPI) of year N is only accounted for in year N+1 following the regulator’s ex post control. Therefore, no results for 2024 are recognised by Sibelga in the 2024 results. On the other hand, the result on the KPI relating to the 2023 financial year was validated by Brugel in October 2024 and could therefore be recognised and accounted for in 2024.

Balances on the liabilities side of the balance sheet dropped by €55.2 M in 2024. As a reminder, these balances are used to adjust the accounting result so that it corresponds to the authorised regulated result. The balances are of different kinds:

The ***non-controllable balances for the year*** (- €39.3 M), which mainly concern the differences between the tariff budgets and the actual figures for the following items

- volume differences (revenues);
- the budget for manageable costs (linked to reindexation);
- public service obligations;
- depreciations;
- the fair profit margin;
- supplements and withdrawals such as taxes and pension charges;
- the cost of losses;
- extraordinary income and expenses;
- (financial expenses) embedded costs.

In this case, the non-controllable balances of the “electricity” business for the year 2024 amount to a total of - €26,561,137.15, which constitutes an overpayment (debt) in relation to the contract.

The non-controllable balances of the “gas” business for the year 2024 amount to a total of - €12,751,088.37, which constitutes an underpayment (claim) in relation to the contract.

The ***transfer to the regulatory fund***:

- the part of the controllable balances not included in the incentive regulation (50% of the total difference) (€3.9 M). In 2024, controllable balances are positive, which means that, in both the "electricity" and "gas" businesses, the actual expenses remained below the authorised tariff budget;
- the correction requested by Brugel following the 2023 ex-post control (€0.2 M); this has a direct and negative impact on the result and increases the 2024 balances.

Allocations (-) *and* ***use*** (- €20.0 M) ***of uncontrollable balances from the past***, as set out in the proposed tariff.

Non-controllable balances	**Electricity**	**Gas**	**Total**
Uncontrollable balances 2024	-26,561,137.15 €	-12,751,088.37 €	-39,312,225.52 €
Share of the balance of manageable costs paid into the regulatory fund	2,925,051.39 €	982,093.52 €	3,907,144.91 €
Correction of balances 2023	127,336.20 €	32,281.93 €	159,618.13 €
Allocation of balances	-	-	-
Use of past balances	*-16,336,448.38 €*	*-3,657,438.62 €*	*-19,993,887.00 €*
Total non-controllable balances carried on the liabilities side of the balance sheet	**-39,845,197.94 €**	**-15,394,151.54 €**	**-55,239,349.48 €**

2. Comments on trends

Fair remuneration, which had been very stable up to 2022 given the level of the OLO rate, increased significantly in 2023. As the OLO rate is a key parameter in the fair remuneration formula, changes to the rate did not have an impact until 2023, given the minimum threshold of 2.2% provided for in the tariff methodologies. In 2024, the average OLO rate remained above the 2.2% threshold but below the 2023 level. As a result, fair remuneration has fallen by €1.5 M compared with 2023. The average OLO rate in 2024 is 2.91%, compared with 3.12% in 2023.

The fair remuneration base (the RAB) has increased slightly overall compared to 2023. For the electricity business, it increased due to investments exceeding depreciation. In the gas segment, it decreased to a lesser extent with depreciation and write-offs exceeding investments.

The incentive regulation allows us, in accordance with the methodology, to achieve an additional result in the wake of controllable costs slightly below the budget and the achievement of service quality objectives.

The incentive regulation is mainly generated by the following elements:

- a level of inflation which led to a reindexation of the tariff envelope, but whose effects on real costs were partially delayed thanks in particular to good contract management;
- cost control through increased efficiency, despite the impact of indexation;
- quality services that provide an incentive for service quality.

In addition, the analysis of the non-controllable balances for the financial year reveals some significant elements:

favourable for the balances:

- reconciliations of consumption for past financial years have enabled the intermunicipal company to recover what is owed to it from the market players;
- lower than expected tax charge;
- the share of the savings on controllable costs attributable to the tariffs as foreseen in the regulatory framework is paid into the regulation fund;

unfavourable for the balances:

- the reindexation of the tariff budget of the manageable costs as foreseen in the tariff methodology; in fact the actual indexation has evolved faster than the forecast indexation included in the tariff budgets;
- the purchase of network losses has proved to be much more expensive than expected in relation to the tariff proposal;
- the purchase of energy for protected and winter customers has also turned out to be much more expensive than forecast in the tariff proposal;
- the depreciation charge is higher than the tariff proposal for both electricity and gas;
- gas and electricity volumes, which despite their respective increases in 2024, remain below the level forecast in the tariff proposal;
- the use of balances as foreseen in the tariff proposal.

3. Performance

In our analytical approach, the result for the year 2024 is therefore constructed as follows:

Fair remuneration	€ 44,835,102.33	
Incentive regulations	€ 4,461,299.93	1
Correction of regulatory balances 2022	€ -159,618.13	
Regulated result	€ 49,136,784.13	2
Non-regulated result	€ -69,282.84	
Result of the financial year	€ 49,067,501.29	3

1 The fair remuneration provides a return of 5.21% on average equity excluding capital subsidies.

2 If the positive impact of both incentive regulations (on manageable costs and on service quality) and the negative impact of the corrections to the regulatory balances for the previous year are taken into account, the return increases to 5.71%.

3 The result for the year including the non-regulated part thus brings the return to 5.70%.

VI. Continuation of the annual report referred to in Articles 3:5 and 3:6 of the Companies and Associations Code

1. Comments on the annual accounts in order to give a true and fair view of the development of the business and the position of the company

1.1. Balance sheet accounts

The balance sheet total amounts to €1,511,461,285.06 compared to €1,398,099,851.93 in the previous financial year, i.e. an increase of €113,361,433.13.

The following are brief comments on the most significant headings and movements.

Assets

Formation expenses: €480,270.61 (- €57,343.40)

The formation expenses capitalised correspond to bank charges for the issue of loans relating to the new loan in 2023 for a total amount of €573,434.00 less depreciation for the year and the previous year of €93,163.39.

Fixed assets: €1,335,495,387.68 (+ €41,452,907.59)

- **Intangible fixed assets: €4,998,539.02 (+ €1,788,020.02)**

The intangible assets consist of the green certificates unsold at 31 December 2024. These were valued using the FIFO method on the basis of the sales prices fixed contractually with Electrabel nv, which has undertaken to purchase 105,000 green certificates from Sibelga between 1 January 2025 and 31 March 2027, at a rate of 35,000 certificates per calendar year. The unit selling price has been set at €80.07 for 2025, €81.07 for 2026 and €82.07 for 2027.

- **Tangible fixed assets: €1,326,437,624.24 (+ €39,661,257.57)**

Almost the entire heading relates to the value of our networks or Regulatory Asset Base (RAB).

This forms the basis of the fair remuneration.

The increase is mainly due to the implementation of the investment programme after deduction of depreciation and withdrawals.

The main investments in 2024 can be summarised as follows:

- network rehabilitation work to ensure continuity of service and control of operating costs as well as to improve safety. Examples include the renewal of electric transformer and gas load shedding cabins, the renewal of distribution boards at interconnection points, the renewal of load shedding lines at the reception stations, as well as the replacement of old cables;
- work carried out to discharge legal obligations. Examples include the deployment of smart meters or the replacement of meters required by metrology;
- works at the request of third parties such as extensions, reinforcements, new connections as well as relocations of pipes or installations following the renewal of roads or for extensions of tram tracks for the STIB;
- reinforcement work to resolve or anticipate network congestion;
- investment in fibre optics as part of the Backbone project.

The evolution of net investments 2020–2024 (= gross investments – customer interventions – subsidies) is as follows:

Net investments

€	Distribution Electricity	Distribution Gas	Total	Non-regulated assets
Realised 2021	63,215,218	19,584,062	82,799,280	83,938
Realised 2022	68,224,478	15,958,221	84,182,699	91,552
Realised 2023	69,808,241	16,494,518	86,302,759	51,351
Realised 2023	80,442,956	15,794,603	96,237,559	22,397
Realised 2024	98,738,080	14,893,640	113,631,720	32,041

Changes to the RAB and incidentally to some non-regulated assets is as follows:

RAB

Book value (€)	Distribution Electricity	Distribution Gas	Total Regulated assets	Non-regulated assets
as at 31/12/2020	757,992,102	469,725,744	1,227,717,846	184,193
as at 31/12/2021	785,099,328	461,196,020	1,246,295,348	199,543
as at 31/12/2022	812,574,623	444,022,864	1,256,597,486	177,185
as at 31/12/2023	849,037,609	433,158,469	1,282,196,078	130,169
as at 31/12/2024	899,883,540	421,145,889	1,321,029,429	101,417

The RAB and non-regulated assets correspond to tangible assets from which subsidies and deferred taxes have been deducted.

Book value (€)	Tangible assets	Grants & subsidies Deferred taxes	Total
as at 31/12/2020	1,230,999,013	-3,096,974	1,227,902,039
as at 31/12/2021	1,250,583,702	-4,088,811	1,246,494,891
as at 31/12/2022	1,260,852,659	-4,077,988	1,256,774,671
as at 31/12/2023	1,286,776,367	-4,450,119	1,282,326,248
as at 31/12/2024	1,326,437,624	-5,306,778	1,321,130,846

- **Financial fixed assets: €4,059,224.42 (+ €3,630.00)**

The heading mainly relates to Sibelga's stake in its subsidiary Brussels Network Operations (BNO). On the margin, this item also includes Sibelga's stake in Atrias, as well as various sureties and/or guarantees, which explain the slight changes in this item.

Current assets: €175,485,626.77 (+ €71,965,868.94)

- **Stocks and contracts in progress: €15,142,116.66 (- €1,111,237.54)**

The item covers supplies relating to "electricity", "gas", "mixed" and "road lighting".

There was a decrease in this item, mainly due to “public lighting” supplies (- €0.8m), accentuated by decreases in “electricity” (- €0.2m) and “gas” (- €0.1m) supplies, while “mixed” supplies remained stable.

This reduction, despite higher purchases (see below), is explained by work begun in 2024 on optimising Sibelga’s stocks. Sibelga has set itself the target of increasing its stock rotation rate by 40% by 2029.

- **Amounts receivable within one year: €60,949,952.57 (- €4,077,204.83)**

Most of the heading concerns trade receivables, amounting to €52,201,209.83; these have increased by €1,418,865.79.

The breakdown for trade receivables is as follows (in € M):

31.5	for billing the grid fee and works (+ €1.5 M)
7.2	for the invoicing of miscellaneous and ancillary services (- €2.2 M)
0.7	for invoices to be issued (- €0.3 M)
43.2	of doubtful debts excluding grid fee (+ €4.2 M)
- 30.5	for write-downs on receivables within the framework of the ruling obtained by the Anticipated Decisions Service (ADS) of the FPS Finance (- €1.9 M)
52.2	

This heading also includes miscellaneous receivables in the amount of €8,748,742.74.
This amount is down by €5,496,070.62.
The breakdown is as follows (in € M):

0.2	for VAT to be recovered (+ €1.4 M)
4.9	for cash advances in Atrias (- €2.1 M)
2.1	for the enablement of "public service missions" and subsidies (- €0.2 M)
0.3	for a claim on Brussels Environment as part of the SolarClick programme (+ €0.1 M)
0.3	balance of TSO fee to Elia (- €1.1 M)
0.0	for claims against CREG relating to basic federal electricity and gas rates (- €0.8 M)
0.9	for network damage (+ €0.1 M)
0.1	for the energy contribution (s.q.)
8.7	

- **Current investments and cash at bank and in hand: €88,811,625.17 (+ €82,500,107.19)**

These are term investments of €88.5 M (+ €88.4 M) and cash at bank and in hand of €0.3 M (- €5.9 M).

The sharp increase in this item is the result of new loans taken out in 2024 on the basis of expected requirements in 2024 and 2025, the liquidity test established in 2024 and the excellent terms offered by banks.

Please refer to the cash flow statement below for further information on cash flow during the year.

- **Deferred charges and accrued income: €10,581,932.37 (- €5,345,795.88)**

The remaining amounts are mainly related to:

- charges to be deferred on multi-year invoices for €5.9 M (+ €0.8 M), in compliance with accounting and tax law;
- €0.5 M (+ €0.2 M) in income accrued from work carried out;
- accrued income from the CREG for the special social tariff for €1.1 M (- €4 M);
- accrued income from Brussels Environment for €1.6 M (- €3.0 M)
- accrued income of €0.6 M (+ €0.6 M) corresponding to the valuation of green certificates not yet granted by Brugel in respect of electricity generated in the 4th quarter of 2024 by Sibelga's cogeneration facilities;
- miscellaneous accrued income of €0.6 M (+ €0.1 M).

Liabilities

Equity: €861,150,642.25 (+ €585,151.15)

- **Unavailable non-capital contribution (ex - Capital): €580,000,000.00 (s.q.)**

The latter is represented by:
2,170,000 A shares with a value of €217,000,000.00
3,630,000 E shares with a value of €363,000,000.00

- **Revaluation surpluses: €165,419,843.95 (- €7,186,828.59)**

This decrease results from the recognition of the write-down of the Regulatory Asset Base (RAB) recorded under tangible fixed assets.

- **Statutory unavailable reserve (ex - Legal reserve): €200,000.00 (s.q.)**

This was set up in the past in accordance with Article 428 of the former Companies Code, with a limit of 10% of the fixed part of the share capital.

- **Other unavailable reserves: €111,070,443.92 (+ €7,186,828.59)**

These are determined in application of the derogation on the revaluation of tangible fixed assets, corresponding to the depreciation on the surplus value of these fixed assets, as well as to the revaluation gains on decommissioned installations with reference to opinion 113/6 of the Accounting Standards Commission (Commission des Normes Comptables (CNC) and in accordance with the regulatory methodology.

The increase in these reserves is the counterpart to the decrease in revaluation gains (see above).

- **Available reserves: €480,270.61 (- €57,343.40)**

This item was created in 2023 for the amount corresponding to the unamortised ancillary costs of the new €190 M loan, which is also included under formation expenses.

- **Capital grants: €3,980,083.77 (+ €642,494.55)**

This item includes subsidies from the Brussels region for work to relocate pipes, as well as 'energy' bonuses from Brussels Environment obtained for building investment work.

Under the Isoc, a 25.00% share of the subsidies is transferred to "Deferred taxes" (see below).

Provisions and deferred taxes: €14,190,656.53 (- €4,158,462.92)

- **Provisions for risks and charges: €12,863,961.89 (- €4,372,627.80)**

As a general rule, the coverage of identified risks and charges is adjusted on an ongoing basis.

The “Provisions for risks and charges” heading in the accounts still contains three items:

- Site remediation: €0.2 M (- €2.5 M) This provision comes under environmental obligations. There was a sharp fall, due to a substantial write-back of the provision for site remediation that had been set aside when the company was still subject to corporate income tax, and full utilisation of the provision for site remediation that had been set aside later when Sibelga changed its tax regime. A large part of the provision previously set aside related to soil remediation at the Forest site. This was used for €0.7 M in 2024 and written back for €1.8 M thanks to Brussels Environment’s acceptance of the approach proposed by Sibelga and described in chapter ***III.**. **Highlights > 14. Remediation of the Forest site***.
- Rest term: €11.6 M (- €1.8 M) It is the financial coverage of the difference between the allocated energy volumes (ex ante) and the measured energy volumes (ex post) in reconciliation.
- Cogeneration: €1.0 M (s.q.). This provision covers non-routine maintenance and repairs to our cogeneration facilities.

• **Deferred taxes: €1,326,694.64 (+ €214,164.88)**

Under the Isoc, in view of the Corporate Tax Reform Act, a 25.00% share of the capital grants is charged to “Deferred Taxes”. This is subsequently reduced at the rate of depreciation of the underlying asset financed by the subsidy.

Debts: €636,119,986.28 (+ €116,934,744.90)

• **Amounts payable after more than one year: €357,616,288.82 (+ €141,943,412.63)**

The heading consists of the following items:

- Unsubordinated bond loan: €190 M (s.q.). This 10-year loan, concluded in March 2023 with private investors on the USPP market, enabled the company to repay the €100 M bond which had matured in May 2023;
- bank loans: €167 M (+ €143 M). In 2024, Sibelga obtained new financing via various types of loans (bullet or amortising) and maturities (10 years, 15 years and 20 years) for a total of €150 M, of which €125 M was drawn down in June and €25 M in December.
- the “pensions” credit line: €0.5 M (- €1.1 M) This is the credit line with Synatom granted at a variable interest rate, which will mature in December 2026;
- guarantees received in cash: €0.1 M (s.q.).

- **Amounts payable within one year: €163,987,283.88 (+ €29,162,515.64)**

The heading is essentially made up of four elements:

- debts payable after more than one year falling due within the year: €5.8 M (+ €4.3M);
- trade debts: €90.7 M (+ €25.4 M);
- tax, remuneration and social security debts: €3.8 M (+ €0.4 M);
- other debts: €63.7 M (- €0.9 M).

Amounts payable after more than one year and maturing within the year increased overall following the new amortising loans taken out in 2024.

Trade payables are up mainly under the suppliers item: €62.3 M (+ €18.6 M).
Customers in credit amounted to €0.8 M (s.q).
Invoices and credit notes receivable rose by €6.7 M to €27.7 M.

Tax liabilities amounted to €3.8 M (+ €0.4 M) and mainly comprise the tax definitively due on 2023 profits of €3.3 M following receipt of the notice extracted from the roll, and an estimated additional tax liability on 2024 profits of €0.4 M. The remainder of this item comprises a series of contributions payable amounting to €0.2 M (s.q).

The other debts cover mainly the dividends to the associates rounded up to: €49.1 M (- €2.9 M), the balance of the municipal fees for occupation of the public domain due to the municipalities: €10.0 M (- €3.1 M), the share due to Brussels Environment for the Energy Guidance Fund and the Energy Policy Fund:
€4.5 M (+ €1.7 M).

- **Deferred charges and accrued income liabilities: €114,516,413.58 (- €54,171,183.37)**

This item consists mainly of deferred income: €113.2 M (- €54.4 M) relating almost exclusively to the regulatory debt for non-controllable activities (= regulatory balances) for €110.7 M (- €55.2 M). The balance of deferred income concerns deferred income relating to subsidies of €0.6 M (+ €0.4 M), works and rents of €1.8 M (+ €0.4 M).

It should be noted that the regulatory balances were mainly impacted in 2024 by: differences resulting from the indexation of manageable costs for electricity and gas combined (- €16.2 M), the fall in gas volumes (- €11.1 M), higher costs related to public service obligations than forecast in the specific 2024 tariff proposal (- €9.6 M), and by the use of balances from the past to smooth electricity tariffs for 2020–2024 (- €14.8 M).

The heading also contains the expenses to be charged: €1.3 M (+ €0.2 M), mainly comprising financial charges on various loans of €1.1 M (+ €0.1 M) and provisions for invoices receivable of €0.1 M (s.q).

1.2. Income statement

Overall, Sibelga shows a profit of €49,067,501.29 for the financial year 2024, compared with €52,565,320.15 for the previous financial year, an increase of €3,497,818.86. This is explained in the comments below.

Sales and services: €441,189,629.00 (+ €28,359,677.39)

- **Turnover: €415,398,290.01 (+ €35,773,779.45)**

This item mainly concerns the invoicing of the grid fee to energy suppliers for an amount of €342.3 M (+ €33.4 M).

This amount was increased by €55.2 M (+ €1.1 M) as part of the recognition of regulatory balances. This amount has been deducted from "deferred income" in the accruals and deferred income accounts (see above).

Let's take a closer look at **grid fee** invoicing.

- **For the "electricity" business**, it covers 685,206 active supply points (ASPs).

The quantities invoiced were 3,922,586 kWh, which corresponds to an increase of 2.60% compared to the previous year. It should be noted that, as in previous years, metered energy (energy consumed but not read) has not been taken into account. Interestingly, this is the first time since 2010 that we have seen an increase in electricity consumption. It will therefore be interesting to see whether this phenomenon will last over time, as can reasonably be expected with gradual decarbonisation, or whether it is simply a question of a rebound linked to the fall in energy prices following the sharp drop in consumption levels in recent years.

These quantities enabled the intermunicipal company to invoice €244,152,162.63 (including the municipal fees for occupation of the public domain of €24,924,150.50), which is an increase of 11.53%. This significant increase in revenue, despite a less marked increase in the quantities distributed, is mainly due to the fact that the 2024 tariffs are generally higher than the 2023 tariffs. This, coupled with higher volumes, had a positive impact on invoicing levels.

It should be noted, however, that part of the tariff is not linked to fluctuations in volumes. This is the case for the measurement and metering tariff and capacity tariffs.

- **The "gas" activity** covers 433,873 active supply points (ASP).

The quantities billed are 8,428,151 MWh, which corresponds to an increase of 7.86% compared with the quantities billed in 2023 (metered energy has not been taken into account). It is worth noting, however, that if we compare the quantities billed in the 2024 financial year for the year 2024 with the quantities billed in the 2023 financial year for the year 2023, the increase is only 0.92%. This difference is due to the impact of adjustments relating to previous financial years.

These quantities enabled the intermunicipal company to invoice €98,175,387.44 in 2024 (including the municipal fees for occupation of the public domain of €12,544,081.58), which is a drop of 9.05%.

This significant increase in the level of invoicing is mainly due to a smaller impact from accruals relating to previous years in 2024 (- €3.5 M) compared to the level of accruals in 2023 (- €10.0 M). This effect is slightly accentuated by a slight increase in the level of consumption billed in 2024 compared with the previous year, coupled with an increase in tariffs (+ €1.7 M).

Note that the degree days for the year 2024 amount to 1,942. This puts them slightly above the previous year's level (1,914), an increase of 1.46%, which may also explain the rise in quantities. They are 14.42% below the tariff proposal standard (2,222).

The "turnover" heading also includes (in € M):

substation fees charged to Elia, Iverlek and Sibelgas	1.9	(s.q)
energy sales to protected customers	9.5	(+ 0.8)
sales of heat (cogeneration) and sales of green certificates	4.6	(+ 0.3)
work on behalf of third parties	0.8	(+ 0.5)
study fees charged	0.4	(- 0.1)
expenses charged to subsidiaries	0.6	(- 0.3)
rental of gas appliances	0.1	(s.q.)
	17.8	**(+ 1.3)**

The level of sales to protected customers rose dramatically in 2023, following the changes introduced by the new Order of 17 March 2022. In 2024, this item increases again, but less significantly. This is mainly due to a volume effect linked in particular to the increase in the number of protected customers between 2023 and 2024.

Sales of heat from cogeneration facilities were down (- €1.7 M), while income from green certificates was up (+ €2.1 M). In 2024, Sibelga signed a contract with Electrabel under which the latter undertook to purchase 105,000 green certificates from Sibelga between 1 January 2025 and 31 March 2027, at a rate of 35,000 certificates per calendar year. In addition, in November 2024, Sibelga sold 10,000 green certificates to Electrabel at a price of €84.01 each.

The increase in works on behalf of third parties (+ €0.5 M) is mainly due to more extensive public lighting works invoiced in 2024.

In summary, sales for the 2024 financial year were €415,398,290.01, compared with €379,624,510.56 for the previous year, an increase of €35,773,779.45, mainly due to the increase in grid fees.

- **Other operating income: €23,991,077.37 (- €9,179,124.70)**

This other income mainly concerns (in € M):

		Variation
invoicing of services (fairs and festivities, opening and closing of meters, work without provision, fraud and breach of seals, repair of damage)	6.8	(- 0.2)
recovery of administrative costs (fraud, breach of seals)	0.5	(- 0.3)
recovery of management fees	0.4	(s.q)
compensatory allowances (forgotten meters, fraud, breach of seals)	6.7	(- 8.8)
operating subsidies (NRClick and SolarClick programmes)	4.5	(- 0.3)
user fees and cost recovery	1.7	(+ 0.1)
capital gains on the disposal of tangible fixed assets	1.0	(s.q)
claims recoveries	0.2	(+ 0.1)
various recoveries	2.2	(+ 0.3)
	24.0	**(- 9.2)**

The decrease in other operating income is mainly due to the decrease in compensation payments (- €8.8 M); this stems on the one hand from lower billings for fraud and broken seals in 2024 (- €4.4 M) (lower tariffs set by the new order since 1 April 2024), lower energy prices (basis for calculating compensation payments); and on the other hand, fewer Delta CREG indemnities (- €4.0 M) given the decreasing number of protected customers eligible for federal intervention and the lower value of the support between 2023 and 2024.

- **Non-recurring operating income: €1,800,261.62 (+ €1,765,022.64)**

The “non-recurring operating income” item (formerly extraordinary income) amounted to €1,800,261.62 compared to €35,238.98 in the previous financial year, an increase of €1,765,022.64. This increase is exclusively attributable to reversals of previously established provisions for soil remediation. Most of these provision reversals relate to the clean-up of the Forest site as described in section ***III.***. ***Highlights > 14. Remediation of the Forest site***.

The turnover realised, supplemented by other operating income and non-recurring operating income, should enable the intermunicipal company to cover its costs.

Cost of sales and services: €366,440,510.10 (+ €31,249,814.29)

- **Supplies and goods: €74,869,301.85 (+ €21,617,538.15)**

This increased heading covers purchases and changes in inventories.

In accordance with the law on public procurement, these purchases are awarded on the most favourable economic terms, taking into account the criteria set out in the specifications.

  - **Purchases for inventory supplies,** amounting to €28.8 M, which increased overall by €3.1 M. This increase is mainly due to higher purchases of ‘electricity’ supplies (+ €1.6 M) and ‘public lighting’ supplies (+ €1.7 M), as a result of the smart meters and LED programmes; partially offset by a reduction in stock returns (- €0.3 M), while purchases of ‘mixed’ supplies increased slightly (+ €0.2 M).
  - **Energy purchases** complete the purchases heading for an amount of €45.4 M, an increase of €15.6 M.

They are broken down as follows (expressed in € M):

Activities	Electricity	Gas	Total	Variation
The deregulated market	1.0	-3.5	- 2.5	-0.3
Protected customers	6.4	5.3	11.7	+ 2.6
Network losses	17.1	-	17.1	+ 7.8
Cogeneration	-	7.4	7.4	+ 2.8
Public lighting	11.6	-	11.6	+2.7
Total	**36.1**	**9.2**	**45.4**	**+ 15.6**

The financial reconciliation between the players in the deregulated market for the financial years 2020 (final reconciliation), 2021 and 2022 (provisional reconciliation) enabled Sibelga to recover an amount of - €3.5 M for the "gas" activity compared with a recovery of - €1.9 M last year (- €1.6 M). For the financial reconciliation relating to the "electricity" activity, Sibelga recorded a recovery of €1.0 M compared with a recovery of - €0.3 M last year (+ €1.3 M).

Energy purchases for protected customers amounted to €11.7 M, an increase of €2.6 M. This sharp increase is mainly due to the significant increase in the number of protected customers, following the changes made by the new ordinance to the conditions for acquiring protected customer status;

It should also be noted that energy purchases to cover network losses amounted to €17.1 M (+ €7.8 M) and for cogeneration to €7.4 M (+ €2.8 M). The increase in costs to cover network losses is explained by a significant increase in the purchase price (price effect of + €5.3 M) combined with a higher volume of purchases (volume effect of + €2.5 M) following the shutdown of Sibelga's cogeneration facility at Quai des Usines during the first half of 2024 due to an instability in the road network affecting the operation of the gas pipeline supplying the facility. For cogeneration, the increase in costs is explained by an increase in the purchase price of gas (price effect of €6.5 M) offset by a reduction in volume (volume effect of - €3.6 M).

Energy purchases for public lighting amounted to €11.6 M, an increase of €2.7 M. This is due to a higher average price in 2024 (price set in 2023) than in 2023, which was based on a spot price (price effect of + €3.8 M). This increase is offset by a lower volume consumed (volume effect of - €1.1 M).

- Lastly, **changes in inventories** represented a positive charge of €0.7 M compared with a negative charge of €2.2 M in the previous financial year, i.e. an increase in positive charges of almost €2.9 M.

- **Miscellaneous services and goods: €211,938,347.93 (+ €7,052,274.40)**

This heading accounts for almost 2/3 of all operating expenses. Overall, it has increased by 2.22%.

Let's look in more detail at the main items of the heading (expressed in € M) with the variation compared to the previous year:

Activities	Charges	Variation
Management invoices (BNO)	142.6	+ 8.9
Subcontractor (maintenance & repairs)	64.2	+ 5.1
Third-party services	57.1	+ 5.2
The municipal fees for occupation of the public domain	37.5	+ 3.2
Direct purchases	13.9	+3.1
Licences and royalties - intangible rights	10.3	- 1.6
Internet, telephone and postal network charges	2.7	+ 0.5
Miscellaneous fees	0.5	+ 0.0
Insurance	1.1	+ 0.4
Energy for own use	1.7	+ 0.7
Contributions	0.9	+ 0.6
Advertising and information	0.5	- 0.1
Transport-related costs	1.0	+ 0.1
Costs transferred to property, plant and equipment	-123.8	- 18.0
Sub-total	210.2	+ 8.0
Other miscellaneous	1.7	-1.0
Total	**211.9**	**+7.1**

Comments:

- **Invoices (BNO)** represent the largest expense under this heading at €142.6 M, up by €8.9 M.

  This increase is largely attributable to remuneration, social security charges and pensions and amounted to €133.5 M, up by €8.4 M on the previous year. This was due in particular to the average index, which rose by 2.8% on the previous year, and to the increase in BNO's headcount. The number of FTEs will grow by 64.2 between the end of 2023 and the end of 2024, representing an increase of 5.7%.

- **Subcontracting involved in maintenance and repair work** for €64.2 M is up by €5.1 M. It should be noted that this expense is partly attributable to investments and partly to operations. The portion attributable to investments, for its part, is transferred to property, plant and equipment (see below);

- **Third-party services** remain an important item with an expense of €57.1 M, an increase of €5.2 M. They mainly cover the use of IT consultancy;

- **The municipal fees for occupation of the public domain** amounted to €37.5 M, an increase of €3.2 M. We have seen above that the quantities distributed increased by 2.60% for electricity and 7.86% for gas.
  It should be remembered that, in accordance with the ordinance of 1 April 2004 governing the municipal fees for occupation of the public domain, an indexation is applied to the basic amounts.

  This results in a breakdown by utility of:
    a. €24.9 M for electricity, an increase of €1.8 M;
    b. €12.5 M for gas, an increase of €1.3 M;

- **Direct purchases** amounted to €13.9 M, an increase of €3.1 M. It should be noted that these direct purchases are attributable to both investments and operations. The portion attributable to investments is transferred to property, plant and equipment (see below);

- **Licences** for an amount of €10.3 M, down by €1.6 M;

- **Internet, telephone and postal charges** of €2.7 M, an increase of €0.5 M; This increase is the result of a rise in costs linked to the connection to the internet network, as well as communication costs for ISL [10];

[10] Intelligence Street Lighting LED

- **Miscellaneous contributions** for an amount of €0.5 M, which remains stable;

- **Insurance** for an amount of €1.1 M, an increase of €0.4 M;

- **Energy costs for own use** amounted to €1.7 M, an increase of €0.7 M;

- **Miscellaneous contributions** for an amount of €0.9 M, an increase of €0.6 M; This increase results from the impact of the recognition, in 2023, of a credit note received from Synergrid for €0.5 M;

- **Advertising and information costs** for an amount of €0.5 M, a decrease of €0.1 M;

- **Transport costs** for an amount of €1.0M, an increase of €0.1 M;

- **Expenses transferred to property, plant and equipment** amounting to €123.8 M increased by €18.0 M (representing a decrease in the expense). They are related to the implementation of the investment programme and property acquisitions.

In addition to the most important items mentioned above, all other items represent an expense of €1.7 M, down €1 M. This decrease is mainly due to the transfer of sanitation costs from services and miscellaneous assets to exceptional expenses. However, these are offset by the use of the provision previously set aside.

- **Remuneration, social security and pensions: €30,312.72 (+ €1,087.92)**

This heading has become insignificant since the transfer of staff to the subsidiary BNO on 1 October 2009.

- **Depreciation and write-downs on tangible fixed assets: €69,245,888.34 (+ €1,468,073.96)**

This represents an increase of 2.2%, in line with the increase in property, plant and equipment. Let us assume that depreciation and write-downs are the self-financing of our investments. In relation to net investments (excluding subsidies), the self-financing deficit is €55.8 M for the “electricity” business. For the “gas” business, we have a bonus of €10.3 M. There is therefore a self-financing deficit linked to investment of €45.5 M.

It should be noted that the capitalisation of the RAB resulted in a capital gain. This is depreciated in line with the underlying assets.

- **Write-downs on inventories and trade receivables: €2,352,510.29 (- €2,543,643.04)**

  - **Inventory write-downs** are subject to a permanent valuation adjustment according to the activity of the intermunicipal company and the underlying economic reality. Movements during the year amounted to €0.5 M, i.e. a reduction of €0.6 M.

  - **Write-downs on trade receivables** represented an expense of €1.9 M (- €1.9 M).

During the year, we recorded write-downs on trade receivables relating to our miscellaneous and ancillary activities amounting to €11.4 M (- €1.6 M).

This decrease mainly concerns CHC/fraud allocations (- €2.1 M) and is partially offset by an increase in write-downs for protected customers (+ €0.5 M) directly linked to the increase in energy bills for protected customers.

We also used previously recognised write-downs of €2.4 M and reversals of - €7.0 M.

In summary, the write-downs on trade receivables on trade receivables constitute a negative charge of €1.9 M and are as follows:

(in € M)	2024	2023	Delta (impact on results)
Appropriations	11.4	13.0	- 1.6
Uses	- 2.4	- 2.4	s.q.
Reversals	- 7.0	- 6.8	- 0.3
Total	**1.9**	**3.8**	**- 1.9**

- **Provisions for risks and charges: €1,830,224.79 (+ €622,637.15)**

These represent a negative charge of €1,830,224.79 compared to a negative charge of €2,452,861.94 in the previous year.

This can be explained as follows:

- with regard to provisions, they relate exclusively to the coverage of the "rest term" risk for €2.0 M compared to €4.6 M during the previous financial year subsequent to a decrease in unmeasured and out-of-contract consumption;
- with regard to the use of provisions, they mainly concern the "rest term" for - €2.5 M (- €2.5 M).
- with regard to reversals of provisions, we note a reversal of provisions relating to the 2018 "rest term" for - €1.2 M in 2024 compared with a reversal of - €7.0 M in the previous financial year, which related to the reversal of the 2017 "rest term" provision.

In summary, the movements in provisions are as follows:

(in € M)	2024	2023	Delta (impact on results)
Appropriations	2.0	4.6	- 2.6
Uses	- 2.6	- 0.1	- 2.5
Reversals	- 1.2	- 7.0	+ 5.7
Total	**- 1.8**	**- 2.5**	**+ 0.6**

- **Other operating expenses: €9,835,866.10 (+ €3,035,511.69)**

This heading covers mainly two items:

- €5.8 M in **losses on the disposal of tangible fixed assets**, mainly due to demolitions. These are up by €2.7 M. The increase is due, on the one hand, to an increase of €1.5 M in decommissioning of the electricity network (mainly due to the acceleration of the smart meter rollout programme involving the decommissioning of meters) and, on the other hand, to decommissioning linked to demolition work as part of the extension of Sibelga's hangar (€1.3 M);

    - **losses on the realisation of trade receivables**, which are calculated at €3.1 M in accordance with accounting and tax law. These were stable compared with the previous year. It should be remembered here the majority of the charge relates to claims for fraud and out-of contract consumption.

The balance relates mainly to special excise duties, up €0.7 M (+ €0.2 M).

- **Non-recurring operating expenses: - €1,492.34 (- €3,665.94)**

Non-recurring operating expenses mainly comprise soil remediation costs (€0.7 M), mainly relating to the Forest site, as described above, offset by the use of the provision for an equivalent amount.

The operating result amounts to €74,749,118.90 compared to €77,639,255.80 in the previous year.

This operating result decreased by €2,890,136.90. The summary table below summarises the main trends:

(in € M)	2024	2023	Impact result
Turnover	415.4	379.6	+ 35.8
Other income	24.0	33.2	- 9.2
Non-recurring income	1.8	0.0	+ 1.8
Subtotal income	441.2	412.8	+ 28.4
Provisions	74.9	53.3	+ 21.6
Miscellaneous services and goods	211.9	204.9	+ 7.1
Depreciation	69.2	67.8	+ 1.5
Write downs	2.4	4.9	- 2.5
Movements on provisions	- 1.8	- 2.5	+ 0.6
Other expenses (losses)	9.8	6.8	+ 3.0
Non-recurring expenses	0.0	0.0	0.0
Sub-total expenses	366.4	335.2	+ 31.2
Operating income	74.7	77.6	- 2.9

The financial result is an expense. The operating result amounts to €7,572,282.69 compared to €4,409,586.58 in the previous year.

The financial result decreased by €3,162,696.11.

- **Financial income** increased from €2,168,957.09 to €2,928,625.96 (+ €759,668.87).

This is mainly made up of interest on current accounts and investments for €2.5 M (+ €1.0 M), advances on interest for €0.2 M (- €0.3 M) and reversals of capital subsidies for €0.1 M (s.q.).

This increase in financial income is mainly due to the interest generated by the increase in available cash, following the subscription of new loans in 2024, which enabled financial investments to be made with surplus cash.

- **Financial expenses** increased from €6,578,543.67 to €10,500,908.65 (+ €3,922,364.98).

Most of the expenses relate to interest on the 2023 USPP loan of €8.0 M (+ €3.1 M), interest on bank loans of €2.3 M (+ €2.2 M) and interest on the Synatom credit line of €0.1 M (s.q.).

The increase in financial expenses is explained by the inclusion of a full year of interest payments on the USPP loan (+ €3.1 M), partially offset by the extinction of coupon interest on the previous bond maturing in 2023 (- €1.2 M). On the other hand, this increase also results from the interest expense generated by the new loans taken out in 2024 (+ €2.2 M).

The profit for the year before tax amounts to €67,176,836.21 compared to €73,229,669.22 in the previous year.

- **Withdrawals from deferred taxes**: **€48,283.45 (+ €10,502.56).**

This item is generated at the same rate as the depreciation of tangible fixed assets that have been partially financed by an investment subsidy.

- **Income taxes**

This heading amounts to €18,157,618.37 (- €2,544,511.59).

The decrease in this item is explained mainly by:

- the decrease in the tax base (+ €8.4 M * 25% tax = €2.1 M):
  - Lower pre-tax profit (- €6.1 M),
  - Changes in DNA and reserves (- €2.2 M).
- A reversal of a provision taxable at the historical rate.

The profit for the year amounts to €49,067,501.29 compared to €52,565,320.15 in the previous year.

Allocation of this profit

A proposal will be made to the Annual General Meeting of 17 June 2025 to distribute a dividend of €49,124,844.69, corresponding to the profit for the year plus the deduction from available reserves of the amortisation of the issue costs relating to the USPP loan contracted in 2023.

This proposal is in line with the Belgian Company and Associations Code (CSA) 6:114, 6:115 and 6:117 (**net asset test** to be reported separately).

This proposal withstands the solvency test of prohibiting a dividend distribution if net assets are negative or would become negative as a result of such a distribution.

The payment of this amount will be made at the end of June 2025.

1.3. Financing table

This summary table represents all the resources mobilised during the financial year and the use made of them.

Cash flow statement 31.12.2024 (M€)	Breakdown	Total
Cash flow from "operating activities"		
Result of the financial year	49.1	
Undisbursed expenses	69.9	
Evolution of the working capital	-20.8	
Cash flow from "operating activities" = (A)		98.2
Cash flow from "investment activities"		
Investments in the financial year	-116.5	
Divestment	5.8	
Cash flow from "investment activities" = (B)		-110.7
Cash flow from "financing activities"		
Capital		
- increase	0.0	
- reduction	0.0	
Capital grants	0.9	
LT debts		
- increase	150.0	
- reimbursement	-3.8	
Dividends paid	- 52.0	
Cash flow from "financing activities" = (C)		95.0
Net cash flow = (A) + (B) + (C)		82.5
Cash and cash equivalents		
Start of period = (D)		6.3
End of period = (F)		88.8
Delta = (F) — (D)		82.5

2. Information on significant events after the year-end

None.

3. Information on circumstances that may have a significant influence on the company's development

3.1. Third-party investor(s)

As the private company Electrabel withdrew from the intermunicipal company on 31 December 2012, Sibelga's Articles of Association allow one or more third-party investors to acquire up to 30% of the share capital. However, this is not a short-term prospect.

The associated public authorities will, in any case, retain a minimum 70% stake in the share capital.

3.2. Institutional, budgetary and regulatory context in the Brussels-Capital Region

With the new regional legislature and a new full government in place, the legal framework applicable to Sibelga's activities is likely to change. These include ordinances governing the electricity and gas markets, thermal energy networks and intermunicipal cooperation. In addition, the Region's difficult budgetary situation could have a negative impact on Sibelga's public service missions, which receive regional subsidies.

3.3. Developments in the European framework

Developments in the European framework could have an impact on Sibelga's activities, particularly through:

- ***EU Gas and Hydrogen package* and *EU methane emissions regulation***: The European Union has adopted a major reform of gas regulation that could have an impact on gas distribution activities. The challenges include managing leaks on the network, rolling out smart gas meters and plans for the gradual decommissioning of gas infrastructures.
- ***Corporate Sustainability Reporting Directive (CSRD)* and *EU Omnibus Package***: Changes in reporting and transparency requirements will require Sibelga to adapt its financial and non-financial communication processes, particularly with regard to environmental, social and governance (ESG) criteria.

3.4. Risks and uncertainties

The aforementioned "Risks and Uncertainties" chapter also contains information on circumstances that could have a significant influence on the company's development.

4. Information on research and development activities

In view of the major challenges facing the energy sector, linked in particular to the need for decarbonisation, a growing share of renewable and intermittent electricity production, changes in usage (mobility, heating) and fluctuating energy prices, it is increasingly necessary for Sibelga to keep abreast of developments in these fields.

Among the various research and development activities underway at Sibelga, we should mention

- **research, in collaboration with academics, on the feasibility of heat networks in selected neighbourhoods in Brussels;**
- **studies on demand flexibility in the low-voltage networks** (in cooperation with the other Belgian network operators)

5. Diversity policy

Sibelga is mindful of its diversity obligations. In this respect, since the last amendment of the articles of association at the General Meeting of 16 June 2020, each body of the company must set an example and aim for a male/female representation of at least 1/3–2/3 on the Management Committee, and even parity on the Board of Directors.

It is for this reason that municipalities are required to present candidates of different sexes if they have more than one mandate.

6. Information on the existence of branches of the company

None.

7. The balance sheet shows a loss carried forward or the income statement shows a loss for the year in two successive years.

None.

8. All information required to be included by the Companies and Associations Code

None.

9. Use of financial instruments by the company

If the intermunicipal company still has cash surpluses during the financial year, it follows a prudent policy of investing these surpluses in cash or bond mutual funds with extremely low risk (AAA or AA ratings) or in term accounts or in commercial paper issued by public institutions in Brussels.

In order to ensure the funding of its activities, if necessary, Sibelga has an MTN (Medium Term Notes) programme for an amount of €200 M.

This concludes our comments on the 2024 annual accounts.

In conclusion, we ask you to approve the annual accounts as presented.

VII. Management and oversight

1. Elections

Following the municipal elections on 13 October 2024, several directorships have become vacant. Pursuant to Article 17 of the Articles of Association, in the event of a vacancy on the Board, the Board of Directors shall have the right to fill the vacancy provisionally, on the proposal of the shareholder who nominated the director whose mandate has become vacant. The General Meeting, convened for the first time, shall confirm the mandate of the co-opted director.

You will therefore be asked to confirm the co-opting at this General Meeting:

- of a director, Mr David CORDONNIER, who will complete the mandate previously held by Mr Christian BEOZIERE, who has resigned.
- of a director, Mr Thomas ERALY, who will complete the mandate previously held by Ms Adelheid BYTTEBIER, who has resigned.
- of a director, Ms Marie-Noëlle STASSART, who will complete the mandate previously held by Ms Cathy CLERBAUX, who has resigned.
- of a director, Mr Ahmed OUARTASSI, who will complete the mandate previously held by Ms Caroline DUPONT, who has resigned.
- of a director, Ms Gudrun WILLEMS, who will complete the mandate previously held by Mr Maxime BAUDAUX, who has resigned.
- of a director, Ms Gloria GARCIA FERNANDEZ, who will complete the mandate previously held by Mr Leonidas PAPADIZ, who has resigned.
- a director, Mr Tanguy VERHEYEN, who will complete the mandate previously held by Mr Alexandre PIRSON, who has resigned.
- a director, Mr Serge JANSSEN, who will complete the mandate previously held by Ms Youssra SELLASSI, who has resigned.
- a director, Ms Valérie LOWAGIE, who will complete the term of office previously held by Ms Stéphanie PAULISSEN, who has resigned.

You will also be asked to note the resignation of a director, Mr Abdellah ACHAOUI, whose term of office remains vacant.

In addition, pursuant to Article 16 of the Articles of Association, the terms of office of all directors expire immediately after the Ordinary General Meeting following the renewal of the municipal councils.

At this General Meeting, you will be called upon to note the end of the term of office of all the directors in office and to elect the members of the Board of Directors appointed by the municipal councils of the associated municipalities for the period up to the General Meeting of 2031.

Finally, the reappointment or replacement of the private limited liability company EY, currently represented by Mr. C. D'Addario, statutory auditor, must be considered, as its mandate will expire following the conclusion of this General Meeting. The new mandate to be conferred will expire immediately after the General Meeting of 2028.

2. Discharge

We kindly ask you to discharge your directors and auditors from their duties during the financial year 2024 by means of a special vote.

Brussels, 13 May 2025
The Board of Directors

Independent auditor’s report to the general meeting of Sibelga CV for the year ended 31 December 2024

In the context of the statutory audit of the Annual Accounts) of Sibelga CV (the “Company”), we report to you as statutory auditor. This report includes our opinion on the balance sheet as at 31 December 2024, the income statement for the year ended 31 December 2024 and the disclosures (all elements together the “Annual Accounts”) as well as our report on other legal and regulatory requirements. These two reports are considered one report and are inseparable.

We have been appointed as statutory auditor by the shareholders’ meeting of 21 June 2022, in accordance with the proposition by the Board of Directors following recommendation of the Audit Committee. Our mandate expires at the shareholders’ meeting that will deliberate on the Annual Accounts for the year ending 31 December 2024. We performed the statutory audit of the Annual Accounts of the Company during 12 consecutive years.

Report on the audit of the Annual Accounts

Unqualified opinion

We have audited the Annual Accounts of Sibelga CV, that comprise of the balance sheet on 31 December 2024, the income statement of the year and the disclosures, which show a balance sheet total of € 1,511,461,285 and of which the income statement shows a profit for the year of € 49,067,501.

In our opinion, the Annual Accounts give a true and fair view of the Company’s net equity and financial position as at 31 December 2024, and of its results for the year then ended, prepared in accordance with the financial reporting framework applicable 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 Annual Accounts" section of our report.

We have complied with all ethical requirements that are relevant to our audit of the Annual Accounts 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.

Responsibilities of the Board of Directors for the preparation of the Annual Accounts

The Board of Directors is responsible for the preparation of the Annual Accounts that give a true and fair view in accordance with the financial reporting framework applicable in Belgium and for such internal controls relevant to the preparation of the Annual Accounts that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the Annual Accounts

Our objectives are to obtain reasonable assurance whether the Annual Accounts are free from material misstatement, whether due to fraud or error, and to express an opinion on these Annual Accounts 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 Annual Accounts.

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

As part of an audit in accordance with 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 Annual Accounts, whether due to fraud or error, the planning and execution of audit procedures to respond to these risks and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatements resulting from fraud is higher than when such misstatements result from errors, since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtaining insight in the system of internal controls that are relevant for the audit and with the objective to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;

- evaluating the selected and applied accounting policies, and evaluating the reasonability of the accounting estimates and related disclosures made by the Board of Directors as well as the underlying information given by the Board of Directors;

- conclude on the appropriateness of the Board of Directors' use of the going-concern basis of accounting, and based on the audit evidence obtained, whether or not a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's 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 Annual Accounts 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 Annual Accounts, and evaluating whether the Annual Accounts reflect a true and fair view of the underlying transactions and events.

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

Report on other legal and regulatory requirements

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and the content of the Board of Directors' report on the Annual Accounts, the compliance with the legal and regulatory requirements regarding bookkeeping, as well as compliance with the Code of companies and associations and with the Company's articles of association.

Responsibilities of the statutory auditor

In the context of our mandate and in accordance with the additional standard to the ISA's applicable in Belgium, it is our responsibility to verify, in all material respects, the Board of Directors' report on the Annual Accounts, the compliance with the legal and regulatory requirements regarding bookkeeping, as well as compliance with the Code of companies and associations and with the Company's articles of association, as well as to report on these matters.

Aspects relating to Board of Directors' report

In our opinion, after carrying out specific procedures on the Board of Directors' report, the Board of Directors' report is consistent with the Annual Accounts and has been prepared in accordance with articles 3:5 and 3:6 of the Code of companies and associations.

In the context of our audit of the Annual Accounts, we are also responsible to consider whether, based on the information that we became aware of during the performance of our audit, the Board of Directors' report contain any material inconsistencies or contains information that is inaccurate or otherwise misleading.
In light of the work performed, there are no material inconsistencies to be reported.

Independence matters

Our audit firm and our network have not performed any services that are not compatible with the statutory audit of the Annual Accounts 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 Annual Accounts as referred to in article 3:65 of the Code of companies and associations were duly itemized and valued in the notes to the Annual Accounts.

Other communications

- Without prejudice to certain formal aspects of minor importance, the accounting records were maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- The appropriation of the results proposed to the general meeting complies with the relevant requirements of the law and the Company's articles of association.
- There are no transactions undertaken or decisions taken in breach of the articles of association or of the Code of companies and associations that we have to report to you.
- In the context of article 6:115 of the Code of companies and associations, we have prepared the attached assessment report on the net asset test. We have assessed the historical and prospective accounting and financial data of the report of the board of directors in the context of the distribution[s] decided by the general meeting of 17 June 2025 in accordance with Article 6:116 of the Code of companies and associations and our decision communicated to the board of directors.

Diegem, 30 May 2025

EY Bedrijfsrevisoren BV Statutory auditor
Represented by Carlo-Sébastien D'Addario *
Partner
* Acting on behalf of a BV/SRL

Accounts

Assets

	Codes	31/12/24	31/12/23
FORMATION EXPENSES	**20**	**480,270.61**	**537,614.01**
FIXED ASSETS	**21/28**	**1,335,495,387.68**	**1,294,042,480.09**
II. Intangible fixed assets	**21**	**4,998,539.02**	**3,210,519.00**
III. Tangible fixed assets	**22/27**	**1,326,437,624.24**	**1,286,776,366.67**
A. Land and buildings	22	67,202,085.52	68,943,095.78
B. Plant, machinery and equipment	23	1,211,110,270.39	1,166,584,002.78
C. Furniture and vehicles	24	48,023,851.12	51,119,098.63
E. Other tangible fixed assets	26	101,417.21	130,169.48
IV. Financial fixed assets	**28**	**4,059,224.42**	**4,055,594.42**
A. Affiliated enterprises	280/1	4,018,873.24	4,018,873.24
1. Participating interests	*280*	*4,018,873.24*	*4,018,873.24*
B. Enterprises linked by participating interests	282/3	3,100.00	3,100.00
1. Participating interests	*282*	*3,100.00*	*3,100.00*
C. Other financial fixed assets	284/8	37,251.18	33,621.18
1. Shares	*284*	*288.33*	*288.33*
2. Amounts receivable and cash guarantees	*285/8*	*36,962.85*	*33,332.85*
CURRENT ASSETS	**29/58**	**175,485,626.77**	**103,519,757.83**
VI. Stocks and contracts in progress	**3**	**15,142,116.66**	**16,253,354.20**
A. Stocks	30/36	15,142,116.66	16,253,354.20
1. Raw materials and consumables	*30/31*	*15,142,116.66*	*16,253,354.20*
VII. Amounts receivable within one year	**40/41**	**60,949,952.57**	**65,027,157.40**
A. Trade debtors	40	52,201,209.83	50,782,344.04
B. Other amounts receivable	41	8,748,742.74	14,244,813.36
VIII. Current investments	**50/53**	**88,473,739.02**	**71,655.35**
B. Other current investments	51/53	88,473,739.02	71,655.35
IX. Cash at bank and in hand	**54/58**	**337,886.15**	**6,239,862.63**
X. Deferred charges and accrued income	**490/1**	**10,581,932.37**	**15,927,728.25**
TOTAL ASSETS	**20/58**	**1,511,461,285.06**	**1,398,099,851.93**

Liabilities

	Codes	31/12/24	31/12/23
EQUITY	**10/15**	**861,150,642.25**	**860,565,491.10**
I. Contribution	**10/11**	**580,000,000.00**	**580,000,000.00**
A. Unavailable	111	580,000,000.00	580,000,000.00
III. Revaluation surpluses	**12**	**165,419,843.95**	**172,606,672.54**
IV. Reserves	**13**	**111,750,714.53**	**104,621,229.34**
A. Reserves not available	131/1	111,270,443.92	104,083,615.33
1. Reserves statutorily not available	*1311*	*200,000.00*	*200,000.00*
2. Other	*1319*	*111,070,443.92*	*103,883,615.33*
B. Available reserves	133	480,270.61	537,614.01
VI. Investment grants	**15**	**3,980,083.77**	**3,337,589.22**
PROVISIONS AND DEFERRED TAXES	**16**	**14,190,656.53**	**18,349,119.45**
VII. A. Provisions for liabilities and charges	**160/5**	**12,863,961.89**	**17,236,589.69**
4. Environmental obligations	*163*	*214,262.12*	*2,756,665.13*
5. Other liabilities and charges	*164/5*	*12,649,699.77*	*14,479,924.56*
B. Deferred taxes	**168**	**1,326,694.64**	**1,112,529.76**
AMOUNTS PAYABLE	**17/49**	**636,119,986.28**	**519,185,241.38**
VIII. Amounts payable after more than one year	**17**	**357,616,288.82**	**215,672,876.19**
A. Financial debts	170/4	357,016,854.73	214,000,000.00
1. Unsubordinated debentures	*171*	*190,000,000.00*	*190,000,000.00*
2. Credit institutions	173	167,016,854.73	24,000,000.00
D. Other amounts payable	178/9	599,434.09	1,672,876.19

IX. Amounts payable within one year	**42/48**	**163,987,283.88**	**134,824,768.24**
A. Current portion of amounts payable after more than	42	5,766,477.99	1,496,208.78
C. Trade debts	44	90,745,279.39	65,357,133.97
1. Suppliers	*440/4*	*90,745,279.39*	*65,357,133.97*
D. Advances on contracts in progress	46	15,205.25	3,826.25
E. Taxes, remuneration and social security	45	3,808,850.60	3,401,769.13
1. Taxes	*450/3*	*3,808,502.63*	*3,401,680.99*
2. Remuneration and social security	*454/9*	*347.97*	*88.14*
F. Other amounts payable	47/48	63,651,470.65	64,565,830.11
X. Deferred charges and accrued income	**492/3**	**114,516,413.58**	**168,687,596.95**
TOTAL LIABILITIES	**10/49**	**1,511,461,285.06**	**1,398,099,851.93**

INCOME STATEMENT	Codes	31/12/24	31/12/23
I. Operating income	**70/76A**	**441,189,629.00**	**412,829,951.61**
A. Turnover	70	415,398,290.01	379,624,510.56
B. Other operating income	74	23,991,077.37	33,170,202.07
E. Non-recurring operating income	76A	1,800,261.62	35,238.98
II. Operating charges	**60/66A**	**-366,440,510.10**	**-335,190,695.81**
A. Raw materials and consumables	60	74,869,301.85	53,251,763.70
1. Purchases	*600/8*	*74,209,480.61*	*55,446,016.09*
2. Stocks: decrease (increase)	*609*	*659,821.24*	*-2,194,252.39*
B. Services and other goods	61	211,938,347.93	204,886,073.53
C. Remuneration, social security costs + pension	62	30,312.72	29,224.80
D. Depreciation of and other amounts written down formation expenses, intangible and tangible fixed assets	630	69,245,888.34	67,777,814.38
E. Amounts written down stocks, contracts in progress and trade debtors: Appropriations (write-backs)	631/4	2,352,510.29	4,896,153.33
F. Provisions for risks and charges: Appropriations (uses and write-backs)	635/8	-1,830,224.79	-2,452,861.94
G. Other operating charges	640/8	9,835,866.10	6,800,354.41
I. Non-recurring operating charges	66A	-1,492.34	2,173.60
III. Operating profit (loss)	**9901**	**74,749,118.90**	**77,639,255.80**
IV. Financial income	**75/76B**	**2,928,625.96**	**2,168,957.09**
A. Recurring financial income	75	2,928,625.96	2,168,957.09
1. Income from financial fixed assets	*750*	*1,043.94*	*1,048.68*
2. Income from current assets	*751*	*2,779,554.41*	*2,051,474.95*
3. Other financial income	*752/9*	*148,027.61*	*116,433.46*

V. Financial charges	**65/66B**	**-10,500,908.65**	**-6,578,543.67**
A. Recurring financial charges	65	10,499,416.31	6,577,080.33
1. Debt charges	*650*	*10,481,742.13*	*6,568,158.16*
2. Other financial charges	*652/9*	*17,674.18*	*8,922.17*
B. Non recurring financial charges	66B	1,492.34	1,463.34
VI. Gain (loss) for the period before taxes	**9903**	**67,176,836.21**	**73,229,669.22**
VII. Transfer from deferred taxes	**780**	**48,283.45**	**37,780.89**
VIII. Income taxes	**67/77**	**-18,157,618.37**	**-20,702,129.96**
A. Taxes	670/3	18,157,618.37	20,702,129.96
IX. Gain (loss) of the period	**9904**	**49,067,501.29**	**52,565,320.15**
X. Gain (loss) of the period available for appropriation	**9905**	**49,067,501.29**	**52,565,320.15**

APPROPRIATION ACCOUNT	Codes	31/12/24	31/12/23
A. Profit (loss) to be appropriated	**9906**	**49,067,501.29**	**52,565,320.15**
1. Gain (loss) of the period available for appropriation	*9905*	*49,067,501.29*	*52,565,320.15*
B. Withdrawals from capital and reserves	**791/2**	**-57,343.40**	**0.00**
C. Transfers to capital and reserves	**691/2**	**0.00**	**537,614.01**
1. to other reserves	*6921*	*0.00*	*537,614.01*
F. Profit to be distributed	**694/7**	**49,124,844.69**	**52,027,706.14**
1. Remuneration of the contribution	*694*	*49,124,844.69*	*52,027,706.14*

ANALYSIS OF THE RESULTS : Activity distribution of gas and electricity (Income + / Costs -)	**31/12/24**		**31/12/23**	
	Electricity	**Gas**	**Electricity**	**Gas**
	EUR	EUR	EUR	EUR
Operating income	**244,152,162.63**	**98,175,387.44**	**218,907,741.35**	**90,024,040.81**
Grid fee Other income	244,152,162.63	98,175,387.44	218,907,741.35	90,024,040.81
Distribution costs	**-135,701,748.75**	**-62,137,078.03**	**-114,763,957.55**	**-58,489,305.19**
Maintenance	-17,627,535.43	-10,013,103.50	-16,295,014.25	-10,284,346.77
Technical services	-39,118,135.04	-24,224,446.89	-36,335,373.83	-22,598,121.48
General services	-69,457,433.61	-32,209,710.40	-65,224,897.18	-30,009,592.91
Customer and commercial services	-4,853,399.98	-2,693,459.01	-3,445,168.88	-1,996,670.28
Logistics services	-5,452,518.33	-2,873,180.58	-4,690,568.41	-2,473,914.44
System Management	-9,094,952.12	-6,457,766.36	-8,544,676.97	-6,178,380.01
Metering and reading	-7,539,142.66	-3,693,734.78	-6,924,473.91	-3,583,275.83
Road fee	-24,924,150.50	-12,544,081.58	-23,078,306.07	-11,236,589.61
Miscellaneous fees	1,413,380.95	-516,054.48	1,683,015.01	-248,540.78
Network losses	-20,592,238.62	0.00	-7,313,348.27	0.00
Work for third parties	-83,642.50	-95,858.44	-736,339.21	-109,747.04
Recovered and transferred costs	61,628,019.09	33,184,317.99	56,141,194.42	30,229,873.96

Depreciation	-46,359,668.89	-26,634,265.23	-42,367,006.14	-26,422,979.31
Pensions	-2,540,226.54	-1,367,814.25	-2,748,356.47	-1,479,884.15
Public Service Obligations (PSO)	-46,802,928.93	-4,393,959.03	-39,917,451.28	-620,200.57
Unregulated Activities	-42,803.56	-26,479.28	-52,903.35	-34,452.33
Result on uncollectible receivables	39,845,197.94	15,394,151.54	35,695,133.05	18,457,287.27
Tariff balances	0.00	4,148,248.74	0.00	4,253,336.44
Miscellaneous costs and revenues	-6,032,539.01	-1,758,169.71	-3,060,030.36	-1,487,317.15
Tariff balances	757,657.08	630,091.59	-402,706.85	-51,437.82
Taxes	-13,608,316.11	-6,629,398.35	-15,277,623.25	-7,596,607.00
OPERATING RESULT	33,666,785.86	15,400,715.43	36,012,839.15	16,552,481.00

Notes to the accounts

STATEMENT OF EXPENSES FOR FORMATION, CONTRIBUTION INCREASE, LOAN ISSUE EXPENSES AND RESTRUCTURING COSTS	Codes	Year	Previous year
Net book value at the end of the period	**20P**	**xxxxxxxxxxxxxxx**	**537,614.01**
Movements during the period			
New expenses incurred	8002	0.00	
Depreciation	8003	-57,343.40	
Other	8004		
Net book value at the end of the period	**(20)**	**480,270.61**	
Of which			
Expenses for formation, contribution increase, loan issue expenses and other formation expenses	200/2	480,270.61	
Restructuring costs	204		

STATEMENT OF INTANGIBLE ASSETS	Codes	Year	Previous year
CONCESSIONS, PATENTS, LICENCES, KNOW-HOW, TRADEMARKS AND SIMILAR RIGHTS			
Acquisition value at the end of the year	**8052P**	xxxxxxxxxxxxxxx	**3,210,519.00**
Movements during the year			
Acquisitions, including self-constructed assets	8022	1,788,020.02	
Sales and disposals	8032	0.00	
Transfers from one heading to another (+)/(-)	8042	0.00	
Acquisition value at the end of the year	**8052**	**4,998,539.02**	
Depreciation and write downs at the end of the year	**8122P**	xxxxxxxxxxxxxxx	**0.00**
Movements during the year			
Recognised	8072	0.00	
Reversed	8082	0.00	
Acquired from third parties	8092	0.00	
Cancelled due to sales and disposals	8102	0.00	
Transferred from one heading to another (+)/(-)	8112	0.00	
Depreciation and write-downs at the end of the year	**8122**	0.00	
NET BOOK VALUE AT THE END OF THE YEAR	**(214)**	**4,998,539.02**	

STATEMENT OF TANGIBLE ASSETS	Codes	Year	Previous year
LAND AND BUILDINGS			
Acquisition value at the end of the year	**8191P**	**xxxxxxxxxxxxxxx**	**112,441,714.92**
Movements during the year			
Acquisitions, including self-constructed assets	8161	1,256,114.05	
Sales and disposals	8171	-1,435,774.01	
Transfers from one heading to another (+)/(-)	8181	0.00	
Acquisition value at the end of the year	**8191**	**112,262,054.96**	
Capital gains at the end of the year	**8251P**	**xxxxxxxxxxxxxxx**	**944,831.44**
Movements during the year			
Recognised	8211	0.00	
Acquired from third parties	8221	0.00	
Cancelled	8231	-21,928.18	
Transferred from one heading to another (+)/(-)	8241	0.00	
Capital gains at the end of the year	**8251**	**922,903.26**	
Depreciation and write downs at the end of the year	**8321P**	**xxxxxxxxxxxxxxx**	**-44,443,450.58**
Movements during the year			
Recognised	8271	-1,720,082.16	
Reversed	8281	0.00	
Acquired from third parties	8291	0.00	
Cancelled due to sales and disposals	8301	180,660.04	
Transferred from one heading to another (+)/(-)	8311	0.00	
Depreciation and write downs at the end of the year	**8321**	**-45,982,872.70**	
NET BOOK VALUE AT THE END OF THE YEAR	**(22)**	**67,202,085.52**	

	Codes	Year	Previous year
PLANT, MACHINERY AND EQUIPMENT			
Acquisition value at the end of the year	**8192P**	**xxxxxxxxxxxxxxx**	**1,942,272,433.90**
Movements during the year			
Acquisitions, including self-constructed assets	8162	103,032,289.22	
Sales and disposals	8172	-13,546,311.14	
Transfers from one heading to another (+)/(-)	8182	0.00	
Acquisition value at the end of the year	**8192**	**2,031,758,411.98**	
Capital gains at the end of the year	**8252P**	**xxxxxxxxxxxxxxx**	**171,661,841.22**
Movements during the year			
Recognised	8212	0.00	
Acquired from third parties	8222	0.00	
Cancelled	8232	-7,164,900.53	
Transferred from one heading to another (+)/(-)	8242	0.00	
Capital gains at the end of the year	**8252**	**164,496,940.69**	
Depreciation and write downs at the end of the year	**8322P**	**xxxxxxxxxxxxxxx**	**-947,350,272.34**
Movements during the year			
Recognised	8272	-47,006,966.70	
Reversed	8282	0.00	
Acquired from third parties	8292	0.00	
Cancelled due to sales and disposals	8302	9,212,156.76	
Transferred from one heading to another (+)/(-)	8312	0.00	
Depreciation and write downs at the end of the year	**8322**	**-985,145,082.28**	
NET BOOK VALUE AT THE END OF THE YEAR	**(23)**	**1,211,110,270.39**	

	Codes	Year	Previous year
FURNITURE AND ROLLING STOCK			
Acquisition value at the end of the year	**8193P**	**xxxxxxxxxxxxxxx**	**130,060,052.82**
Movements during the year			
Acquisitions, including self-constructed assets	8163	10,393,109.90	
Sales and disposals	8173	-12,419,569.68	
Transfers from one heading to another (+)/(-)	8183	0.00	
Acquisition value at the end of the year	**8193**	**128,033,593.04**	
Capital gains at the end of the year	**8253P**	**xxxxxxxxxxxxxxx**	**105,820.50**
Movements during the year			
Recognised	8213	0.12	
Acquired from third parties	8223	0.00	
Cancelled	8233	0.00	
Transferred from one heading to another (+)/(-)	8243	0.00	
Capital gains at the end of the year	**8253**	**105,820.62**	
Depreciation and write downs at the end of the year	**8323P**	**xxxxxxxxxxxxxxx**	**-79,046,774.69**
Movements during the year			
Recognised	8273	-13,278,308.55	
Reversed	8283	0.00	
Acquired from third parties	8293	0.00	
Cancelled due to sales and disposals	8303	12,209,520.70	
Transferred from one heading to another (+)/(-)	8313	0.00	
Depreciation and write-downs at the end of the year	**8323**	**-80,115,562.54**	
NET BOOK VALUE AT THE END OF THE YEAR	**(24)**	**48,023,851.12**	

	Codes	Year	Previous year
OTHER TANGIBLE ASSETS			
Acquisition value at the end of the year	**8195P**	**xxxxxxxxxxxxxxx**	**358,275.26**
Movements during the year			
Acquisitions, including self-constructed assets	8165	32,041.47	
Sales and disposals	8175	-85,768.35	
Transfers from one heading to another (+)/(-)	8185	0.00	
Acquisition value at the end of the year	**8195**	**304,548.38**	
Depreciation and write-downs at the end of the year	**8325P**	**xxxxxxxxxxxxxxx**	**-228,105.78**
Movements during the year			
Recognised	8275	-53,702.34	
Reversed	8285	0.00	
Acquired from third parties	8295	0.00	
Cancelled due to sales and disposals	8305	78,676.95	
Transferred from one heading to another (+)/(-)	8315	0.00	
Depreciation and write downs at the end of the year	**8325**	**-203,131.17**	
NET BOOK VALUE AT THE END OF THE YEAR	**(26)**	**101,417.21**	

STATEMENT OF FINANCIAL ASSETS	Codes	Year	Previous year
RELATED UNDERTAKINGS - HOLDINGS, SHARES AND UNITS			
Acquisition value at the end of the year	**8391P**	**xxxxxxxxxxxxxxx**	**4,018,873.24**
Movements during the year		0.00	
Acquisitions	8361	0.00	
Disposals and withdrawals	8371	0.00	
Transfers from one heading to another (+)/(-)	8381	0.00	
Acquisition value at the end of the year	**8391**	**4,018,873.24**	
NET BOOK VALUE AT THE END OF THE YEAR	**(280)**	**4,018,873.24**	
PARTICIPATING INTERESTS - HOLDINGS, SHARES AND UNITS			
Acquisition value at the end of the year	**8392P**	**xxxxxxxxxxxxxxx**	**3,100.00**
Movements during the year		0.00	
Acquisitions	8362	0.00	
Disposals and withdrawals	8372	0.00	
Transfers from one heading to another (+)/(-)	8382	0.00	
Acquisition value at the end of the year	**8392**	**3,100.00**	
NET BOOK VALUE AT THE END OF THE YEAR	**(282)**	**3,100.00**	
OTHER UNDERTAKINGS - HOLDINGS, SHARES AND UNITS			
Acquisition value at the end of the year	**8393P**	**xxxxxxxxxxxxxxx**	**288.33**
Movements during the year			
Acquisitions	8363	0.00	
Disposals and withdrawals	8373	0.00	
Transfers from one heading to another (+)/(-)	8383	0.00	
Acquisition value at the end of the year	**8393**	**288.33**	
NET BOOK VALUE AT THE END OF THE YEAR	**(284)**	**288.33**	

OTHER UNDERTAKINGS - AMOUNTS RECEIVABLE	**Codes**	**Year**	**Previous year**
NET BOOK VALUE AT THE END OF THE YEAR	**285/8P**	**xxxxxxxxxxxxxxx**	**33,332.85**
Movements during the year			
Additions	8583	3,630.00	
Reimbursements	8593	0.00	
Write downs recognised	8603	0.00	
Write downs reversed	8613	0.00	
Exchange rate differences (+)/(-)	8623	0.00	
Other (+)/(-)	8633	0.00	
NET BOOK VALUE AT THE END OF THE YEAR	**(285/8)**	**36,962.85**	

Information on shareholdings
Shareholdings and rights held in other undertakings

The following are the undertakings in which the company holds a share (included in asset headings 280 and 282) and the other undertakings in which the company holds rights (included in asset headings 284 and 51/53) representing at least 10% of the capital, equity or a class of shares of the company.

NAME, full address of the REGISTERED OFFICE and for undertakings under Belgian law, mention of the COMPANY NUMBER	Rights held			Data taken from the latest available annual accounts			
	directly		via subsidiaries	Annual accounts as at	Cur-rency code	Equity	Net result
	Number	%	%			(+) of (-) (in units)	
1) BRUSSELS NETWORK OPERATIONS 706 Cooperative society BE 0881 278 355 Quai des Usines 16, 1000 Brussels, Belgium Fixe	189	97.93		31/12/2024	EUR	23,229.04	1,032.55
2) ATRIAS 706 Société coopérative BE 0836 258 873 Boulevard du Roi Albert II, 37, 1030 Brussels, Belgium Variable	62	16.67		31/12/2023	EUR	18,600.00	0.00

CASH INVESTMENTS AND ACCRUALS	Codes	Year	Previous year
CASH INVESTMENTS - OTHER INVESTMENTS			
Fixed income securities	**52**	**40,500,000.00**	**0.00**
Fixed income securities issued by credit institutions	8684	40,500,000.00	0.00
Term accounts held with credit institutions	**53**	**47,973,739.02**	**71,655.35**
With a residual or notice period			
of one month at the most	*8686*	*47,964,393.71*	*62,310.04*
of more than one month to one year at the most	*8687*	*9,345.31*	*9,345.31*
of more than one year	*8688*	0.00	0.00
Other cash investments not included above	**8689**		

DEFERRED CHARGES AND ACCRUED INCOME	Year
Breakdown of asset item 490/1 if it represents a significant amount	
1) Deferred charges	5,940,655.40
2) Accrued income	4,641,276.97

STATUS OF THE CONTRIBUTION AND SHAREHOLDING STRUCTURE	Codes	Year	Previous year
STATUS OF THE CONTRIBUTION			
Contribution			
Unavailable at the end of the year	100P	xxxxxxxxxxxxxxx	580,000,000.00
Unavailable at the end of the year	100	580,000,000.00	

	Codes	Amounts	Number of shares
Changes during the year			
Registered shares	8702	xxxxxxxxxxxxxxx	
Dematerialised shares	8703	xxxxxxxxxxxxxxx	0

Shareholder structure of the company at the closing date of its accounts

as it results from the declarations received by the company pursuant to Article 7:225 of the Companies and Associations Code Article 14, Paragraph 4 of the Act of 2 May 2007 on the disclosure of major holdings or Article 5 of the Royal Decree of 21 August 2008 laying down additional rules for certain multilateral trading facilities.

NAME of the persons holding rights in the company, with mention of the ADDRESS (of the registered office for legal entities) and, for companies under Belgian law, mention of the COMPANY NUMBER	Rights held			
	Nature	Number of voting rights		
		Attached to securities	Not attached to securities	%
1) Interfin SC BE 0222.944.897 quai des Usines 16, 1000 Brussels, Belgium	A and E shares	5,799,962		99.99
2) The 19 Brussels municipalities BE 0000.009.797 Maison communale 9999, 1000 Bruxelles-ville, Belgium	A shares	38		0.01

PROVISIONS FOR OTHER RISKS AND CHARGES	Year
BREAKDOWN OF THE LIABILITY ITEM 164/5 IF IT REPRESENTS A SIGNIFICANT AMOUNT	
1) Rest-term provision	11,642,545.73
2) Cogeneration provision	1,007,154.04

STATEMENT OF LIABILITIES AND ACCRUALS	Codes	Year
BREAKDOWN OF DEBTS ORIGINALLY PAYABLE IN ONE YEAR OR MORE, ACCORDING TO THEIR RESIDUAL TERM		
Debts payable in one year or more falling due within the year		
Financial debts	8801	4,693,035.89
Subordinated loans	*8811*	
Unsubordinated bonds	*8821*	*0.00*
Leasing and other similar obligations	*8831*	
Credit institutions	*8841*	*4,693,035.89*
Other loans	*8851*	
Trade debts	8861	
Suppliers	*8871*	
Bills of exchange payable	*8881*	
Advances on contracts in progress	8891	
Other debts	8901	1,073,442.10
Total debts payable in one year or more falling due within the year	**(42)**	**5,766,477.99**
Debts with more than one year but not more than 5 years to run		
Financial debts	8802	20,369,332.32
Subordinated loans	*8812*	
Unsubordinated bonds	*8822*	
Leasing and other similar obligations	*8832*	
Credit institutions	*8842*	*20,369,332.32*
Other loans	*8852*	
Trade debts	8862	
Suppliers	*8872*	
Bills of exchange payable	*8882*	
Advances on contracts in progress	8892	
Other debts	8902	599,434.09
Total liabilities with more than one year but not more than 5 years to run	**8912**	**20,968,766.41**

Debts with more than 5 years to run		
Financial debts	8803	336,647,522.41
Subordinated loans	*8813*	
Unsubordinated bonds	*8823*	*190,000,000.00*
Finance lease and similar liabilities	*8833*	
Credit institutions	*8843*	*146,647,522.41*
Other loans	*8853*	
Trade debts	8863	
Suppliers	*8873*	
Bills of exchange payable	*8883*	
Advances on contracts in progress	8893	
Other amounts payable	8903	
Total debts with more than 5 years to run	**8913**	**336,647,522.41**

	Codes	Year
TAX, REMUNERATION AND SOCIAL SECURITY DEBTS		
Taxes (liabilities item 450/3 and 178/9)		
Matured tax liabilities	9072	
Unmatured tax liabilities	9073	3,408,716.51
Estimated tax liabilities	450	399,786.12
Remuneration and social security charges (liability items 454/9 and 178/9)		
Debts due to the National Social Security Office	9076	
Other remuneration and social security debts	9077	347.97

DEFERRED CHARGES AND ACCRUED INCOME	**Year**
Breakdown of liability item 492/3 if it represents a significant amount	
1) Regulatory bonus/malus	*110,685,169.21*
2) Financial charges on debts	*1,135,029.41*
2) Other	*2,696,214.96*

OPERATING INCOME	Codes	Year	Previous year
OPERATING INCOME			
Net turnover			
Breakdown by category of activity			
1) Electricity		*297,232,533.58*	*267,934,016.07*
2) Gas		*118,165,756.43*	*111,690,494.49*
Breakdown by geographical market			
1) Belgium		*415,398,290.01*	*379,624,510.56*
Other operating income			
Operating subsidies and compensatory amounts obtained from public authorities	740	4,517,501.79	4,829,333.82
OPERATING EXPENSES			
Personnel costs			
Retirement and survivor's pensions	624	30,312.72	29,224.80
Write downs			
On stocks and orders in progress			
Recognised	*9110*	*451,416.30*	*1,074,117.88*
Reversed	*9111*		
On trade receivables			
Recognised	*9112*	*11,382,977.38*	*13,002,400.24*
Reversed	*9113*	*-9,481,883.39*	*-9,180,364.79*
Provisions for risks and charges			
Constitutions	9115	1,976,244.64	4,601,399.69
Uses and reversals	9116	-3,806,469.43	-7,054,261.63
Other operating expenses			
Taxes related to operations	640	299,514.93	273,050.68
Other	641/8	28,386,486.18	19,555,263.09

FINANCIAL RESULTS	Codes	Year	Previous year
RECURRING FINANCIAL INCOME			
Other financial income			
Subsidies granted by public authorities and charged to the income statement			
Capital grants	*9125*	*144,850.45*	*113,342.83*
Interest subsidies	*9126*		
Allocation of other financial income			
Currency differences financial income	*754*	*0.00*	*6.45*
Various		*0.00*	*0.00*
Various		*3,177.16*	*3,084.18*
RECURRING FINANCIAL CHARGES			
Depreciation of loan issue expenses	6501	57,343.40	35,819.99
Capitalized Interests	6502		
Amounts written off current assets			
Recorded	*6510*		
Written back	6511		
Other financial charges			
Amount of the discount borne by the partnership, as a result of negotiating amounts receivable	*653*		
Provisions of a financial nature			
Appropriations	*6560*		
Uses and written backs	*6561*		
Allocation of other financial charges			
Currency differences realized	*654*	*75.91*	*21.61*
Foreign currency exchange differences	*655*		
Other		*17,598.27*	*8,900.56*

INCOME AND EXPENSES OF EXCEPTIONAL SIZE OR IMPACT	Codes	Year	Previous year
NON-RECURRING INCOME	**76**	**1,800,261.62**	**35,238.98**
Non-recurring operating income	**(76A)**	**1,800,261.62**	**35,238.98**
Reversals of depreciation and write downs on intangible and tangible fixed assets	760		
Reversals of provisions for exceptional operating risks and expenses	7620	1,800,261.62	3,636.94
Capital gains on the disposal of intangible and tangible fixed assets	7630		
Other non-recurring operating income	764/8	0.00	31,602.04
Non-recurring financial income	**(76B)**	**0.00**	**0.00**
Reversals of write downs on financial assets	761		
Reversals of provisions for exceptional financial risks and charges	7621		
Capital gains on the disposal of financial assets	7631		
Other non-recurring financial income	769	0.00	0.00

	Codes	Year	Previous year
NON-RECURRING EXPENSES	**66**	**0.00**	**3,636.94**
Non-recurring operating expenses	**(66A)**	**-1,492.34**	**2,173.60**
Non-recurring depreciation and write downs on formation expenses, intangible and tangible assets	660	0.00	0.00
Provisions for extraordinary operating liabilities and charges: allocations (uses) (+)/(-)	6620	-742,141.39	
Losses on the disposal of intangible and tangible assets	6630		
Other non-recurring operating expenses	664/7	740,649.05	2,173.60
Non-recurring operating expenses capitalised as restructuring costs (-)	6690		
Non-recurring financial expenses	**(66B)**	**1,492.34**	**1,463.34**
Depreciation and write downs on financial assets	661		
Provisions for extraordinary financial risks and charges: allocations (uses) (+)/(-)	6621		
Losses on the disposal of financial assets	6631		
Other non-recurring financial expenses	668	1,492.34	1,463.34
Non-recurring financial expenses capitalised as restructuring costs	6691		

TAXES AND DUES	Codes	Year
INCOME TAX		
Income tax for the year	9134	18,157,618.37
Taxes and withholdings due or paid	9135	17,757,832.25
Excess tax payments or withholding taxes capitalised	9136	
Estimated additional taxes	9137	399,786.12
Income tax on previous years' income	9138	0.00
Additional taxes due or paid	9139	0.00
Estimated or provided for additional taxes	9140	
Main sources of discrepancies between profit before tax, as expressed in the accounts, and the estimated taxable profit		
1) Non-deductible expenditure		*212,317.09*
2) Taxed changes to provisions, depreciation and write downs		*7,186,828.59*
3) Increase in the starting situation of reserves		*-99,317.35*
4) Profit taxable at 33.99% (rate difference)		*0.00*
5) Profit taxable at 29.58% (rate difference)		*1,237,768.98*
Sources of tax latency		
Active latencies	9141	2,000,411.34
Accumulated tax losses, deductible from future taxable profits	9142	
Other active latencies	9142	
1) Reductions in value on exempt commercial receivables		*2,000,411.34*
Passive latencies	9144	165,419,843.95
Breakdown of passive latencies		
1) Revaluation gain on tangible assets		*165,419,843.95*

	Codes	Year	Previous year
VALUE-ADDED TAXES AND OTHER TAXES PAYABLE BY THIRD PARTIES			
Value added taxes, entered in the accounts			
To the company (deductible)	9145	94,134,058.72	85,301,866.57
By the company	9146	110,219,504.64	99,898,451.51
Amounts withheld from third parties for			
Withholding tax on earned income	9147	29,506.93	27,655.82
Withholding tax	9148		

RIGHTS AND OFF-BALANCE SHEET COMMITMENTS	Year
COMMITMENTS RESULTING FROM TECHNICAL GUARANTEES ATTACHED TO SALES OR SERVICES ALREADY PROVIDED	
1) Guarantees provided to the region	498,437.92
2) Guarantees provided by various suppliers	11,451,429.26
3) Guarantees provided by various suppliers	118,147,597.05
4) Interfin guarantees for pension costs	0.00
5) Customer commitments for rental equipment	97,401.97
6) Agreements, mission letters and miscellaneous	11.00

Amount, nature and form of litigation and other significant commitments

Supplementary retirement or survivor's pension schemes for the benefit of staff or managers

Brief description
Pension liabilities to directors and auditors of former intermunicipal companies

RELATIONS WITH AFFILIATED UNDERTAKINGS, ASSOCIATED UNDERTAKINGS AND OTHER UNDERTAKINGS LINKED BY PARTICIPATING INTERESTS	Codes	Year	Previous year
AFFILIATED UNDERTAKINGS			
Financial assets	**(280/1)**	**4,018,873.24**	**4,018,873.24**
Shareholdings	(280)	4,018,873.24	4,018,873.24
Subordinated receivables	9271		
Other amounts receivable	9281		
Amounts receivable	**9291**	**0.00**	**0.00**
Payable after more than one year	9301		
Payable within one year	9311	0.00	0.00
Debts	**9351**	**0.00**	**39,185,251.14**
Payable after more than one year	9361		
Payable within one year	9371	0.00	39,185,251.14
Financial results			
Income from financial assets	9421	1,011.15	1,011.15
Income from current assets	9431		
Other financial income	9441		
Debt charges	9461		
Other financial charges	9471		
UNDERTAKINGS LINKED BY VIRTUE OF A PARTICIPATING INTEREST			
Financial assets	**9252**	**3,100.00**	**3,100.00**
Shareholdings	9262	3,100.00	3,100.00
Subordinated receivables	9272		
Other amounts receivable	9282		
Amounts receivable	**9292**	**0.00**	**0.00**
Payable after more than one year	9302		
Payable within one year	9312	0.00	0.00
Amounts payable	**9352**	**381,157.82**	**0.00**
Over one year	9362	0.00	0.00
Within one year	9372	381,157.82	

Transactions with related parties under non-market conditions

Mention of such transactions if significant, including the amount of such transactions, the nature of the relationship with the related party, and any other information about the transactions that is necessary to obtain a better understanding of the company's financial position: In the absence of legal criteria for :

1) Nihil

FINANCIAL RELATIONS	Codes	Year
WITH THE DIRECTORS AND MANAGERS, NATURAL OR LEGAL PERSONS WHO DIRECTLY OR INDIRECTLY CONTROL THE COMPANY WITHOUT BEING RELATED TO IT OR OTHER UNDERTAKINGS DIRECTLY OR INDIRECTLY CONTROLLED BY THESE PERSONS		
Direct and indirect remuneration and pensions granted, charged to the profit and loss account, provided that this does not relate exclusively or primarily to the position of a single identifiable person		
To the directors and managers	9503	60,508.40
To former directors and former managers	9504	5,188.10
WITH THE AUDITOR(S) AND THE PERSONS WITH WHOM THEY ARE RELATED		
Emoluments of the auditor(s)	**9505**	**70,015.05**
Fees for exceptional services or special assignments performed within the company by the auditor(s)		
Other certification assignments	95061	2,990.75
Tax advisory services	95062	
Other assignments outside the audit assignment	95063	

Mentions en application de l'article 3:64, §2 et §4 du Code des sociétés et des associations

Information to be completed by companies subject to the provisions of the companies and associations code relating to consolidated accounts

The company does not prepare consolidated accounts or a consolidated management report because it is exempted from doing so for the following reason:

- The company is itself a subsidiary of a parent company which prepares and publishes consolidated accounts in which its annual accounts are integrated by consolidation.

If so, justification of compliance with the conditions for exemption set out in Article 3:26, Paragraphs 2 and 3 of the Companies and Associations Code:

With reference to Article 3:26 CSA we declare that SC INTERFIN, holding 99.9993% of the contribution, consolidates the elements relating to our intermunicipal company in its consolidated accounts by the global integration method.

Name, full address of the registered office and, in the case of a company incorporated under Belgian law, the registration number of the parent company that prepares and publishes the consolidated accounts under which the exemption is permitted:

INTERFIN SC
BE 0222 944 897
quai des Usines 16,
1000 Brussels
Belgium

Information to be completed by the company if it is a subsidiary or joint subsidiary

Name, full address of the registered office and, in the case of a company incorporated under Belgian law, the business number of the parent company and an indication of whether that parent company prepares and publishes consolidated accounts in which its annual accounts are included by consolidation:

INTERFIN SC
BE 0222 944 897
quai des Usines 16,
1000 Brussels,
Belgium

The parent company prepares and publishes consolidated accounts.
This is information given for the largest holding.

Valuation rules

1. INTANGIBLE FIXED ASSETS

Development or software costs are recorded in the period in which they are paid or received.
Green certificates not sold at 31 December are recorded under item 21, in accordance with CNC notice 2009/14. These green certificates are activated for the amount at which the local transmission system operator (ELIA) is obligated to buy them (Article 28§1 of the Ordinance regulating the electricity market in the Brussels Capital Region)

2. TANGIBLE ASSETS

In view of the accounting constraints arising from the special control regime to which companies in our sector are subject, the Ministry of Economic Affairs has authorised us, by virtue of Article 15 of the Law of 17 July 1975 relating to the accounting and annual accounts of companies, to adapt the headings for tangible fixed assets in the balance sheet.

This amendment consists essentially of a transfer of:

1. civil engineering, from heading 22 to heading 23;
2. tools, from heading 23 to heading 24;
3. residential houses, from heading 26 to heading 22.

Acquisition value

Tangible fixed assets are recorded as assets in the balance sheet at their acquisition or production cost, or at their contribution value.

Ancillary costs

Ancillary costs are included in the acquisition value of the relevant tangible fixed assets.

These include the non-deductible VAT which was charged on investments up to 30 June 1980. Ancillary costs are depreciated at the same rate as the facilities to which they relate.

Third-party commitments

Commitments by third parties to the financing of tangible fixed assets are deducted from the acquisition values of the latter. They are also deducted from the depreciation base of the said facilities.

Depreciation

Depreciation is calculated using the straight-line method. The facilities subject to depreciation are those existing at 31 December of the year in question.
The depreciation rates to be considered are as follows:

- 0% on land listed under codes 22
- 3% on industrial buildings listed under codes 22
- 2% on other constructions listed under codes 22
- 2% on low and high voltage cables listed under codes 23
- 2% on low and medium pressure pipes listed under codes 23
- 3% on substations, control rooms and points, listed under codes 23
- 3% on connections listed under codes 23
- 6% on non-smart gas meters included under codes 23, from the 2022 accounting year and backdated to 01/01/2020 (Brugel Methodology 2020-2024)
- 6% on non-smart electricity measuring devices listed under codes 23
- 6.67% on meters at gas receiving stations listed under codes 23
- 10% on other fixed assets included under codes 23
- 20% vehicles listed under codes 24
- 33.33% on computer and office equipment listed under codes 24
- 10% on other fixed assets included under codes 24
- 20% on radiators rented under codes 26.

Initial difference between the RAB and the book value of tangible fixed assets

Until the end of 2009, tangible fixed assets were valued on the assets side of the balance sheet on the basis of the book value (i.e. the acquisition value less the depreciation fund) revalued in accordance with the exemption obtained from the Ministry of Economic Affairs on 22 November 1985.

The initial capital investment value (iRAB) was determined on the basis of a technical inventory of the tangible fixed assets valued at their economic value on 31.12.2001 for electricity fixed assets and on 31.12.2002 for gas fixed assets.

The tariff decrees require that the RAB evolve according to the following formula:

RABn = iRAB + investments n - depreciation n - decommissionings n.

The regulator requires that the RAB introduced in the tariff proposals can be reconciled with the DSO's accounting statements at any time.

Sibelga has decided to record the RAB in its accounts from 2010 and has therefore:

- cancelled the historical capital gains in its accounts,
- recorded the difference between the RAB and the carrying amount of the tangible fixed assets (not revalued) as at 31/12/2009. This difference, referred to as the RAB gain, is recorded under separate headings of tangible fixed assets.

Article 5 §1 of the Royal Decree of 2 September 2008 stipulates that the part of the RAB added value relating to equipment taken out of service in the course of the year concerned must be deducted annually from the RAB. This capital gain deduction is included in the costs at a rate of 2% per year in the first regulatory period (2009–12).

Sibelga applied this provision from the 2010 financial year onwards and following the freezing of tariffs for the years 2013 and 2014, the 2% rate was maintained.

Since 2015, Sibelga has been following the methodology introduced by the Regulator Brugel, which requires the RAB capital gain to be amortised at the rate of the underlying asset, in accordance with accounting law.

3. STOCKS

Stock withdrawals are valued at the weighted average price.
Articles other than those for street lighting that have not been moved for a period exceeding 12 months are subject to routine examination:

if they are not usable, they will be completely discarded;
if they are usable but the quantity stored exceeds five years of consumption, they will be subject to a minimum 50% write-down.

Due to their unique characteristics, items intended for street lighting that have not been moved for a period exceeding 12 months are subject to routine examination:

if they are not usable, they will be completely discarded;
In other cases, the items retain their original value.

4. AMOUNTS RECEIVABLE WITHIN ONE YEAR

The receivables under this heading are included at their nominal value. They include amounts receivable from customers and municipalities for energy supplies, works and miscellaneous. They are reduced by those considered irrecoverable, including those relating to known bankruptcies.

These bad debts result in write-downs which are charged to the profit and loss account (write-downs on inventories, contracts in progress and trade debtors code 631/4 and also more precisely in note 6.10 code 9112). When part of the debt is subsequently recovered, the amount recovered is credited to the profit and loss account (write-downs on inventories, contracts in progress and trade debtors code 631/4 and also more specifically in annex 6.10 codes 9113 or Other operating income under code 74). For trade receivables relating to activities ancillary to the main activity of managing the gas and electricity distribution networks in the Brussels-Capital Region, namely:

the compulsory supply of gas and electricity to “protected customers”
“breach of seals" situations
situations of "fraud"
other specific situations:

- radiator rentals
- fairs and events
- consumption without a contract (excluding fraud and breach of seals)
- miscellaneous services (minor works)

Sibelga has obtained a ruling from the Department of Advance Tax Rulings allowing it to book write-downs on these various categories of receivables. This ruling is based on a methodology that allows for tax deductibility in accordance with the provisions of Article 48 of the Income Tax Code (CIR) and Articles 22, 23 and 27 of the CIR Implementing Decree (AR/CIR).

The methodology consists of booking write-downs by category of receivables based on historical bad debt statistics for the years preceding the year under review.

This rate is adjusted each year according to the actual situation measured.

The Other receivables heading (class 41) includes an amount of short-term receivables from the affiliated company Atrias. This receivable has been maintained as short-term, given that it is a current account advance system set up with Atrias and that there is no information available to the Sibelga Board of Directors to establish a long-term/short-term reclassification.

5. CAPITAL GRANTS

The grants under this heading are depreciated at the same rate as the installations listed under the "Tangible fixed assets" item for which the grants were obtained.

6. PROVISIONS FOR RISKS AND CHARGES

These provisions are created on the basis of identified risks and are calculated in accordance with the decisions taken by the Board of Directors.

7. AMOUNTS PAYABLE AFTER MORE THAN ONE YEAR AND WITHIN ONE YEAR

The amounts under these headings are included at their nominal value.

8. REGULARISATION ACCOUNTS (DEFERRED CHARGES AND ACCRUED INCOME)

The regularisation accounts on the liabilities side mainly include the regulatory balances that cannot be controlled. These will be allocated according to arrangements to be made by the relevant regulator.

The KPI incentives are evaluated and granted annually during the ex-post control of year N and are recorded in year N+1, in accordance with the tariff methodology established by Brugel. The result of the incentive regulation on KPIs for year N will therefore be recorded in principle in year N+1, once the regulator has determined its value.

Sibelga

Sibelga Sc
Quai des Usines 16 - 1000 Brussels
Tél : 02 274 31 11
e-mail : info@sibelga.be
www.sibelga.be