ORES Assets
Consolidated IFRS accounts

2021

NAME AND FORM
ORES Assets. Intermunicipal Cooperative Association. CBE number 0543.696.579.

HEAD OFFICE
Avenue Jean Mermoz 14, 6041 Gosselies.

INCORPORATION
Deed of incorporation published in the Appendices to the Moniteur belge (Belgian Official Gazette) of 10 January 2014 under number 1402014.

ARTICLES OF ASSOCIATION
The articles of association have been amended on several occasions most recently under the terms of a deed received by notary, Mr Frédéric de RUYVER, residing in Court-Saint-Etienne, on 18 June 2020, published in the Appendices to the Moniteur belge dated 13 July 2020 under number 20079215.

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I

CONSOLIDATED IFRS FINANCIAL STATEMENTS

1.1 Consolidated profit or (loss) statement (in thousands of €)

	NOTE	31/12/2021	31/12/2020	DIFFERENCE
Turnover	01 - A	1,280,069	1,185,239	94,830
Regulatory balances	01 - B	(2,613)	38,567	(41,180)
Other operating income	02	24,600	25,594	(994)
Operating income		**1,302,056**	**1,249,400**	**52,656**
Goods and supplies	03	(83,891)	(77,229)	(6,662)
Transport fees	03	(421,309)	(365,039)	(56,270)
Road fees	03	(45,097)	(46,472)	1,375
Employee benefits	19-20	(147,825)	(145,425)	(2,400)
Write down of trade receivables	11	(8,357)	(5,955)	(2,402)
Other operating expenses	04	(119,720)	(138,326)	18,606
Operating expenses		**(826,199)**	**(778,446)**	**(47,753)**
Operating result before depreciation and amortization		**475,857**	**470,954**	**4,903**
Depreciation and impairment on (in)tangible assets	08-09	(184,868)	(211,687)	26,819
Operating profit or (loss)		**290,989**	**259,267**	**31,722**
Financial income	05	11,171	1,419	9,752
Financial expenses	06	(30,556)	(36,136)	5,580
Financial profit or (loss)		**(19,385)**	**(34,717)**	**15,332**
Share of the result of associates	25	0	0	0
Profit or (loss) before taxes		**271,604**	**224,550**	**47,054**
Taxes	22	(77,349)	(54,575)	(22,774)
Profit or (loss) for the period		**194,255**	**169,975**	**24,280**
Profit or (loss) for the period attributable to the group		**194,255**	**169,975**	**24,280**
Profit or (loss) for the period attributable to non-controlling interests		-	-	-

1.2. Consolidated statement of comprehensive income (in thousands of €)

	NOTE	31/12/2021	31/12/2020	DIFFERENCE
Profit for the period		**194,255**	**169,975**	**24,280**
Other comprehensive income				
Recyclable in the profit or (loss)		**2,075**	**52**	**2,023**
Change in fair value of cash flow hedges	27	2,767	69	2,698
Taxes on items that are or may be recycled to profit and loss account	22	(692)	(17)	(675)
Not recyclable in the profit or (loss)		**(18,969)**	**26,966**	**(45,935)**
Actuarial gains and losses on defined benefit plans	20	(25,292)	35,954	(61,246)
Taxes on items that will not be recycled to profit and loss	22	6,323	(8,988)	15,311
Other comprehensive income attributable to the group		**(16,894)**	**27,018**	**(43,912)**
Other comprehensive income attributable to non-controlling interests		-	-	-
Comprehensive income for the period		**177,361**	**196,993**	**(19,632)**

1.3. Consolidated statement of financial position – assets (in thousands of €)

ASSETS	NOTE	31/12/2021	31/12/2020	DIFFERENZ
Non-current assets		**4,318,231**	**4,264,492**	**53,739**
Intangible assets	08	103,204	83,014	20,190
Tangible assets	09	4,191,765	4,158,807	32,958
Investments in associates	25	3	3	0
Other non-current assets	10	23,259	22,668	591
Current assets		**615,615**	**388,939**	**226,676**
Inventories	12	53,489	51,135	2,354
Trade receivables	11	239,825	129,654	110,171
Other receivables	11	73,962	98,322	(24,360)
Current tax assets	11	3,454	16,326	(12,872)
Cash and cash equivalents	13	216,133	72,781	143,352
Other current assets		28,752	20,721	8,031
Total assets excluding regulatory assets		**4,933,846**	**4,653,431**	**280,415**
Regulatory assets	01 - B	87,769	114,908	(27,139)
TOTAL ASSETS		**5,021,615**	**4,768,339**	**253,276**

1.4. Consolidated statement of financial position – liabilities (in thousands of €)

PASSIVe	NOTE	31/12/2021	31/12/2020	DIFFERENZ
Equity		**1,966,882**	**1,860,439**	**106,443**
Share capital	14	867,464	867,464	0
Retained earnings		943,862	930,043	13,819
Other reserves		155,580	62,956	92,624
Non-controlling interests		(24)	(24)	0
Non-current liabilities		**2,446,041**	**2,246,696**	**199,345**
Borrowings	15	2,067,024	1,859,708	207,316
Provisions for employee benefits	19-20	94,248	69,918	24,330
Other provisions	18	26,999	50,151	(23,152)
Deferred tax liabilities	23	241,584	250,204	(8,620)
Other non-current liabilities	16-17-27	16,186	16,715	(529)
Current liabilities		**604,091**	**629,474**	**(25,383)**
Borrowings	15	226,125	395,213	(169,088)
Trade payables	16	181,065	166,730	14,335
Other payables	16-17	163,983	60,847	103,136
Current tax liabilities	22	26,871	0	26,871
Other current liabilities	16-17	6,047	6,684	(637)
Total liabilities excluding regulatory liabilities		**5,017,014**	**4,736,609**	**280,405**
Regulatory liabilities	01 - B	**4,601**	**31,730**	**(27,129)**
TOTAL LIABILITIES		**5,021,615**	**4,768,339**	**253,276**

1.5. Consolidated statement of changes in equity (in thousands of €)

	Share capital	Reserves					Retained earnings	Non-controlling interests	Total Equity
		Cash flow hedges	Actuarial gains and losses on defined benefit plans		Statutory reserves	Total			
At 1st January 2021	**867,464**	**67,215**	**(57,967)**		**53,707**	**62,956**	**930,043**	**(24)**	**1,860,439**
Comprehensive income for the period									
- Profit and loss					2,000	2,000	192,254		194,254
- Other comprehensive income, net of income tax		2,075	(18,969)			(16,894)			(16,894)
Transactions with shareholders									
- Dividends relating to the previous year							(70,917)		(70,917)
- Capital increase by incorporating reserves									
- Capital increase by incorporating reserves					107,518	107,518	(107,518)		
At 31 December 2021	**867,464**	**69,290**	**(76,936)**		**163,225**	**155,580**	**943,862**	**(24)**	**1,966,882**
At 1st January 2020	**867,080**	**67,163**	**(84,933)**		**(26,355)**	**(44,125)**	**910,594**	**(24)**	**1,733,525**
Comprehensive income for the period									
- Profit and loss					2,000	2,000	167,975		169,975
- Other comprehensive income, net of income tax		52	26,966			27,018			27,018
Transactions with shareholders									
- Dividends relating to the previous year							(70,080)		(70,080)
- Capital increase by incorporating reserves	384				(384)	(384)			
- Transfers from or to statutory reserves					78,446	78,446	(78,446)		
At 31 December 2020	**867,464**	**67,215**	**(57,967)**		**53,707**	**62,956**	**930,043**	**(24)**	**1,860,439**

I.6. Consolidated statement of cash flows (in thousands of €)

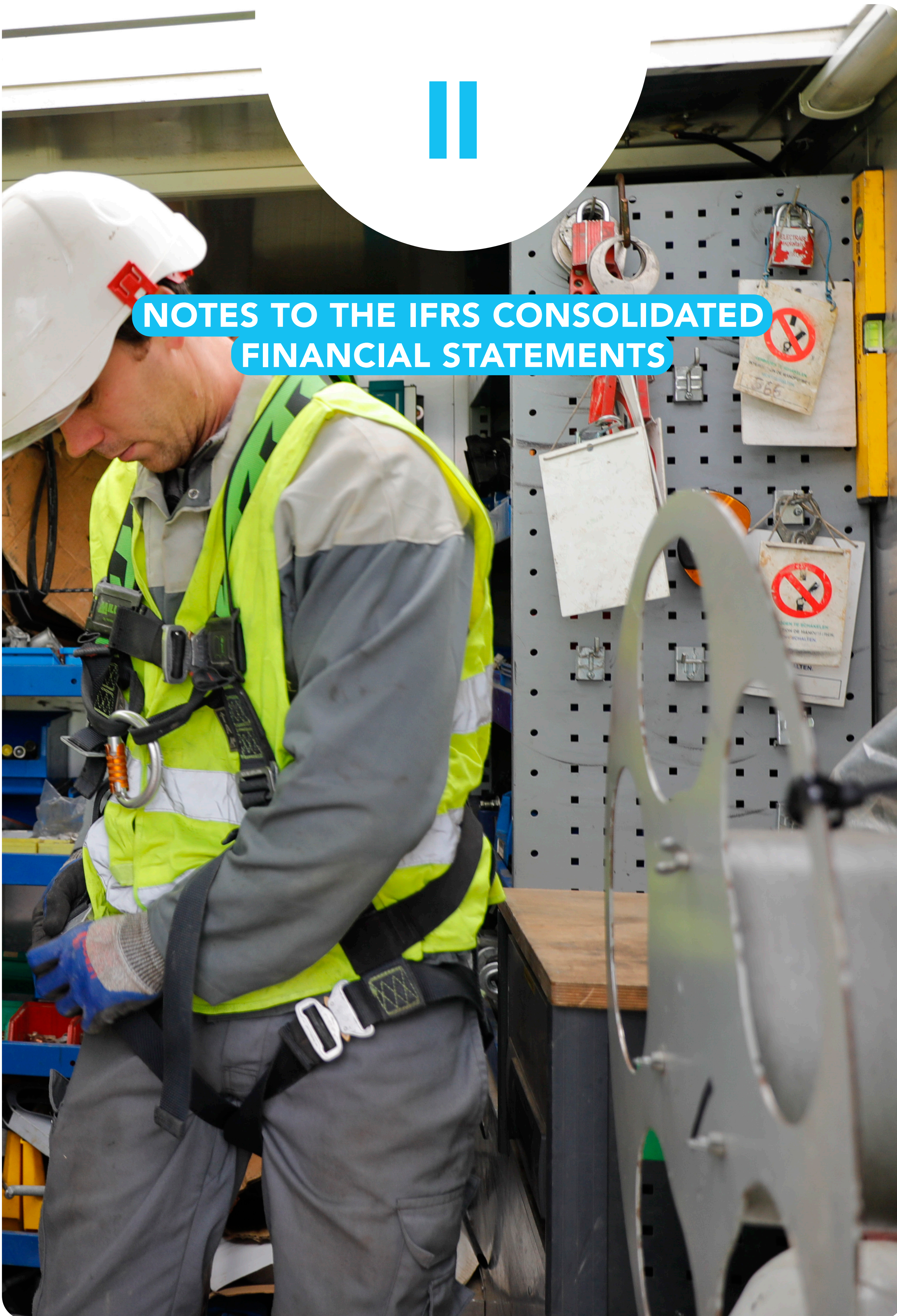
	NOTE	31/12/2021	31/12/2020
CASH FLOW FROM OPERATING ACTIVITIES			
Comprehensive income for the period		**194,255**	**169,975**
Adjustments for the following elements :			
Depreciation and impairment on (in)tangible assets	08-09	184,869	211,687
Changes in provisions	18-19	(18,442)	1,009
Gains on sales of (in)tangible assets	08-09	(244)	(797)
Write down of trade receivables	11	10,589	7,091
Inventory write-downs	12	3,676	
Financial income	05	(11,171)	(1,419)
Financial expenses	06	30,556	36,136
Income tax expenses recognised in profit or loss	22	77,349	54,575
Regulatory Balances	01-B	3,758	(49,282)
Operating cash flow before change in working capital		**475,195**	**428,975**
Change in working capital			
Change in inventories	12	(6,030)	(8,201)
Change in trade and other receivables	11	(183,721)	(31,976)
Change in trade and other payables	16-17	195,840	11,313
Operating cash flow		**481,284**	**400,111**
Paid interest	06	(32,986)	(36,873)
Received interest	05	3,931	246
Paid taxes		(41,596)	(58,976)
Regulatory Balances recovered	01-B	(1,145)	10,715
Net operating cash flow		**409,488**	**315,223**

	NOTE	31/12/2021	31/12/2020
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of intangible assets	08-09	(26,465)	(25,958)
Acquisition of tangible assets	08-09	(209,222)	(209,780)
Sale of tangible assets	08-09	902	1,230
Other investing cash flows		0	0
Net investing cash flow		**(234,785)**	**(234,508)**
CASH FLOW FROM FINANCING ACTIVITIES			
Borrowings issuance	15	425,000	232,117
Payment of borrowings	15	(384,210)	(276,284)
Issuance and repayment of long term receivables	11	1,900	(3,401)
Payment of lease liabilities	21	(2,861)	(3,656)
Paid dividends	14	(71,180)	(74,594)
Capital grants		0	84
Net financing cash flow		**(31,351)**	**(125,734)**
Change in cash and cash equivalents from continuing operations		**143,352**	**(45,019)**
Cash and cash equivalents begin of period		**72,781**	**117,800**
Cash and cash equivalents end of period		**216,133**	**72,781**

1.7. Change in liabilities arising from financing activities (in thousands of €)

	01/01/2021	Cash flows from financing activities	Cash flows from operating activities	Cash flows from investing activities		Non-cash changes					31/12/2021
						Reclassification	Others	Fair value changes	Others (IFRS 16)	Total	
Other non-current assets	22,668	19	(995)				3,689	(3,304)		385	23,259
Other receivables	98,322	(61,281)	24,622			61,018				61,018	73,963
Long-term borrowings	1,859,708	425,000				(218,135)		452		(217,684)	2,067,024
Short-term borrowings	395,213	(384,210)				218,135		(3,014)		215,122	226,125
Other non-current liabilities	16,715	1,881				(2,779)		(2,619)	2,989	(2,410)	16,186
Other payables	60,847	0	100,533				2,603			2,603	163,983
Other current liabilities	6,684	(2,861)	(408)			2,779		(147)	0	2,632	6,047
Equity	1,860,438	(9,899)	194,254			(61,018)		(16,894)		(77,912)	1,966,881
		(31,351)	**318,006**	**0**		**0**	**6,292**	**(25,527)**	**2,989**	**(16,247)**	

	01/01/2020										31/12/2020
Other non-current assets	21,071	(2,979)	249					1,133		1,133	22,668
Other receivables	64,140	(61,018)	(29,668)			56,504				56,504	98,322
Long-term borrowings	2,012,646	230,617				(384,142)		587		(383,555)	1,859,708
Short-term borrowings	288,312	(274,784)				384,142		(2,457)		381,685	395,213
Other non-current liabilities	17,089	(422)				(3,212)		487	2,773	48	16,715
Other payables	54,660	0	2,551				3,636			3,636	60,847
Other current liabilities	8,529	(3,572)	(929)			3,212		(556)		2,656	6,684
Equity	1,733,525	(13,576)	169,977			(56,504)		27,017		(29,487)	1,860,438
		(125,734)	**142,180**	**0**		**0**	**3,636**	**26,211**	**2,773**	**32,621**	



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Preliminary note on the consolidated financial statement

A. Reporting entity and ORES group

The ORES group (hereinafter referred to as the „Group") is made up of ORES Assets, created from the merger of the eight Walloon mixed intermunicipal gas and electricity distribution companies in 2013, (hereinafter referred to as „DSO" or ORES Assets) and its subsidiaries ORES and Comnexio. ORES Assets' shareholders are two hundred municipalities and eight Intermunicipal pure financing entities (IPFs)[1]. Almost all of the shares in ORES are held by ORES Assets (99.72%), with the balance held by seven of the IPFs associated with ORES Assets[2]. The same applies to Comnexio, which has been carrying out the contact centre activities for the Group since 2019. The latter company is mainly owned by ORES Assets (93%), with only seven of the one hundred shares of Comnexio held by seven of the IPFs associated in ORES Assets[3].

In addition, there is a company partially owned by ORES Assets : Atrias, in which the Group holds 16.67%. Due to the significant influence of ORES Assets on this company, the Group decided to consolidate it by the equity method.

Since 1 January 2017, the DSO is 100% owned by the public authorities (municipalities or Intermunicipal pure financing entities).

The Group is only active in Belgium and more specifically in Wallonia, on the territory of the municipalities for which it has been designated DSO. The Group's address is Avenue Jean Mermoz, 14 in 6041 Gosselies (Belgium), which is the address of both ORES Assets' and ORES' headquarters.

[1] CENEO, Finest, Finimo, Idefin, IPFBW, IEG, IFIGA and Sofilux.

[2] CENEO, Finest, Finimo, Idefin, IPFBW, IEG and Sofilux.

[3] CENEO, Finest, Finimo, Idefin, IPFBW, IEG and Sofilux.

B. Approval of the consolidated financial statements

ORES Assets' Board of Directors approved the Group's consolidated financial statements and authorised their publication on 27 April 2022..

C. Significant events in 2021

a) 2021 at a glance

27th of January

The Federal Minister in charge of Climate, Environment, Sustainable Development and the Green Deal, Zakia Khattabi, awards ORES and all of the country's electricity and gas network operators the title of ambassador of United Nations Sustainable Development Goals. ORES is "SDG Voice" for one year, with the mission of raising awareness among citizens and businesses about a more rational use of energy and a concerned one about the preservation of the planet.

16th of February

Following the publication in the Belgian Official Gazette, the procedure for renewing the mandates of electricity and/or gas distribution network operator is officially launched. Cities and towns have one year to initiate their calls for applications and submit their proposals to the CWaPE.

15th of June

ORES connects the second biomethane injection booth to its distribution network. Located in Quévy on the site of Vanheede Biomass Solutions, a company specializing in the recycling of organic waste. The installation now makes it possible to supply 100% local gas of renewable origin to more than 2,000 households in the Mons region.

30th of June

ORES, Luminus and Blacklight Analytics, a spin-off from the University of Liège, officially present "O-One", a new algorithm based on artificial intelligence to better predict and manage the risks of congestion on the network. The implementation of O-One and its generalization on the territory of ORES will make it possible to maximize the injection of electricity of wind origin into the Walloon energy mix.

14th-16th of July

Catastrophic bad weather affects the whole Wallonia and causes deadly floods, particularly in the East. The distribution infrastructures suffered considerable damages. More than 25,000 customers find themselves without power in the municipalities managed by ORES. The mobilization of the technical teams is extraordinary and with the administrative and logistical support of the central services, they quickly restore electricity to all the homes affected. Despite the extent of the damage, the network is fully operational again after three weeks of intensive work.

17th of September

Inauguration of the CNG facilities at Ham-sur-Heure-Nalinnes. After some works on the distribution network, the compressed natural gas (CNG) supply system intended exclusively for vehicles in the municipal fleet is put into service. The proposed solution is a first for a Walloon municipality: Ham-sur-Heure has its own CNG installations, which facilitates the work of the municipal services. It also demonstrates ORES' technical expertise in the field.

29th of September

The ORES Board of Directors endorses the proposal to align distribution tariffs – tariff equalization – across the entire territory where the company manages the networks. From January 1, 2024, an identical distribution tariff will therefore apply, by customer category, uniformly throughout the territory, regardless of the municipality.

15th of October

The milestone of 30,000 smart meters deployed on ORES territory has been passed. More than half equip holders with photovoltaic panels.

1st of November

After several years of development, the centralized data platform for the Belgian electricity and gas market is launched by Atrias, the federal subsidiary of the Belgian DSOs. The exchange of information, indexes or billing data, and market processes are becoming faster and more precise. The centralized system will also enable faster and less costly deployment of future market-related applications in support of the energy transition.

20th of December

Ninth consecutive participation by ORES in the Viva for Life solidarity operation and presentation of a record check for 35,897 euros, thanks to the internal mobilization of staff in favour of the cause.

b) Average fair remuneration of invested capital (REMCI)

The REMCI (Rémunération Equitable Moyenne des Capitaux Investis or average fair remuneration of invested capital) is the remuneration that ORES Assets is entitled to for its "network operation" activity, and constitutes a significant proportion of the Group's profit. At the end of 2021, it amounted to:

- electricity: k€ 68,271 compared to k€ 67,877 in 2020: +0.58%;
- Gas: k€ 34,046 compared to k€ 33,381 in 2020, + 1.99%.

According to the new tariff methodology applicable for the regulatory period 2019-2023, the remuneration rate applied to the RAB amounts to 2.613%. This rate is fixed for the whole period. Since financial year 2019, the REMCI is therefore, solely influenced by the average RAB of the year.

The regulatory environment in which the Group evolves is described in the accounting policies in point 3.A.15.

c) Dividends

We should also point out that, at the ORES Assets Annual General Meeting on 17 June 2021, its shareholders approved the payment of total gross dividends of €70.9 million (€49.4 million Euros for electricity distribution and €21.5 million for natural gas distribution).

D. Report on risks and uncertainties

The following paragraphs describe the steps taken to identify and address the principal known risks and uncertainties that the Group may face and the measures taken to face the later ones. Risk management is a key process to assist ORES in achieving its strategic objectives as documented in the strategic plan. In 2018, ORES established a new risk management methodology. Since then, it has been refined every year.

This process identifies, analyses and evaluates relevant risks according to their nature, their probability of occurrence and their potential impact on the achievement of ORES' strategic plan. The methodology used in this process is described in ORES Assets 2021 consolidated annual report, particularly in the section "Description of the main features of the internal control and risk management systems". The main results of the 2021 exercise are explained below, focusing on the highest risks as they emerged from the risk analysis finalised in October 2021[4]. Some unidentified risks may exist or, while they appear limited today, may become more significant in the future. Nevertheless, the methodology put in place, by making all departments responsible and thus multiplying the sources of information, makes it possible to greatly reduce the probability of ignoring a significant risk.

Transformation and change risks

The risks related to human and financial sustainability and therefore to ORES' ability to implement its strategic plan, its transformation and the related change are discussed here. These risks may materialize in particular through difficulties related to:

- The sustainability of the change;
- the simultaneity of the projects, and therefore the number of projects to be carried out jointly and the resulting dependence between the projects;
- human resources, in particular the sustainability of the workload for staff;
- the ability to deliver results on schedule, particularly with regard to IT projects.

These difficulties may impact the implementation of this plan.

Among the actions put in place or established to mitigate this risk, let us mention, among other things, the particular attention to governance (applicable to all initiatives, clarification of roles in change management, etc.), close monitoring of human resources (optimization resources requested by the projects, reinforcement of the teams to anticipate and implement these projects, particular attention to the workload of the functions concerned by the changes, etc.), etc. Similarly, the implementation of these actions opens up opportunities for ORES such as the mobilization of staff behind a new long-term vision, reflection on efficiency, awareness of the budgetary process and its respect, the development of agility and the adaptation of the organization and its processes, etc.

As part of the digitization of DSO activities, platforms such as Atrias are essential. The ability to integrate new technologies and market expectations (mainly around the smart meter) is fundamental and constitutes a risk factor that requires special attention.

Risks related to pandemics

Because of the measures to stop normal activity that may be imposed by government authorities and the effects on staff availability, pandemics can affect companies and require them to react to exceptional circumstances that were not foreseen and anticipated.

ORES has an internal emergency plan and takes, where necessary, exceptional and proportionate measures to :

- protect the health of its staff ;
- maintain the essential public service missions carried out by the company ;
- contribute to the national effort to combat the spread of pandemics.

ORES has demonstrated its ability to carry out its public service missions effectively in the context of the unprecedented health crisis experienced in recent years.

The global shortage of rare materials and other microprocessors resulting from changes in liFixedyle and consumption habits following the COVID-19 pandemic but also from the global geopolitical context may also impact ORES. The resulting unavailability of equipment necessary for the networks could affect the performance of ORES' activities. Particular attention should be paid to the continuity of the supply chain.

Regulatory risk

The context of electricity and gas distribution is faced with increasingly rapid and uncertain changes. As such, there is a growing risk that a sudden and/or unexpected legislative and/or regulatory change will have a significant impact on the company's strategy, with potential effects on current projects, the need to launch new projects in the very short term and the mobilisation of the company's human and budgetary resources. These uncertainties and recurring changes make it difficult to develop effective operational strategies. More specifically, the company's ability to maintain coherence between its vision, strategy, transformation plan and changes in the external context is the subject of particular attention. An update to the strategic plan was approved at the end of 2021 and is regularly monitored.

Like the risks linked to transformation and change, the implementation of actions to mitigate this risk opens up opportunities for ORES, such as reflection on efficiency, awareness of the budgetary process and compliance with it, development of agility and adaptation of the organisation and its processes, etc.

With respect to the risk related to tariffs, we refer to the section "vii. Economic and financial risks" here after.

Risk related to the volume of energy distributed

The ban on the use of fossil fuels in 2050 and the measures adopted by the European Union to gradually encourage the introduction of this ban (for example for financing) could impact the gas business conducted by the Group. This impact will depend on the vision that will be adopted for the place of gas in the low-carbon society that is being targeted. It could concern a decrease in the penetration rate, an increase in related or resulting costs (and therefore in tariffs), a depreciation problem if certain assets cannot be used until the end of their initial useful life or an increase in financing

[4] *For operational, IT and human resources risks not identified in the most significant risks, reference is made to the description in the 2019 annual report.*

costs. In addition, other sources of energy, such as heat networks, could compete directly with the gas business.

The reduction in consumption, and therefore in the volumes passing through the networks, following the improvement in the energy efficiency of buildings and the development of forms of self-production of energy (such as photovoltaic panels), could also impact the gas business as well as the electricity business. This impact would take the form of a decrease in the base (kWh) on which the costs of the activities can be passed on and therefore an increase in tariffs, at a constant tariff system. However, this decrease could be offset by the appearance of new uses (electric and CNG vehicles, heat pumps, etc.).

The Promogaz or CNG campaigns aimed at optimising the use of the gas distribution networks, the facilitation of the development of biomethane by welcoming new injection points or the monitoring of the development of hydrogen injection into the gas distribution network are all actions that make it possible to mitigate this risk, which could also constitute an opportunity through the development of injection into the "green" gas network.

Beyond the threats that it may pose to the volume of energy (electricity and gas) taken from the distribution networks, the energy transition also has the effect of placing the distribution networks at the heart of the technological and societal changes linked to this transition. By affirming its desire to be an energy transition facilitator, ORES wants to be a key player in the service of these many developments: renewable energy production connected to the distribution network (photovoltaic panels, wind farms, biomethane injections), new mobility solutions (electric charging stations, CNG or bioCNG stations), energy communities, flexibility, storage, etc. The opportunities are numerous and are being closely monitored by ORES

Procurement and suppliers risk

ORES and ORES Assets are subject to public procurement legislation for their purchases of supplies, services and works. ORES has observed an upward trend in the cost of the contractors it uses via public contracts. The definition of an "external service provider vision" is underway in order to identify the main levers behind these increases, and therefore to mitigate this risk. Similarly, public procurement strategies are subject to adaptations and specifications are reviewed.

Organisational and governance risks

The environment in which ORES and ORES Assets carry out their missions is uncertain, complex and undergoing rapid and permanent change: energy transition, digitalisation, sophistication of the energy markets, demand for immediacy, rapid technological developments, etc. The processes and organisation must be adapted and simplified to enable ORES to be more efficient and to achieve this agility. If the roles and responsibilities of this future organisation are not clear, there may be tensions, losses of efficiency, etc. In order to mitigate these risks, organisational efficiency paths have led to the setting up of a new ORES organisation.

Climate risk

Storms, rises and variations in temperature, intense rainfall and flooding that may result, etc. the frequency and severity of these meteorological events can affect distribution networks and their operation. Adapting to climate change and strengthening the resilience of networks are new risks that will have to be taken into account by ORES.

Economic and financial risks (including tariff risk)

Tariff risk

The activities of ORES and ORES Assets are governed by an important legislative and regulatory framework, two of the main elements of which are the tariff decree and the tariff methodology established by the CWaPE on the basis of this decree. This framework determines, among other things, the means available to the DSO to finance its activities (the authorised income) or a set of rules that can positively or negatively influence the remuneration of shareholders (incentive regulation mechanism). In 2018, the regulator approved the authorised income available to the Group for the period 2019-2023 and in 2019 the tariffs for this period 2019-2023. This is a positive element that gives the company 5-year visibility on the resources available. In 2018, the regulator had also approved specific envelopes for specific projects (notably for smart metering and the promotion of natural gas). Following the publication of the Walloon decree of 19 July 2018 on the deployment of smart meters, the assumptions used in the framework of the envelope relating to the specific "smart metering" project as approved by the regulator had to be revised (in particular, change of meter technology and downward revision of the volumes deployed over the 2019-2023 period). The refusal decision of the CWaPE relating to the specific envelope revised to take account of these new hypotheses having been cancelled by the Court of Markets following an appeal by ORES, the discussions on the net charges included in this envelope continued. They resulted in October 2021 in the approval by the regulator of the revision of these net charges. In addition, discussions relating to the adoption of the 2024-2028 tariff methodology have begun. During these discussions, ORES will pay particular attention to the fact that this methodology ensures the sustainability and long-term vision of DSO activities, that it establishes a tariff structure that meets the needs of customers and the constraints and cost structure of DSOs. Although the modification of the tariff methodology could have an impact on ORES' profitability, the obligation for the regulator to take into account the principles of the European directives of the third energy package and the tariff decree of 19 January 2017 limits this risk.

Differences may arise between controllable planned costs and actual costs, both in terms of authorised income and specific budgets. In order to mitigate this risk, the following actions have been implemented:

- monthly budget monitoring, fine-tuning of budgets as and when required and best estimates;
- monitoring indexation parameters and the evolution of certain costs.

Finally, the company must ensure that it complies with financial covenants, which are therefore monitored regularly.

Inflation risks

Inflation risk is the risk that prices will rise more or less sustainably and controllably. The CWaPE tariff methodology provides that the controllable charges change annually on the basis of an indexation factor (linked to the health index) of 1.575% which is not reviewed during the tariff period. It follows that any price increase above the inflation forecast in this methodology could impact the company's results. To protect itself against this risk, ORES has acquired partial hedging by an inflation swap.

Tax risk

ORES Assets and ORES are subject to corporate income tax. Changes in tax regulations and their interpretation by the Administration may impact the Group. The tariff methodology provides that any tax charge of ORES Assets is integrated into the tariffs as a non-controllable cost. Consequently, the impact of these changes and interpretations is essentially limited to the ORES company.

Asset and liquidity risks

As part of the management of these risks and the billing of network usage fees, which constitute the bulk of the Group's revenue, ORES Assets has financial guarantees from its energy suppliers active on the network. These guarantees are defined in the contract granting access to the network and are subject to annual review.

ORES has short-term financing capacity through its commercial paper programme and the line of credit aforementioned; it can be considered that the liquidity risk is more than manageable. Cash management makes it possible to limit market, asset structure and liquidity risks. The management bodies have implemented a prudent investment policy based on diversification and the use of products with limited credit and interest rate risk. ORES is attentive to the problem of negative interest rates in its cash management.

Macroeconomic and cyclical risks

The economic situation could have repercussions on the demand for electricity and natural gas, on the price of certain charges related to the price of energy or on the Group's financing conditions.

With regard to the impact on the demand for electricity and natural gas, this risk and its effects are not normally borne by the Group. The 2019-2023 tariff methodology provides for a control by the regulator of the deviations between budget and reality in the year following the year concerned (N+1), including the volume risk. The tariff for the regulatory balances is, in principle, adjusted to take account of these differences from 1 January of the year following the year of the control (N+2).

Charges related to the price of energy, such as the purchase of energy for the price of losses, are essentially controllable expenses for DSOs. The increase in energy prices on the wholesale markets, in electricity but mainly in gas, which began in September 2021, may impact these charges upwards, causing them to exceed the level of costs accepted by the regulator. Similarly, the increase in energy prices could deteriorate the financial situation of certain already weakened suppliers. The financial impacts of energy supplier bankruptcies are also considered by the tariff methodology as controllable expenses. These overruns are currently deducted from the equitable return on invested capital (REMCI), and consequently withdrawn from the profits of DSOs and their associates. Furthermore, this increase could also lead to a slowdown in the investment work requested by customers. As of today, the nature of the impacts don't compromise the group's going concern.

With regard to the impact on the Group' financing conditions, reference is made to the paragraph on interest rate risk (derivative financial instruments for hedging purposes, financing and debt management policy and monitoring of market data).

Notes to the consolidated profit or (loss) statement

Note 01 A – Turnover (in thousands of €)

Electricity	31/12/2021	31/12/2020
Distribution fees	1,002,171	938,537
Public service obligation (PSO)	24,060	26,199
Other	4,174	1,543
	1,030,405	**966,279**

Gas	31/12/2021	31/12/2020
Distribution fees	218,607	194,105
Public service obligation (PSO)	8,070	9,024
	226,677	**203,129**

Not allocated	31/12/2021	31/12/2020
Third-party inventory management	4,613	4,558
Construction contracts	18,374	11,273
	22,987	**15,831**

Total turnover	**1,280,069**	**1,185,239**

Performance obligations satisfied over time	**1,275,895**	**1,183,696**
Performance obligations satisfied at a specific point in time	**4,174**	**1,543**

Distribution fees

The Group's turnover is mainly based on income and expenses related to distribution fees for the electricity and gas distribution network. The Group distributes electricity and gas to homes and businesses connected to the network on behalf of energy suppliers. In the case of electricity, the distribution fee also includes the transport fee (re-invoicing of the costs of using the transport network, for which Elia is the sole operator). The later one is invoiced by Elia to the Group and recognised in cost of sales (cascade principle), which in principle results in neutrality in the income statement - see also note 03.

Income and expenses related to distribution fees are recognised, based on the tariffs in force for the year, when electricity or gas has been supplied and transported to consumers connected to the distribution network during the corresponding period. The amounts are recognised progressively as revenue and are based on meter read-

ings and estimates for the unmetered portion of network usage (billed as an advance payment). These estimates are corrected at the balance sheet date with the unmetered distribution fee (RTNR) which is calculated on the basis of the total volumes that have transited the network.

The regulatory environment in which the Group operates is described in the accounting policies in section 3.A.15.

Following the economic recovery that took place in 2021 and the fact that this year was a colder year than 2020, the quantities invoiced increased in 2021 in both electricity and gas (+ 2.84% in electricity and + 9.11% in gas). This largely explains the growth observed in distribution fees (+ 6.78% in electricity and + 12.62% in gas). This is coupled, regarding electricity, with the impact of the increase of the transport costs due to the increase in surcharges and the Elia tariff (see note 03 - cost of sales).

Public service obligations (PSOs)

The Walloon Government imposes public service obligations (PSOs) to the DSOs which are clearly defined, transparent and non-discriminatory, the fulfilment of which is subject to control by the regulators (mainly the CWaPE, but also the CREG for supplying protected clients). They mainly consist of:

- to ensure, at the social rate, the supply of electricity to protected customers. The difference between the social tariff and the market price is partly recovered by the DSOs from the CREG (a fund managed by the latter), and partly through the tariffs according to the type of protected customer. This ensures the neutral impact on the profit/loss;
- to ensure, on a temporary basis, the supply of end customers who find themselves temporarily without a supply contract or in the links of a supply contract that has been suspended (so-called „supplier X" customers). The corresponding energy purchases are recognized in cost of sales (see note 03);
- to ensure the installation of a budget meter at the request of the customer or as part of a procedure for default of payment by the end customer to its energy supplier;
- to provide a single point of contact to simplify administrative procedures, as the DSO is the sole point of contact for electricity producers with an installation of photovoltaic solar panels with a net power less than or equal to 10 kVA wishing to connect to the grid and benefit from the green certificate system.

Income and expenses related to the sale of energy under public service obligations (in particular to protected customers) are recognized progressively as soon as the electricity or gas has been supplied and transported to consumers connected to the network during the corresponding period. The amounts recognized as revenue are based on meter readings and estimates for the unmetered portion of network usage.

Both electricity and gas PSOs are down -8.16% and -10.57% respectively following a decrease in the quantities sold (-12.10% in electricity and -0.4% in gas) coupled with a reduction in the price per kWh billed by 0.54% in electricity and 19.94% in gas.

Third-party inventory management

The Group has entered into a service contract for inventory management (logistics) on behalf of a third party, to which it also sells goods. This contract stipulates remuneration based on the number of square metres used.

Construction contracts

The Group's turnover also includes income from construction contracts for various projects such as extending the public lighting system or network maintenance. Where the deadline for a construction contract can be estimated reliably, the income and expenses associated with this contract are accounted for in the profit and loss statement gradually, depending on the progress of the contract.

The increase of +62.99% (+€7.1 million) is largely due to the E-Lumin project, which aims to convert the entire municipal street lighting fleet to LED technology by 2030. The project began in the last quarter of 2019 and continued intensively in 2021 with numerous sites underway throughout Wallonia. It should also be noted that the year 2020 had been marked by a stoppage of construction sites for nearly 3 months.

Note 01 B – Regulatory balances (in thousands of €)

1. Statement of financial position

Regulatory assets	31/12/2021	31/12/2020
Regulatory period 2008-2021	87,769	114,908
	87,769	**114,908**
Regulatory liabilities	**31/12/2021**	**31/12/2020**
Regulatory period 2008-2021	(4,601)	(31,730)
	(4,601)	**(31,730)**
Total regulatory balances	**83,168**	**83,178**
Previous regulatory period	33,878	39,632
Current regulatory period	49,290	43,546

2. Details of the evolution of the regulatorybalances

	31/12/2021	31/12/2020
Via total comprehensive income	(2,613)	38,567
Other	2,603	3,636
	(10)	**42,203**

3. Statement of comprehensive income

Electricity	31/12/2021	31/12/2020
Year 2021	(10,528)	19,563
Previous years	474	1,863
	(10,054)	**21,426**
Gas	**31/12/2021**	**31/12/2020**
Year 2021	2,017	15,634
Previous years	(2,679)	8,852
	(662)	**24,486**
Transport	**31/12/2021**	**31/12/2020**
Year 2021	7,042	(7,345)
Previous years	1,061	0
	8,103	**(7,345)**
Total regulatory balances	**(2,613)**	**38,567**

Detailed information on the CWaPE tariff methodology and the regulatory environment in which the Group operates is described in the accounting policies in section 3.A.15.

Currently, there is no specific IFRS standard dealing with the accounting of regulatory balances in a regulatory environment. Discussions are underway within the IASB to develop a new standard on regulatory assets and liabilities that would clarify the position to be taken by companies. To this end, a transitional standard was published in January 2014 (IFRS 14 - Regulatory Deferral Accounts) applicable only to first-time IFRS adopters. This standard explicitly foresees the recognition of regulatory assets and liabilities in the financial statements but requires them to be clearly distinguished from other assets or liabilities. In January 2021, the IASB published a draft standard "Regulatory assets and regulatory liabilities". The draft standard confirms this approach of "additional" recognition of regulatory assets, liabilities and revenues compared to other IFRS standards and in particular IFRS 15 for revenues, based on the fact that the Group has rights to receive economic benefits in the future (or a reimbursement obligation) under the current tariff methodology. This is the approach currently applied by the Group in preparing its financial statements. However, the Group has yet to analyse in detail the consequences of the application of this new standard, and will closely monitor the evolution of the project in the light of the comments on the text and the future discussions of the IASB.

The Group has assumed that these balances will be recovered in the future, which has been the case since 2015 in the form of an interim payment (see below) and they are therefore recognised as an asset or liability.

The regulatory balances at the end of 2021 result in a debit regulatory balance of €83.2 million, identical to last year. This year's variations relate to:

- The regulatory distribution balances for the financial year: -€10.5 million in electricity and +€2 million in gas;
- Previous regulatory distribution balances recovered/returned: -€6.2 million in electricity and +€0.5 million in gas;
- A correction of the distribution balances following the approval of the regulatory balances from 2017 to 2020 and of the new Smart budget by the CWaPE (see on this subject, the regulatory evolution in accounting policies): +€6.7 million in electricity and -€3.1 million for gas (listed on the "Previous years" line).

It is also important to specify that, since 2019 and the entry into force of the 2019-2023 tariff methodology, these discrepancies are recorded separately for distribution and for transport.

As a reminder, the cancellation by the Court of Markets of the CWaPE's decision to reject part of the electricity and gas balances relating to the 2017 and 2018 operating years for an amount of €25 million (following the appeal brought by ORES) led the Group to recognize the reintegration of these balances in 2020. This largely justifies the downward trend in balances this year.

Regarding the balances related to transport, a regulatory asset of €7 million is recognized this year, justified by the assumptions made to calibrate the tariffs for the re-invoicing of transport costs and by the use of actual volumes. As for the balances for 2019, they were fully recovered this year for €1.1 million. Finally, note that in 2021, the balance sheet movement of €2.6 million results from a transfer of regulatory liabilities to other liabilities following the obtaining of the final balances for the 2020 financial year.

It should be noted that in 2015 and 2016, an advance payment of 10% of the net tariff receivables and payables accumulated from 2008 to 2013 could be recovered via the distribution tariffs, as decided by the CWaPE in its tariff methodology adopted in 2014. The CWaPE also authorised in its 2017 tariff methodology (approved on 15 December 2016 and extended for the 2018 financial year by decision of 1 December 2017) that, for these financial years 2017 and 2018, the amount of the advance payment to be recovered should be increased to 20% of the cumulative regulatory balances relating to the period 2008-2014 (still in the form of an advance payment). On the basis of the 2019-2023 tariff methodology, the CWaPE has determined in its decisions the amounts to be recovered during the years 2019 to 2023 with regard to the balances of receivables and payables for

the years 2008 to 2016, so as to have completely cleared these balances by the end of the tariff period. The balance for the years 2008 to 2014 is recovered at a rate of 25% per year between 2019 and 2022.

As for the balance of the years 2015 and 2016, it is recovered between the years 2019 and 2023, according to a percentage specific to each year. This made it possible to retrocede/return to the market in 2021 an amount of €5.7 million (2020: -€10.8 million), including -€6.2 million in electricity and + €0.5 million in gas.

For both electricity and gas, the distribution regulatory balance for the 2021 financial year results from the contraction of these three elements:

- the volume effect: regulatory liabilities recorded because the quantities distributed in 2021 were higher than those budgeted;
- a regulatory liability recorded related to public service obligations in electricity and a regulatory asset related to gas;
- a regulatory liability relating to corporation tax: the accounting results for the year being higher than those budgeted, the increase in pre-tax income leads to a current tax charge higher than what had been budgeted

Note 02 – Other operating income (in thousands of €)

	31/12/2021	31/12/2020
Recovery of fraudulent consumption	1,728	1,615
Various recoveries from clients	7,402	6,856
Network damages	3,284	2,835
Leases / supplies	4,617	4,847
Other recovery of expenses	7,569	9,441
	24,600	**25,594**

The heading „other recovery of expenses" mainly concerns recoveries other than those related to the network operators customers, such as:

- training costs invoiced to our subcontractors for the granting of work permits on our networks;
- the re-invoicing of costs related to projects carried out jointly with our Brussels or Flemish counterparts, lower this year;
- administrative management on behalf of other companies in the sector.

Note 03 – Cost of sales (in thousands of €)

Goods and supplies	31/12/2021	31/12/2020
Energy purchases (PSO - gas and electricity)	38,116	32,964
Network losses (electricity)	28,147	35,826
Goods	17,628	8,439
	83,891	**77,229**
Transport fees (electricity)	421,309	365,039
Road fees	45,097	46,472
	550,297	**488,740**

Supplies and goods

This item is made up of the purchase of network losses from the electricity sector. In accordance with the electricity decree of 12 April 2001, the distribution network operator is responsible for purchasing energy to cover losses according to transparent and non-discriminatory procedures, giving priority to green electricity when this does not generate additional cost. The purchases necessary for this coverage are subject to the rules of the public market (competition procedure – call for tenders or adjudication). They are down (-€7.7 million), due to the fall in the average price per MWh (-13.2%) coupled with a 10.7% reduction in quantities purchased.

With regard to energy purchases, they relate, among other things, to the customers protected under the PSOs. The increase observed in 2021 (+15.6%) is due to an increase in the quantities purchased both in electricity (+19.2%) and in gas (+26.1%), partly offset by a decrease the average price per kWh (-12.3% in electricity and -8.5% in gas).

ORES' energy purchases are made within the framework of currently ongoing contracts; these are concluded at a fixed price for a period of 3 years and have therefore not been influenced by the increase in energy prices observed on the markets since the last quarter of 2021.

The last item concerns the purchase of goods (+€9.2 million), in connection with the increase in our inventory (see note 12), explained by an increase in the price of raw materials in 2021.

Transport fees

The electricity transport network operator invoices the DSO every month for the fee for using its network. In turn the DSO re-invoices this fee to the energy suppliers (cascade principle). This only involves the electricity sector as the gas transport fee is invoiced directly by the gas transport network operator to the energy suppliers.

The strong growth of this area in 2021 (+€56.3 million) is due firstly to the increase in volumes transported (+5.31%) and secondly to an increase in transport fees (tariff Elia and surcharges).

Road fees

The DSO is obliged to calculate the road fees associated with electricity (repaid in full to the municipalities) or gas (repaid to the municipalities, provinces and the Walloon Region) distribution annually. They are calculated on the basis of the quantities transported the previous year.

Note 04 – Other operating expenses (in thousands of €)

	31/12/2021	31/12/2020
Third-party fees	31,920	32,161
IT consultancy	41,273	33,784
Insurances	2,462	2,282
Vehicle leases	705	828
Building and optical fibre leases	465	597
Other leases and fees	17,953	17,034
Vehicle expenses	6,616	5,930
Specific supplies to the company	7,123	7,142
Other	11,203	38,568
	119,720	**138,326**

The decrease in the „Other" item (-€27.4 million) is mainly due to a sharp drop in provisions (-€23.2 million in 2021 compared to -€5.2 million in 2020) (see note 18).

The increase in IT consultancies (+€7.5 million) is largely explained by the greater assumption this year of expenses related to projects in progress (Neo, Smart Grid and Meter, etc.) but which have not yet reached the stage of being recorded as intangible fixed assets.

Note 05 – Financial income (in thousands of €)

	31/12/2021	31/12/2020
Interest income	167	167
Other	11,004	1,232
	11,171	**1,419**

As in 2020, the decrease in interest income in 2021 is mainly attributed to the low remuneration offered on traditional financial investment products.

Other financial income mainly includes the net financial income on pensions (see note 20) of €5.7 million as well as the change in the fair value of financial instruments assets (interest rate cap and swap) for €3.3 million (see notes 26 and 27).

Note 06 – Financial expenses (in thousands of €)

	31/12/2021	31/12/2020
Interest on traditional loans	9,855	9,698
Interests on commercial papers	0	1,027
Interests on bonds	18,446	21,261
Interest on lease liabilities	341	333
Other interest charges (swap and collars)	963	3,485
Total interest expense	**29,605**	**35,804**
Unwinding of discount of provisions	0	0
Other financial expenses	951	332
Total financial expenses	**30,556**	**36,136**

Description of the hedging policy within the Group

A change in interest rates has an impact on the level of financial expenses. In order to minimise this risk, the Group applies a financing policy that seeks to achieve an optimal balance between fixed and variable interest rates, and within this framework uses financial hedging instruments to cover uncertain developments. The financing policy takes into account the difference in the life of the loans and assets. These three points (duration of borrowings, interest rates and use of hedging derivatives) were the subject of decisions by the competent bodies of ORES Assets and ORES, which made it possible to set the financial policy necessary for the active management of the debt

Programme of commercial papers

In previous years, ORES used its commercial paper programme both to issue short-term commercial paper and long-term commercial paper. In 2021, ORES did not use the commercial paper programme.

Bonds

In October, ORES reimbursed a bond loan of €290.6 million which had reached maturity. This explains the decrease in interest charges on bond issues of €2.8 million.

In November, ORES issued two unlisted bond loans for a total amount of €100 million over an average duration of 15 years. These loans will bear interest in 2022.

Traditional loans

In 2021, we noted a stability in the financial charges compared to conventional borrowings. The slight change is due to new bank loans contracted at the end of the third quarter to repay the maturity of the bond loan mentioned above.

Derivative instruments (swaps, caps, collars – allocated to other interest charges)

Since 2017, instead of hedging its variable loans with swaps, the Group took out caps on interest rates allocated to non-current assets and not described as hedging assets (see note 27 on this subject).

Other interest charges mainly come from changes in the fair value of these financial products, when this change is negative.

Effect of the "unwinding of discounts on provisions"

This item in particular shows actuarial differences connected to the "unwinding of discounts" (as the liability is a discounted amount, it increases, all things being equal, over time) on provisions relating to jubilee and incapacity bonuses (these benefits are treated like other long-term benefits).

However, in 2021 as in 2020, the net effect on the pension provision is a financial income (see notes 05 and 20).

Note 07 - Segment information (in thousands of €)

Financial information by operating segment according to Belgian accounting standards (in thousands of €)

Comprehensive income

31/12/2021	Segment		Other activities[5]	ORES[6]	COMNEXIO[7]	TOTAL COMBINED[8]
	Gas	Electricity				
Belgian GAAP						
Turnover	223,443	1,039,452	0	584,467	7,564	1,854,926
Other operating income	6,292	49,905	74	11,063	3	67,337
Operating expenses	(147,834)	(894,357)	(25)	(582,366)	(7,494)	(1,632,076)
Operating profit or (loss)	**81,901**	**195,000**	**49**	**13,164**	**73**	**290,187**
Financial income	44	149	0	27,081		27,274
Financial expenses	(9,732)	(17,862)	0	(27,081)		(54,675)
Financial profit or (loss)	**(9,688)**	**(17,713)**	**0**	**0**	**0**	**(27,401)**
Other						0
Profit or (loss) before taxes	**72,213**	**177,287**	**49**	**13,164**	**73**	**262,786**
Taxes	(17,635)	(49,453)	(12)	(13,164)	(73)	(80,337)
Allocation to tax-free reserves	(267)	(241)				(508)
Profit or (loss) for the period	**54,311**	**127,593**	**37**	**0**	**0**	**181,941**

[5] *Activities related to real estate leasing.*
[6] *ORES sc is a 99,72 % subsidiary of the ORES Assets.*
[7] *COMNEXIO sc is a 93% subsidiary of ORES Assets.*
[8] *Combined financial statements of the group without elimination of intercompany transactions.*

31/12/2020	Segment		Other activities[5]	ORES[6]	COMNEXIO[7]	TOTAL COMBINED[8]
	Gas	Electricity				
Belgian GAAP						
Turnover	225,494	988,404	0	562,124	7,046	1,783,068
Other operating income	5,729	20,767	74	11,914	2	38,486
Operating expenses	(154,637)	(832,036)	(25)	(574,709)	(6,979)	(1,568,386)
Operating profit or (loss)	**76,586**	**177,135**	**49**	**(671)**	**69**	**253,168**
Financial income	47	150	0	29,828		30,025
Financial expenses	(12,091)	(21,873)	0	(29,828)		(63,792)
Financial profit or (loss)	**(12,044)**	**(21,723)**	**0**	**0**	**0**	**(33,767)**
Other						0
Profit or (loss) before taxes	**64,542**	**155,412**	**49**	**(671)**	**69**	**219,401**
Taxes	(16,029)	(43,040)	(12)	671	(69)	(58,479)
Allocation to tax-free reserves	(410)	(846)				(1,256)
Profit or (loss) for the period	**48,103**	**111,526**	**37**	**0**	**0**	**159,666**

[5] *Activities related to real estate leasing.*
[6] *ORES sc is a 99,72 % subsidiary of the ORES Assets.*
[7] *COMNEXIO sc is a 93% subsidiary of ORES Assets.*
[8] *Combined financial statements of the group without elimination of intercompany transactions.*

Financial position

31/12/2021	Segment		Other activities [5]	ORES[6]	COMNEXIO[7]	TOTAL COMBINED[8]
	ERDGAZ	Electricity				
Belgian GAAP						
Non-current assets	**1.320.151**	**2.643.214**	**580**	**1.691.382**	**0**	**5.655.327**
Intangible and tangible assets	1.317.071	2.624.452	565	2.372	0	3.944.460
Other non-current assets	3.080	18.762	15	1.689.010	0	1.710.867
Current assets	**101.691**	**513.029**	**(19.038)**	**481.033**	**1.432**	**1.078.147**
Inventories	0	8.588	0	53.489	0	62.077
Trade and other receivables	60.797	384.554	(19.038)	204.568	20	630.901
Cash and cash equivalent	1	121		217.083	1.403	218.608
Other current assets	40.893	119.766		5.893	9	166.561
TOTAL ASSETS	**1.421.842**	**3.156.243**	**(18.458)**	**2.172.415**	**1.432**	**6.733.474**
Equity	**571.489**	**1.338.941**	**0**	**517**	**25**	**1.910.972**
Share capital	278.225	589.238	0	458	25	867.946
Other reserves	293.264	749.703	0	0		1.042.967
Capital grants	0	0	0	59		59
Non-current liabilities	**720.905**	**1.359.547**	**0**	**1.705.522**	**0**	**3.785.974**
Borrowings	715.056	1.354.919		1.689.000		3.758.975
Provisions	5.849	4.628		16.522		26.999
Current liabilities	**129.448**	**457.755**	**(18.458)**	**466.376**	**1.407**	**1.036.528**
Borrowings	69.617	148.450		138.600		356.667
Trade payables	13.356	142.912	0	89.991	558	246.817
Other current liabilities	46.475	166.393	(18.458)	237.785	849	433.044
TOTAL LIABILITIES	**1.421.842**	**3.156.243**	**(18.458)**	**2.172.415**	**1.432**	**6.733.474**

31/12/2020	Segment		Other activities [5]	ORES[6]	COMNEXIO[7]	TOTAL COMBINED[8]
	ERDGAZ	Electricity				
Belgian GAAP						
Non-current assets	**1.291.899**	**2.618.838**	**605**	**1.404.856**	**0**	**5.316.198**
Intangible and tangible assets	1.288.819	2.601.052	590	2.177	0	3.892.638
Other non-current assets	3.080	17.786	15	1.402.679	0	1.423.560
Current assets	**94.577**	**375.231**	**(64.767)**	**487.909**	**1.038**	**893.988**
Inventories	0	7.416	0	51.136	0	58.552
Trade and other receivables	45.095	230.775	(64.767)	359.524	375	571.002
Cash and cash equivalent	1	750		74.146	652	75.549
Other current assets	49.481	136.290		3.103	11	188.885
TOTAL ASSETS	**1.386.476**	**2.994.069**	**(64.162)**	**1.892.765**	**1.038**	**6.210.186**
Equity	**540.742**	**1.258.898**	**0**	**566**	**25**	**1.800.231**
Share capital	278.225	589.238	0	458	25	867.946
Other reserves	262.517	669.660	0	0		932.177
Capital grants	0	0	0	108		108
Non-current liabilities	**654.644**	**1.239.366**	**0**	**1.420.040**	**0**	**3.314.050**
Borrowings	642.494	1.218.736		1.402.669		3.263.899
Provisions	12.150	20.630		17.371		50.151
Current liabilities	**191.090**	**495.805**	**(64.163)**	**472.160**	**1.013**	**1.095.905**
Borrowings	135.962	248.180		297.931		682.073
Trade payables	13.580	122.128	0	84.116	410	220.234
Other current liabilities	41.548	125.497	(64.163)	90.113	603	193.598
TOTAL LIABILITIES	**1.386.476**	**2.994.069**	**(64.163)**	**1.892.766**	**1.038**	**6.210.186**

Reconciliation of segment information (prepared in accordance with Belgian accounting standards) and the Group's financial statements (prepared in accordance with IFRS standards – in thousands of €)

31/12/2021	Segment information	Group financial statements	Difference
Profit or (loss)			
Turnover and regulatory balances	1.854.926	1.277.456	(577.470)
Profit or (loss) before taxes	262.786	271.604	8.818
Financial position			
Total assets	6.733.474	5.021.615	(1.711.859)
Total liabilities	6.733.474	5.021.615	(1.711.859)

31/12/2020	Segment information	Group financial statements	Difference
Profit or (loss)			
Turnover and regulatory balances	1.783.068	1.223.806	(559.262)
Profit or (loss) before taxes	219.401	224.551	5.150
Financial position			
Total assets	6.210.186	4.768.339	(1.441.847)
Total liabilities	6.210.186	4.768.339	(1.441.847)

The ORES sc Management Committee, supervised by the Boards of Directors of ORES sc and ORES Assets, is the Group's main operational decision-maker. In its day-to-day management, it reviews the ORES Assets, ORES sc and Comnexio accounts, which are prepared in accordance with Belgian accounting standards. Indeed, the Group is evolving in a regulatory environment within which the financial statements of each of the Group's entities, drawn up in accordance with Belgian standards and for each type of energy (gas and electricity), have an impact on future tariffs. Consequently, the Group is organized into operating segments corresponding to electricity and gas energies, to which are added an unregulated activity (other activities) relating to real estate leasing. ORES, for its part, is responsible for the operational and day-to-day management of the activities of ORES Assets; it re-invoices all its costs at cost price to the DSO and therefore makes no profit. Comnexio, a company created in 2019, manages contact centre activities and also works at cost on behalf of the DSO.

The operating segments provide identical services to customers of a similar nature in different geographical areas. The two main sectors, namely gas on the one hand and electricity on the other, to which is added a marginal sector (other activities), are representative of the way in which the Group is managed, and correspond to the criteria of consolidation developed in IFRS 8 - Operating Segments.

Difference between the segment information and the consolidated financial statements of ORES Assets

- transactions, balances, income and expenses between operating segments totally eliminated during the consolidation process;
- recognition of dividends (and associated withholding tax) when they are approved by the General Meeting;
- provisions for employee benefits:

(1) recognition of provisions within the context of pension plans in place in the Group,

(2) no deferral of pension costs taken over from third parties;

- intangible and tangible assets:

(1) depreciation of intangible and tangible assets as soon as they are put to use,

(2) adjustment of employee benefits included in the value of intangible and tangible assets,

(3) recognition of the right-of-use as investment;

- recognition of derivative financial instruments at their fair value;
- recognition of deferred taxes on each adjustment;
- recognition of an additional write-off on trade receivables.

Most of these differences are comprehensively detailed in the note about the Group's transition to the IFRS in the first aggregated financial statements at the end of December 2012.

Information about geographical areas

The Group carries out its activities exclusively in Belgium, and more specifically in Wallonia.

nformation about the main clients

For the gas segment, three of our customers, energy suppliers, alone represent 78% of the distribution fees invoiced in 2021 (in 2020, this percentage was 68%).

For the electricity segment, two of our customers, energy suppliers, alone account for 69% of the distribution fees invoiced in 2021 (70% in 2020).

Notes to the consolidated statement of financial position

Note 08 – Intangible assets (in thousands of €)

	31/12/2021	31/12/2020
Anschaffungskosten	133,795	109,302
Kumulierte Abschreibungen und Wertminderungen	(30,591)	(26,288)
	103,204	**83,014**

Cost		Software	Development	TOTAL
Opening balance	**2020**	**125,173**	**0**	**125,173**
Acquisitions		24,423	0	24,423
Internal developments		0	1,535	1,535
Disposals/decommissioning		(41,829)	0	(41,829)
Opening balance	**2021**	**107,767**	**1,535**	**109,302**
Acquisitions		25,690		25,690
Internal developments			775	775
Disposals/decommissioning		(1,261)	(711)	(1,972)
Closing balance	**2021**	**132,196**	**1,599**	**133,795**

Accumulated amortisation and impairment		Software	Development	TOTAL
Opening balance	**2020**	**(26,033)**	**0**	**(26,033)**
Amortisation costs		(7,087)	(153)	(7,240)
Impairment loss on decommissioning		(34,844)	0	(34,844)
Disposals/decommissioning		(41,829)	0	(41,829)
Opening balance	**2021**	**(26,135)**	**(153)**	**(26,288)**
Amortisation costs		(4,958)	(353)	(5,311)
Impairment loss on decommissioning		(964)		(964)
Disposals/decommissioning		1,261	711	1,972
Closing balance	**2021**	**(30,796)**	**205**	**(30,591)**
		101,400	**1,804**	**103,204**

Intangible assets acquired or developed in 2021 mainly include the development of the new Atrias platform, the development of smart networks (Smart Grid) as well as that of smart meters (Smart Metering) and the project to upgrade the information system of the Group (Neo).

The evolution of network management techniques, smart meters but also other developments show that significant costs are generated; these have historically been capitalized under the heading "development costs" of intangible assets.

Amounts committed for the acquisition of intangible assets	31/12/2021	31/12/2020
IT projects	2,014	1,210
	2,014	**1,210**

Note 09 – Tangible assets (in thousands of €)

		31/12/2021	31/12/2020
Acquisition cost (excluding lease contracts)		7,180,623	7,023,303
Accumulated depreciation and impairments		(3,002,460)	(2,878,073)
Owned tangible assets		**4,178,163**	**4,145,230**
	Land & Buildings	**135,973**	**137,619**
	Distribution network	**4,006,385**	**3,970,391**
	Equipment	**35,239**	**36,629**
	Other	**566**	**591**
	Subtotal	**4,178,163**	**4,145,230**
Right-of-use		23,780	20,791
Accumulated depreciation and impairment		(10,178)	(7,214)
Tangible assets : right-of-use		**13,602**	**13,577**
	Buildings	**4,948**	**4,781**
	Optical fibre	**5,557**	**5,643**
	Vehicles	**3,097**	**3,153**
	Subtotal	**13,602**	**13,577**
Tangible assets		**4,191,765**	**4,158,807**

1. Owned tangible assets

The acquisition values as well as the depreciation and impairment of the acquired tangible assets (excluding right-of-use assets related to lease contracts) are as follows:

Cost		Land & Buildings	Distribution network	Equipment	Other	Total
Opening balance	**2020**	**176,490**	**6,504,571**	**164,549**	**2,453**	**6,848,063**
Acquisitions		9,037	190,668	10,075		209,780
Transfers/decommissioning		(1,512)	(30,503)	(2,525)		(34,540)
Other		0	10	10		0
Opening balance	**2021**	**184,015**	**6,664,746**	**172,089**	**2,453**	**7,023,303**
Acquisitions		1,460	200,118	7,643		209,222
Transfers/decommissioning		(12)	(50,363)	(1,526)		(51,901)
Other						

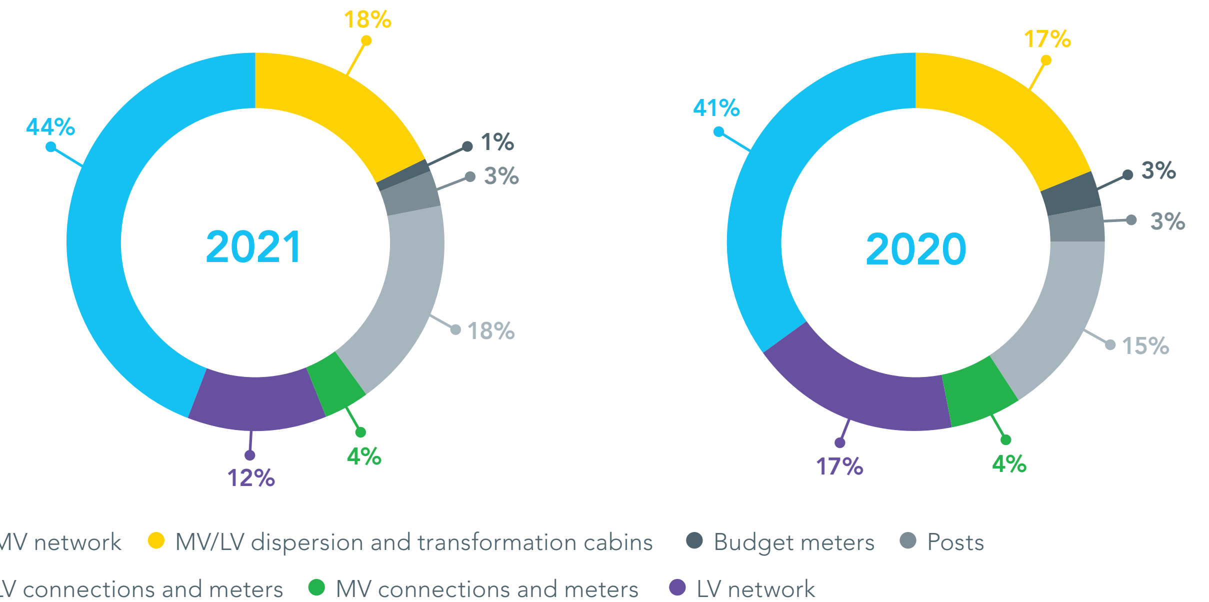
Accumulated depreciation and impairment		Land & Buildings	Distribution network	Equipment	Other	Total
Opening balance	**2020**	**(44,431)**	**(2,572,409)**	**(127,575)**	**(1,837)**	**(2,746,252)**
Depreciation expenses		(3,049)	(152,449)	(10,406)	(25)	(165,929)
Transfers/decommissioning		1,084	30,503	2,521		34,108
Other				0		0
Opening balance	**2021**	**(46,396)**	**(2,694,355)**	**(135,460)**	**(1,862)**	**(2,878,073)**
Depreciation expenses		(3,095)	(163,483)	(9,026)	(25)	(175,629)
Transfers/decommissioning		1	49,722	1,519	0	51,242
Other						
Closing balance	**2021**	**185,463**	**6,814,501**	**178,206**	**2,453**	**7,180,623**

Accounted for at historic cost		**135,973**	**4,006,385**	**35,239**	**566**	**4,178,163**

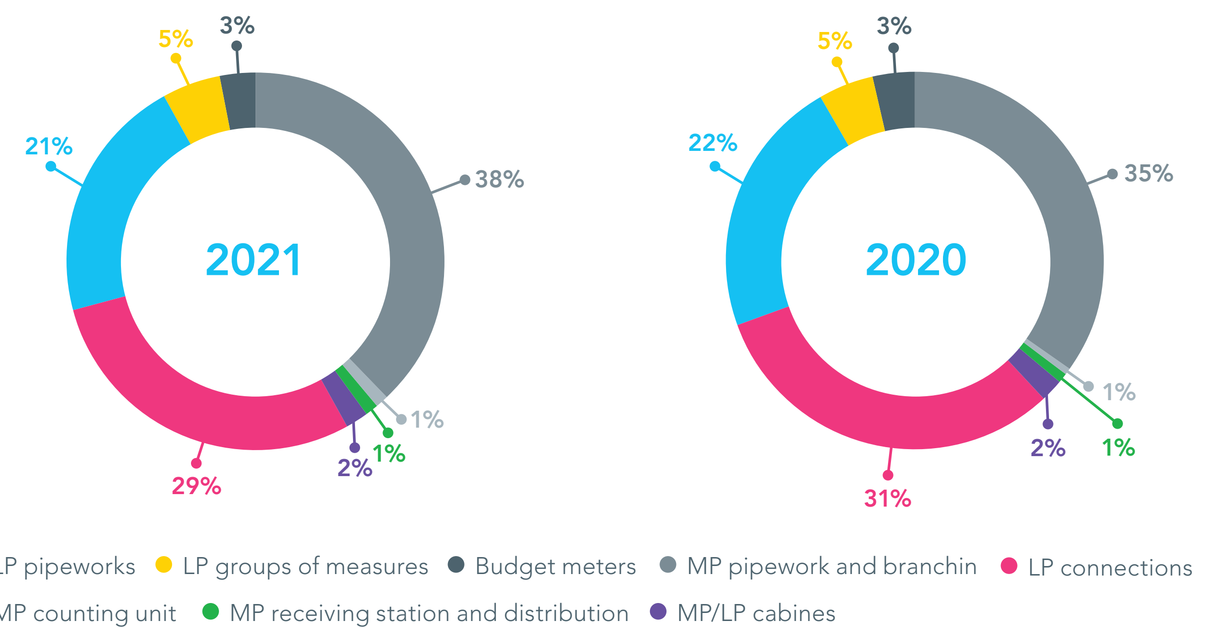
Investments for 2021, as well as for previous years, are mainly linked to our gas and electricity distribution network for a total of €200 million out of total investments of €209 million (compared to €188 million investment in the distribution network for total of €210 million).

Investments in distribution network for the year are made up of:

For electricity: equipment replacements of the existing installation network (57%) as well as installation of new cabins (43%) for a total of €122 million (€112 million in 2020).



For gas: work to rehabilitate the existing network equipment (43%) and to extend the network (57%) for a total amount of €77 million (€76 million in 2020).



Total amounts committed to purchase tangible assets (in thousands of €)	31/12/2021	31/12/2020
Electricity distribution network	54,028	45,150
Gas distribution network	18,956	11,901
Buildings and equipments	2,456	4,165
Vehicles	3,837	453
	79,277	**61,669**

2. Tangible assets : right-of-use assets

The rights of use for tangible assets arise from leases within the scope of IFRS 16 - Leases (see accounting policy A.8). In December 2021, the detail of the rights-of-use assets is as follows:

Kosten		Buildings	Optical fibre	Vehicles	Total
Opening balance	**2020**	**6,282**	**7,191**	**4,544**	**18,018**
New contracts/exercise of options		1,908	0	1,256	3,164
Termination of contracts/exercise of options		(270)	0	(121)	(391)
Opening balance	**2021**	**7,921**	**7,191**	**5,679**	**20,791**
New contracts/exercise of options		1,139	712	1,345	3,196
Termination of contracts/exercise of options		0	(144)	(63)	(207)
Closing balance	**2021**	**9,060**	**7,759**	**6,961**	**23,780**

Accumulated depreciation and impairment		Buildings	Optical fibre	Vehicles	Total
Opening balance	**2020**	**(1,578)**	**(774)**	**(1,188)**	**(3,540)**
Depreciation expenses		(1,562)	(774)	(1,338)	(3,674)
Opening balance	**2021**	**(3,140)**	**(1,548)**	**(2,526)**	**(7,214)**
Depreciation expenses		(972)	(654)	(1,338)	(2,964)
Closing balance	**2021**	**(4,112)**	**(2,202)**	**(3,864)**	**(10,178)**

Depreciation of rights of use of assets is carried out over the shorter of the lease term or the economic life of the leased asset.

During 2021, ORES entered into new leases for buildings and vehicles. Also, in accordance with the

standard, the Group has reconsidered the exercise of options to extend, renew or terminate leases to determine the value of the rights of use.

Note 10 – Financial assets (in thousands of €)

	Non-current		Current	
Financial assets measured at fair value through profit or loss	**31/12/2021**	**31/12/2020**	**31/12/2021**	**31/12/2020**
Unlisted equity instruments	17	17		
Listed equity instruments - Sicav's and stock-options			2,343	2,768
Derivative financial instruments	1,902	2,287	3,689	
	1,919	**2,304**	**6,032**	**2,768**
Financial assets and other receivables				
Trade receivables			239,825	129,654
Other receivables	21,340	20,364	73,963	98,322
	21,340	**20,364**	**313,788**	**227,976**
	23,259	**22,668**	**319,820**	**230,744**

Other current receivables consist mainly of the interim dividends paid in 2021, which totalled €61.3 million (see note 11).

For derivative financial instruments and their changes in 2021, please refer to note 27.

The fair value of trade and other receivables is assumed to be equal to their carrying amount.

Note 11 – Trade receivables, other receivables and current tax assets (in thousands of €)

	Non-current		Current	
Other non-current assets	**31/12/2021**	**31/12/2020**	**31/12/2021**	**31/12/2020**
Financial assets at fair value through profit or loss	1,919	2,304	5,900	2,768
	1,919	**2,304**	**5,900**	**2,768**
Other receivables				
Interim dividend			61,281	61,018
VAT			15	1,615
Public service obligation (PSO)	7,474	6,479	0	0
Other	13,866	13,884	13,801	9,439
Prosumer tariff			0	27,253
Write downs on other receivables			(1,135)	(1,003)
	21,340	**20,364**	**73,962**	**98,322**
	23,259	**22,668**	**79,862**	**101,090**
Trade receivables				
Distribution			216,908	104,554
Contract assets (Distribution)			37,500	20,986
	0	0	254,408	125,540
Public service obligation (PSO)			33,293	46,705
Contract liabilities (PSO)			(15,731)	(10,834)
	0	0	17,562	35,871
Construction contracts liabilities			(30,306)	(20,929)
Other			29,181	28,780
Write downs of trade receivables			(31,020)	(39,608)
	0	**0**	**239,825**	**129,654**
Current tax assets			**3,454**	**16,326**
	0	0	3,454	16,326
	23,259	**22,668**	**323,141**	**247,070**

The level of trade receivables increased compared to 2020 (+€110.2 million).

Different elements explain this:

- following the go live of the centralized data platform (clearing house) at the end of November (Atrias project), the invoicing of distribution fees was carried out in December for the months of November and December. This postponement explains the increase (+€112.3 million) in distribution receivables compared to 2020. Usually, at the end of the financial year, only invoices relating to December remain open;
- at the level of contract assets relating to distribution, the increase (+€16.5 million) is due to a higher RTNR this year as explained in note 01;
- these increases are offset by a decrease in receivables related to PSOs of €18.3 million. This decrease is due to two factors. On the one hand, by selling receivables to various collection companies, a method already initiated in 2020. On the other hand, since 2020, the Walloon Government has adopted specific aid measures for customers supplied by budget meters which resulted in the cessation of cuts to budget meters from the first sanitary confinement, a measure extended in 2021.

Other receivables, for their part, show a significant decrease of €24.9 million. These mainly concern receivables from the Walloon Region relating to premiums paid to offset the prosumer tariff. The decrease is due to the reimbursement received from the Walloon Region relating to the first 9 months of 2020.

Since October 2020, prosumer pricing has been applied and invoiced by ORES Assets to prosumer customers (via their energy supplier). Given the Region's decision to intervene in favour of prosumers until the end of 2023, they can submit a request for reimbursement to ORES on behalf of the Walloon Region. Subsequently, the Walloon Region transfers to ORES the amounts reimbursed to prosumers according to the conditions set by the relevant decree.

The decrease in current tax assets (-€12.9 million) comes from lower advance payments made this year compared to 2020.

	Trade receivables		Other receivables and tax assets	
Financial assets and other receivables that are not yet impaired	**31/12/2021**	**31/12/2020**	**31/12/2021**	**31/12/2020**
Not yet due	219,880	110,987	97,047	132,883
	219,880	**110,987**	**97,047**	**132,883**
Changes to write-downs				
At 1 January	39,608	52,283	1,003	1,070
Write-downs	7,244	6,683	371	210
Reversal of write-downs	(15,831)	(19,358)	(239)	(277)
At closing balance	**31,021**	**39,608**	**1,135**	**1,003**
Write-downs				
Statement of financial position		(32,155)		(40,611)
Statement of comprehensive income		(8,357)		(5,955)

The Pandemic did not have a significant impact on the percentage of debt recovery in 2021.

Financial assets and other receivables that are impaired	Write-down basis at 31/12/2021	Average rate of expected credit loss	Expected loss
Up to 90 days	9,584	27%	2,602
91 to 180 days	5,360	39%	2,078
181 to 270 days	3,781	41%	1,536
271 to 360 days	2,957	50%	1,492
361 to 720 days	9,543	54%	5,141
> 720 days	22,585	85%	19,307
	53,810		**32,156**

Financial assets and other receivables that are impaired	Write-down basis at 31/12/2021	Average rate of expected credit loss	Expected loss
Up to 90 days	2,234	45%	1,013
91 to 180 days	5,443	32%	1,764
181 to 270 days	3,465	36%	1,233
271 to 360 days	3,638	43%	1,576
361 to 720 days	11,857	46%	5,494
> 720 days	34,769	85%	29,531
	61,406		**40,611**

ORES has carried out a review of its estimates of the average rate of expected credit losses, considering a maximum horizon of two years to recover receivables. After this deadline, it is considered that the receivables are entirely uncollectible. As a result, the statistics used to determine credit loss rates are based on two years instead of three years previously. The reduction of the horizon considered for recovery is linked to a perspective of prudence, and is also justified by the fact that the company proceeds to sales of receivables. These sales result in a shorter lifespan of the receivables on the company's balance sheet, and make it possible to know more quickly the amount finally recovered.

Note 12 – Inventories (in thousands of €)

	31/12/2021	31/12/2020
Raw materials and supplies	57,165	51,135
Total gross	**57,165**	**51,135**
Write downs	(3,676)	0
Reversal of write downs	0	0
	53,489	**51,135**
Inventories recorded as expenses during the period (cost of sales)	13,951	8,439

At the end of 2021, the value of inventories increased by €2.4 million in net carrying amount.

The increase observed in inventories in gross value (€6 million) is explained on the one hand by an increase in the weighted average price of our articles following the worldwide increase in raw materials and inflation. On the other hand, the number of items in stock is also increasing to deal with shortages and to ensure, among other things, our Switch (smart meters) and e-LUMin (placement of LEDs in public lighting municipal projects) projects.

It should be noted that write-downs were recorded in 2021, on the one hand on the stock of electromechanical and budget meters (k€3,331), which are no longer intended to be placed on the network and which are gradually being replaced by smart meters and, on the other hand, on slow-moving stock, which relates to items that have not been moved for at least five years (k€345).

Note 13 – Cash and cash equivalents (in thousands of €)

Cash and cash equivalents include the following for the purpose of the cash flow statement:	31/12/2021	31/12/2020
Shares valued at fair value	101,646	0
Cash	65,592	36,910
Short-term deposits	48,895	35,871
	216,133	**72,781**

The €143.4 million increase in cash is mainly explained by the receipt at the end of the year of significant advances received from the Federal State or the Walloon Region as part of the bonuses they grant to customers through of the DSO.

Regarding shares, in 2021, banks have several times lowered the level of liquidity that companies can hold in bank accounts. To avoid paying the negative interest charged on unauthorized overdrafts on these accounts, the Management Committee decided to subscribe to a mutual fund (sicav) enabling it to limit the company's level of liquidity with the banks.

Note 14 – Capital (in thousands of €)

1. Number of shares		ORES Assets Shares
Opening balance	**2020**	**66,321,987**
Contribution increase		-
Contribution repayment		-
Opening balance	**2021**	**66,321,987**
Contribution increase		-
Contribution repayment		-
Closing balance	**2021**	**66,321,987**

2. Subscribed Capital		ORES Assets Shares
Opening balance	**2020**	**867,080**
Capital increase		-
Incorporation of available reserves		384
Capital repayment		-
Opening balance	**2021**	**867,464**
Capital increase		-
Incorporation of available reserves		-
Capital repayment		-
Closing balance	**2021**	**867,464**
		Of which:
	Available contributions	866,931
	Non-available contributions	533

The rights and obligations attached to the shares are governed by the provisions of the Code of Local Democracy and Decentralization, by the Code of Companies and Associations, as well as by the DSO's statutes.

Following the modification of the form of the company after the entry into force of the new Companies and Associations Code, the capital of ORES Assets is now recorded as „available contributions" in the amount of €866.9 million and „unavailable contributions" for k€533. These amounts are always presented as "capital" in the IFRS accounts, in order to ensure continuity.

3. Dividend per share		ORES Assets Shares
Dividends approved by the shareholders' General Meeting	**2020**	70,080
Dividend per share		1.06

Dividends approved by the shareholders' General Meeting	**2021**	70,917
Dividend per share		1.07

Dividends for the period approved by the General Meeting are paid in two parts by the Group: an interim dividend is first distributed during the year preceding the approval of the dividend by the General Meeting and the balance is then paid during the year of this approval.

Consequently, the amount of dividends included in the consolidated statement of cash flows is made up of:

	2021	2020
Total balance of dividends from year N-1 paid by the Group in year N (including associated withholding tax)	9,899	13,576
Total interim dividends from year N paid by the Group in year N	61,281	61,018
	71,180	**74,594**

Note 15 – Borrowings (in thousands of €)

Unsecured - Non-current	31/12/2021	31/12/2020
Bank loans	1,682,080	1,574,600
Bonds	378,971	278,519
Listed (non regulated)	278,971	278,519
Private placement	100,000	0
Others	5,973	6,589
	2,067,024	**1,859,708**

Unsecured - Current	31/12/2021	31/12/2020
Bank loans	218,780	94,446
Commercial papers - private investment	0	0
Bonds	6,730	300,196
Others	615	571
	226,125	**395,213**
Total financial liabilities	**2,293,149**	**2,254,921**

The €39 million increase in financial debt in 2021 is mainly due to the fact that the Group has:

On the one hand :

- issued two unlisted bonds, in the form of a private placement, for an amount of €100 million;
- contracted new bank loans for an amount of €200 million; and
- carried out a final drawdown of €100 million as part of its €550 million financing program concluded with the EIB in 2017.

On the other hand :

- repaid part of the bond issues for €290.6 million;
- repaid the short-term maturities of its bank loans for €93.6 million.

Glossary of terms used to distinguish between loans

Adjustable fixed rate: a loan where the rate is fixed for a certain period longer than a year and within the debt repayment term. At the end of this period, the rate is reviewed according to market changes.

Hedged variable rate: a loan where the rate is variable and hedged by a hedging product, such as a swap, collar or cap.

Repayments are scheduled as follows (by term and type of interest rate in thousands of €)

31/12/2021	Fixed rate	Adjustable fixed rate	Variable rate	Hedged rate	TOTAL
Within the year	145,644	264	25,249	54,968	226,125
>1 and <3 years	131,651	528	355	193,413	325,947
>3 and <5 years	197,419	0	284	157,221	354,924
>5 and <15 years	861,246	0	388	117,215	978,849
>15 years	407,304	0	0	0	407,304
	1,743,264	792	26,276	522,817	2,293,149

31/12/2020	Fixed rate	Adjustable fixed rate	Variable rate	Hedged rate	TOTAL
Within the year	333,425	264	249	61,275	395,213
>1 and <3 years	195,684	528	427	147,300	343,939
>3 and <5 years	82,990	264	319	210,845	294,418
>5 and <15 years	677,560	-	530	164,673	842,763
>15 years	378,588	-	-	-	378,588
	1,668,247	1,056	1,525	584,093	2,254,921

Repayments are scheduled as follows (by term and kind in thousands of €)

31/12/2021	Commercial papers	Bank loans	Bonds	Others	TOTAL
Within the year	-	218,780	6,730	615	226,125
>1 and <3 years	-	324,716	-	1,231	325,947
>3 and <5 years	-	353,693	-	1,231	354,924
>5 and <15 years	-	903,849	75,000	0	978,849
>15 years		99,822	303,971	3,511	407,304
	-	1,900,860	385,701	6,588	2,293,149

31/12/2020	Commercial papers	Bank loans	Bonds	Others	TOTAL
Within the year	-	94,446	300,196	571	395,213
>1 and <3 years	-	342,708		1,231	343,939
>3 and <5 years	-	293,187		1,231	294,418
>5 and <15 years	-	842,763		-	842,763
>15 years		95,942	278,519	4,127	378,588
	-	1,669,046	578,715	7,160	2,254,921

All borrowings are shown in Euros.

Summary of main borrowings (including interest rates – in thousands of €)

	Carrying amount		Borrowing					Hedging				
	31/12/2021	31/12/2020	Initial amount	Maturity date	Fixed/ Variable rate	Interest rate at the end of 2021		Hedging instrument	Notional residual	Fair value	Maturity date (years)	Interest rate at the end of 2021, after hedging
MP 2008	31,115	40,768	101,920	7	Variable	0.233%		cap 1% (1) and 0.9% (2)	31,115	(131)	1 (1) and 7 (2)	0.233%
KP 2008	5,039	6,718	41,990	7	Variable	0.293%		cap 1%	5,039	(9)	3	0.293%
FP50 2008	154,465	184,405	409,789	8	Variable	0.283% à 0.293%		caps 0.8-1%	150,031	(1,274)	5 bis 8	0.283% to 0.293%
Bonds 2014	80,000	80,000	80,000	23	Fixed	Fixed rate 4 %						
Bonds 2015	100,000	100,000	100,000	23	Fixed	Fixed rate 3 %						
Bonds 2015	100,000	100,000	100,000	23	Fixed	Fixed rate 2.85 %						
Bonds 2021	50,000	0	50,000	15	Fixed	Fixed rate 1.45 %						
Bonds 2021	50,000	0	50,000	20	Fixed	Fixed rate 1.5 %						
SEDILEC_1	5,000	7,500	50,000	2	Fixed	Fixed rate 0.184 %						
SEDILEC_2	14,320	17,900	71,600	4	Fixed	Fixed rate 1.061 %						
SEDILEC_4	8,001	9,335	26,670	6	Fixed	Fixed rate 0.55 %						
IEH_6	7,845	9,153	26,150	6	Variable	-0.473%		Option 1%	7,845	64	6	-0.473%
IGH_4	9,642	11,249	32,140	6	Variable	-0.473%		Option 1%	9,642	79	6	-0.473%
IGH_ 2006	5,315	6,378	21,260	5	Variable	-0.433%		SWAP	5,315	375	5	Fixed rate 2.2%
INTERLUX_2	5,020	6,275	25,100	4	Fixed	Fixed rate 2.5 %						
IDEG_2	7,680	9,600	38,400	4	Fixed	Fixed rate 3.5 %						
Loan from EIB 100	100,000	100,000	100,000	17	Fixed	Fixed rate 1.365 %						
Loan from EIB 150	150,000	150,000	150,000	16	Fixed	Fixed rate 1.115 %						
Loan from EIB 50	50,000	50,000	50,000	18	Fixed	Fixed rate 0.467 %						
Loan from EIB 50	50,000	50,000	50,000	18	Fixed	Fixed rate 0.467 %						
Loan from EIB 100	100,000	100,000	100,000	19	Fixed	Fixed rate 0.244 %						
Loan from EIB 100	100,000	0	100,000	20	Fixed	Fixed rate 0.82%						
Loan MEC ORES 2018 Batch 1	50,000	50,000	50,000	1	Fixed	Fixed rate 0.244%						
Loan MEC ORES 2018 Batch 2	30,000	30,000	30,000	2	Fixed	Fixed rate 0.499%						
MP ORES 2016 - Batch 1	40,000	40,000	40,000	2	Variable	0.35%		SWAP	40,000	769	2	Fixed rate 0.42%
MP ORES 2016 - Batch 2	50,000	50,000	50,000	3	Variable	0.37%		SWAP	50,000	1,051	3	Fixed rate 0.54%
MP ORES 2016 - Batch 3	30,000	30,000	30,000	4	Variable	0.4%		SWAP	30,000	1,047	4	Fixed rate 0.66%

	Carrying amount		Borrowing					Hedging				
	31/12/2021	31/12/2020	Initial amount	Maturity date (years)	Fixed/ Variable rate	Interest rate at the end of 2021		Hedging instrument	Notional residual	Fair value	Maturity date (years)	Interest rate at the end of 2021, after hedging
MP ORES 2017 - Batch 4	30,000	30,000	30,000	4	Variable	0.310%		CAP 1% (1) und 0,9% (2)	30.000	(9)	0,5 (1) und 3 (2)	
MP ORES 2017 - Batch 2	45,000	45,000	45,000	1	Fixed	Fixed rate 0.507%						
MP ORES 2017 - Batch 3	40,000	40,000	40,000	5	Fixed	Fixed rate 1.051%						
MP ORES 2017 - Batch 4	40,000	40,000	40,000	6	Fixed	Fixed rate 1.169%						
MEC.ORES.2019-Batch1	50,000	50,000	50,000	4	Fixed	Fixed rate 0.459%						
MEC.ORES.2019-Batch2	40,000	40,000	40,000	5	Fixed	Fixed rate 0.524%						
MEC.ORES.2019-Batch3	30,000	30,000	30,000	7	Fixed	Fixed rate 0.52%						
MEC.ORES.2019-Batch4	30,000	30,000	30,000	7	Fixed	Fixed rate 0.717%						
MEC.ORES.2019-NOV	45,000	45,000	45,000	8	Fixed	Fixed rate 0.708%						
MEC.ORES.2020-Batch1 – 24mios	21,600	24,000	24,000	9	Fixed	Fixed rate 0.347%						
MEC.ORES.2020-Batch2 – 36 mios	33,000	36,000	36,000	11	Fixed	Fixed rate 0.419%						
MEC.ORES.2020-Batch3-30mios	28,000	30,000	30,000	14	Fixed	Fixed rate 0.44%						
MEC.ORES.2020-Batch4 -40mios	40,000	40,000	40,000	7	Fixed	Fixed rate 0.376%						
MEC.ORES.2021- Batch1 – 30mios	30,000	0	30,000	7	Fixed	Fixed rate 0.499%						
MEC.ORES.2021-Batch2 – 30mios	30,000	0	30,000	8	Fixed	Fixed rate 0.658%						
MEC.ORES.2021-Batch3 – 32mios	32,000	0	32,000	10	Fixed	Fixed rate 0.393%						
MEC.ORES.2021-Batch4 – 24mios	24,000	0	24,000	12	Fixed	Fixed rate 0.477%						
MEC.ORES.2021-Batch5 – 24mios	24,000	0	24,000	12	Fixed	Fixed rate 0.679%						
MEC.ORES.2021-Batch6 – 30mios	30,000	0	30,000	15	Fixed	Fixed rate 0.672%						
MEC.ORES.2021-Batch7 – 30mios	30,000	0	30,000	15	Fixed	Fixed rate 0.698%						
ORES 25mios_31.03.2021	25,000	0	25,000	1	Variable	(Euribor 6M + 0.2)-Floor -0.2 Euribor 6M						
	2,081,042	**1,719,280**							**358,987**	**1,962**		

The Group's traditional bank loan contracts, with the exception of the EIB loan, are not subject to specific covenants (ratios, etc.).

The EIB loan is subject to 3 ratios based on the consolidated accounts drawn up under Belgian GAAP (BGAAP):

- EBITDA/debt service equal to or greater than 1.3 ;
- net debt/equity less than or equal to 1.5;
- equity/consolidated balance sheet total greater than or equal to 0.3.

These three ratios were respected by the Group at the end of 2021.

For bonds, the Group must maintain a ratio of 30% equity in relation to the balance sheet total, both in terms of the ORES Assets statutory balance sheet and the consolidated Belgian standard balance sheet. This ratio is an integral part of ORES Assets' articles of association (see capital management in appendix 30).

Note 16 – Other financial liabilities (in thousands of €)

	Non-current		Current	
Financial liabilities measured at fair value through the profit and loss statement	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Derivative instruments - swaps	3,242	5,861	0	147
	3,242	**5,861**	**0**	**147**
Financial liabilities measured at amortised cost (excluding borrowings)				
Trade payables			181,065	166,730
Lease liabilities	11,023	10,813	2,700	2,781
Other payables	1,921	41	163,983	60,847
	12,944	**10,854**	**347,748**	**230,358**
	16,186	**16,715**	**347,748**	**230,505**

Trade payables

The fair value of trade payables corresponds to their carrying amount.

	31/12/2021	31/12/2020
Average credit period for trade payables (in days)	50	50

Note 17 – Other payables and other liabilities (in thousands of €)

	31/12/2021	31/12/2020
Social security and other taxes	33,659	12,105
Short-term employee benefits and associated provisions	39,231	38,862
Accrued charges	76	219
Deferred revenue	908	735
Derivative instruments - swaps	3,242	6,008
Lease liabilities	13,722	13,594
Other	95,378	12,723
	186,216	**84,246**
Of which: non current	16,186	16,715
Of which: current	170,030	67,531

The increase observed in the „social security and other taxes" heading is largely due to the balance of VAT to be paid, which is higher this year (€17.3 million) than in 2020 (€0.7 million) due to the abolition, in 2021, of the payment of a VAT instalment in December.

Concerning the increase in the „other" heading of €82.7 million, it is due to the receipt, at the end of the year, of advances received from the Federal State and the Walloon Region linked to the grants to customers through DSO (prosumer tariff, aid for the energy crisis, etc.) (see also note 14 on this subject).

For a more detailed explanation of provisions for pensions and short-term employee benefits which are also an integral part of this heading, see notes 19 and 20. For a more detailed explanation of derivative instruments, see note 27. Additional explanations on lease liabilities are available in note 21.

Note 18 – Provisions (in thousands of €)

	31/12/2021	31/12/2020
Environmental remediation	3,619	3,789
Other	23,380	46,362
	26,999	**50,151**
Of which: current	-	-
Of which: non-current	26,999	50,151

Changes in provisions (excluding employee benefits) 2021	Environmental remediation	Other	Total
As at 1 January	3,789	46,362	**50,151**
Additional provisions recognised	-	4,023	**4,023**
Total used during the financial year	-	(957)	**(957)**
Total reversed during the financial year	(170)	(26,048)	**(26,218)**
Transfers	-	-	**0**
At the end of the year	**3,619**	**23,380**	**26,999**
Of which: current	-	-	**0**
Of which: non-current	3,619	23,380	**26,999**

Changes to provisions (excluding employee benefits) 2020	Environmental remediation	Other	Total
As at 1 January	3,789	51,590	**55,379**
Additional provisions recognised	-	13,544	**13,544**
Total used during the financial year	-	(1,700)	**(1,700)**
Total reversed during the financial year	-	(17,072)	**(17,072)**
Transfers	-	-	**-**
At the end of the year	**3,789**	**46,362**	**50,151**
Of which: current	-	-	**0**
Of which: non current	3,789	46,362	**50,151**

Provisions are recognised when the Group has a present obligation (legal or implicit) as a result of a past event and it is probable that the Group will be required to settle the obligation, of which, furthermore, the total should be estimated reliably.

Environmental remediation

The implementation of the Decree of 5 December 2008 on soil management (Soil Decree) could justify certain expenses related to the remediation of certain polluted sites. In this context, the Group takes appropriate measures to prevent soil pollution and to provide information on the existence of pollution. Provisions are made in this respect.

Five sites were the subject of an orientation study in 2012, which demonstrated the existence of pollution exceeding the thresholds set by the Soil Decree. In application of article five of this decree, the Group notified the administration and the municipalities concerned of this pollution and accounted for provisions based on the estimates established by the independent expert in charge of the above-mentioned study.

In 2021, a new study on a site was carried out and demonstrated that no proven pollution was present in the soil and basement. Consequently, a provision reversal of €0.2 million was recorded in 2021.

Other

Due to its activities, the Group is also exposed to legal risks. Provisions for litigation are therefore regularly updated in consultation with the Group's legal department. The provisions accounted for correspond to the best estimate of the cash outflows considered probable by the Group.

These provisions mainly concern disputes with suppliers (head office, information system for smart metering, etc.).

As a reminder, since 2015, provisions have also been accounted for to meet regulatory obligations. Indeed, a decree published by the Walloon Government requires us to vectorise the network plans. The "Impétrants" decree of 2009, adapted in November 2013, and the implementation by Wallonia of the POWALCO platform therefore imply a vectorisation of the network, i.e. the transformation of paper diagrams into computerised diagrams within 10 years. No change in this provision was recorded this year.

In 2021, the Group reviewed the litigations while estimating the related financial risk. The decrease in provisions "Other" of €23 million is mainly due to:

- the recognition of new provisions for €4 million related to social disputes or a new provision resulting from a decree of the Walloon Government of July 5, 2018 (AGW) relating to excavated earth coming into force this year (AWG Excavated Earth) and ;
- a reversal of a provision for €18 million relating to the Atrias project (clearing house); this one became obsolete following the successful go live of this project;
- following various agreements, several reversals of provisions (€6 million) related to the construction of the headquarters or related to a dispute relating to the sale of land, as well as the use of provisions for €0.7 million related to the headquarters.

Note 19 – Employee benefits – General (in thousands of €)

Statement of financial position	31/12/2021	31/12/2020
Non-current		
Pension benefits – funded plans	(245,322)	(182,191)
Pension benefits – unfunded plans	7,263	9,048
Other post-employment benefits	81,562	87,573
Other long-term benefits	31,200	37,451
	(125,297)	**(48,119)**
Effect of the asset ceiling	219,545	118,038
	94,248	**69,919**
Current		
Short term employee benefits and bonuses	39,231	38,862
	39,231	**38,862**
	133,497	**108,781**

Statement of comprehensive income		
Salaries	159,522	160,821
Social security contributions	39,042	39,384
Pension expenses and other long-term benefits	12,971	14,114
Other social expenses	16,479	13,349
Of which included in the cost of intangible and tangible assets	(80,189)	(82,243)
	147,825	**145,425**

Average number of personnel		
Employees - total full-time equivalents	2,569	2,540

A description of the employee benefits is included in the accounting policies (see point 3.A.11).

The other long-term benefits mainly include the jubilee bonuses granted to executives and salary-scaled employees.

Post-employment benefits mainly include tariff benefits and healthcare benefits granted to employees after retirement.

Note 20 – Employee benefits – Defined benefit plans (in thousands of €)

Description of the plans

1. Defined benefit plans covered by hedging assets (funded plans)

1.1. Pensiobel/Elgabel

Various basic defined benefit pension plans exist within ORES. These are the Pensiobel and Elgabel pension plans, subscribed to for the benefit of employees hired before 1 January 2002 (Elgabel), as well as for the benefit of managerial and executive employees hired before 1 May 1999 (Pensiobel), benefiting from the Gas and Electricity status. The pension capital that will be paid to workers depends largely on the number of years and months of service completed within the employment contract at the legal retirement age and the salary of the employee at retirement age. In the event of the staff member's death before retirement, a death benefit will be paid to the staff member's heirs and an annual pension to each child of the staff member under 25 years of age. These commitments are included in the "funded plans" section.

Following the publication of the law of 18 December 2015 which modified the law on supplementary pensions and the prohibition of provisions that encourage early retirement, the Elgabel pension plan was modified with effect from 1 January 2022 by a CCT (Collective Labour Agreement) of 1 October 2020 to maintain the benefits of the pension commitments as they were initially provided for by the CLAs of the Gas and Electricity sector. The sectoral plan has been transformed on 1 January 2022 into a company plan and the solidarity fund has been liquidated.

1.2 Powerbel/Enerbel

Two other pension plans, previously considered as defined contributions, also exist within ORES, one for executive and management staff hired as of 1 May 1999 or having opted for this scheme as of 1 January 2007 or 1 January 2015 (Powerbel), the other one for staff hired since 1 January 2002 (Enerbel).

The change in the law on supplementary pensions (L.S.P. 28 April 2003 – Article 24) which came into force on 1 January 2016 now requires the same minimum rate of return to be guaranteed on employer's contributions as on personal contributions (new formula based on the Belgian OLO rate with a minimum threshold set at 1.75% and a maximum threshold set at 3.75%). A review within ORES was since then initiated and led to the recognition, as from 1 January 2016, of the Powerbel and Enerbel pension plans as defined-benefit plans. These two plans, which grant a pension capital determined by the amount of the premiums paid and the return attributed to them, are described below.

Enerbel

The employee's personal contribution is determined on the basis of a step rate equal to 0.875% of the part of the remuneration below a fixed ceiling, plus 2.65% of the part of the remuneration above that ceiling. This contribution is deducted monthly from the employee's salary.

The amount of the employer's pension contributions, including taxes, since 1 January 2021 is:

For employees with less than 5 years of seniority:

- 2.7563% of the part of the annual reference pay T on 1 January not exceeding the pay ceiling T1 ;
- 8.2688% of the part of this same remuneration T exceeding this ceiling.

For workers with at least 5 and less than 10 years of seniority:

- 2.8941% of the part of the annual reference pay T on 1 January not exceeding the T1 pay ceiling;
- 8.6822% of the part of this same remuneration T exceeding this ceiling.

For workers with at least 10 years of seniority:

- 3.0319% of the part of the annual reference pay T on 1 January not exceeding the T1 pay ceiling;
- 9.0957% of the part of this same remuneration T exceeding this ceiling.

Powerbel

The personal contribution payable by the employee is determined on the basis of a step rate, equal to 0% of the part of the remuneration below a fixed ceiling, plus 1% of the part of the remuneration above this ceiling. This contribution is deducted monthly from the employee's salary. The employer's contribution is equal to 3% of the part of the remuneration below a fixed ceiling, plus 22% of the part of the remuneration above this ceiling.

Since 2016 (without retroactive effect), the "Projected Unit Credit Method" (PUC - without projection of future bonuses) is applied, as recommended by IAS 19, to account for these two pension plans. They are included in "funded plans".

Since 2017, ORES has decided to apply a separate rate to measure employee benefits related to the new statutes pension plans and related to post-employment benefits, given the different duration of these plans.

The Enerbel and Powerbel pension plans expose the employer to investment risk because, as mentioned above, since 1 January 2016, legislation for this type of plan requires the employer to guarantee the same minimum rate of return on employer and personal contributions (based on the Belgian OLO rate with a minimum threshold set at 1.75% and a maximum threshold set at 3.75%).

Until June 30, 2016 (Enerbel) and October 30, 2016 (Powerbel), employee contributions were paid to group insurance (Contassur S.A. - branch 21 - capital deferred without reimbursement). Since then, like employer contributions, they have been paid into a pension fund, with the exception of those relating to invalids and employees who have not opted for the transfer to Powerbel. They therefore remain in the group insurance plan for their personal contributions. Since January 1, 2017, Contassur has changed its guaranteed interest rate to 0% for level annual premiums and 0.5% for successive single premiums.

There is no guaranteed minimum return for personal and employer contributions to the pension fund. On the other hand, the reserves accumulated in the individual group insurance contracts were transferred to the pension fund with a guaranteed rate of 3.25%.

1.3 "Overheads" scheme

This Elgabel scheme, which has been closed since 1 January 1993, aims to grant a life annuity at retirement age amounting to 75% of the last salary for a full career, after deduction of the statutory joint pension. In the event of death, the pension is 60% reversible in favour of the surviving spouse. For orphans, the pension is set at 15% of the retirement pension or 25% for orphans of both parents (maximum three orphans). This scheme was externalised on 1 January 2008 in the form of payments to the Pension Fund Organization (OFP) Elgabel; it should be noted that for staff members benefiting from this scheme and still active on 1 January 2007, technical provisions have been made for the career after that date in the OFP Elgabel, in accordance with the law.

Following the publication of the law of 18 December 2015 which amended the law on supplementary pensions and the prohibition of provisions which encourage early retirement, the pension plan by general expenses was modified with effect from January 1 2022 by a CCT (Collective Labor Agreement) of December 23, 2021 to maintain the advantages of the pension commitments as they were initially provided for by the CCTs of the Gas and Electricity sector.

2. Defined benefit plans not covered by hedging assets (non-funded plans)

This item includes benefits granted by the Group on retirement of staff members such as health care reimbursement and tariff benefits, as well as commitments associated with those who have become unable to work.

Statement of financial position	31/12/2021	31/12/2020
Present value of the defined benefit obligations/funded plans	314,635	354,028
Plan assets	(559,957)	(536,219)
Deficit / (surplus)	**(245,322)**	**(182,191)**
Present value of the other long term benefit obligations	31,200	37,637
Plan assets of the other long term benefits	0	(186)
Deficit / (surplus)	**31,200**	**37,451**
Present value of the defined benefit obligations/ unfunded plan	**88,825**	**96,621**
Effect of the asset ceiling	219,545	118,038
Net liability arising from defined benefit obligation	**94,248**	**69,919**
Reimbursement rights	**(983)**	**(1,163)**

Statement of comprehensive income	31/12/2021	31/12/2020
Service cost		
Cost of services provided for defined benefits	14,237	16,342
Cost of past services provided for defined benefits (net impact master plan)	0	(1,344)
Cost of services provided for other long-term benefits	1,939	2,605
	16,176	**17,603**
Net interest on the net defined benefit liability(asset)		
Interest cost on the defined benefit obligation	1,342	2,367
Interest income on plan assets	(1,142)	(2,237)
Interest on the effect of the asset ceiling	201	562
	401	**692**
Net interest on other long-term benefit liability (asset)		
Interest cost on other long-term benefit obligation	55	164
Interest income on plan assets on other long-term benefits	(6,128)	(2,001)
Interest on the effect of the asset ceiling	-	-
	(6,073)	**(1,837)**
(Income)/expenses recorded in the profit and loss statement in relation to defined benefit plans and other long-term benefits	**10,504**	**16,458**

Interest income on plan assets for other long-term benefits significantly increased mainly due to the increase in discount rates, changes in other financial assumptions and changes in demographic assumptions.

Remeasurement of net defined benefit liability/(asset) recognised in other comprehensive income (OCI)

Actuarial (gains)/losses on defined benefit obligation arising from:	31/12/2021	31/12/2020
i) Changes in demographic assumptions	(5,276)	3,066
ii) Changes in financial assumptions	(33,526)	(1,585)
iii) Experience adjustments	(266)	(18,148)
Subtotal	**(39,068)**	**(16,667)**
i) Return on plan assets excluding interest income on plan assets	(36,947)	3,805
ii) Changes in financial assumptions	-	-
iii) Change in the effect of the asset ceiling excluding associated interests	101,307	(23,092)
Subtotal	**64,360**	**(19,287)**
(Income)/expenses for defined benefit plans	**25,292**	**(35,954)**

The effect of the asset ceiling increased compared to last year mainly due to the increase in the discount rate on the present value of the obligation and higher than expected yields.

This result on the actuarial gains and losses of defined benefit plans is mainly due to the significant rise in interest rates and the change in demographic assumptions (see below).

Changes in the present value of defined benefit obligations	31/12/2021	31/12/2020
Opening balance	**450,649**	**465,979**
Current service cost	14,237	16,342
Past service cost (Master plan impact)	0	4,307
Interest cost	1,342	2,367
Contributions from plan participants	1,114	1,228
Actuarial (gains)/losses arising from		
i) changes in demographic assumptions	(5,276)	3,066
ii) changes in financial assumptions	(33,526)	(1,585)
iii) experience adjustments	(266)	(18,148)
Acquisitions/disposals	27	0
Benefits paid	(24,841)	(22,907)
Other	0	0
Present value of the defined benefit obligations/funded plans taken over from Comnexio	0	0
Closing balance	**403,460**	**450,649**

Changes in the fair value of the plan assets were as follows:	31/12/2021	31/12/2020
Opening balance	**536,219**	**544,476**
Interest income on plan assets	1,142	2,237
Return on plan assets excluding interest income on plan assets	30,694	(2,985)
Actuarial gaps	6,253	(820)
Contributions from employer	5,691	5,594
Contributions from plan participants	1,114	1,227
Benefits paid	(21,173)	(19,161)
Acquisitions/disposals	17	-
Plan assets taken over from Comnexio	-	-
Other assets taken over (Master plan impact)	-	5,651
Closing balance	**559,957**	**536,219**

	31/12/2021	31/12/2020
Actual return on plan assets	**31,836**	**(748)**

Main actuarial assumptions used: for ORES	31/12/2021	31/12/2020
Discount rate on pension plans related to old contracts	0.49%	0.17%
Discount rate on pension plans related to new contracts	0.97%	0.58%
Discount rate on tariff and healthcare benefits	0.95%	0.56%
Expected rate of salary increase - old conditions (excluding inflation)	0.55%-0.72%	1%-1.23%
Expected rate of salary increase - new conditions (excluding inflation)	2.49%-2.54%	1.26%-3.33%
Turnover rate of old contracts	1.40%	0.50%
Turnover rate of new contracts	1.70%	1.50%
Medical cost increase (excluding inflation)	1.00%	1.00%
Increase in the average cost relating to tariff reductions	1.00%	0.80%
Inflation rate	1.00%	0.80%
Average retirement rate for old conditions	63 years	63 Jahre
Average retirement rate for new conditions	65 years	64 Jahre
Mortality table used for active employees		IA/BE prospective table
Mortality table used for non-active employees		IA/BE prospective table
Life expectancy in years of a pensioner retiring at age 65:		
For a person aged 65 at closing date:		
- Male	20.2	20.1
- Female	23.9	24.0
For a Person aged 65 in 20 years:		
- Male	22.5	22.4
- Female	26.0	26.0

Main actuarial assumptions used: for Comnexio	31/12/2021	31/12/2020
Discount rate on pension plans	1.01%	0.62%
Expected rate of salaries increase-new conditions (excluding inflation)	0.00%	0.00%
Turnover rate for old contracts	0.00%	3.00%
Turnover rate for new contracts	0.00%	3.00%
Inflation rate	1.00%	0.80%
Average retirement rate for old conditions	65 years	65 years
Mortality Table used for active employees	IA/BE prospective table	
Life expectancy in years of a pensioner retiring at age 65:		
For a Person aged 65 at closing date:		
- Male	20.2	20.1
- Female	23.9	23.8
For a Person aged 65 in 20 years:		
- Male	22.5	22.4
- Female	26.0	25.9

Breakdown of defined benefit obligation by type of benefits	Defined benefit obligation	
	31/12/2021	31/12/2020
Retirement or death benefits	321,898	363,076
Other post-employment benefits (medical and tariff reductions)	81,562	87,573
	403,460	**450,649**

Major categories of plan assets	Fair value of plan assets	
	31/12/2021	31/12/2020
With a quoted market price in an active market	**445,614**	**454,300**
Shares (Eurozone)	91,733	56,621
Shares (Outside Eurozone)	119,468	113,191
Government bonds (Eurozone)	759	1,843
Other bonds (Eurozone)	147,430	182,414
Other bonds (Outside Eurozone)	86,224	100,231
With a no quoted market price in an active market	**114,343**	**81,919**
Cash	18,940	22,787
Real property	13,814	7,797
Other	81,589	51,335
	559,957	**536,219**

Sensitivity analysis for each significant actuarial assumption on defined benefit obligation	Impact on the defined benefit obligation	
	31/12/2021	31/12/2020
Discount rate plus 0.25%	(7,633)	(1,212)
Salary increase plus 0.1%	77,245	3,701
Medical cost increase plus 1%	2,163	6,978
Increase of average cost of tariff reductions plus 0.50%	7,947	3,187
Inflation plus 0.25%	23,591	20,672
1 year age correction to mortality tables	40,382	6,373

	31/12/2021	31/12/2020
Weighted average duration of the defined benefit obligation related to old contracts and other long-term benefits	8	9
Weighted average duration of the defined benefit obligation related to new contracts	19,5	19
Weighted average duration of the defined benefit obligation related to other long term benefits and other post-employment benefits	13	10

	31/12/2021	31/12/2020
Expected contributions during the next period for defined benefit plans related to old contracts	462	393
Expected contributions during the next period for defined benefit plans related to new contracts	4,575	4,496

Each year, the discount rate used to calculate the pension obligations with regard to the minimum funding requirements is aligned with the rate defined by the IFRS standard based on high quality corporate bonds, depending on the duration commitments.

Most beneficiaries contribute to the funding of pension plans by paying a personal contribution (progressive rate formula (a%t1 + b%t2)) deducted monthly from their remuneration.

Defined-benefit pension plans are also financed by the employer via a recurring allowance expressed as a percentage of the total remuneration of affiliates. This percentage is defined using the aggregate cost method and is reviewed annually.

This method involves spreading future costs over the remaining period of the plan. The costs are estimated on the basis of projections taking into account, in particular, the evolution of wages and inflation. The assumptions relating to salary increase, inflation, staff turnover and retirement age are defined on the basis of statistics available to the company in order to provide a good estimate of the long term future. The discount rate is defined with regard to the company's investment strategy. All these assumptions are regularly reviewed.

It should also be noted that the effect of the asset ceiling has increased this year, resulting in a decrease in the net liability arising from the defined benefit obligation.

Certain exceptional events such as modification of a plan, change of assumptions, too low a degree of coverage, etc. may give rise to exceptional payments from the sponsor, which is not the case in 2021.

Description of the risks faced by defined pension plans

Defined pension plans expose the company to actuarial risks such as investment, interest rate, longevity and salary risk.

Investment risk

The current value of a defined benefit plan's liabilities is calculated using a discount rate determined by referring to companies' high-yield bonds. If the rate of return for the plan assets is lower than the discount rate, this will result in a plan deficit. As far as we are concerned, investments are well diversified and well balanced (see table below).

Due to the long-term nature of the plan's liabilities, the pension fund's Board of Directors considers it appropriate that some of the plan assets should be invested in shares in order to generate leverage and improve the fund's performance.

Interest rate risk

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

Longevity risk

The current value of the defined benefit plan's liabilities is calculated with reference to the best estimate of the mortality of plan participants, both during their employment contract, and also after their retirement. An increase in the life expectancy of plan participants will result in an increase in the plan's liabilities.

Since 2015, the Group has used new prospective mortality tables put together by the Actuaries Institute in Belgium ("Institut des Actuaires en Belgique" IA/BE).

Salary risk

The current value of the defined benefit plan's liabilities is calculated with reference to the future salary of the plan participants. If this goes up, this will result in an increase in the plan's liabilities.

Note 21 - Lease contracts (lessee) (in thousands of €)

Lease liabilities

		Buildings	Optical fibre	Vehicles	Total
Opening balance	**2020**	**4,641**	**6,469**	**3,367**	**14,477**
Interest expense on lease contracts		82	122	129	**333**
Lease payments		(1,681)	(859)	(1,449)	**(3,989)**
New contracts/exercise of options		1,908	0	1,256	**3,164**
Termination of contracts		(270)	0	(121)	**(391)**
Closing balance	**2020**	**4,680**	**5,732**	**3,182**	**13,594**
Interest expense on lease contracts		94	120	126	**340**
Lease payments		(1,010)	(740)	(1,451)	**(3,201)**
New contracts/exercise of options		1,139	712	1,345	**3,196**
Termination of contracts/exercise of option		0	(144)	(63)	**(207)**
Closing balance	**2021**	**4,903**	**5,680**	**3,139**	**13,722**

The lease liabilities mainly relate to:

- leases of office buildings;
- leases of vehicles for executive and management staff;
- fees paid for the use of optical fibres.

The corresponding assets (rights of use) are detailed in Note 09 - Tangible fixed assets

IFRS 16 - Leases clarifies the definition of a lease and provides certain options. As a result, the lease obligation does not cover :

- royalties paid for IT licenses or services which are outside the scope of the standard;
- lease payments for low value assets and short-term contracts that ORES has decided to exclude as permitted by the standard. This mainly concerns IT contracts (hardware such as laptops, printers, etc.).

Options in the contracts that were exercised by ORES during the year have been recognised as an increase in the lease obligation (and an increase in the related assets).

Expenses recorded for leases that are not within the scope of the standard and are recognised directly in the income statement (and not as a lease obligation) are detailed in note 04.

The increase in the rental liability in 2021 results from the net effect of new leases (extension option exercises or lease terminations) on one hand, and payments for the year on the other.

The maturity of principal lease payments is as follows:

1. Discounted amounts as recorded in the statement of financial position:

31/12/2021	Buildings	Optical fibre	Vehicles	Total
Within the year	861	632	1,207	**2,700**
>2 and <5 years	3,305	2,651	1,920	**7,876**
>5 years	737	2,397	12	**3,146**
	4,903	**5,680**	**3,139**	**13,722**

31/12/2020	Buildings	Optical fibre	Vehicles	Total
Within the year	814	750	1,217	**2,781**
>2 und <5 Jahre	3,324	2,513	1,962	**7,799**
>5 years	541	2,470	2	**3,014**
	4,680	**5,733**	**3,181**	**13,594**

Cash disbursements relating to leases amount to €3.2 million in 2021, including €2.9 million in capital (in 2020 to €4 million, including €3.7 million in capital).

2. Future cash outflows – lease payments maturity (including interest):

31/12/2021	Buildings	Optical fibre	Vehicles	Total
Within the year	943	740	1,309	**2,992**
>2 and <5 years	3,431	2,960	2,022	**8,413**
>5 years	1,090	2,515	12	**3,617**
	5,464	**6,215**	**3,343**	**15,022**

31/12/2020	Buildings	Optical fibre	Vehicles	Total
Within the year	892	859	1,319	**3,070**
>2 and <5 years	3,470	2,819	2,060	**8,348**
>5 years	896	2,593	2	**3,492**
	5,258	**6,271**	**3,381**	**14,911**

Note 22 – Current taxes (in thousands of €)

1. Tax expenses recorded in the profit or (loss) statement

	31/12/2021	31/12/2020
Current income tax expense in respect of the period	66,270	61,754
Adjustments recognised in the current period in relation to the current tax of prior years	14,053	(3,287)
Tax payable on interests received	15	13
Current tax expense (income)	**80,338**	**58,480**
Deferred tax expense (income) relating to recognition and reversal of temporary differences	(2,989)	(3,905)
Deferred tax expense (income)	**(2,989)**	**(3,905)**
Total tax expenses recorded in profit or (loss)	**77,349**	**54,575**

The adjustment recognized during the financial year in respect of tax payable for previous periods for €14.1 million relates to various tax audits carried out in 2021 and relating to the 2019 tax year – 2018 income. The group is analysing the advisability of contesting these additional tax charges.

With respect to deferred taxes, the recognized income mainly results from the amortization of the revaluation capital gain, while the other deferred tax income and expenses related to the other balance sheet items offset each other globally (see note 23).

2. Reconciliation of the actual tax rate with the theoretical tax rate

	31/12/2021	31/12/2020
Profit or (loss) before taxes	271,603	224,551
Tax rate applicable in Belgium	25.00%	25.00%
Theoretical tax liability	**67,901**	**56,138**
Adjustments:		
Taxes on non-deductible expenses	1,956	1,802
Tax on non-taxable products	(6,521)	0
(Income) arising from the use of notional interests	0	0
(Income) arising from deduction for investment	(30)	(66)
Tax credit linked to Tax-shelter	(25)	(25)
Tax payable on interests received	15	13
	(4,605)	**1,724**
Adjustments recognised on the current period in relation to the current tax of prior years	**14,053**	**(3,287)**
Total tax during the period	**77,349**	**54,575**
Average effective rate	28.48%	24.30%

The tax income of €6.5 million relates to various reversals of provisions recorded this year and previously taxed (see note 18 on this subject).

It should be noted that the Group once again benefited from a tax credit (k€25) linked to the Tax-shelter by participating in the production of a Belgian audiovisual work which will be produced in 2022.

3. Tax expense recorded under other comprehensive income

	31/12/2021	31/12/2020
Deferred tax expense (income) on fair value of hedging instruments entered into for cash flow hedges	692	17
Deferred tax expense (income) on defined benefit pension plans	(6,323)	8,988
	(5,631)	**9,005**
In den sonstigen Elementen des Gesamtergebnisses verbuchter gesamter Steueraufwand	**(5,631)**	**9,005**

As a reminder, deferred taxes resulting from temporary differences on assets or liabilities whose movements are recognized in "other" comprehensive income have also been recorded under this heading, as prescribed by IAS 12 - Income tax.

Deferred taxes recorded on defined-benefit pension plans relate to actuarial gains and losses which changed unfavorably in 2021, generating deferred tax income of €6.3 million (see note 20 on this subject).

Note 23 – Deferred taxes (in thousands of €)

1. Overview of deferred tax assets and liabilities by type of temporary difference

	Assets		Liabilities		Net	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Intangible assets	0	0	(8,791)	(6,655)	(8,791)	(6,655)
Tangible assets	0	0	(75,436)	(77,247)	(75,436)	(77,247)
Tangible assets – revaluation	0	0	(184,984)	(190,177)	(184,984)	(190,177)
Tangible assets – lease	0	0	(3,400)	(3,394)	(3,400)	(3,394)
Other non-current assets	0	0	(475)	(571)	(475)	(571)
Trade and other receivables	1,584	1,295	0	0	1,584	1,295
Other current asset	3,959	5,348	(923)	0	3,036	5,348
Cash	33	0	0		33	
Borrowings	0	0	(257)	(370)	(257)	(370)
Provisions for employee benefits	23,562	17,480	0	0	23,562	17,480
Other provisions	0	0	0	0	0	0
Other non-current liabilities	4,241	4,864	0	0	4,241	4,864
Other current liabilities	0	37	(697)	(814)	(697)	(777)
Total temporary differences	**33,379**	**29,024**	**(274,963)**	**(279,228)**	**(241,584)**	**(250,204)**
Deferred tax assets (liabilities)	**33,379**	**29,024**	**(274,963)**	**(279,228)**	**(241,584)**	**(250,204)**
Compensation[13]	(33,379)	(29,024)	33,379	29,024		-
Total net	**-**	**-**	**(241,584)**	**(250,204)**	**(241,584)**	**(250,204)**

[13] Under IAS 12 - Income Taxes, deferred tax assets and liabilities must, under certain conditions, be offset when they relate to income taxes levied by the same tax authority.

2. Changes recorded in the deferred tax balances

	Opening balance	Recorded in the profit or (loss) statement	Recorded under other compre-hensive income	Closing balance
Temporary differences				
Intangible assets	(6,655)	(2,136)	0	(8,791)
Tangible assets	(77,247)	1,811	0	(75,436)
Tangible assets - revaluation	(190,177)	5,193	0	(184,984)
Tangible assets - leases	(3,394)	(6)	0	(3,400)
Other non-current assets	(571)	96	0	(475)
Trade and other receivables	1,295	289	0	1,584
Other current assets	5,348	(2,312)	0	3,036
Cash	0	33	0	33
Borrowings	(370)	113	0	(257)
Provisions for employee benefits	17,480	(241)	6,323	23,562
Other non-current liabilities	4,864	32	(655)	4,241
Other current liabilities	(777)	117	(37)	(697)
	(250,204)	**2,989**	**5,631**	**(241,584)**

3. Deferred taxes recorded in the consolidated statement of financial position

	31/12/2021	31/12/2020
Deferred tax assets	-	-
Deferred tax liabilities	(241,584)	(250,204)
	(241,584)	**(250,204)**

Note 24 – Subsidiaries

Summary of subsidiaries

	Country of incorporation	Percentage of capital owned	Percentage of voting rights held	Report date	Main activity
ORES	Belgium	99.72%	99.72%	December	Operational and day-to-day management of ORES Assets
Comnexio	Belgium	93.0%	93.0%	December	Contact Center

ORES' shareholding is made up as follows

	% shareholding 2021	Number of shares	% shareholding 2020	Number of shares
ORES Assets	99.72%	2453	99.72%	2.453
Idefin	0.04%	1	0.04%	1
CENEO	0.04%	1	0.04%	1
Finost	0.04%	1	0.04%	1
Sofilux	0.04%	1	0.04%	1
Finimo	0.04%	1	0.04%	1
IPFBW	0.04%	1	0.04%	1
IEG	0.04%	1	0.04%	1
	100.00%	**2,460**	**100.00%**	**2,460**

Comnexio's shareholding is made up as follows

	% shareholding 2021	Number of shares	% shareholding 2020	Number of shares
ORES Assets	93.00%	93	93.00%	93
Idefin	1.00%	1	1.00%	1
CENEO	1.00%	1	1.00%	1
Finost	1.00%	1	1.00%	1
Sofilux	1.00%	1	1.00%	1
Finimo	1.00%	1	1.00%	1
IPFBW	1.00%	1	1.00%	1
IEG	1.00%	1	1.00%	1
	100.00%	**100**	**100.00%**	**100**

In 2013, at the creation of ORES Assets, the seven former intercommunal companies each transferred one share of ORES to the intercommunal pure financing entities (IPF) and one share to RESA (formerly Tecteo). This resulted in the recognition of a non-controlling interest of k€31 in the IFRS consolidated accounts.

In 2017, following RESA's full takeover of the network management activities for the centre of Liege, the share held by RESA was sold to ORES Assets, thus decreasing the non-controlling interests by k€4.

In 2019, ORES Assets created the company Comnexio, in partnership with IPFs. Seven of the one hundred shares in Comnexio are held by seven IPFs, resulting in the recognition of a non-controlling interest of k€53 in the IFRS consolidated accounts.

There is no entity in which more than 50% of the voting rights are held but which are not consolidated.

There is no entity in which less than 50% of the voting rights are held that are consolidated.

There are no significant restrictions on the ability of subsidiaries to transfer funds to the parent company in the form of cash dividends or repayment of loans and advances.

Note 25 - Investments in associates (in thousands of €)

Summary of associates

	Country of incorporation	Percentage of capital owned	Percentage of voting rights held	Fair value of the investment in associates[14]	Main activity
Atrias	Belgium	16.67%	16.67%	N/A	IT support relating to taking meter readings for the Group and the FLUVIUS economic group, as well as other DSOs in Belgium (Sibelga, RESA etc.)

Changes in investment in associates

	31/12/2021	31/12/2020
Balance at 1 January	**3**	**3**
Acquisition of investment	-	-
Disposal of investment	-	-
Balance at 31 December	**3**	**3**
Goodwill included in carrying amount of investments in associates	-	-

[14] *For which there are published quoted prices*

Summary of financial information

	Atrias	
	31/12/2021	31/12/2020
Sales and other operating income	41,044	36,072
Profit or (loss) before interest and taxation	107	139
Financial profit or (loss)	(61)	(86)
Profit or (loss) before taxation	46	53
Taxation	(46)	(53)
Profit (loss) for the year	**0**	**0**
Group's share of the profit (loss) generated by associated companies		-

	Atrias	
	31/12/2021	31/12/2020
Non-current assets	65,291	61,819
Current Assets	22,626	21,534
Total Assets	**87,917**	**83,353**
Non-current liabilities	69,800	69,358
Current liabilities	18,098	13,976
Total Liabilities	**87,898**	**83,334**
Net assets	**19**	**19**
Group's share of net assets in associated companies	3	3

Loans made by Group companies to associated companies	**13,742**	**13,742**

Note 26 - Fair value of financial instruments (in thousands of €)

Classification of the financial instruments and fair value by fair value hierarchy

	31/12/2021			
	Category	Carrying amount	Fair value	Level
Financial assets				
Interest rate caps	2	1,902	1,902	Level 2
Swap	2	3,689	3,689	Level 2
Unlisted equity instruments	1	17	17	Level 2
Shares measured at fair value	2	101,646	101,646	Level 1
Trade receivables	1	239,825	239,825	Level 2
Other receivables	1	95,303	95,303	Level 2
Total financial assets		**442,382**	**442,382**	

	31/12/2021			
Financial liabilities				
Unsecured - Non current	1	2,067,024	2,157,514	Level 1 et 2
Unsecured - Current	1	226,125	226,125	Level 2
Trade payables	1	181,065	181,065	Level 2
Other payables	1	165,909	165,909	Level 2
Lease liabilities	1	13,722	14,101	Level 2
Interest rate swaps	3	3,242	3,242	Level 2
Total financial liabilities		**2,657,087**	**2,747,956**	

	31/12/2020			
	Category	Carrying amount	Fair value	Level
Financial assets				
Interest rate caps	2	459	459	Level 2
Swap	2	1,828	1,828	Level 2
Unlisted equity instruments	1	17	17	Level 2
Trade receivables	1	129,654	129,654	Level 2
Other receivables	1	98,322	98,322	Level 2
Total financial assets		**230,280**	**230,280**	

	31/12/2020			
Financial liabilities				
Unsecured - Non current	1	1,859,708	2,175,553	Level 2
Unsecured - Current	1	395,213	395,213	Level 2
Trade payables	1	166,730	166,730	Level 2
Other payables	1	60,847	60,847	Level 2
Lease liabilities	1	13,594	13,772	Level 2
Interest rate swaps	3	6,009	6,009	Level 2
Total financial liabilities		**2,502,101**	**2,818,124**	

1- financial assets or liabilities at amortised cost;

2- financial assets or financial liabilities at fair value through net profit or loss;

3- financial assets or liabilities at fair value through other comprehensive income (hedge accounting).

The hierarchy used to determine the fair value of the financial instruments by valuation technique is as follows:

- level 1 - listed (unadjusted) price on active markets for identical assets or liabilities;
- level 2 - input other than the listed prices mentioned in level 1, which is observable for the asset or liability in question, either directly (namely the prices) or indirectly (namely input derived from prices);
- level 3 - input relating to the asset or liability that is not based on observable market data (unobservable input).

Description of the methods used to determine the fair value of derivative instruments

- For derivative financial instruments:
  - ✓ The fair value is determined on the basis of estimated future cash flows depending on interest rate curves.
- For trade receivables and payables as well as other receivables and payables:
  - ✓ The fair value is assumed to be the same as their carrying amount due to their short term maturity.

- For loans (secured and unsecured):
  - ✓ Fixed rate financing: at the balance sheet date, the sum of discounted future cash flows including principal and interest calculated on the basis of the market rate at the closing date (i.e. including bonds).
  - ✓ Adjustable fixed rate financing: at the closing date, the sum of the discounted future cash flows including principal and interest calculated on the basis of the market rate at the closing date.
  - ✓ Variable rate financing: the fair value is assumed to be equal to the carrying amount at the closing date.
  - ✓ Short-term commercial paper: the fair value is equal to the carrying amount at the closing date.

Note 27 – Derivative instruments (in thousands of €)

Summary of derivative financial instruments

	Positive fair values	
	31/12/2021	31/12/2020
Derivative instruments not used in cash flow hedges		
Interest rate caps	1,902	459
Inflation rate swaps	3,689	1,828
	5,591	**2,287**
of which: non-current	1,902	2,287
of which: current	3,689	

	Negative fair values	
	31/12/2021	31/12/2020
Derivative instruments used in cash flow hedges		
Interest rate swaps	3,242	6,009
	3,242	**6,009**
of which: non current	3,242	5,861
of which: current		148

The following table summarizes the interest rate swap contracts designated in a hedging relationship as at December 31, 2021.

	Interest rate at the closing date		Notional principal amount		Fair value (FV) of the instrument		Variation of the fair value used to calculate the hedge ineffectiveness	Maturity	Variable rate item (hedged)
	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021		Borrowings
Swap	0.35 %	0.35 %	40,000	40,000	769	1,279	-510	29,12,2023	MP ORES 2016 - Lot 1
Swap	0.37 %	0.37 %	50,000	50,000	1,051	2,101	-1,050	30,12,2024	MP ORES 2016 - Lot 2
Swap	0.40 %	0.40 %	30,000	30,000	1,047	1,870	-823	31,12,2025	MP ORES 2016 - Lot 3
Swap 2006	2.20 %	2.20 %	5,315	6,378	375	611	-236	31,12,2026	IGH_2006
Swap 2011 Swap 10a	0.00 %	2.309 % and 2.416 %	0	6,307	0	147	-147		MP 2011
			125,315	**132,685**	**3,242**	**6,009**	**(2,767)**		

Description of the hedging policy within the Group

In order to manage and mitigate the interest rate risk, the Group may use derivative financial instruments such as interest rate swaps (variable to fixed rates), caps or collars (combination of cap and floor). Within the Group, debt management and market data are closely monitored. No derivative instruments are used for speculative purposes.

Given the significant proportion of variable rate loans in the portfolio (see note 15), the Group has contracted several interest rate caps to protect itself against a rise in interest rates. These caps have a fair value at the end of 2021 of €1.91 million. After analysis, the Group has decided not to apply hedge accounting and the change in their fair value is therefore recorded in the income statement for the period.

As detailed above, the Group has entered into interest rate swaps which are documented as hedging instruments and for which hedge accounting is applied.

The Group also contracted, at the end of 2018, swaps hedging the future inflation risk on our operating expenses with a fair value of €3.7 million at the end of 2021 compared to €1.8 million at the end of 2020. After analysis, the Group decided not to apply hedge accounting for this instrument, the change in its fair value is therefore recorded in profit or loss for the period.

Other notes to the financial statements

Note 28 – Related parties (in thousands of €)

The transactions shown below are those carried out with all related parties (apart from consolidated entities), including:

1. Majority shareholders and all companies controlled directly or indirectly by them
2. Shareholders with a significant influence;
3. Companies with which there is a shareholding connection and joint ventures;
4. The Group's key employees;
5. Other parties with significant links.

Related party as at 31/12/2021	Type of relationship	Amounts receivable		Amounts payable		Statement of comprehensive income				
		More than one year	Within one year	More than one year	Within one year	Turnover	Other operating income	Cost-of-sales	Other operating expenses	Financial income
Atrias	Shareholder funding	13,742								10
Atrias - client	Accounting		15				144			
Atrias - supplier	IT service projects		761						(7,939)	
		13,742	**776**	**-**	**-**	**-**	**144**	**0**	**(7,939)**	**10**

Related party as at 31/12/2020	Type of relationship	Amounts receivable		Amounts payable		Statement of comprehensive income				
		More than one year	Within one year	More than one year	Within one year	Turnover	Other operating income	Cost-of-sales	Other operating expenses	Financial income
Atrias	Shareholder funding	13,742								17
Atrias - client	Accounting				(119)		143			
Atrias - supplier	IT service projects								(6,585)	
		13,742	**-**	**-**	**(119)**	**-**	**143**	**-**	**(6,585)**	**17**

In terms of bank loans, we should point out that the Walloon municipalities, as well as the former private partner, have guaranteed some loans worth a total of €368.05 million, 16.05% of the total bank debt at the end of 2021 (compared with €420.67 million at the end of 2020). The private partner will release itself from its guarantees (following its withdrawal from the capital of ORES Assets on 31 December 2016) in accordance with a timetable that is yet to be defined.

Employee benefits for key management personnel	31/12/2021	31/12/2020
Short-term benefits	2,307	2,334
Post-employment benefits		
Present value of pension liability (defined benefits plan)	7,289	8,502
Net cost of the pension for the period	376	458
Termination benefits	0	0
Other long-term benefits		
Present value of pension obligation (defined benefits plan)	136	171
Net cost of the pension for the period	5	7
	10,113	**11,472**

Key management personnel are made up of members of ORES' Board of Directors and members of ORES' Management Committee.

Note 29 - Events after the end of the reporting period (in thousands of €)

Type	Financial impact	
	Financial position	Comprehensive income
Dividends proposed to the ORES Assets General Meeting of shareholders that will take place in 2022	71,658	

The end of February put the ORES teams on alert, whether at the call centre, in the field, at the central dispatching centre and in the manoeuvre coordination posts: three successive storms – Dudley, Eunice and Franklin - affected the Walloon Region and caused significant damage to the infrastructure of the electricity distribution network, mainly in Picardy Wallonia as well as in the regions of Mons-La Louvière and Walloon Brabant, causing numerous breakdowns for customers. Thanks to the solidarity of staff members between Regions, these outages were limited in time and the power supply was restored as quickly as possible. In often difficult conditions, the operations were carried out with professionalism and, as a priority, the imperative of safety for all.

The conflict in Ukraine, which began at the end of February, could have multiple consequences for the Group, both financial – following the increase in charges linked to the price of energy or the failure of energy suppliers (see macro-economic and economic risks), technical – on the DSO's own activity, with in particular the risks relating to the continuity of supply in Europe, or even IT, with the increase in risks linked to cybersecurity. However, this conflict could also be an opportunity to accelerate the development of renewable energies, in particular "new gases" and biomethane.

Several Wallonia DSOs, including ORES Assets, have found that the conditions of the access contract for the supplier ELEXYS SA to their electricity and gas distribution networks were not fulfilled anymore. As a consequence, its access to the networks has been suspended on 18 March. A transactional document is being finalised between ORES Assets and this supplier, in order to cover the related risk. As another energy supplier, Energie 2030 Agence SA, wanted to stop its supply activities as of 1 March, the CWaPE decided to recall its supply license, which led to a termination of the access contracts with the DSOs, including ORES Assets. Those two withdrawals do not have any impact on the financial health of the ORES Group.

As mentioned above, a new organization has been set up within ORES. In addition, the first quarter of 2022 saw the departure of two ORES directors. On the one hand, Inne Mertens, director of the Customer Department, left the company to become CEO of Sibelga, the Brussels DSO. On the other hand, Benoît Houssard, director of the former Technical Department, has retired. The Group thanks them for everything they have been able to bring to ORES during their career.

Note 30 – Managing financial risks (in thousands of €)

1. Credit risk

General description of how the credit risk is managed

The credit risk is the risk that the debtor will not fulfil its original obligation to repay a "credit". The different components are the counterparty risk, the liquidity risk, the risk associated with the debtor's activity or structure, the sector risk, the financial risk and lastly the political risk.

The Group responds to the credit risk in different ways. In terms of cash flow and investments, the Group's cash surplus is either invested with financial institutions, or in the form of diversified commercial papers with banks or companies fulfilling strict selection criteria.

In terms of trade receivables, it is important to distinguish between:

- receivables connected to distribution fees for which the Group secures bank guarantees and carries out balance sheet analyses before determining the payment terms granted;
- receivables connected to public service obligations (supplying energy) and to works, for which the Group sells receivables without recourse.

Details of the maximum credit risk	31/12/2021	31/12/2020
Derivatives financial assets	5,591	2,287
Trade receivables and other receivables	313,787	227,976
Unlisted equity instruments	17	17
Cash and cash equivalents	216,133	72,781
	535,528	**303,061**

2. Liquidity risk

The liquidity risk is the risk that an entity will have difficulty fulfilling its obligations connected to financial instruments.

The liquidity risk is related to the Group's need to secure the external funding needed, among other things, to complete its investment programme as well as for the refinancing of existing financial debts.

The financing policy is based on covering the funding needs for the current year and maintaining a cash surplus. This last point and the diversification of sources of financing help the Group limit its liquidity risk.

ORES has a short-term financing capacity through its commercial paper program, the financing agreement with the European Investment Bank and a short-term credit line, for an amount of €50 million, for a period of 3 years. We can consider that the liquidity risk is almost nil. Cash management makes it possible to limit market, asset structure and liquidity risks. The management bodies have implemented a prudent investment policy, based on diversification and the use of products with limited credit and interest rate risk. ORES is attentive to the problem of negative rates in the management of its cash.

In terms of maintaining a cash surplus, the Group had €216.1 million in cash as at 31 December 2021 (compared with €72.8 million at the end of 2020) – see note 13.

Details of the Group borrowings are included in note 15.

Maturity analysis (based on undiscounted future cash flows)

31/12/2021	Amount recorded	< 1 year	>1 and <3 years	>3 and <5 years	>5 and <15 years	>15 years	No maturity date	Total
Derivatives financial assets	5,591	1,902	3,689					**5,591**
Trade other receivables	313,787	313,787						**313,787**
Financial assets held for sale	17						17	**17**
Cash and cash equivalents	216,133	216,133						**216,133**
Total assets	**535,528**	**531,822**	**3,689**	**0**	**0**	**0**	**17**	**535,538**
Derivatives financial liabilities	3,242		1,821	1,421	0			**3,242**
Borrowings	2,293,150	239,607	369,368	395,109	1,116,211	482,462		**2,602,757**
Trade other payables	345,047	345,047						**345,047**
Total liabilities	**2,641,439**	**584,654**	**371,189**	**396,530**	**1,116,211**	**482,462**	**0**	**2,951,046**
Total liquidity risk	**(2,105,911)**	**(52,832)**	**(367,500)**	**(396,530)**	**(1,116,211)**	**(482,462)**	**17**	**(2,415,518)**

31/12/2020	Amount recorded	< 1 year	>1 and <3 years	>3 and <5 years	>5 and <15 years	>15 years	No maturity date	Total
Derivatives financial assets	2,287				2,287			**2,287**
Trade other receivables	227,976	227,976						**227,976**
Financial assets held for sale	17						17	**17**
Cash and cash equivalents	72,781	72,781						**72,781**
Total assets	**303,061**	**300,757**	**0**	**0**	**2,287**	**0**	**17**	**303,061**
Derivatives financial liabilities	6,009	148	1,279	3,971	611			**6,009**
Borrowings	2,254,921	411,193	379,068	327,256	961,945	461,991		**2,541,453**
Trade other payables	227,577	227,577						**227,577**
Total liabilities	**2,488,07**	**638,918**	**380,347**	**331,227**	**962,556**	**461,991**	**0**	**2,775,039**
Total liquidity risk	**(2,185,446)**	**(338,161)**	**(380,347)**	**(331,227)**	**(960,269)**	**(461,991)**	**17**	**(2,471,978)**

3.Market risk

The market risk is the risk that the fair value or future cash flows from a financial instrument fluctuate due to changes in market prices. The market risk encompasses three kinds of risk:

- exchange rate (exchange rate risk) - not applicable to the Group;
- market interest rate (interest rate risk);
- market price (for example: share prices, commodity prices) - not applicable to the Group.

The Group's activities essentially expose it to the financial risks associated with interest rate fluctuations.

Interest rate risk

The Group has established an interest rate risk management policy based on a balance between fixed and variable rate borrowings. To manage the risk of interest rate volatility, it uses derivative hedging products (swaps, caps, collars or interest rate structures) depending on the market situation. The value of these instruments depends mainly on interest rate fluctuations. The portfolio is managed centrally at Group level and all positions are reviewed periodically.

Sensitivity analysis

Description of the method and assumptions used to conduct sensitivity test

The interest rate to be used before any change in margin will be calculated as follows:

The last rates recorded on the last working day of the period concerned (31/12) are used as a reference basis, and the averages for Euribor (Euribor 1, 3, 6, 12 months) and for swap rates (from 1 to 30 years) are calculated. As at 31 December 2021, the average Euribor rate remains negative and amounts to -0.551% (-0.531% at the end of 2020) and the average swap rate is -0.144% (0.29% at the end of 2020).

On the basis of these averages, financial cash flows as at 01/01/N+1 are calculated.

We then simulate the impact of an increase of 50 basis points on the rate calculated below. We do the same by simulating the impact of a reduction of 50 basis points on the rate curve calculated below.

The impact in each column is measured on 2 levels (in thousands of €):

- Impact on profit before tax (for all products): this column represents the difference between the simulated financial expenses compared to the financial expenses calculated at the end of the reporting period according to the average rate (positive = gain; negative = loss).
- On equity: this column represents the difference between the carrying amount calculated at the end of the re-porting period based on the average rate compared to the simulated carrying amount (outstanding capital or market value) – (positive = gain; negative = loss).

	31/12/2021	+ 50 basis points		50 basis points	
		Impact on profit before tax	Impact on equity	Impact on profit before tax	Impact on equity
Loan		(1,921)		2,004	
Cap			823		3,292
Swap		26	108	25	(5,649)
		(1,895)	**931**	**2,029**	**(2,357)**
	31/12/2021				
Loan		(307)		2,806	
Cap			2,258		(53)
Swap		(18)	108	184	(5,649)
		(325)	**2,366**	**2,990**	**(5,702)**

An increase of 50 basis points would decrease our pre-tax income by €1.9 million and increase our equity by €0.9 million, while a decrease of 50 basis points would increase our profit by €2 million but would have a negative impact of €2.3 million on our equity.

4. Capital risk management

The Group's capital represents the contributions of the partners in ORES Assets. In 2012, it was represented by the eight Walloon mixed intermunicipal companies IDEG scrl, I.E.H. scrl, I.G.H. scrl, Interest scrl, Interlux scrl, Intermosane scrl, Sedilec scrl and Simogel scrl, which merged on 31 December 2013 to create ORES Assets. This merger was effective from an accounting point of view with retroactive effect to 1 January 2013.

The capital of ORES Assets is made up of the contributions, which are themselves made up of an unavailable portion (k€ 533) and an available portion (k€ 866,931). The contributions are fully subscribed and paid up. Any distribution of the contributions to the associates which would result in the contributions being reduced to an amount less than the unavailable part of the contributions can only be decided by the General Meeting ruling under the conditions required for the amendment of the articles of association. The part of the contributions which exceeds this amount may be distributed to the members by a decision taken, as the case may be, by the General Meeting ruling under the ordinary conditions or by the Board of Directors in cases where the law or the articles so permit.

In order to maintain sufficient funds for the protection of creditors, the Code of Companies and Associations requires cooperative companies such as ORES Assets to carry out an analysis prior to any distribution of contributions to members. This analysis consists of a double distribution test composed of liquidity and solvency tests. The liquidity test examines whether, following the distribution, the company will be able to continue to meet its maturing debts for a period of at least twelve months from the distribution. It is the responsibility of the Board of Directors. The solvency test consists of prohibiting a distribution if the company's net assets are negative or would become negative as a result of such a distribution. It is the responsibility of the auditor to carry out the solvency test.

There is only one type of share in ORES Assets. Each partner must subscribe to at least one share.

The creation and offering for subscription of new shares is decided by the Board of Directors.

The shares include voting and dividends rights.

According to ORES Assets articles of association, the shares can only be sold to partners and with the approval of the Board of Directors. They may be transferred between an associated IPF and one or more associated municipalities affiliated to it by agreement between them.

An intermunicipal association must have at least two municipalities among its members; there are 200 in ORES Assets. Any other legal entity under public law as well as legal entities under private law may also be associated with an intermunicipal association.

ORES Assets was a so-called „mixed" intermunicipal company until 31 December 2016, as its capital was held partly by municipalities (located in Wallonia) directly or indirectly through a pure financing intermunicipal company (seven in number until the end of 2019, Idefin, CENEO, IEG, IPFBW, Finimo, Finest and Sofilux) and the balance by a private partner (Engie/Electrabel).

Following the withdrawal of the latter on 31 December 2016, the capital shares are held 100% by the municipalities and the seven pure intermunicipal financing companies.

As of 1 January 2020, an eighth Intermunicipal pure financing entity has been associated into ORES Assets: IFIGA.

The regulatory environment in which the Group operates is described in section 3.A.15 of the accounting policies. The percentage of authorised return determined by the regulations takes into account a normative ratio of 47.5% equity and 52.5% debt. ORES Assets' articles of association state that a ratio of 30% equity to total assets must be maintained (calculated on the basis of the statutory accounts prepared in accordance with Belgian accounting standards). It is also important to note that, in the context of the above-mentioned capital optimisation exercise, annual capital increases are waived as long as the ratio of equity to equity plus financial liabilities is above 40%. The latter ratio was incorporated into a shareholders' agreement in 2020.

III ACCOUNTING POLICIES

A. Main accounting policies

The main accounting policies used by the Group to prepare its consolidated financial statements are described below.

A.1. Basis of preparation

A.1.1. Statement of compliance

The consolidated accounts include the Group's consolidated financial statements for the year ending on 31 December 2021. The Group's consolidated financial statements have been prepared on a voluntary basis and in accordance with IFRS (International Financial Re-porting Standards) as adopted by the European Union.

The consolidated financial statements have been prepared on a historical cost basis, apart from derivative financial instruments which are valued at their fair value.

A.1.2. Functional and presentation currency

The consolidated financial statements are expressed in thousands of Euros. The Euro is the functional currency (currency of the economic environment in which the Group operates) used within the Group.

A.2. New, revised and amended standards and interpretations

The Group has applied the standards and interpretations applicable to the accounting period ending on 31 December 2021.

New standards and interpretations applicable for the annual period starting on or after 1 January 2021:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform – Phase 2
- Amendment to IFRS 16 Leases: COVID-19-Related Rent Concessions (applicable for annual periods beginning on or after 1 June 2020)
- Amendments to IFRS 4 Insurance Contracts: Extension of the Temporary Exemption from Applying IFRS 9 to 1 January 2023 (applicable for annual periods beginning on or after 1 January 2021)

The application of these standards has not had a significant impact on the Group's financial statements.

Standards and interpretations published but not yet applicable for the annual period beginning on 1 January 2021:

- Amendment to IFRS 16 Leases: COVID-19-Related Rent Concessions beyond 30 June 2021 (applicable for annual periods beginning on or after 1 April 2021)
- Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use (applicable for annual periods beginning on or after 1 January 2022)
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts — Cost of Fulfilling a Contract (applicable for annual periods beginning on or after 1 January 2022)
- Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework (applicable for annual periods beginning on or after 1 January 2022)
- Annual Improvements to IFRS Standards 2018–2020 (applicable for annual periods beginning on or after 1 January 2022)
- IFRS 17 Insurance Contracts (applicable for annual periods beginning on or after 1 January 2023)
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)

The Group has not anticipated the application of any new standard or interpretation published but not yet effective and does not expect any significant impact when applying these new standards or interpretations..

A.3. Consolidation principles

The eight Walloon mixed intermunicipal companies merged on 31 December 2013 with retroactive effect from 1 January 2013, giving rise to ORES Assets sc (hereinafter referred to as „GRD" or ORES Assets). ORES Assets is therefore an electricity and gas distribution network operator (hereinafter referred to as a „DSO") in Wallonia which, as of 31 December 2020, holds, on the one hand (in addition to the few shares held by the IPFs) exclusive control of its subsidiaries ORES and Comnexio, and which, on the other hand, has significant influence over its subsidiary Atrias. For the preparation of the Group's consolidated financial statements, ORES Assets has therefore fully consolidated the first two subsidiaries, while the third is consolidated using the equity method.

The Group's consolidated financial statements include all of the financial statements for the entities that it controls (its subsidiaries). According to IFRS 10, three cumulative conditions need to be fulfilled in order to have control over an entity:

- the Group has power over the entity in question;
- it is exposed, or has rights, to variable returns from its involvement with the entity;
- it has the capacity to use its power over the entity to allocate the entity's total returns.

The type of control is evaluated on a case-by-case basis in accordance with IFRS 10, IFRS 11, IFRS 12 and IAS 28.

Subsidiaries are entities controlled by the Group, and are fully consolidated from the moment that the existence of control has been established and until this control comes to an end.

Associates are companies over which the Group exercises significant influence, but that it does not control. They are consolidated according to the equity method from the date on which the significant influence is established and until this influence ends.

A joint venture is a separate entity over which the parties that have joint control over the entity have rights to the entity's net assets. They are consolidated according to the equity method from the date on which the joint control is established and until this joint control ends.

Intragroup balances and transactions, as well as any profits resulting from intragroup transactions, are totally eliminated during the consolidation process for preparing financial statements.

A.4. Business combinations and goodwill

When the Group obtains control over an integrated set of assets and activities that meet the definition of a business in accordance with IFRS 3 – Business combinations, acquiree's assets, liabilities and contingent liabilities are recognised at their fair value at the date of acquisition. The goodwill represents the difference between the acquisition cost plus any minority interests and the fair value of the acquired net asset. The goodwill is allocated to cash generating units and is not amortised, but is the subject of an impairment test at the end of each reporting period.

A.5. Intangible assets

Intangible assets are accounted for if and only if it is probable that the future economic advantages attributable to the assets will go to the Group and if the cost of these assets can be valued reliably.

Intangible assets are initially valued at their cost. The cost of an intangible asset generated internally is equal to the sum of the expenses incurred from the date on which this intangible asset fulfils the accounting criteria stipulated by IAS 38. It includes all directly attributable costs needed to create, produce and prepare the asset for which it can be used as intended by management. If an intangible asset is acquired within the context of a business combination in accordance with IFRS 3, the cost of this intangible asset is measured at its fair value on the acquisition date.

After they are first accounted for, intangible assets are accounted for at their cost less total amortisation and total impairments. Intangible assets are amortised according to the straight-line method over the estimated useful life of the asset.

Amortisation begins when the asset is operational as intended by management.

	Useful life
Computer software	10 years for computer software acquired from 01/01/2019 and 5 years for others
Development	5 years

Computer software

Software licences acquired by the Group are recorded at their acquisition cost, less accumulated amortisation and accumulated impairment losses. Software developed internally is recorded at its cost plus development fees if the criteria stipulated by IAS 38 are met. The useful life has increased from 5 years to 10 years in 2019, only for software acquired on or after 1 January 2009 given the importance of new IT projects and their expected lifespan.

Research and development costs

Research costs, if they occur, are recorded as expenses in the period during which they were incurred. Development costs are recorded as assets when the criteria for recognising an intangible asset defined by IAS 38 are met. An intangible asset that comes from the development activity is then amortised using the straight-line method over its useful life and reduced by any impairments.

A.6. Tangible assets

As a general rule, the Group is the owner of tangible assets including network installations, buildings, land, vehicles (fleet) and tools.

Tangible assets are initially accounted for as assets at their acquisition or production cost if and only if it is probable that the future economic advantages associated with this element will go to the Group and if the cost of these assets can be valued reliably. The cost of a tangible asset includes its purchase or production price, any cost directly attributable to moving the asset to where it is going to be used and making sure it is operational, as well as the initial estimate of costs relating to dismantling and removing the asset and returning the site at which it is based to its original state, as required.

Transfers of assets from clients related to network connections are deducted from the value of tangible assets to which they relate and are no longer recognized as assets. Their recognition would immediately lead to an impairment loss.

Consequently, they no longer meet the criteria for initial recognition as they do not generate future economic benefits. They are therefore no longer included in sales in application of IFRS 15 as of January 1, 2019.

After they are first accounted for at their historic cost, tangible assets owned by the Group are depreciated on the basis of the straight-line method and included on the balance sheet at their cost less total depreciation and impairments. Depreciation of a tangible asset begins when the asset is at the location and in the state needed for it to be used as intended by management. The components of a tangible asset with high costs and different useful lifespans are accounted for separately. Land is not depreciated.

At the end of each reporting period, the Group disposes of the tangible assets that are no longer in use. The carrying amount of tangible assets that have been disposed of is then derecognised.

Since 2003, at the same rhythm that the electricity and natural gas markets have been liberalised, the intermunicipal companies active in these areas have refocused their activities, essentially on the role of electricity and gas distribution system operator, a monopolistic activity for which there is a regulatory framework made up mainly of tariff methodologies.

Electricity and gas distribution system operators (which became ORES Assets scrl in 2013) with a technical inventory justifying the value of the tangible assets could establish the initial value of the capital invested as at 31 December 2002 based on the economic value of this inventory. The initial values were formally approved by the competent regulator and then confirmed in 2007 on the basis of the values as at 31 December 2005 for electricity and 31 December 2006 for natural gas. The capital gain recorded is the difference between the value of the IRAB as approved by the regulator and the carrying amount of the tangible assets on the same dates.

The value of the regulatory asset is critical in determining the fair margin attributed to the DSO for a given year, and therefore the tariffs applicable to a given regulatory period. A full description of the regulation mechanism can be found in chapter A.15 below.

The depreciation rates used by the Group are those defined by ORES Assets (the Group's parent company). These rates reflect a good estimate of the useful life of tangible assets for the sector in which the Group is evolving. The residual value is always assumed to be zero at the end of the useful life of a tangible asset. The table below provides details of the depreciation rate.

Tangible assets	Depreciation rate
Land	0 %
Industrial buildings	3 % (33 Years)
Administrative buildings	2 % (50 Years)
Gras pipes	2 % (50 Years)
Cables	2 % (50 Years)
Lines	2 % (50 Years)
Optical fibre cable sheath signalling network	5 % (20 Years)
Poles and cabins (electricity and gas)	3 % (33 Years)
Connections - transformers	3 % (33 Years)
Connections – lines and cables	2 % (50 Years)
Measuring equipment	3 % (33 Years)
Electronic meters, budget meters, automatic meters	10 % (10 Years)
Low-voltage smart electric meters	6,67 % (15 Years)
Low pressure smart gas meters	6,67 % (15 Years)
Signalling network (smart equipment)	10 % (10 Years)
Remote control, lab and dispatching equipment	10 % (10 Years)
Teletransmission	10 % (10 Years)
Optical fibre	5 % (20 Years)
Furniture and tooling	10 % (10 Years)
Vehicles (to transport people and goods)	20 % (5 Years)
Mobile equipment	10 % (10 Years)
Administrative equipment (IT equipment)	33 % (3 Years)

A.7. Impairment of assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may have suffered an impairment loss. If there are any such indications, the Group then estimates the recoverable value of the asset. An asset is impaired when its carrying amount is higher than its recoverable value. The recoverable value of an asset or a cash generating unit (CGU) is either its fair value less sale costs or its value in use, whichever is higher. If it is not possible to estimate the recoverable value of an individual asset, the Group takes the recoverable value of the CGU to which the asset belongs.

Cash generating units are defined as groups of assets that generate cash flows that are predominantly independent from other groups of assets. As the Group is organised into seven operating segments with a distinction between electricity and gas within these, the Group has defined these CGUs as the assets and liabilities of an operating segment for a given energy (electricity or gas).

At the end of each reporting period, the Group assesses whether there are any indications that an impairment recorded during previous periods for an asset other than goodwill may no longer exist or have decreased. If there are any such indications, the Group estimates the recoverable value of the asset. The new carrying amount of this asset, increased due to the reversal of an impairment, cannot be higher than the carrying amount that would have been calculated, net of amortisation, if no impairment had been recorded for that asset during previous years. Impairment losses on goodwill are never reversed.

A.8. Lease contracts

A contract is or contains a lease if it gives the right to control the use of an identified asset for a fixed period of time in return for payment of consideration.

To determine whether a lease confers this right, the Group must assess whether, throughout the useful life, it has the following two rights:

- The right to obtain substantially all the economic benefits from the use of the specified asset; and
- The right to decide on the use of the specified property.

In determining the lease terms, any options to renew or terminate the lease were considered in accordance with IFRS 16 Leases, taking into account the probability of exercise of the options to extend or terminate the lease by the lessee and the lessor.

a) The Group as lessee.

On the date a contract is concluded, it is analysed to ensure that it is or contains a lease. The Group recognises a right-of-use asset and a corresponding lease liability for all leases in which it is a lessee, except for short-term leases (defined as leases with a term of 12 months or less) and leases where the underlying asset is of low value for which the Group has set a materiality threshold. For these types of contracts, the Group recognises lease payments as an operating expense on a straight-line basis over the lease term unless another systematic method is more representative of the way in which the economic benefits relating to the leased assets are spread over time.

The lease liability is initially measured at the present value of the rentals not yet paid at the start date of the contract, calculated using the interest rate implicit in the lease. If this rate cannot be determined reliably, the Group uses its marginal borrowing rate.

Lease payments taken into account in the measurement of the lease liability include:

- Fixed lease payments, including in substance, net of lease inducements received or to be received (free of charge, ...);
- Variable lease payments that are based on an index or rate, initially measured using the index or rate in effect at the start date;
- The amount that the Group expects to pay to the lessor under residual value guarantees;
- The exercise price of call options that the Group has reasonable certainty of exercising;
- The penalties required in the event of termination of the lease, if the lease term reflects the exercise of the option to terminate the lease.

As a simplification, IFRS 16 offers the lessee the option not to separate lease components from non-lease components, but rather to account for each lease component and the related non-lease components as a single lease component. When a contract contains a lease component and one or more other lease or non-lease components, the Group allocates the consideration under the contract to all lease components on the basis of their separate relative prices and the separate prices of all non-lease components.

Variable rents that do not depend on an index or a rate are not taken into account in the evaluation of the rental debt and the right of use.

These payments are expensed in the period in which they are incurred.

The lease liability is presented among other non-current/current liabilities in the consolidated statement of financial position.

Subsequently, the lease liability is measured at amortized cost, increasing its carrying amount by the interest on the debt less payments for the year.

Where necessary, the Group revaluates the lease liability against the right of use, in particular when:

- There is a change in the term of the lease or there is a change in the valuation in respect of the exercise of a purchase option resulting from a significant event or change in circumstances, in which case the liability is remeasured by discounting the revised lease payments using a revised discount rate;
- Rent payments change as a result of a change in an index or rate or a change in the amounts expected to be paid under the residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the change in lease payments results from a change in a floating interest rate, in which case a revised discount rate is applied);
- A lease is amended and the amendment is not accounted for as a separate lease, in which case the liability is remeasured based on the term of the amended lease by discounting the value of the revised lease payments using a revised discount rate at the effective date of the amendment.

At the initial recognition date, the right of use comprises the initial amount of the lease liability calculated as explained above, plus the initial direct costs incurred by the Group under the leases (fixtures and fittings, etc.).

When the Group incurs an expense relating to the costs of dismantling and removing a leased asset, restoring the site on which it is located or returning the underlying asset to the condition required by the terms of the lease, a provision is established and recognised in accordance with the requirements of IAS 37.

Rights of use are amortized over the shorter of the lease term and the useful life of the underlying asset. If the effect of the lease agreement is to transfer ownership of the underlying asset or if the cost of the asset under the right of use takes into account the Group's expected exercise of a purchase option, the related right of use shall be depreciated over the useful life of the underlying asset from the starting date of the lease agreement.

Rights of use are presented as part of tangible assets in the consolidated statement of financial position.

The Group recognises any impairment losses on rights of use using the same model described for other tangible assets (see A.7).

b) The Group as lessor

When the Group acts as lessor in leases, the leases are classified as finance or operating leases. Leases are classified as finance leases if they transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

When the Group is an intermediate lessor, the main lease and the sublease are classified and accounted for separately. The sublease is classified as a finance or operating lease in relation to the asset under the right of use from the main lease. The lease liability relating to the main contract remains measured in accordance with the rules set out above.

Rental income from operating leases is recognized on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and drafting an operating lease are added to the carrying amount of the leased asset and are recognized on a straight-line basis over the term of the lease.

Amounts receivable from lessees under finance leases are recognised as receivables in the amount of the Group's net investment in the lease. Income from finance leases is allocated between periods to reflect a constant periodic rate of return on the Group's outstanding net investment in the lease.

Where a contract contains both rental and non-lease components, the Group applies the provisions of IFRS 15 to allocate the consideration provided for in the contract to each component.

A.9. Inventories

Inventories are valued at their cost or their net realisable value, whichever is lower. The cost of inventories includes the purchase, processing and other costs incurred to bring them to their current location and condition. The net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs for completion and the estimated costs needed to finalise the sale. The value of inventories is also determined by applying the weighted average cost method.

Additional lump-sum write-downs are recorded to adjust the book value, taking into account different age categories, inventory turnover and any market trends. Write-down rates can vary from 0% to 100%.

A.10. Financial instruments

Financial instruments held by the Group are recognised and measured in accordance with IFRS 9 - Financial Instruments.

The Group does not hold any financial instruments for speculative purposes. Indeed, the Group only enters into derivative financial instruments for economic hedging purposes.

A.10.1. Cash and cash equivalents

Cash and cash equivalents include cash available with banks, cash on hand, investments in highly liquid mutual funds (sicav) and deposits with an initial maturity of three months maximum.

All cash balances are considered to have low credit risk at each reporting date as they are held with reputable domestic or international banking institutions. Consequently, no impairment is recorded on these financial assets.

A.10.2. Financial assets at amortised cost

These are financial assets with fixed or determinable payments that are not listed on an active market, and are initially recorded at their fair value, which in most cases corresponds to their nominal value, plus transaction costs. After they are recorded for the first time, these financial assets are valued at their amortised cost using the effective interest rate, less reductions for any expected impairment.

The Group recognises expected credit losses and changes in these losses at each balance sheet date to reflect changes in credit risk since the initial recognition of financial assets.

More specifically, this method has been applied to receivables linked to distribution, public service obligations, fraud and construction work. Expected credit losses are estimated using a provision matrix, drawn up according to the type of receivable, previous experience of defaulting debtors and an analysis of their current situation. Following this analysis, an expected credit loss rate is estimated and applied to each bracket defined by the Group. When payments are more than 730 days late, receivables are written down at 100%, as past experience shows that these receivables cannot usually be recovered. The results of this analysis can be found in note 11.

For other financial assets, the Group feels that the credit risk had not risen significantly since they were first recorded; as a result, it has recorded expected credit losses for the next twelve months for these assets.

Expected credit losses on "other receivables" are considered insignificant. Similarly, there is no credit risk on receivables from municipalities, since the Group deducts any unpaid balances from dividends to be paid.

Profits and losses are recorded in the profit and loss statement when a financial asset recorded at its amortised cost is derecognised or impaired.

A.10.3. Effective interest rate method

The effective interest rate method is a method of calculating the amortised cost of a financial asset or liability and of allocating financial income or expenses over the relevant period. The effective interest rate is the rate that precisely discounts estimated future cash inflows or outflows over the expected life of the financial instrument or, where appropriate, a shorter period so as to determine the net carrying amount for the financial asset liability.

A.10.4. Borrowings

The Group is financed via conventional loans, the issue of commercial paper or private placement-type bond loans. Loans taken out by the Group constitute financial liabilities that are initially valued at their fair value, less transaction costs. These financial liabilities are subsequently valued at their amortised cost, calculated using the effective interest rate method less capital repayments. Interest expenses are recorded according to the effective interest rate. The costs associated with issuing commercial papers or bonds are recorded less the debt on the issue date, and are taken into account when calculating the effective interest rate in order to recoup the debt.

A.10.5. Derivative financial instruments

The Group uses derivatives such as interest rate swaps, collars and interest rate caps, in order to cover its exposure to the interest rate risk arising from its operational, financing and investment activities.

The way derivative financial instruments are accounted for depends on whether or not they are hedging instruments, as well as the type of hedge. Initially, derivatives are recorded at their fair value on the date on which the derivative contract is taken out, and subsequently revalued at their fair value at the end of the reporting period. Profits or losses arising from the application of the fair value are immediately recorded as profit/loss unless the derivative is designated as a hedging instrument and it fulfils the eligibility criteria for hedging.

Derivative financial instruments are recorded as financial assets if their value is positive, and as financial liabilities if their value is negative. Derivatives due to mature in more than 12 months are generally included under the non-current section on the balance sheet, while the other derivatives are included under the current section on the balance sheet.

A.10.6. Hedge accounting

The Group applies cash flow hedge accounting in order to hedge its exposure to variations in the cash flow attributable to a particular risk connected to a recognised asset or liability, a fixed commitment or a planned transaction that is highly likely to have an influence on the profit and loss statement. Certain derivative financial instruments are thus designated as cash flow hedge instruments. Hedge accounting for variations in the fair value has not been applied in this case.

The Group applies hedge accounting to interest rate swaps, while collars and interest rate caps are not designated as hedging instruments in an accounting hedge relationship.

The hedge relationship must be formally designated and documented. In particular, the documentation must indicate the link between the hedge relationship and the entity's strategy for managing financial risks, the expected relationship between the risk and the hedging instrument, the hedged position, the nature of the risk hedged and the technique used to assess the effectiveness of the hedge. The hedge relationship fulfils all the hedge effectiveness restrictions if (i) there is an economic link between the hedged element and the hedging instrument, (ii) the credit risk does not have a dominant effect on variations in the value resulting from this economic link and (iii) the hedge ratio of the hedge relationship is the same as the relationship between the quantity of the hedged element that is really hedged by the Group and the quantity of the hedge instrument that the Group really uses to hedge this quantity of the hedged element.

For the effective portion of a cash flow hedge, the variation in the value of the hedging instrument is recorded directly under other comprehensive income (equity) for the effective portion. The ineffective portion of the hedge is recorded immediately in the profit and loss statement.

Hedge accounting comes to an end when the Group revokes the hedge relationship, when the hedging instrument matures or is sold, terminated, or exercised, or when it no longer fulfils the effectiveness restriction for hedging relating to the hedging ratio. Any cumulative profit or loss on the equity at this time continues to be deferred in the equity and is recorded in the profit and loss statement when the expected transaction is recognised in the profit and loss statement. If the expected transaction is no longer expected to be completed, the cumulative profit or loss that had been deferred in the equity is immediately recorded in the profit and loss statement. This is a reclassification adjustment (see IAS 1).

A.10.7. Financial assets valued at fair value through the net profit and loss statement (previously available for sale)

Financial assets valued at fair value through the net profit and loss statement (previously available for sale) include investments in companies that are not consolidated or accounted for according to the equity method. These financial assets are valued at their fair value, and any resulting variation is accounted for immediately in the net profit and loss statement. If the fair value of a financial asset valued at their fair value cannot be determined reliably, valuation at cost may be used. This last option is the one used by the group of all of its financial assets.

A.11. Employee benefits

The Group offers its employees various short and long-term benefits, as well as post-employment benefits, in accordance with the applicable legislation in Belgium.

A.11.1. Short-term benefits

When a member of staff has provided services to the Group during an accounting period, the Group recognises the non-discounted amount of short-term employee benefits in return for the services rendered; as a liability, after deducting the amount already paid (if applicable), and as expenses (unless another IFRS requires or authorises the incorporation of benefits in the cost of an asset).

A.11.2. Post-employment benefits

Post-employment benefits are divided into two categories, defined benefits plans and defined contribution plans.

Contributions paid under defined contribution pension plans are recognized as an expense when employees render the services necessary to earn them.

Defined contribution plans subject to minimum rates of return are treated as defined benefit pension plans (among other things, application of the projected unit credit method, without taking into account future contributions).

For defined benefit pension plans, the amount recognized as a net defined benefit liability (asset) is the difference between the present value of the obligation and the fair value of plan assets.

If the calculation of the net obligation results in a surplus for the Group, the asset recorded for this surplus is limited to the discounted value of the repayments available or reductions in future contributions to the plan.

The cost of defined benefits includes the following components: the cost of services and net interest on the net liability (asset) recorded under the net profit/ loss (under employee costs for the cost of services, and under financial expenses (or financial income) for net interest respectively), as well as the revaluations of the net liability (asset) recorded under other comprehensive income.

The discounted value of the obligation and the cost of services are determined using the projected unit credit method and actuarial valuations are carried out at the end of each reporting period.

The actuarial calculation method involves the use and formulation by the Group of actuarial assumptions such as the discount rate, increases to salaries and medical costs, staff turnaround and mortality tables. These actuarial assumptions are the best estimates of variables that will determine the final cost of the post-employment benefits. The discount rate reflects the rate of return on high quality corporate bonds whose terms correspond to the estimated term of the post-employment benefit obligations.

A.11.3. Other long-term benefits

Other long-term benefits are accounted for in a similar way to post-employment benefits, apart from the fact that revaluations of the net liability (asset) are accounted for in the profit and loss statement instead of being recorded under other comprehensive income.

The actuarial calculations of post-employment obligations and other long-term employee benefits are carried out by independent actuaries.

A.12. Provisions

A provision is recorded when the Group has a current (legal or implicit) obligation at the end of the reporting period, resulting from past events or transactions, it is probable that this obligation will result in an outflow of resources and it must be possible to estimate the total value of this obligation reliably. The amount recognised as a provision is the best estimate of the total needed to settle

the obligation. Provisions with a term of over 12 months are discounted if the effect of discounting is material. Provisions established by the Group mainly relate to litigation and risks related to the clean-up of polluted sites.

Environmental liabilities

The Group regularly analyses all of its environmental risks and corresponding provisions. The main environmental risks are connected to sites with a certain level of pollution. The total provisions established to cover these risks are based on the best estimate of costs yet to be incurred, both in terms of studies and in terms of cleaning up the sites in question, based on valuations by independent experts. The Group calculates these provisions to the best of its knowledge of the applicable laws and regulations depending on the scope of the pollution and the environmental impact studies to be carried out.

A.13. Borrowing costs

The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (asset requiring a long preparation period before it can be used) are included in the cost of this asset. All other borrowing costs are accounted for in the profit and loss statement for the period during which they are incurred.

A.14. Financial income and expenses

Financial expenses include interest to pay on loans and financial debts calculated using the effective interest rate method, as well as increases to provisions following the unwinding of discounts over time.

Financial income includes interest income on investments, accounted for using the effective interest rate method, as well as dividends, accounted for when the Group has an established right to receive these payments.

Changes to the fair value of derivative financial instruments held by the Group that are not defined within the context of an hedge accounting relationship are shown as financial expenses or income.

A.15. Revenue recognition

A.15.1. Regulatory context

Authorized revenues and approved tariffs for the period 2019-2023

During 2018, several discussions took place between the CWaPE and ORES teams in order to present, justify, explain and argue the elements of the 2019-2023 authorised revenue proposals submitted on 29 December 2017. This constructive dialogue enabled ORES to obtain, on 28 August 2018, the approval by the CWaPE of the authorized revenues 2019-2023.

In accordance with the procedure set out in the tariff methodology, on 1 October 2018, ORES filed a first version of the electricity and natural gas tariff proposals to cover the authorised revenues 2019-2023 approved by the CWaPE. The tariff proposals were analysed by the CWaPE and were the subject of additional questions addressed to the distribution system operator. On 13 December 2018, 15 January 2019 and 25 January 2019, ORES filed adapted tariff proposals for the regulatory period 2019-2023. On 7 February 2019 (for periodic tariffs) and 20 February 2019 (for non-periodic tariffs), the CWaPE approved the electricity and natural gas tariffs proposed by ORES. The new distribution tariffs 2019-2023 are therefore applicable since 1 March 2019.

Regulatory evolution 2021:

On 20 January 2021, the distribution system operators, including ORES Assets, submitted a joint proposal for tariffs for the rebilling of 2021 transport costs. These tariffs, set at an identical level throughout Wallonia, were approved by the CWaPE on 17 February 2021.

On 14 November 2019, the CWaPE adopted a decision not to approve the electricity and gas regulatory balances for the years 2017 and 2018, rejecting an amount of €25.1 million. ORES Assets appealed against this decision to the Market Court. In a judgment delivered on 7th of October 2020, the Market Court annulled the CWaPE decisions challenged by ORES. The CWaPE then took new decisions on 17 January 2021 on the 2017-2018 regulatory

balances, this time approving the balances as introduced by ORES without cost rejections.

On 19 November 2019, the Walloon regulator decided to terminate the initial specific project for the deployment of electricity and gas smart meters. After filing a complaint for review against this decision, ORES Assets also filed an appeal before the Market Court against this decision. In a judgment delivered the 14 October 2020, the Market Court annulled the CWaPE decisions challenged by ORES. Discussions were then held with the regulator with a view to approving a new cost envelope, taking into account the new obligations imposed on network operators with regard to the deployment of smart meters. These discussions resulted, on 17 September 2021, in the filing by ORES with the CWaPE of a new version of the business case for the smart meter deployment project. Finally, on October 28, 2021, the CWaPE adopted a decision to revise the net charges relating to the specific smart meter deployment project (see below).

On April 29, 2021, the CWaPE approved the balances for the year 2019 and, by decisions of May 27, 2021, it decided on the allocation of the balances in the tariffs and approved the tariff for the resulting regulatory balances. Then, on November 25, 2021, the CWaPE approved the regulatory balances for the year 2020.

Determination of revenue elements and tariffs: tariff methodology 2019-2023

Elements of authorised revenues

Authorized income items are divided between expenses that qualify as "controllable" and those that qualify as "non-controllable". Controllable (respectively, non-controllable) expenses are those over which the DSO has (respectively, does not have) direct control.

The regulation of controllable expenses[16] includes an incentive mechanism (incentive or penalty) that pushes DSOs to act more productively and efficiently.

To this end, controllable expenses evolve according to a "revenue-cap" mechanism, of the "CPI-X" type, which foresees that ex-ante, they are indexed according to the health index ("CPI") and subject to a productivity improvement coefficient ("X" factor). The index has been set by CWaPE at 1.575% per annum for the period 2019-2023 while the X factor is 1.5% per annum, applicable to controllable expenses (excluding fixed assets expenses). As a result, the change in controllable expenses over the period is limited to 0.075% per year (1.575% for expenses related to fixed assets to which the X factor does not apply). These parameters are fixed and cannot be revised.

Ex-post, if the actual controllable costs prove to be lower (respectively, higher) than the authorised ex-ante level, the DSO's result is increased (respectively, decreased) accordingly. This is known as a bonus/malus on the company's result, depending on whether the company's result is increased or decreased. Consequently, these differences are added to or deducted from the profits of the DSOs and their associates and will not affect tariffs, either during the regulatory period or afterwards.

The fixed nature of the authorised revenue, which is identical for each year of the regulatory period, while the controllable costs, which are increasing, evolve during the same regulatory period, means that the variances on controllable costs may be greater and more volatile than in the past. This volatility implies that bonuses must be set aside during the different years of the same tariff period.

Non-controllable expenses and volumes[17] are budgeted by the DSOs on the basis of best-estimates. They are subject to a "cost-plus" type of regulation. During the ex-post control, the regulator determines the amounts of the regulatory balances that can be included in the future tariffs, to which they are fully allocated. With regard to non-controllable expenses, depending on whether the difference between the budgeted and actual expenses is positive/negative, we speak of a regulatory surplus/deficit or a regulatory liability/asset. A regulatory surplus (or liability) means that the budgeted expenses have been higher than actual expenses and that a portion of these expenses must be returned to network users through a downward revision of tariffs within the regulatory period or the next regulatory period. With regard to volumes, reference quantities (kW, kWh, number of network users/number of meters, etc.) are predetermined by the DSOs on the basis of the volumes they have planned to sell to their network users. If the actual volumes are higher/lower than the planned volumes, they will generate a regulatory surplus/liability or a regulatory deficit/asset.

Differences in non-controllable charges and volumes are recorded annually by the DSOs in a separate asset or liability account awaiting final allocation during the current tariff period or subsequent tariff periods[18], either as a tariff receivable (deficit/regulatory asset), or as a tariff debt (surplus/regulatory liability).

Net expenses related to specific projects

Having submitted a business plan demonstrating the profitability of these projects, ORES obtained additional budgets for the implementation of the two specific projects authorised by the 2019-2023 tariff methodology, namely the deployment of smart meters and the promotion of natural gas networks (Promo gas). Following the publication of the Walloon decree of 19 July 2018 on the deployment of smart meters, the assumptions used to calculate the amount of the specific envelope relating to smart metering, as approved by the CWaPE in 2018, had to be reviewed and a new proposal was introduced by ORES at the request of the CWaPE. Following the CWaPE decisions of 28 November 2019 and 14 February 2020 to remove the envelope granted in 2018, ORES lodged an appeal against this decision in 2020 while continuing discussions with CWaPE with a view to approving a new budget for the current regulatory period. The refusal decisions of the CWaPE relating to this specific revised envelope having been cancelled by the Market Court, discussions on this envelope continued with the regulator. They resulted, on 17 September 2021, in the filing by ORES with the CWaPE of a new version of the business case for the smart meter deployment project. Finally, on 28 October 2021, the CWaPE adopted a decision to revise the net charges relating to the specific smart meter deployment project.

Fair profit margin

The fair profit margin is the compensation for the capital invested in the "regulated asset base" (RAB) of the DSO. In the 2019-2023 tariff methodology, the invested capital consists of both the DSO's own funds and external financing. The profit margin is calculated annually by applying the authorised return percentage to the regulated asset base, which will evolve during the period 2019-2023, the return percentage being fixed over the period and not revisable.

Regulatory asset

The initial value of the regulated asset base is the value of the regulated asset base on 1 January 2019 as determined in accordance with the 2019-2023 tariff methodology. Namely, based on the latest adjustment plans approved by the CWaPE, the net carrying amount at 31 December 2015 obtained by adding the carrying amount value of the primary and secondary regulated asset bases at 31 December 2015 (it is therefore based on the initial value of the RAB approved by the regulator, or iRAB). To this value is added the acquisition value of the "network" and "non-network" investments of 2016, 2017 and 2018, from which is deducted the net carrying amount of the regulated assets decommissioned or completed during the years 2016, 2017 and 2018, the depreciation of the regulated assets 2016, 2017 and 2018 the interventions of third parties relating to these regulated assets, the part of the

[15] *19 July 2018. – Decree amending decrees of 12 April 2001 on the organisation of the regional electricity market and 19 January 2017 on the tariff methodology applicable to gas and electricity distribution system operators for the deployment of smart meters and flexibility.*

[16] *These are all operating expenses that are not identified as non-controllable in section 12 of the 2019-2023 Tariff Methodology (for more details, see the 2019-2023 Tariff Methodology published at: https://www.cwape.be/?dir=7.7.2).*

[17] *Applied to the approved tariffs, these volumes will determine the DSO's cost-covering turnover.*

[18] *Typically, differences of the year N are reflected in the tariffs in N-2.*

subsidies relating to these regulated assets, the part of the forecasted iRAB capital gain relating to the regulated tangible fixed assets decommissioned during these years as well as the part of the historical capital gain relating to the tangible fixed assets decommissioned in 2016, 2017 and 2018.

Thereafter, from 1 January 2019 onwards, the value of the regulated assets will change from year to year as a result of new investments, depreciation, third party interventions and subsidies as well as retirements.

Return percentage

The percentage return allowed is determined on the basis of the weighted average cost of capital ("WACC") formula. This has been set by the CWaPE at a rate of 4.053% for the regulatory period 2019-2023.

This rate is derived from the weighting of the cost of equity and the cost of debt according to a distribution key of 47.5% equity for 52.5% debt. The equity and debt rates are set at 5.502% and 2.743% respectively and are not revisable ex-post. It follows that if the financial charges linked to external financing exceed this ceiling, they will not be reflected in the tariffs and will be borne by the DSOs.

The following formula is applied:

$$CMPC = \frac{E}{(E+D)} *k_E + \frac{D}{(E+D)} *k_D$$

with:

E	Equity value
D	Value of financial debt
$\frac{E}{(E+D)}$	Equity ratio expressed as a percentage
$\frac{D}{(E+D)}$	Financial debt ratio expressed as a percentage
k_E	Cost of equity $k_E = r_{f1} + \beta_e (k_m - r_f)$ With: r_{f1} = risk - free cost of equity rate β_e = Beta of equity $(k_m - r_f)$ = market risk premium k_m = expected market rate of return
k_D	Cost of debts with transaction fees

Destination of regulatory balances

The tariff methodologies provide that the balances on non-controllable expenses are fully carried forward in the tariffs and therefore charged to or benefiting the network users.

ORES still has to recover part of the balances on non-controllable expenses dating from the 2008 to 2014 tariff years. Pending a final determination of the amounts by the CWaPE, ORES has already been able to recover part of these balances by means of advance payments received for the years 2015 to 2018. The remainder of these balances as well as the 2015 and 2016 balances will be recovered over the period 2019-2023, i.e. over 4 or 5 years, in order to smooth out the tariff evolutions. The 2019-2023 tariff methodology also provides that, from 2020 onwards, the DSO may include a proportion of the regulatory balance for year N-2 in the authorised revenue for year N so as to gradually allocate the regulatory balances and avoid an accumulation of these balances over the regulatory period. Currently, all decisions on regulatory balances setting the level of balances until 2020 and assigning them in the tariffs have been taken by the CWaPE (see above).

A.15.2. Turnover

The Group applies IFRS 15, which introduces a five step approach to revenue recognition.

Revenue from the sale of goods must be recognized when all of the following conditions are met:

- the parties to the contract have approved it and are committed to fulfilling their obligations;
- the Group can identify the rights of each party as far as the goods or services to be supplied are concerned;
- the Group can identify the expected payment conditions for the goods or services to be supplied;
- the contract has commercial substance;
- it is probable that the Group will recover the compensation to which it is entitled in exchange for the goods or services supplied to the client.

Income from ordinary activities is valued according to the compensation to which the Group expects to be entitled in a contract agreed with a client, excluding amounts received on behalf of third parties. The Group recognises the revenue as soon as it has transferred control over the goods or services to the client.

The Group's turnover, corresponding to the income from ordinary activities according to IFRS 15, essentially includes income relating to the following activities:

- distribution fees;
- energy sales within the context of public service obligations;
- transfer of assets from customers;
- construction contracts.

1. Distribution fees

The Group's turnover is mainly made up of income and expenses related to the distribution fees for the electricity and gas distribution network. The Group distributes electricity and gas to homes and businesses connected to the network on behalf of energy suppliers. As far as electricity is concerned, the distribution fee also includes the transport fee (reinvoicing the costs of using the transport network, of which Elia is the sole operator). The later fee is invoiced by Elia to the Group and is recorded as a cost of sales (cascade principle), resulting, in principle in a neutral impact on the profit and loss statement.

The income and expenses related to distribution fees are recognised as soon as the electricity or gas has been supplied and transported to consumers that are connected to the network during the period in question. The total amounts recognised as income are based on the meter readings and estimates for use of the network where a reading has not been collected (volumes metered or estimated multiplied by the tariff in force approved by the CWaPE).

These estimates are corrected at the year end with the unmetered distribution fee ("redevance de transit non relevée", RTNR) which is calculated on the basis of the total volumes that have been transmitted through the network. The RTNR has been treated as a contract asset as defined by IFRS 15.

2. Energy sales within the context of public service obligations

The Walloon Government imposes public service obligations (PSOs) on the DSOs which are clearly defined, transparent and non-discriminatory, the fulfilment of which is subject to checks by the regulators (mainly the CWaPE, but also the Creg for supplying protected clients). They consist, among other things, in ensuring, at the social rate,

the supply of electricity to protected customers defined by law and in ensuring, on a temporary basis, the supply of end customers who find themselves temporarily without a supply contract or whose supply contract has been suspended (customers known as "under supplier X").

The income and expenses related to the sale of energy are recognised as soon as the electricity or gas has been supplied and transported to consumers that are connected to the network during the period in question. The total amounts recognised as income are based on the meter readings and estimates for use of the network where a reading has not been collected (volumes metered or estimated multiplied by the tariff in force approved by the CWaPE).

As far as sales to protected customers are concerned, a social tariff is in force, lower than the market price, and the difference between this tariff and the market price is partly recovered by the DSOs from the regulator (a fund managed by the latter), and partly via the tariffs depending on the type of protected client, which ensures that there is a neutral impact on the profit/loss.

3. Construction contracts

The Group's turnover includes income from construction contracts for various projects such as work on the public lighting system or network maintenance. Where the deadline for a construction contract can be estimated reliably, the income and expenses associated with this contract are accounted for in the profit and loss statement according to the progress of the contract.

The Group records work carried out as a contract asset and the advances received are recorded as contract liabilities. If payment exceeds the income recorded according to the costs incurred method, the Group records the surplus as a contract liability. Any amount previously recorded as a contract asset is reclassified as a client receivable when it is billed to the client.

The Group believes that there is no significant financing component in the construction contracts entered into with clients as the period between when income is recorded according to the costs incurred method and payment is generally less than a year.

4. Transfer of assets from customers

Transfers of asset from customer in connection with the construction of network connections or extensions are no longer recognized in revenues as of January 1, 2019, as the related asset cannot be recognized (see point A.6 above: tangible assets).

The tariffs for these services are imposed by the regulator (so-called non-periodic tariffs).

A.15.3. Regulatory balances

The income authorised according to the applicable tariff methodology is based, on the one hand, on all the costs necessary for the performance of the DSO's tasks and, on the other hand, on the fair profit margin intended among others to remunerate the capital invested in the network. The amount of the regulatory balance results from the comparison between the non-controllable costs of the authorised income and the amounts recognized in turnover as well as between the actual and forecast transit volumes. These annual balances (assets or liabilities) must be reflected in the tariffs for the current regulatory period or subsequent regulatory periods. The regulatory balances and their impact on future tariffs are subject to an approval process by the regulator (see point A.15.1 above).

A.16. Taxes

Tax on income represents the total tax due plus the deferred tax.

A.16.1.Current tax

The current tax to pay is based on the taxable profit for the year. The taxable profit is different from the "profit before taxes" in the consolidated profit and loss statement or other comprehensive income due to the elements of the income and expenses that are taxable or deductible during other financial years, as well as elements that are never taxable or deductible.

The Group's current tax liability is calculated using the tax rates adopted or virtually adopted at the end of the reporting period.

A.16.2. Deferred tax

The deferred tax is determined and accounted for according to the accrual method depending on the temporary differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding fiscal values used to calculate taxable profit.

In general, deferred tax liabilities are recorded for all taxable temporary differences. Deferred tax assets are generally recorded for all deductible temporary differences insofar as it is probable that there will be a taxable profit available, against which these deductible temporary differences can be used. These deferred tax assets and liabilities are not recorded if the temporary difference arises from the initial recording of assets and liabilities connected to a transaction (other than a business combination) that has no impact on the taxable profit or the accounting profit.

Deferred tax liabilities are recognised for all taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, except where the Group is able to control the date on which the temporary difference is reversed and it is probable that the temporary difference will not be reversed in the foreseeable future.

Deferred tax assets arising from deductible temporary differences generated by such interests are only recognised if it is probable that there will be sufficient taxable profits against which to use the benefits of the temporary difference and that the temporary difference will be reabsorbed in the foreseeable future.

The carrying amount of deferred tax assets is revised at the end of each reporting period and reduced if it is no longer probable that sufficient taxable profit will be available to recover all or part of the asset.

Deferred tax assets and liabilities are valued at the tax rates that are expected to apply in the period during which the asset will be realised or the liability settled, based on tax rates (and tax laws) that have been adopted or virtually adopted by the end of the reporting period.

The valuation of deferred tax liabilities and assets reflects the fiscal consequences arising from how the Group plans, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and if they relate to income tax collected by the same tax authority, either from the same tax entity, or from different tax entities, but that intend to settle current tax assets and liabilities on the basis of their net value or to realise the tax assets and settle the tax liabilities at the same time.

A.16.3. Current tax and deferred tax for the financial year

Current tax and deferred tax are recorded in the consolidated profit and loss statement unless they relate to elements that have been recorded under other comprehensive income or directly under equity, in which case the current tax and deferred tax are also recorded under other comprehensive income or directly under equity respectively.

If the current tax or deferred tax arises from the initial recording of a business combination, the tax implications are included in the records for the business combination.

A.17. Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if it is expected that their carrying amount will be recovered, mainly via a sale rather than ongoing use. This condition is only met when the asset (or group destined to be transferred) is available for immediate sale

in its current state, subject only to the usual and customary conditions for selling such an asset (or group destined to be transferred) and its sale is highly probable. The management must be committed to the sale and it must be expected that the sale meets the criteria to be recorded as a sale agreed within one year as of the date on which it is filed.

If the Group is committed to a planned sale involving losing control of a subsidiary, it must classify all the assets and liabilities of this subsidiary as being held for sale when the criteria outlined above have been met, whether or not the Group will keep a non-controlling interest in its former subsidiary after the sale.

If the Group is committed to a planned sale involving the transfer of an interest, or part of an interest, in an associate or a joint venture, the interest or part of the interest that will be transferred is classified as held for sale when the abovementioned criteria have been met and the Group stops using the equity method for this part that is classified as held for sale. Any maintained part of an interest in an associate or a joint venture that cannot be classified as held for sale continues to be recorded according to the equity method.

The Group stops using the equity method at the time of the transfer when this transfer results in the Group losing a significant level of influence over the associate or joint venture.

After the transfer, the Group must account for the retained interest in the associate or joint venture in accordance with IFRS 9, unless the retained interest constitutes an investment in an associate or joint venture, in which case the Group applies the equity method (see the accounting policy for investments in associates or joint ventures above).

Non-current assets (and groups destined to be transferred) classified as held for sale are valued at whichever is lower, their carrying amount or their fair value less the costs of sale. Any profit or loss on the revaluation of a non-current asset (or group destined to be transferred) held for sale, apart from discontinued activities, is accounted for directly as soon as it is observed and is included in the profit and loss for the continuing activities.

B. Main judgements exercised and main estimates used when preparing the consolidated financial statements

Preparing the consolidated financial statements in accordance with IFRS standards requires the use of accounting estimates and also obliges the management to exercise some judgement when applying the Group's accounting policies. The key assumptions relating to the future and other main sources of uncertainty relating to estimates at the end of the period in which the Group's consolidated financial statements are presented below.

B.1. Significant estimates applied to the accounting policies

B.1.1. Actuarial obligations within the context of pension plans, other post-employment obligations and other long-term benefits

The Group's commitments in terms of pension plans are valued annually by independent actuaries. The management determines the actuarial assumptions chosen to value these commitments. The Group feels that the assumptions chosen are appropriate and justified. The actuarial assumptions chosen by the Group cover the following points:

- discount rate;
- expected salary growth rate;
- average inflation rate;
- staff turnover rate;
- mortality table;
- total tariff benefits;
- total out-patient and hospital costs.

B.1.2. Fair value of derivative instruments

The fair value of the derivative instruments held by the Group is calculated on the basis of market values by an external valuation company for swaps, and directly by the Group for caps and collars via financial institutions.

B.1.3. Valuing provisions

Significant legal disputes are reviewed regularly by the Group's legal department, helped by external advisors if deemed necessary and in consultation with the Group's finance department. These reviews help determine whether provisions need to be set up or existing provisions need to be adjusted. The provisions established for disputes are based on the value of the complaints or the estimated value of the exposure to risk.

In terms of the environment, the valuation of provisions to set up or adjusted is based on studies carried out by independent experts, using estimates of future costs connected to soil remediation.

In all circumstances, the total amount recorded by the Group as a provision corresponds to the best estimate of the expenses required to settle the current obligation on the balance sheet date.

B.1.4. Volumes distributed

The total amounts recognised as income are based on the meter readings and estimates for use of the network where a reading has not been collected. These estimates are corrected at the year-end with the unmetered dis-

tribution fee ("redevance de transit non relevée", RTNR) which is calculated on the basis of the total volumes that have been transmitted through the network.

B.2. Significant judgements applied to accounting policies

B.2.1. Measuring the turnover – The transport fee

In terms of the fee for transporting electricity, invoiced by Elia to the DSO and passed on by the DSO to the energy suppliers (cascade principle), the Group did not regard the transport fee as being separate from the distribution of electricity, and so only one performance obligation could be attached to the distribution fee invoiced by the Group to its customers. The transport fee is therefore an integral part of the distribution fee and is recognised as such in the turnover.

B.2.2. Regulatory balances

There are currently no specific IFRS standards covering the accounting of regulatory balances in a regulated environment. Discussions are underway within the IASB to create a new standard for regulated assets and liabilities which will clarify the position that companies should take.

With this in mind, in January 2014, the IASB published an interim standard (IFRS 14 – regulatory deferral accounts), only applicable to first time IFRS adopters. It explicitly allows the recognition of regulated assets and liabilities within the statement of financial position, as long as they are clearly identified. Similarly, ongoing discussions at IASB level and the "regulatory assets and regulatory liabilities" standard project are leading to the recognition of such assets and liabilities, and of additional income over and above the revenue recognized under IFRS 15. The Group has assumed that these balances will be recovered in the future and are therefore recognised as an asset or a liability. If it turns out that the accounting approach adopted by the Group is no longer in line with future guidelines published by the IASB, future results as well as equity would have to be adjusted.

B.2.3. Classification of debts/equity

The Group reviews all relevant facts and circumstances to determine whether an instrument is a debt instrument or an equity instrument in accordance with IAS 39 – financial instruments. The Group has decided that the different categories of shares representing the capital (see note 14 in the notes of the financial statements) are equity instruments.

B.2.4. Existence of an obligation within the context of IAS 37

The Group determines whether there is an obligation that could have a negative impact on its financial position on a case by case basis. Indeed, the Group regularly reviews ongoing disputes and determines whether it is probable that the settlement of the obligation will require an outflow of resources. If this is the case, provisions are set up for the best estimate of the compensation required to settle the obligation, as the outcome of proceedings cannot be predicted with any certainty.

C. C. Changes to accounting policies, accounting errors and estimates

A change to an accounting policy is only applied if the change is required by a standard or an interpretation or it means that the Group' financial statements provide more reliable and relevant information. Early application of a standard or an interpretation is not a voluntary change in accounting policies with reference to IAS 8.

A change to an accounting policy is applied retrospectively, unless it is not practical to determine the effects of the change specifically linked to the period or cumulatively. In addition, a change to an accounting policy is not applied retrospectively in the event of a transitional provision specific to the standard or interpretation.

Although particular attention is paid to preparing the Group's financial statement, errors may occur when recording, valuing, presenting or providing information about elements of the financial statements. If necessary, the Group will correct significant errors for a previous period retrospectively in the first financial statements authorised for publication after they have been discovered.

Uncertainties connected to the Group's activities demand the use of estimates within the context of preparing financial statements. The use of estimates is an important part of preparing financial statements and does not call their reliability into question. An estimate is revised if there are changes in the circumstances on which it has been based or when new information becomes available. The revision of an estimate does not concern previous periods and does not constitute the correction of an error.

IV

INDEPENDENT AUDITOR'S REPORT

ORES ASSETS SC

Rapport du commissaire – Comptes consolidés référentiel IFRS

31 décembre 2021

THE POWER OF BEING UNDERSTOOD
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ORES ASSETS SC

RAPPORT DU COMMISSAIRE A L'ASSEMBLEE GENERALE DE LA SOCIETE POUR L'EXERCICE CLOS LE 31 DECEMBRE 2021

(COMPTES CONSOLIDÉS – REFERENTIEL IFRS)

Dans le cadre du contrôle légal des comptes consolidés de ORES ASSETS SC (« la Société ») et de ses filiales (conjointement « le Groupe »), nous vous présentons notre rapport du commissaire. Celui-ci inclut notre rapport sur les comptes consolidés ainsi que les autres obligations légales et réglementaires. Le tout constitue un ensemble et est inséparable.

Nous avons été nommés en tant que commissaire par l'assemblée générale du 29 mai 2019, conformément à la proposition de l'organe d'administration émise sur présentation du conseil d'entreprise. Notre mandat de commissaire vient à échéance à la date de l'assemblée générale délibérant sur les comptes consolidés clôturés au 31 décembre 2021. Nous avons exercé le contrôle légal des comptes consolidés de la société ORES ASSETS durant cinq exercices consécutifs.

RAPPORT SUR LES COMPTES CONSOLIDÉS

Opinion sans réserve

Nous avons procédé au contrôle légal des comptes consolidés du Groupe, comprenant l'état de la situation financière consolidé au 31 décembre 2021, l'état consolidé du résultat net et des autres éléments du résultat global, l'état consolidé des variations des capitaux propres et un tableau consolidé des flux de trésorerie de l'exercice clos à cette date, ainsi que les annexes, contenant un résumé des principales méthodes comptables et d'autres informations explicatives, dont le total de l'état de la situation financière consolidé s'élève à € (000) 5.021.615 et dont l'état consolidé du résultat net et des autres éléments du résultat global se solde par bénéfice de l'exercice de € (000) 177.361.

A notre avis, les comptes consolidés donnent une image fidèle du patrimoine et de la situation financière du Groupe au 31 décembre 2020, ainsi que de ses résultats consolidés et de ses flux de trésorerie consolidés pour l'exercice clos à cette date, conformément aux normes internationales d'information financière (IFRS) telles qu'adoptées par l'Union Européenne et aux dispositions légales et réglementaires applicables en Belgique.

Fondement de l'opinion sans réserve

Nous avons effectué notre audit selon les Normes internationales d'audit (ISA) telles qu'applicables en Belgique. Les responsabilités qui nous incombent en vertu de ces normes sont plus amplement décrites dans la section « Responsabilités du commissaire relatives à l'audit des comptes consolidés » du présent rapport. Nous nous sommes conformés à toutes les exigences déontologiques qui s'appliquent à l'audit des comptes consolidés en Belgique, en ce compris celles concernant l'indépendance.

Nous avons obtenu de l'organe d'administration et des préposés de la Société, les explications et informations requises pour notre audit.

Nous estimons que les éléments probants que nous avons recueillis sont suffisants et appropriés pour fonder notre opinion.

Points clés de l'audit

Les points clés de l'audit sont les points qui, selon notre jugement professionnel, ont été les plus importants lors de l'audit des comptes consolidés de la période en cours. Ces points ont été traités dans le contexte de notre audit des comptes consolidés pris dans leur ensemble et lors de la formation de notre opinion sur ceux-ci. Nous n'exprimons pas une opinion distincte sur ces points.

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Nous considérons que les éléments suivants constituent les points clés de l'audit :

- Les investissements technologiques dans les développements IT : pour faire face aux défis du futurs et à la mise ne place (notamment) des compteurs intelligents, la société investit des montants importants dans différents projets IT. Ces dépenses ont fait l'objet d'une attention particulière dans le cadre de nos travaux d'audit ;
- La politique de financement du groupe : tenant compte des investissements importants que le groupe ORES doit réaliser, le financement de ceux-ci est essentiel pour l'activité de la société d'autant plus qu'une partie significative des capitaux empruntés proviennent de marchés règlementés ;
- L'environnement régulatoire et l'application de législations spécifiques : le respect de ces différentes législations constitue naturellement un élément majeur de notre audit.

Responsabilités de l'organe d'administration relatives à l'établissement des comptes consolidés

L'organe d'administration est responsable de l'établissement des comptes consolidés donnant une image fidèle conformément aux normes internationales d'information financière (IFRS) telles qu'adoptées par l'Union Européenne et aux dispositions légales et réglementaires applicables en Belgique, ainsi que du contrôle interne qu'il estime nécessaire à l'établissement de comptes consolidés ne comportant pas d'anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs.

Lors de l'établissement des comptes consolidés, il incombe à l'organe d'administration d'évaluer la capacité du Groupe à poursuivre son exploitation, de fournir, le cas échéant, des informations relatives à la continuité d'exploitation et d'appliquer le principe comptable de continuité d'exploitation, sauf si l'organe d'administration a l'intention de mettre le Groupe en liquidation ou de cesser ses activités ou s'il ne peut envisager une autre solution alternative réaliste.

Responsabilités du commissaire relatives à l'audit des comptes consolidés

Nos objectifs sont d'obtenir l'assurance raisonnable que les comptes consolidés pris dans leur ensemble ne comportent pas d'anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs, et d'émettre un rapport du commissaire contenant notre opinion. L'assurance raisonnable correspond à un niveau élevé d'assurance, qui ne garantit toutefois pas qu'un audit réalisé conformément aux normes ISA permettra de toujours détecter toute anomalie significative existante. Les anomalies peuvent provenir de fraudes ou résulter d'erreurs et sont considérées comme significatives lorsqu'il est raisonnable de s'attendre à ce que, prises individuellement ou en cumulé, elles puissent influencer les décisions économiques que les utilisateurs des comptes consolidés prennent en se fondant sur ceux-ci.

Lors de l'exécution de notre contrôle, nous respectons le cadre légal, réglementaire et normatif qui s'applique à l'audit des comptes consolidés en Belgique. L'étendue du contrôle légal des comptes ne comprend pas d'assurance quant à la viabilité future du Groupe ni quant à l'efficience ou l'efficacité avec laquelle les organes d'administration ont mené ou mèneront les affaires du Groupe.
Dans le cadre d'un audit réalisé conformément aux normes ISA et tout au long de celui-ci, nous exerçons notre jugement professionnel et faisons preuve d'esprit critique. En outre :

- nous identifions et évaluons les risques que les comptes consolidés comportent des anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs, définissons et mettons en œuvre des procédures d'audit en réponse à ces risques, et recueillons des éléments probants suffisants et appropriés pour fonder notre opinion. Le risque de non-détection d'une anomalie significative provenant d'une fraude est plus élevé que celui d'une anomalie significative résultant d'une erreur, car la fraude peut impliquer la collusion, la falsification, les omissions volontaires, les fausses déclarations ou le contournement du contrôle interne;
- nous prenons connaissance du contrôle interne pertinent pour l'audit afin de définir des procédures d'audit appropriées en la circonstance, mais non dans le but d'exprimer une opinion sur l'efficacité du contrôle interne du Groupe;

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- nous apprécions le caractère approprié des méthodes comptables retenues et le caractère raisonnable des estimations comptables faites par l'organe d'administration, de même que des informations les concernant fournies par ce dernier;
- nous concluons quant au caractère approprié de l'application par la direction du principe comptable de continuité d'exploitation et, selon les éléments probants recueillis, quant à l'existence ou non d'une incertitude significative liée à des événements ou situations susceptibles de jeter un doute important sur la capacité du Groupe à poursuivre son exploitation. Si nous concluons à l'existence d'une incertitude significative, nous sommes tenus d'attirer l'attention des lecteurs de notre rapport du commissaire sur les informations fournies dans les comptes consolidés au sujet de cette incertitude ou, si ces informations ne sont pas adéquates, d'exprimer une opinion modifiée. Nos conclusions s'appuient sur les éléments probants recueillis jusqu'à la date de notre rapport du commissaire. Cependant, des situations ou événements futurs pourraient conduire le Groupe à cesser son exploitation;
- nous apprécions la présentation d'ensemble, la structure et le contenu des comptes consolidés et évaluons si les comptes consolidés reflètent les opérations et événements sous-jacents d'une manière telle qu'ils en donnent une image fidèle ;
- nous recueillons des éléments probants suffisants et appropriés concernant les informations financières des entités ou activités du Groupe pour exprimer une opinion sur les comptes consolidés. Nous sommes responsables de la direction, de la supervision et de la réalisation de l'audit au niveau du Groupe. Nous assumons l'entière responsabilité de l'opinion d'audit.

Nous communiquons au comité d'audit notamment l'étendue des travaux d'audit et le calendrier de réalisation prévus, ainsi que les constatations importantes découlant de notre audit, y compris toute faiblesse significative dans le contrôle interne.

Nous fournissons également au comité d'audit une déclaration précisant que nous nous sommes conformés aux règles déontologiques pertinentes concernant l'indépendance, et leur communiquons, le cas échéant, toutes les relations et les autres facteurs qui peuvent raisonnablement être considérés comme susceptibles d'avoir une incidence sur notre indépendance ainsi que les éventuelles mesures de sauvegarde y relatives.

Parmi les points communiqués au comité d'audit , nous déterminons les points qui ont été les plus importants lors de l'audit des comptes annuels de la période en cours, qui sont de ce fait les points clés de l'audit. Nous décrivons ces points dans notre rapport du commissaire, sauf si la loi ou la réglementation n'en interdit la publication ou si, dans des circonstances extrêmement rares, nous déterminons que nous ne devrions pas communiquer un point dans notre rapport du commissaire parce que les conséquences néfastes raisonnablement attendues de la communication de ce point dépassent les avantages qu'elle aurait au regard de l'intérêt public.

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AUTRES OBLIGATIONS LÉGALES ET RÉGLEMENTAIRES

Responsabilités de l'organe d'administration

L'organe d'administration est responsable de la préparation et du contenu du rapport de gestion sur les comptes consolidés et des autres informations contenues dans le rapport annuel sur les comptes consolidés.

Responsabilités du commissaire

Dans le cadre de notre mandat et conformément à la norme belge complémentaire (version révisée 2020) aux normes internationales d'audit (ISA) applicables en Belgique, notre responsabilité est de vérifier, dans leurs aspects significatifs, le rapport de gestion sur les comptes consolidés et les autres informations contenues dans le rapport annuel, ainsi que de faire rapport sur ces éléments.

Aspects relatifs au rapport de gestion sur les comptes consolidés et aux autres informations contenues dans le rapport annuel sur les comptes consolidés

A l'issue des vérifications spécifiques sur le rapport de gestion sur les comptes consolidés, nous sommes d'avis que celui-ci concorde avec les comptes consolidés pour le même exercice et a été établi conformément à l'article 3:32 du Code des Sociétés et des Associations.

Dans le cadre de notre audit des comptes annuels, nous devons également apprécier, en particulier sur la base de notre connaissance acquise lors de l'audit, si le rapport de gestion et les autres informations contenues dans le rapport annuel annuel (dont les informations non financières établies conformément au standard GRI) comportent une anomalie significative, à savoir une information incorrectement formulée ou autrement trompeuse.

Sur la base de ces travaux, nous n'avons pas d'anomalie significative à vous communiquer.

Mentions relatives à l'indépendance

- Notre cabinet de révision n'a pas effectué de missions incompatibles avec le contrôle légal des comptes consolidés et est resté indépendant vis-à-vis du Groupe au cours de notre mandat.
- Les honoraires relatifs aux missions complémentaires compatibles avec le contrôle légal visées à l'article 3:65 du Code des Sociétés et des Associations ont correctement été ventilés et valorisés dans l'annexe des comptes consolidés.

Gosselies, 4 mai 2022

RSM InterAudit SRL
Commissaire
Représentée par

Thierry Lejuste
Associé

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