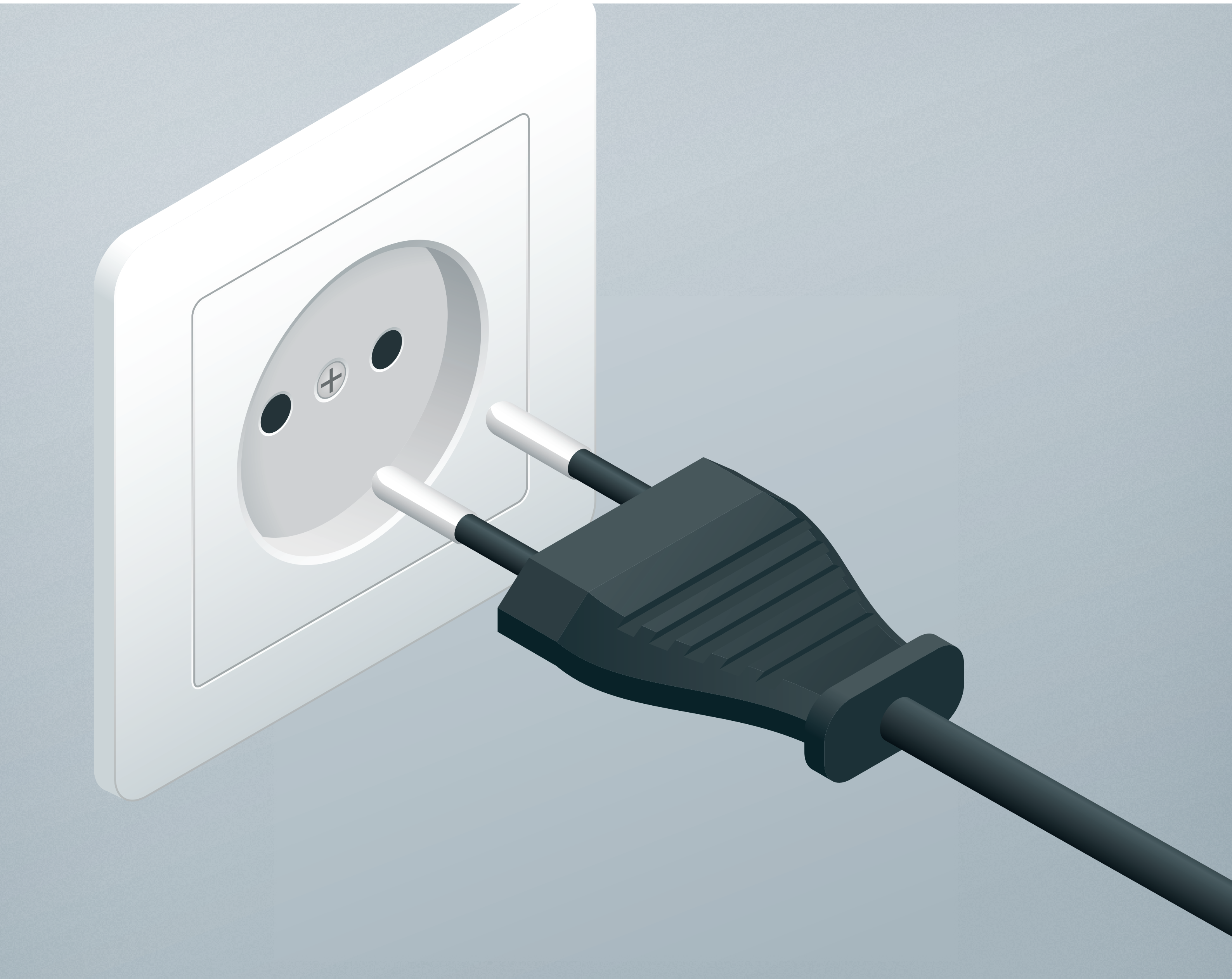
Consolidated IFRS Financial Statements 2024

ORES Assets



ORES

NAME AND FORM

ORES Assets. Cooperative Company.
CBE number 0543.696.579.

HEAD OFFICE

Avenue Jean Mermoz 14, 6041 Gosselies.

INCORPORATION

Constituted on 31st December 2013.
Deed of incorporation published in the Appendices to the Moniteur belge (Belgian Official Gazette) of 10th January 2014 under number 14012014.

ARTICLES OF ASSOCIATION

The articles of association have been amended on several occasions most recently under the terms of a deed received by Mr. Thibaut van DOORSLAER de ten RYEN, notary residing in Jodoigne, on 28th November 2024, published in the Appendices to the Moniteur belge dated 30th December 2024 under number 24456809.

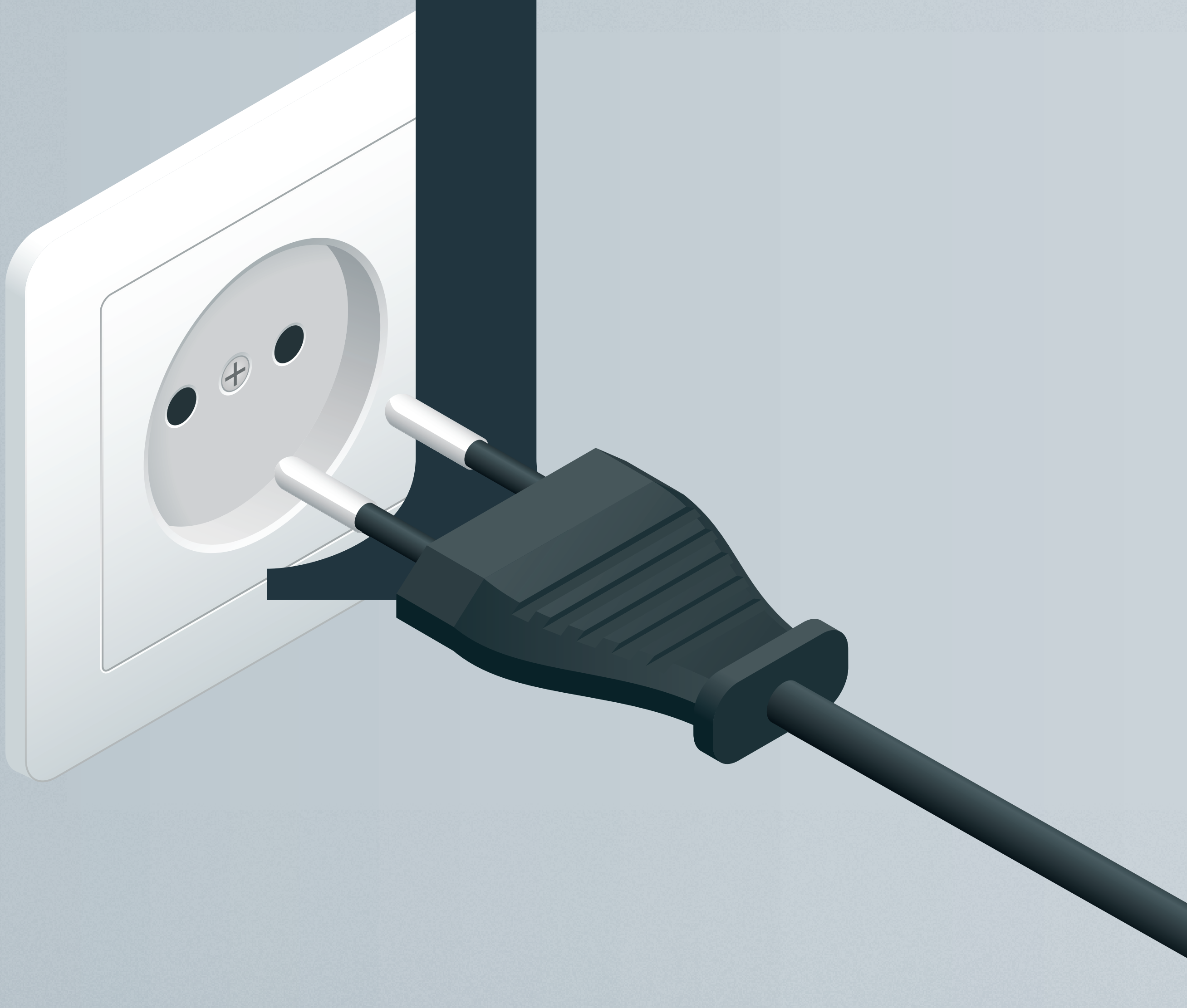
Consolidated IFRS Financial Statements ORES Assets 2024

This document is a translation of the original French version.
In case of doubt, interpretation ambiguity or inconsistency in the translated text, the French version shall prevail.

ORES

Table of contents

Chapter 1



Consolidated IFRS financial statements

1. Consolidated statement of profit or loss (in thousands of €)

	NOTE	31/12/2024	31/12/2023	DIFFERENCE
Turnover	01-A	998,800	989,310	9,490
Regulatory balances	01-B	81,075	184,444	(103,369)
Other operating income	02	26,556	29,907	(3,351)
Operating income		**1,106,431**	**1,203,661**	**(97,230)**
Goods and supplies	03	(140,132)	(280,266)	140,134
Transport fees	03	(194,044)	(224,496)	30,452
Road fees	03	(42,852)	(49,452)	6,600
Employee benefits	19-20	(186,685)	(171,565)	(15,120)
Write-downs of trade receivables	11	(11,133)	(9,713)	(1,420)
Other operating expenses	04	(181,413)	(113,261)	(68,152)
Operating expenses		**(756,259)**	**(848,753)**	**92,494**
Operating result before depreciation and amortization on (in)tangible assets		**350,172**	**354,908**	**(4,736)**
Depreciation and amortization on (in)tangible assets	08-09	(205,805)	(201,373)	(4,432)
Operating result		**144,367**	**153,535**	**(9,168)**
Financial income	05	4,734	7,699	(2,965)
Financial expenses	06-21	(55,660)	(54,021)	(1,639)
Financial profit (loss)		**(50,926)**	**(46,322)**	**(4,604)**
Share of the result of associates	25	0	0	0
Profit (loss) before tax		**93,441**	**107,215**	**(13,774)**
Taxes	22	(26,551)	(14,829)	(11,722)
Profit (loss) for the period		**66,890**	**92,386**	**(25,496)**
Profit (loss) for the period attributable to the Group		**66,890**	**92,386**	**(25,496)**
Profit (loss) for the period attributable to third parties		**0**	**0**	**0**

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

	NOTE	31/12/2024	31/12/2023	DIFFERENCE
Profit (loss) for the period		66,890	92,386	(25,496)
Other comprehensive income				
Recyclables in the profit or loss statement		**(1,062)**	**(2,129)**	**1,067**
Change in fair value of cash flow hedges instruments	27	(2,228)	(2,838)	610
Tax on items that are or may be recycled to the profit and loss	22	1,166	709	457
Not recyclables in the profit or loss statement		**1,476**	**20,578**	**(19,102)**
Actuarial gains and losses on defined benefit plans	20	1,968	27,437	(25,469)
Tax on other items that will not be reclassified to the profit and loss	22	(492)	(6,859)	6,367
Other comprehensive income of continuing operations - net		**414**	**18,449**	**(18,035)**
Other comprehensive income attributable to the Group		**414**	**18,449**	**(18,035)**
Other comprehensive income attributable to non-controlling interests		**0**	**0**	**0**
Comprehensive income for the period		**67,304**	**110,835**	**(43,531)**

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

	NOTE	31/12/2024	31/12/2023	DIFFERENCE
Non-current assets		**4,533,852**	**4,458,784**	**75,068**
Intangible assets	08	114,976	107,454	7,522
Tangible assets	09	4,315,817	4,321,074	(5,257)
Investments in associates	25	3	3	0
Other non-current assets	10-11	103,056	30,253	72,803
Current assets		**339,767**	**409,213**	**(69,446)**
Inventories	12	98,519	77,024	21,495
Trade receivables	11	38,215	37,290	925
Other receivables	11	91,917	110,978	(19,061)
Current tax assets	11	1,788	22,003	(20,215)
Cash and cash equivalents	13	68,865	113,995	(45,130)
Other current assets		40,463	38,182	2,281
Assets held for sale	31	0	9,741	(9,741)
Total assets excluding regulatory assets		**4,873,619**	**4,867,997**	**5,622**
Regulatory assets	01-B	271,913	172,855	99,058
TOTAL ASSETS		**5,145,532**	**5,040,852**	**104,680**

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

	NOTE	31/12/2024	31/12/2023	DIFFERENCE
Equity		**2,015,625**	**2,027,901**	**(12,276)**
Share capital	14	864,445	867,464	(3,019)
Retained earnings		761,015	821,793	(60,778)
Other reserves		390,189	338,668	51,521
Non-controlling interests		(24)	(24)	0
Non-current liabilities		**2,476,962**	**2,408,555**	**68,407**
Borrowings	15	2,142,409	2,051,343	91,066
Provisions for employee benefits	19-20	79,759	78,919	840
Other provisions	18	13,144	22,325	(9,181)
Deferred tax liabilities	23	228,100	236,366	(8,266)
Other non-current liabilities	16-17-27	13,550	19,602	(6,052)
Current liabilities		**652,945**	**594,783**	**58,162**
Borrowings	15	330,207	219,880	110,327
Trade payables	16	187,118	225,374	(38,256)
Other payables	16-17	128,651	143,349	(14,698)
Current tax liabilities		86	17	69
Other current liabilities	17	6,883	6,163	720
Total liabilities excluding regulatory liabilities		**5,145,532**	**5,031,239**	**114,293**
Regulatory liabilities	01-B	0	9,613	(9,613)
TOTAL LIABILITIES		**5,145,532**	**5,040,852**	**104,680**

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

	SHARE CAPITAL	RESERVES				RETAINED EARNINGS	NON-CONTROLLING INTERESTS	TOTAL EQUITY
		CASH FLOW HEDGES INSTRUMENTS	ACTUARIAL GAINS AND LOSSES ON DEFINED BENEFIT PENSION PLANS	STATUTORY RESERVES	TOTAL			
At 1st January 2024	**867,464**	**74,106**	**(56,152)**	**320,713**	**338,668**	**821,793**	**(24)**	**2,027,901**
Comprehensive income for the period								
• Profit for the period						66,890		66,890
• Other comprehensive income, net of income tax		(1,062)	1,476		414			414
Transactions with shareholders								
• Dividends relating to the previous year						(74,668)		(74,668)
• Reduction in equity following the withdrawal of the municipality of Couvin from the electricity distribution activity	(3,019)			(1,125)	(1,125)	(768)		(4,912)
Transfers								
• Transfers from or to statutory reserves				52,232	52,232	(52,232)		
At 31st December 2024	**864,445**	**73,044**	**(54,676)**	**371,820**	**390,189**	**761,015**	**(24)**	**2,015,625**

At 1st January 2023	**867,464**	**76,235**	**(76,730)**	**293,063**	**292,569**	**829,677**	**(24)**	**1,989,686**
Comprehensive income for the period								
• Profit for the period						92,386		92,386
• Other comprehensive income, net of income tax		(2,129)	20,578		18,449			18,449
Transactions with shareholders								
• Dividends relating to the previous year						(72,620)		(72,620)
Transfers								
• Transfers to or from statutory reserves				27,650	27,650	(27,650)		
At 31st December 2023	**867,464**	**74,106**	**(56,152)**	**320,713**	**338,668**	**821,793**	**(24)**	**2,027,901**

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

CASH FLOW FROM OPERATING ACTIVITIES		NOTE	31/12/2024	31/12/2023
Profit for the period			**66,890**	**92,386**
Adjustments for the following elements	Amortization and depreciation on (in)tangible assets	08-09	205,805	201,373
	Changes in provisions	18-19	(4,097)	(55,164)
	Gains on sales of (in)tangible assets	08-09	(246)	(1,150)
	Write-downs of trade receivables	11	(13,277)	(10,637)
	Inventory write-downs	12	149	(159)
	Financial income	05	(4,734)	(7,699)
	Financial expenses	06	55,660	54,021
	Income tax expenses recognized in profit or loss statement	22	26,551	14,829
	Regulatory balances	01-B	(89,038)	(151,943)
Operating cash flow before changes in working capital			**243,663**	**135,858**
Changes in working capital	Change in inventories	12	(21,645)	(16,923)
	Change in trade and other receivables	11	20,746	63,615
	Change in trade and other payables	16-17	(53,853)	63,137
Cash flow from operating activities			**188,911**	**245,686**
Paid interest		06	(53,313)	(40,842)
Received interest		05	8,109	13,260
Paid taxes		22	(13,861)	(34,896)
Regulatory balances recovered		01-B	7,964	(32,502)
Net cash flow from operating activities			**137,810**	**150,706**

CASH FLOW FROM INVESTING ACTIVITIES	NOTE	31/12/2024	31/12/2023
Acquisition of intangible assets	08-09	(18,654)	(20,736)
Acquisition of tangible assets	08-09	(330,592)	(269,832)
Sale of tangible assets	08-09	4,354	1,761
Subsidies received from public authorities	08-09	36,638	0
Other cash flows from investing activities	10	0	228,852
Net cash flow from investing activities		**(308,254)**	**(59,956)**

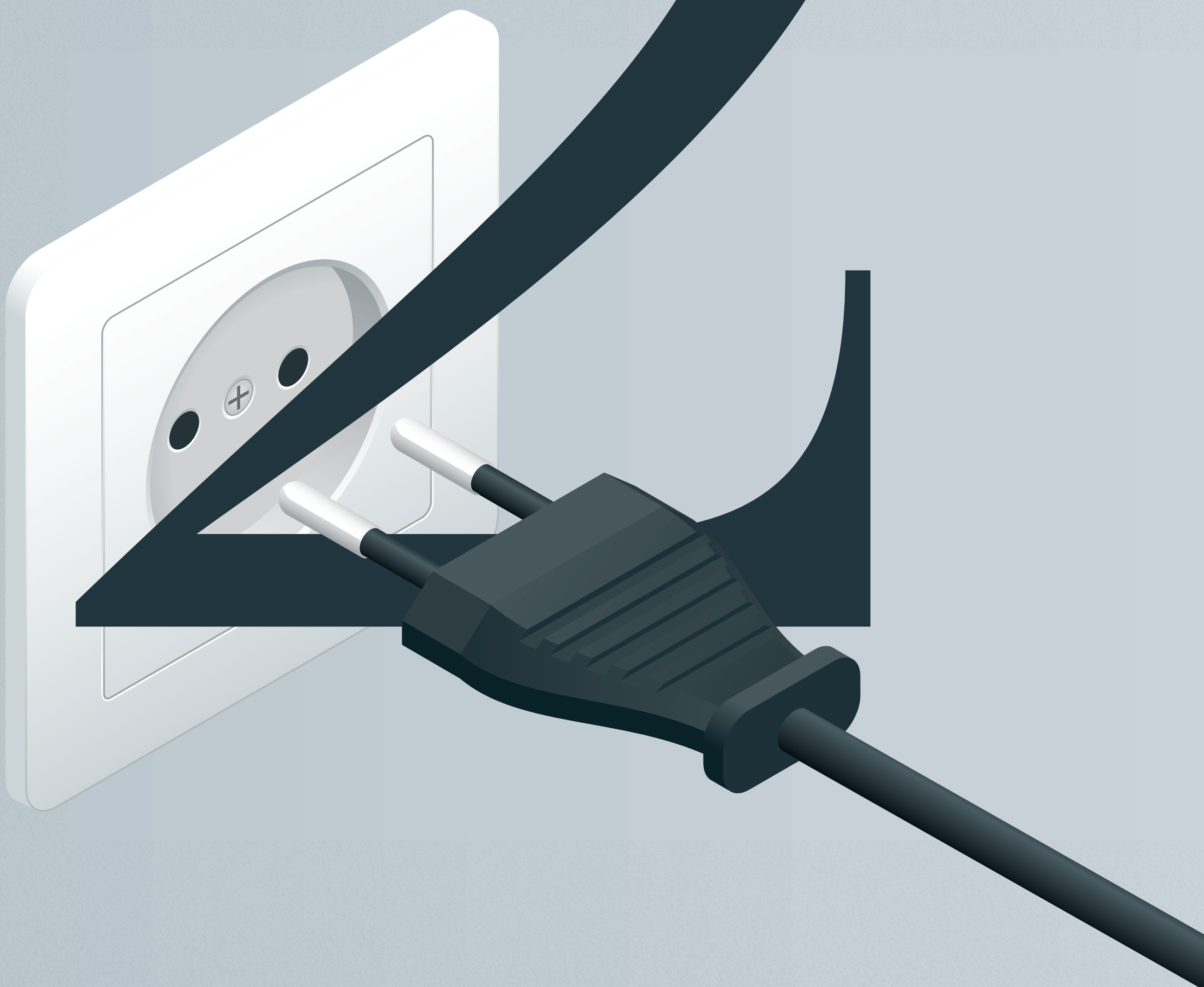
CASH FLOW FROM FINANCING ACTIVITIES	NOTE	31/12/2024	31/12/2023
Borrowings issuance	15	410,000	180,000
Repayment of borrowings	15	(209,001)	(189,771)
Issuance and repayment of long-term loans and guarantees	11	3,648	(355)
Repayment of lease liabilities	21	(2,977)	(4,308)
Paid dividends	14	(76,356)	(73,837)
Net cash flow from financing activities		**125,314**	**(88,272)**
Change in cash and cash equivalents from continuing operations		**(45,130)**	**2,479**
Cash and cash equivalents at the beginning of period		**113,995**	**111,516**
Cash and cash equivalents at the end of period		**68,865**	**113,995**

7. Change in assets and liabilities arising from financing activities (in thousands of €)

	01/01 2024	CASH FLOWS FROM FINANCING ACTIVITIES	CASH FLOWS FROM OPERATING ACTIVITIES	CASH FLOWS FROM INVESTING ACTIVITIES	NON-CASH CHANGES				31/12 2024
					RECLASSIFICATION	FAIR VALUE CHANGES	OTHER (IFRS16)	TOTAL	
Other non-current assets	30,253	3,657	2,424		(83,983)	5,099		(78,884)	103,056
Other receivables	110,978	(65,040)	12,335	(102,764)	174,530			174,530	91,917
Long-term borrowings	2,051,343	280,000			(188,979)	45		(188,934)	2,142,409
Short-term borrowings	219,880	(79,002)			188,979	350		189,329	330,207
Other non-current liabilities	19,602	(9)		(7,857)	(4,153)		5,967	1,814	13,550
Other payables	143,349		(14,698)						128,651
Other current liabilities	6,163	(2,977)	(455)		4,152			4,152	6,883
Equity	2,027,901	(11,315)	66,890	(4,912)	(63,353)	414		(62,939)	2,015,625
	4,609,469	**125,314**	**66,496**	**(115,533)**	**27,193**	**5,908**	**5,967**	**39,068**	**4,832,298**

	01/01 2023	CASH FLOWS FROM FINANCING ACTIVITIES	CASH FLOWS FROM OPERATING ACTIVITIES	CASH FLOWS FROM INVESTING ACTIVITIES	NON-CASH CHANGES				31/12 2023
					RECLASSIFICATION	FAIR VALUE CHANGES	OTHER (IFRS16)	TOTAL	
Other non-current assets	40,668	(6)	31		1,430	8,960		10,390	30,253
Other receivables	102,666	(63,352)	(7,099)		62,139			62,139	110,978
Long-term borrowings	2,076,799	180,000			(205,501)	45		(205,456)	2,051,343
Short-term borrowings	201,735	(189,770)			205,501	2,414		207,915	219,880
Other non-current liabilities	11,214	(348)		7,857	(2,931)		3,810	879	19,602
Other payables	135,574		8,615		(840)			(840)	143,349
Other current liabilities	14,326	(4,308)	(6,786)		2,931			2,931	6,163
Equity	1,989,685	(10,484)	89,548		(62,135)	21,287		(40,848)	2,027,901
	4,572,667	**(88,268)**	**84,309**	**7,857**	**594**	**32,706**	**3,810**	**37,110**	**4,609,469**

Chapter 2



Notes to the consolidated financial statements

1 Preliminary note to the consolidated financial statement

A. Reporting entity and ORES group

The ORES group (referred to as the "Group") is made up of ORES Assets, an intermunicipal company designated as gas and electricity distribution system operator (referred to as "DSO" or "ORES Assets") and its subsidiaries ORES and Comnexio. ORES Assets' shareholders are one hundred and ninety-nine municipalities and eight Intermunicipal pure financing companies (IPFs)[1]. Since 1st of January 2017, the DSO is 100% owned by the public authorities.

ORES, the operating subsidiary, is 99.72% owned by ORES Assets, with the balance held by seven of the IPFs associated in ORES Assets[2]. Comnexio, created on 1st June 2019 to manage the Group's contact center activities, is 93% owned by ORES Assets. Seven of the one hundred Comnexio shares are held by the same IPFs as those associated in ORES. In addition, there is a company partially owned by ORES Assets. Atrias, in which the company holds 16.67%. Due to the significant influence of ORES Assets on this company, the Group decided to consolidate it by the equity method. ORES and Comnexio carry out their activities at cost price. The result for each financial year is therefore zero.

The Group is only active in Belgium and more specifically in Wallonia, on the territory of the municipalities for which ORES Assets has been designated DSO. ORES Assets and ORES are headquartered at Avenue Jean Mermoz 14, 6041 Gosselies (Belgium).

B. Approval of the consolidated financial statements

The Board of Directors of ORES Assets resolves to adopt and approve the Group's consolidated financial statements 31st December 2024 on 23rd of April 2025.

C. Significant events in 2024

JANUARY

- To strengthen its resilience in the face of cyber-attack threats, ORES is launching a campaign to raise awareness and train its staff in cyber-security. At the same time, the company is committed on a process to obtain ISO 27001 certification for corporate information security.

FEBRUARY

- The www.ores.be website has been revamped, with three main objectives: to make it easier for customers to find and understand information, to provide a better presentation of the services on offer and their development in the context of the energy transition, and to facilitate online transactions.

MARCH

- In a context of labour market shortage, ORES is launching a "blitz" campaign with FOREM for the recruitment of electricians. After 10 months of training, qualified candidates are directly hired.
- At the end of March, through two decrees following another already adopted in December 2023, the Walloon Government approves the granting of subsidies aimed at accelerating the energy transition in Wallonia. In total, nearly 147 million euros, partly from the budget of the Walloon Recovery Plan and partly from the REPowerEU plan of the European Commission, are granted to the ORES group.

1 CENEO, Finest, Finimo, Idefin, IPFBW, IEG, IFIGA and Sofilux

2 CENEO, Finest, Finimo, Idefin, IPFBW, IEG and Sofilux

APRIL

- An important step towards defining distribution tariffs, the CWaPE approves the proposals for authorised revenues formulated by ORES for the distribution of electricity and gas for the period 2025-2029.

MAY

- The Walloon Parliament validates a proposal to revise the electricity decree, notably to set a new target for the deployment of smart electric meters. The objective is to achieve widespread deployment across the entire Walloon territory for all customers before 2030.
- In the context of its compliance with the CSRD (Corporate Sustainability Reporting Directive), which sets new standards and obligations for non-financial reporting for large companies, ORES consults its stakeholders as part of a double materiality exercise.

JUNE

- ORES finalises the operation to convert the gas distribution network, which began five years earlier following the announcement of the cessation of gas exports by the Netherlands. The distribution networks of the last nine municipalities still supplied with low-calorific gas have been adapted to so-called rich gas.
- ORES publishes on its website the list of short-term investments planned in low-voltage networks in favour of the energy transition. These are integrated into the risk mapping tool for disconnection, which was put online two months earlier: nearly 1,800 network modernisation projects are identified, including 1,250 to be carried out in 2024. All the works planned for the next three years are also gradually integrated.

JULY

- The first renewable energy community (CER) approved by the Walloon regulator is born in the territory managed by ORES. Established in Aubange, the CERSA – Renewable Energy Community Soleil d'Aubange – is part of the energy transition approach led by the "Parc naturel de Gaume", in partnership with the City of Aubange and the ASBL Énergie Commune. Through energy sharing, its participants will access local green electricity at a stable and competitive price, including citizens who do not have a production unit.

AUGUST

- Publication of ORES's new environmental policy, which aims to concretise and objectify all actions intended to limit the impact of our activities on the environment, notably through better environmental and energy management of our sites and network infrastructures, including waste management.

OCTOBER

- Launch of the Solormax pilot project by ORES's Innovation unit. Voluntary prosumers residing in Flobecq and Marche-en-Famenne are equipped with connected devices to monitor their production and the state of the network in real-time. By analysing local risks of overvoltage and inverter disconnection, photovoltaic production can be adjusted to prevent problems.

NOVEMBER

- Between 29th November and 2nd December 2024, the CWaPE approves the proposals for periodic electricity distribution tariffs for the year 2025 and gas distribution tariffs for the period 2025-2029 of the various DSOs in the Walloon Region.

DECEMBER

- On 3rd December, the ISO 14001 label is officially awarded to ORES by the certifiers who scrutinised the company's environmental management system. The ISO 27001 certification process related to information security resulted in minor non-conformities, which were resolved at the end of January 2025, and the certification was obtained in early spring.
- At the beginning of the year, the company set itself the goal of renovating or optimising at least 1,250 low-voltage circuits in 2024 to modernise its network and address the phenomenon of inverter disconnection among prosumers. The goal was achieved thanks to the unwavering commitment of the technical and administrative teams.

D. Report on risks and uncertainties

ORES and ORES Assets form a coherent economic group for which a consolidated analysis of risks and opportunities is performed. The following paragraphs identify the principal risks and opportunities that the ORES Group ("the Group") may face and the steps taken to mitigate the risks. Risk management is a key process. It identifies, analyses and evaluates risks according to their typology, their probability of occurrence and their potential impact on the achievement of objectives and on ORES' strategic, operational challenges and projects. The methodology used in this process is described in the ORES Assets 2024 consolidated annual BGAAP report, and more specifically in the section entitled "Description of the main features of the internal control and risk management systems". The main results for the 2024 financial year are explained below, focusing on the most significant risks as they emerged from the risk analysis presented in June and updated in December 2024. These risks are classified by category. Some unidentified risks could arise or, although they appear limited today, become more significant in the future. Nevertheless, the methodology put in place, by making all the Departments accountable, by multiplying the sources of information and by providing for regular updates of the risk image, greatly reduces the probability of ignoring a significant risk.

1. Risks associated with network congestion

The integration of an increasing number of renewable production capacities into the network or the strong growth of electrification of uses in terms of mobility or heating is shifting the electrical system from a centralized model (orchestrated by production with unidirectional network integration) to a large ecosystem with multiple, decentralized, and intermittent sources of production. This results in high volatility of energy flows transiting through the networks. This shift involves several issues. One of these is the saturation of high and low voltage networks (HV and LV). It affects both the interface between the DSO and the TSO (bottleneck limiting access to HV power) and congestion on the LV network (in production and consumption) due to variations in withdrawal (voltage drops when withdrawal is too high or overvoltage when decentralized production exceeds consumption). Another issue is the difficulty in anticipating and forecasting electricity needs. The multiple forecasting scenarios evolve significantly each year. This complexity is exacerbated by the potential consequences for electricity distribution networks of B2B customers' reflections on their decarbonization plans. To mitigate this risk, a significant industrial plan has been defined and is being implemented. It is accompanied by various projects and roadmaps related to network and customer aspects, aiming to better target the investments to be made and network optimization actions, as well as encouraging customers to consume at the right time.

To effectively manage this network congestion, it is necessary to have the appropriate personnel. Generally, this includes attracting and retaining employees. Specifically, a shortage of technical profiles affects not only the Group but also its contractors, leading to upward pressure on costs. Moreover, given the specificities of the DSO's activities, these technical personnel, both internal and external,must be trained. The Group's training capacity is, therefore, also heavily solicited. Various working groups and action plans have been put in place to manage this risk (including recruitment, revaluation of technical professions, technical training, etc.). Additionally, it is crucial to have the necessary equipment to implement this industrial plan, such as meters, high voltage equipment,or transformers, for example. There are supply difficulties for this equipment. After various analyses, based on critical equipment and an examination of supplier reliability, safety stocks are constituted, if necessary, and reflections on the evolution of storage capacities have been initiated.

Finally, given the bottleneck limiting access to HV power mentioned above, it is important to guarantee access to power. This notably implies that the vision and priorities of the TSO and DSO are aligned on this subject. The implementation of a power plan that takes these different aspects into account, as well as a Commitments Committee, joint meetings with Elia, reflections on flexibility, … help mitigate this risk.

2. Risks associated with IT tools

Digitalisation and the transformation plan are essential for ORES in supporting the energy transition while offering new services and opportunities to customers. The availability, performance, and evolution of IT tools are crucial. They require strong capacity for projects and their daily management, including evolutionary maintenance. The management of projects and the maintenance of IT tools therefore represent a risk to which particular attention is paid through various action plans.

3. Business continuity risks

At the time of the energy transition towards a more environmentally friendly energy balance (carbon neutrality by 2050), the future of the gas network is uncertain. If it is excluded from energy mix, the gas distribution network of ORES Assets could be converted, for example, into a heat network and/or a biomethane vector. The lack of vision and a sufficiently precise framework on this future at the political and regulatory level puts the activity at risk. This absence of a legal framework delays the conversion of the gas distribution network into one of the two alternatives mentioned above. ORES is particularly attentive to these aspects, notably through the establishment of a dedicated task force for molecules, a cautious approach in terms of investments in networks, ...

Cybercrimes are increasing exponentially. This phenomenon is reinforced by the geopolitical context and digital transformation. Various laws and regulations are adopted with the aim of improving Belgium's resilience in this regard (directive "NIS2". law "risk preparedness for energy sector". "network code – security section"). As an operator of essential services, the Group is particularly concerned by these provisions. The riskiest scenarios for ORES have been identified, strong governance in information system security has been established, as well as business continuity plans for critical processes associated with the disaster recovery plan on the IT side. A procedure to obtain ISO 27001 certification was also launched in 2024 and was completed in early 2025.

Having a continuity and return-to-normal strategy is indeed a sustainable approach that allows ORES to face unforeseen events that could impact its operations. These unforeseen elements stem not only from malicious attacks,hardware, and infrastructure failures, but also from the frequency and severity of exceptional weather events,- such as storms, temperature increases and variations, intense precipitation, and resulting floods... Strengthening governance and continuous improvement enable the company to ensure the resilience of its activities. Additionally, the group has an internal emergency plan.

There is also reference to interest rate risk and risks related to customer services.

4. Risks associated to customers service

The quality of the DSO's services is crucial for the daily lives of millions of people. It affects the DSO's missions, the reliability of infrastructures, the continuity of services and energy flows, effective data management, ... Interruptions in this quality can impact market operations, market players, and customers, leading to complaints and requests. ORES is attentive to this, with team reinforcements, monitoring of indicators, as necessary.

5. Risks associated to human resources and to culture

The employees are a key element in achieving ORES' strategy and objectives. Faced with changes related to the energy transition, digitalisation, and a strained job market, having the right skills, both current and future, as well as a strong corporate culture is important. Regarding the latter, it must be aligned with the strategy and adapted to the challenges of the energy transition. An imbalance may negatively affect other risk dimensions (recovery, sustainability, assimilation of changes, ...). The Human Resources Department launched a "Horizon" plan in 2022 to meet these challenges, a plan to support new values has been implemented and managers' change management skills have been strengthened.

6. Risks associated with data

The quality of data is essential to the energy transition, whether it concerns network data, customer data, market data, ... It is even more crucial, for example, to be able to implement flexibility. ORES aims to gradually establish the foundations to evolve from a process-oriented organisation to a "Data Driven" organisation.

7. Economic and financial risks (including tariff risks)

TARIFF RISKS

The tariffs for 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 based on this decree. This framework determines the resources available to the DSO to finance its activities (authorised revenue) and a set of rules that can have a positive or negative impact on the remuneration of shareholders (incentive regulation mechanism). Any change to these rules may therefore affect the Group's revenues, profits and/or financial position. A new tariff methodology was approved by the CWaPE at the end of May 2023 for the period 2025-2029. For electricity, the CWaPE also approved mid-2024 tariff guidelines to implement a new form of tariff for low voltage customers that further encourages load shifting. This would be applicable from 2026. The proposals for authorised revenue for electricity and gas, and the tariff proposals for 2025 in electricity and 2025-2029 in gas were approved in 2024. Discussions are currently underway with the regulator to adjust authorised revenues following the Walloon Parliament's decision to generalize the deployment of smart meters, as well as on the electricity distribution tariffs for 2026-2029 (implementation of the new incentive tariff based on the guidelines mentioned above).

Having authorised revenues fixed for a period of 5 years is a positive element that provides the company with visibility on the resources it can have, and which are necessary for its Industrial Plan.

Differences may arise between planned controllable costs (those approved in the authorised revenue) and actual costs. To mitigate this risk, the following actions have been put in place:

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

Finally, the company must ensure that it complies with its financial covenants, which are monitored on a regular basis.

B. TAX RISK

ORES Assets and ORES are subject to corporation tax. Changes in tax regulations and their interpretation by the tax authorities may have an impact on the Group. The tariff methodology provides that any tax charge for ORES Assets is included in the tariff as a non-controllable cost. Consequently, the impact of these changes and interpretations is essentially limited to ORES.

C. ASSET AND LIQUIDITY RISKS

As part of the management of these risks and the billing of fees to use the networks, which make up the bulk of the Group's turnover, ORES Assets has a mechanism for guarantees from its energy suppliers who are 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 program and the credit line referred to above; it can be considered that the liquidity risk is more than controlled. Cash management enables 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.

D. MACRO-ECONOMIC AND CYCLICAL RISKS

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

Regarding the impact on the demand for electricity and natural gas, this risk and its effects are normally not borne by the Group. The 2024 tariff methodology indeed provides for the regulator to control the differences between the budget and reality during the year following the concerned year (N+1), including the volume risk. The tariff for regulatory balances is, in principle, adjusted to account for these differences from January 1st of the year following the control (N+2). In practice, a smoothing of the tariff for regulatory balances over time is also considered to avoid significant shocks on consumer bills.

The volatility of energy prices can have an impact on some of the DSO's expenses and therefore create risks for the Group. This is the case, for example, if the authorised price corridor for electricity purchases is exceeded, or if an energy supplier goes bankrupt. The Group takes great care in order to limit these risks, in particular by paying close attention to public procurement procedures for energy purchases and their implementation, and to procedures for monitoring energy suppliers (payment, guarantees, ...).

2 Notes to the consolidated profit or loss statement

Note 01 A - Turnover (in thousands of €)

ELECTRICITY	31/12/2024	31/12/2023
Distribution fee	721,507	686,673
Public service obligations (PSOs)	40,561	61,240
Other	3,874	2,999
Total	**765,942**	**750,912**

GAS	31/12/2024	31/12/2023
Distribution fee	186,145	173,662
Public service obligations (PSOs)	20,549	35,677
Total	**206,694**	**209,339**

NOT ALLOCATED	31/12/2024	31/12/2023
Third-party inventory management	4,936	5,965
Construction contracts	21,228	23,094
Total	**26,164**	**29,059**

Total turnover	**998,800**	**989,310**
Performance obligations satisfied over time	994,926	986,311
Performance obligations satisfied at a specific point in time	3,874	2,999

Distribution fee

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 recognized in cost of sales (cascade principle), which in principle results in neutrality in the profit or loss statement (see also note 03).

Income and expenses related to distribution fees are recognized, 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 recognized progressively as revenue and are based on meter readings and on estimates for the unmetered portion of network usage (invoiced as an advance payment). These estimates are corrected at the reporting 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.

Regarding electricity distribution fees, they increase by 5.07% (+€34.8m). This increase is mainly explained by the fact that in 2023, following an adaptation of the RTNR calculation methodology for electricity, with retroactive effect from 1st January 2022 (see the 2023 annual report on this subject), the amount of RTNR recorded in 2023 was an expense of €112.370k (of which €73.112k came from the year 2022). This resulted in a significant decrease in turnover in 2023 (fully compensated by regulatory balances).

By neutralizing this correction, the turnover related to distribution fees would decrease in 2024, due to a reduction in distribution and transport tariffs while the quantities billed remain stable compared to 2023.

As for gas distribution fees, they also increase by 7.19% (+€12.5m), mainly explained by the increase in billed volumes by 5.75% coupled with a slight rise in distribution tariffs.

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 customers). They mainly consist to:

- To ensure, at the social tariff, the supply of electricity to protected customers. The difference between the social tariff and the market tariff 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 or 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 also note 03);
- To ensure the installation of a prepayment 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.

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.

Sales related to OSP, both in electricity and gas, are down by €20.7m and €15.1m respectively. One of the main reasons is the significant decrease in the amount receivable from the CREG as part of the recovery of the difference between the social tariff and the market tariff of €33.1m, following the cessation of the extension of the federal and regional social tariff in June 2023, as well as a smaller difference between the social tariff and the market tariff.

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 meters used.

Construction contracts

The Group's turnover also includes income from construction contracts for various works 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 or loss statement progressively, depending on the progress of the contract.

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

1. STATEMENT OF FINANCIAL POSITION		31/12/2024	31/12/2023
Regulatory assets	Distribution and transport balance	271,913	172,855
Regulatory liabilities	Distribution and transport balance	0	(9,613)
Regulatory liabilities		**271,913**	**163,242**
Previous regulatory period		11,339	11,382
Current regulatory period		260,574	151,860

2. DETAILS OF THE EVOLUTION OF THE REGULATORY BALANCES	31/12/2024	31/12/2023
Via total comprehensive income	81,075	184,444
Other	27,634	(840)
Total	**108,709**	**183,604**

3. STATEMENT OF COMPREHENSIVE INCOME		31/12/2024	31/12/2023
Electricity	Year 2024	74,069	120,213
	Previous years	0	54,816
	Total	**74,069**	**175,029**
Gas	Year 2024	14,173	22,667
	Previous years	(7,963)	493
	Total	**6,210**	**23,160**
Transport	Year 2024	796	954
	Previous years	0	(14,699)
	Total	**796**	**(13,745)**

Total regulatory balances		**81,075**	**184,444**
of which:	Year 2024	89,038	143,834
	Previous years	(7,963)	40,610

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 particularly 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.

The Group will closely monitor the progress of the project based on comments on the text and future debates of the IASB and, depending on these, will analyse in detail the consequences of applying this new standard.

The Group has assumed that these balances will be recovered in the future, which has been the case since 2015 in the form of advance payments for the 2008-2014 balances and definitively for the balances allocated by CWaPE since 2019 (see below). They are therefore recognized as an asset or liability.

The regulatory balances at the end of 2024 will result in an asset of €271.6m, compared to an asset of €163.6m in 2023. The changes this year relate to:

- The distribution regulatory balances for the year: +€74.1m in electricity and +€14.2m in gas;
- Previous distribution regulatory balances recovered/restored: -€8.0m in gas (no electricity regulatory balance could be allocated to the 2024 distribution tariffs following the regulator's decision to postpone its decision during the approval of the 2025-2029 electricity tariffs);
- Transport balances: +€0.8m related to the year 2024, as with the electricity distribution balances, past balances could not be recovered this year but will be in 2025 (100% allocation granted by CWaPE for the 2022-2023 transport balances);
- The balance sheet movement of €27.6m recorded under "Other" resulting from a transfer of other current assets to tariff balances following the acquisition of the final transport balances for the year 2023.

It should also be noted that, since 2019, these differences have been recorded separately for distribution and transport.

Past tariff balances, solely for the gas activity, related to the years 2020-2021 and the budget revision of the envelope concerning smart meters, are recovered by ORES Assets via distribution tariffs., as decided by CWaPE in its tariff methodologies. This allowed for the recovery in 2023,for the gas activity only, of an amount of €8.0m excluding transport (2023: -€17.8m).

For both electricity and gas, the distribution regulatory balance for 2024 results from the contraction of the following factors:

- The volume effect: significant regulatory assets recorded in both fluids because the quantities distributed in 2024 were lower than budgeted (actual volumes stable in electricity or even increasing in gas but still below those budgeted – see note 01-A on this subject);
- The electricity purchase price, certainly lower compared to 2023 but still much higher than what was projected in the 2024 budget;
- The indexation of controllable costs based on the actual 2024 rate (new feature of the 2024 tariff methodology);

For gas, this was partially offset by the recognition of a regulatory liability resulting from billing to own customers, which was higher than what was projected in the budgets.

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

	31/12/2024	31/12/2023
Recovery of fraudulent consumption	2,723	2,733
Various recoveries from customers	6,482	8,632
Damages to facilities	4,190	3,267
Leases / supplies	4,308	4,564
Other recovery of expenses	8,853	10,711
Total	**26,556**	**29,907**

The decrease in the "various recoveries from customers" item by nearly €2.2m is partly related to the cessation of the measure concerning the extension of the federal and regional social tariff on 30th June 2023, for which the ORES group received a premium covering administrative work.

The item "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 Walloons. 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	31/12/2024	31/12/2023
Energy purchases (PSO - gas and electricity)	33,089	100,635
Network losses (electricity)	83,533	156,308
Goods	23,510	23,323
Total	**140,132**	**280,266**
Transport fees (electricity)	194,044	224,496
Road fees	42,852	49,452
Total	**377,028**	**554,214**

GOODS AND SUPPLIES

This item comprises the purchase of electricity to cover network losses, and therefore specific to the electricity sector. In accordance with the Electricity Decree of 12th April 2001, the distribution system operator is responsible for purchasing energy to cover losses in accordance with transparent and non-discriminatory procedures, giving priority to green electricity where this does not give rise to additional costs. The purchases required to cover these losses are subject to public procurement rules (competitive tendering - call for tender or contract award).

These purchases have significantly decreased (-€72.8m), due to a 48.10% drop in the average price in 2024 (the price being set annually based on a public procurement in effect for 2023 and 2024). This decrease is slightly offset by a 2.24% increase in quantities purchased.

Energy purchases also concern the energies necessary for supply to protected customers within the framework of PSOs. The significant decrease (-€67.5m) is largely due, as with purchases for network loss coverage, to a substantial reduction in the purchase price, both for electricity (-46.%) and gas (-35.80%). This decrease is coupled with a reduction in quantities purchased, also observed in both fluids.

The last item concerns the purchase of goods, which is quite stable this year although the stock has significantly increased in 2024 (see note 12). In the current European context where the demand for equipment is growing strongly, the ORES Group prefers to avoid any stock shortages by storing more than necessary. The widespread deployment of smart meters also explains the massive stocking of meters.

TRANSPORT FEES

The electricity transport system 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 system operator to the energy suppliers.

The decrease observed this year (-€30.5m) is largely due to the reduction in the cost of surcharges and contributions (-41.20% - reduction in support measures for renewable energies). This decrease is partially offset by an increase in the cost of the transport tariff applied by Elia (+4.92%). The transported volumes remain quite stable (+0.55%).

ROAD FEES

The DSO has to calculate annually the road fees associated for the distribution of electricity (repaid in full to the municipalities) or gas (repaid to the municipalities, provinces and the Walloon Region). They are calculated in particular on the basis of the quantities transported the previous year. The lower amount of fees recorded this year is a consequence of the decrease in volumes transported by ORES Assets between 2022 and 2023.

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

	31/12/2024	31/12/2023
Third-party fees	43,135	35,570
IT consultancy	59,702	50,733
Insurances	2,889	2,499
Vehicle leases	1,134	880
Building and optical fiber leases	692	649
Other leases and fees	22,518	19,104
Vehicle expenses	9,201	8,948
Specific supplies to the company	8,110	10,277
Other	34,032	(15,399)
Total	**181,413**	**113,261**

IT consultancy fees have increased (+€9.0m) and are related to the increase in activity and projects linked to the energy transition, some of which have not yet reached the required stage to be capitalized as intangible assets according to our valuation rules.

The growth in the "Other" item by nearly €49.4m is related to the net movement of provisions for the year 2024 amounting to -€9.1m compared to that of 2023, in which a net movement of -€56.2m was recorded (see note 18 on this subject).

Note 05 – Financial income (in thousands of €)

	31/12/2024	31/12/2023
Interest income	657	4,106
Other	4,077	3,593
Total	**4,734**	**7,699**

Interest rates have helped to maintain profitability on cash during the year 2024. The observed decrease is explained by the reduction in cash volumes placed in 2024 compared to 2023.

DERIVATIVE INSTRUMENTS (SWAPS, CAPS – ACCOUNTED FOR IN OTHER)

Since 2017, instead of hedging its variable loans with swaps, the Group has opted for the purchase of interest rate caps accounted for in non-current assets and not designated as hedging assets (see note 27 on this subject).

Other interest income consists, on the one hand of changes in the fair value of these financial products when this change is positive and, on the other hand, of various financial income such as capital gains realized on financial investments.

In 2024, the change in the fair value of active financial instruments (interest rate swaps & caps) is €3.1m (compared to €1.4m in 2023) and the capital gain realized on the sale of the SICAV was €1.0m in 2024 compared to €2.2m in 2023. The change in fair value is mainly linked to the easing of the monetary policy of the European Central Bank,resulting in a decrease in short-term rates. These decisions negatively impact the "mark to market" of our cap hedging products. Furthermore, it is worth noting the maturity of several hedging contracts, particularly in swaps.

Note 06 – Financial expenses (in thousands of €)

	31/12/2024	31/12/2023
Interest on conventional loans	41,212	32,091
Interest on bonds	10,570	10,570
Interest on lease liabilities	420	341
Other interest charges	1,333	26
Total interest expense	**53,535**	**43,028**
Effect of the unwinding of discount of provisions	1,952	10,719
Other financial expenses	173	274
Total financial expenses	**55,660**	**54,021**

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 minimize 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 also takes account of the different maturities of the borrowings 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.

BONDS

No new bond was contracted by the Group in 2024.

TRADITIONAL BANK LOANS

The financial expenses related to conventional loans have increased by just over €9.1m, explained by the interest incurred in 2024 on loans contracted at the end of 2023 amounting to €180m, the increase in interest rates observed in 2024, and the subscription of new loans during the year 2024 for a total amount of €280m (see note 15 on this subject).

Nevertheless, given the high interest rates observed in 2024, ORES was able to rely on the hedging products purchased in previous years to protect its debt against interest rate risk.

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).

As in 2023, the net effect on the provision for pension plans is a financial expense of €2m (compared to €10.7m in 2023) due, on the one hand, to actuarial differences observed between the assumptions made at the end of 2023 and the reality of 2024, particularly in terms of the increase in the discount rate from 3.07% to 3.17%, and on the other hand, to certain changes in assumptions regarding other long-term benefits such as the turnover rate. In 2023, the impact of the actual salary indexation had resulted in a higher financial expense; the actual indexation in 2024 being more limited (see note 20 on this subject).

Note 07 – Segment information (in thousands of €)

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

PROFIT OR LOSS STATEMENT

31/12/2024 BELGIAN ACCOUNTING STANDARDS	Segment Gas	Segment Electricity	Other activities[3]	ORES[4]	COMNEXIO[5]	TOTAL COMBINED[6]
Turnover	206,306	852,826	3,173	787,138	10,648	1,860,090
Other operating income	18,137	56,301	0	9,613	7	84,058
Operating expenses	(167,475)	(817,691)	(3,256)	(793,601)	(10,565)	(1,792,588)
Operating profit or (loss)	**56,968**	**91,436**	**(83)**	**3,150**	**89**	**151,560**
Financial income	1,433	2,921	0	41,626	11	45,992
Financial expenses	(15,613)	(33,818)	0	(41,626)	0	(91,057)
Financial profit or (loss)	**(14,180)**	**(30,897)**	**0**	**0**	**11**	**(45,066)**
Other	0	0	0	0	0	0
Profit or (loss) before taxes	**42,788**	**60,539**	**(83)**	**3,150**	**100**	**106,495**
Taxes	(8,517)	(22,377)	0	(3,150)	(100)	(34,144)
Profit or (loss) for the period	**34,271**	**38,162**	**(83)**	**0**	**0**	**72,350**

31/12/2023 BELGIAN ACCOUNTING STANDARDS	Segment Gas	Segment Electricity	Other activities[3]	ORES[4]	COMNEXIO[5]	TOTAL COMBINED[6]
Turnover	208,392	912,979	2,855	711,532	9,923	1,845,681
Other operating income	29,032	63,573	818	10,035	6	103,464
Operating expenses	(178,814)	(877,957)	(2,883)	(718,397)	(9,846)	(1,787,897)
Operating profit or (loss)	**58,610**	**98,595**	**790**	**3,170**	**83**	**161,248**
Financial income	1,537	3,186	0	30,448	21	35,191
Financial expenses	(12,098)	(21,715)	0	(30,448)	0	(64,261)
Financial profit or (loss)	**(10,561)**	**(18,529)**	**0**	**0**	**21**	**(29,070)**
Other	0	0	0	0	0	0
Profit or (loss) before taxes	**48,049**	**80,066**	**790**	**3,170**	**104**	**132,178**
Taxes	(6,249)	(16,253)	(198)	(3,170)	(104)	(25,972)
Profit or (loss) for the period	**41,800**	**63,813**	**592**	**0**	**0**	**106,206**

3 Activities related to real estate leasing.
4 ORES is a 99.72% owned subsidiary of ORES Assets.
5 Comnexio is a 93% owned subsidiary of ORES Assets.
6 Combined financial statements of the group without elimination of intercompany transactions.

FINANCIAL POSITION

31/12/2024 BELGIAN ACCOUNTING STANDARDS	Segment Gas	Segment Electricity	Other activities	ORES	COMNEXIO	TOTAL COMBINED
Non-current assets	**1,414,973**	**2,932,531**	**15**	**1,969,612**	**1,333**	**6,318,464**
Intangible and tangible assets	1,413,067	2,834,670	0	1,064	1,333	4,250,134
Other non-current assets	1,906	97,861	15	1,968,548	0	2,068,330
Current assets	**125,437**	**400,657**	**146**	**463,199**	**1,449**	**990,888**
Inventories	0	11,732	0	98,519	0	110,252
Trade and other receivables	51,022	142,055	(184)	288,109	13	481,015
Cash and cash equivalents	21	98	0	70,418	1,392	71,928
Other current assets	74,394	246,772	330	6,153	44	327,694
TOTAL ASSETS	**1,540,410**	**3,333,188**	**161**	**2,432,812**	**2,782**	**7,309,353**
Equity	**618,398**	**1,431,833**	**0**	**466**	**25**	**2,050,722**
Share capital	278,225	586,220	0	458	25	864,928
Other reserves	324,325	751,402	0	0	0	1,075,726
Capital grants	15,849	94,212	0	8	0	110,068
Non-current liabilities	**741,881**	**1,444,106**	**0**	**1,978,062**	**0**	**4,164,050**
Borrowings	734,153	1,411,528	0	1,968,538	0	4,114,219
Provisions	7,728	32,578	0	9,525	0	49,831
Current liabilities	**180,131**	**457,249**	**161**	**454,284**	**2,757**	**1,094,581**
Borrowings	59,217	129,762	0	256,771	0	445,750
Trade payables	13,736	110,538	18	105,635	1,431	231,358
Other current liabilities	107,178	216,949	143	91,879	1,325	417,473
TOTAL LIABILITIES	**1,540,410**	**3,333,188**	**161**	**2,432,812**	**2,782**	**7,309,353**

31/12/2023 BELGIAN ACCOUNTING STANDARDS	Segment Gas	Segment Electricity	Other activities	ORES	COMNEXIO	TOTAL COMBINED
Non-current assets	**1,379,868**	**2,739,983**	**15**	**1,819,879**	**1,410**	**5,941,155**
Intangible and tangible assets	1,377,375	2,723,648	0	1,524	1,410	4,103,957
Other non-current assets	2,493	16,335	15	1,818,355	0	1,837,198
Current assets	**115,073**	**450,490**	**(48,529)**	**405,030**	**1,397**	**923,461**
Inventories	0	10,838	0	77,024	0	87,862
Trade and other receivables	40,936	286,637	(48,529)	206,392	23	485,459
Cash and cash equivalents	27	292	0	115,523	1,338	117,180
Other current assets	74,110	152,723	0	6,091	36	232,960
TOTAL ASSETS	**1,494,941**	**3,190,473**	**(48,514)**	**2,224,909**	**2,807**	**6,864,616**
Equity	**593,798**	**1,355,051**	**0**	**486**	**25**	**1,949,360**
Share capital	278,225	589,238	0	458	25	867,946
Other reserves	315,573	765,813	0	0	0	1,081,386
Capital grants	0	0	0	28	0	28
Non-current liabilities	**714,588**	**1,343,700**	**0**	**1,834,014**	**0**	**3,892,302**
Borrowings	712,143	1,342,526	0	1,815,308	0	3,869,977
Provisions	2,445	1,174	0	18,706	0	22,325
Current liabilities	**186,555**	**491,722**	**(48,514)**	**390,409**	**2,782**	**1,022,954**
Borrowings	63,766	141,736	0	141,592	0	347,094
Trade payables	23,463	155,029	0	102,865	1,707	283,064
Other current liabilities	99,326	194,957	(48,514)	145,952	1,075	392,796
TOTAL LIABILITIES	**1,494,941**	**3,190,473**	**(48,514)**	**2,224,909**	**2,807**	**6,864,616**

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 €)

31/12/2024		Segment information	Group financial statements	Difference
Profit or loss statement	Turnover and regulatory balances	1,860,090	1,079,875	(780,215)
	Profit (loss) before taxes	106,494	93,441	(13,053)
Financial position	Total assets	7,309,353	5,145,532	(2,163,821)
	Total liabilities	7,309,353	5,145,532	(2,163,821)

31/12/2023		Segment information	Group financial statements	Difference
Profit or loss statement	Turnover and regulatory balances	1,845,681	1,173,754	(671,927)
	Profit or (loss) before taxes	132,178	107,215	(24,963)
Financial position	Total assets	6,864,616	5,040,852	(1,823,764)
	Total liabilities	6,864,616	5,040,852	(1,823,764)

The ORES Management Committee, overseen by the ORES and ORES Assets Boards of Directors, is the Group's main operating decision maker. In its day-to-day management, it reviews the accounts of ORES Assets, ORES and Comnexio prepared in accordance with Belgian accounting standards. The Group operates in a regulated environment in which the financial statements of each entity of the Group, prepared in accordance with Belgian accounting standards and, for ORES Assets, 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 energy, 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 center activities and also works at cost price on behalf of the DSO.

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 SEGMENT INFORMATION AND THE CONSOLIDATED FINANCIAL STATEMENTS OF ORES ASSETS:

- Transactions, balances, income and expenses between operating segments fully eliminated on consolidation ;
- Recognition of dividends when approved by the General Meeting;
- Provision for employee benefits :
  - **A.** Recognition of provisions in respect of the Group's pension plans;
  - **B.** Pension costs written back from third parties are not carried forward;
- Intangible and tangible fixed assets :
  - **A.** Depreciation of fixed assets from the date they are brought into service;
  - **B.** Adjustment of staff costs included in the value of fixed assets;
  - **C.** Recognition of rights-of-use as investments;
- Recognition of derivative financial instruments at fair value ;
- Recognition of deferred tax on each adjustment made ;
- Recognition of an additional write-down on trade receivables.

Most of these differences were detailed exhaustively in the Group's IFRS transition note in the first aggregated financial statements at the end of December 2012.

INFORMATION ON GEOGRAPHICAL AREAS

The Group operates exclusively in Belgium, and more specifically in the Walloon Region.

INFORMATION ABOUT MAIN CUSTOMERS

For the gas sector, as in 2023, three of our customers,energy suppliers, alone represent 79% of the distribution fees billed in 2024 (81% in 2023).

For the electricity sector, as in 2023, two of our customers, energy suppliers, alone represent 71% of the distribution fees billed in 2024 (same percentage in 2023).

3 Notes to the consolidated statement of financial position

Note 08 - Intangible assets (in thousands of €)

	31/12/2024	31/12/2023
Acquisition cost	174,334	157,718
Accumulated amortization and impairment	(59,358)	(50,264)
Total	**114,976**	**107,454**

COST		Software	Development	Total
Opening balance	**2023**	**136,401**	**2,584**	**138,985**
Acquisitions		20,486	0	20,486
Internal developments		0	251	251
Disposals/decommissioning		(2,004)	0	(2,004)
Transfer to Comnexio item		621	(621)	0
Opening balance	**2024**	**155,504**	**2,214**	**157,718**
Acquisitions		18,412	0	18,412
Internal developments		0	241	241
Disposals/decommissioning		(2,037)	0	(2,037)
Transfer to Comnexio item		0	0	0
Closing balance	**2024**	**171,879**	**2,455**	**174,334**

ACCUMULATED AMORTIZATION AND IMPAIRMENT		Software	Development	Total
Opening balance	**2023**	**(40,758)**	**(270)**	**(41,028)**
Amortization costs		(10,705)	(535)	(11,240)
Impairment loss on decommissioning		0	0	0
Disposals/decommissioning		2,004	0	2,004
Opening balance	**2024**	**(49,459)**	**(805)**	**(50,264)**
Amortization costs		(10,461)	(584)	(11,045)
Impairment loss on decommissioning		(86)	0	(86)
Disposals/decommissioning		2,037	0	2,037
Closing balance	**2024**	**(57,969)**	**(1,389)**	**(59,358)**

		113,910	**1,066**	**114,976**

Intangible assets acquired or developed in 2024 mainly comprise the following projects:

- Nomad: an application for managing planned works, replacing the "Mes Missions" program
- SM CIS Energy: a tool for managing smart meter data with the finest granularity, allowing billing based on "dynamic" tariffs.
- SG ADMS: linked to the overall "smart" networks project: implementation of a distribution (electricity, gas) and failure management system, including integration with the SCADA (remote control) system, which collects measurements in real time and enables remote control of the network.
- SG GIS: a geographic information system allowing the integration of alphanumeric and geospatial data, meaning that the network element will be described not only by its characteristics but also by its positioning.

Developments in network management techniques,smart meters and other developments mean that significant costs are being generated; historically, these have been capitalized under the item "development costs" in intangible assets.

It should be noted that the impairment test carried out at the end of 2024 led us to decommission a project that was at the end of its life. This generated a minimal impact of €86k.

AMOUNTS COMMITTED FOR THE ACQUISITION OF INTANGIBLE ASSETS	31/12 2024	31/12 2023
IT projects	1,130	2,512
Total	**1,130**	**2,512**

Note 09 – Tangible assets (in thousands of €)

	31/12/2024	31/12/2023
Acquisition cost (excluding lease contracts)	7,690,507	7,556,500
Accumulated depreciation and impairment	(3,388,471)	(3,246,570)
Owned tangible assets	**4,302,036**	**4,309,930**
• Land & buildings	131,037	133,026
• Distribution network	4,132,170	4,142,013
• Equipment	38,242	34,273
• Other	587	618
• **Subtotal**	**4,302,036**	**4,309,930**
Right-of-use	32,788	26,820
Accumulated depreciation and impairment	(19,006)	(15,676)
Tangible assets: right-of-use	**13,782**	**11,144**
• Buildings	2,305	1,879
• Optical fiber	4,994	4,242
• Vehicles	6,482	5,023
• **Subtotal**	**13,781**	**11,144**
Total tangible assets	**4,315,817**	**4,321,074**

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	**2023**	**184,624**	**6,983,999**	**188,144**	**4,169**	**7,360,936**
Acquisitions		2,957	260,831	7,720	47	271,555
Transfers/decommissioning		(2)	(50,399)	(5,094)	(2,445)	(57,940)
Transfer to assets held for sale		(40)	(18,011)	0	0	(18,051)
Opening balance	**2024**	**187,539**	**7,176,420**	**190,770**	**1,771**	**7,556,500**
Acquisitions		1,335	316,449	12,807	0	330,591
Transfer/decommissioning		(595)	(47,289)	(2,063)	0	(49,947)
Transfer to assets held for sale		(8)	229	0	0	221
Public grants received		0	(146,858)	0	0	(146,858)
Closing balance	**2024**	**188,271**	**7,298,951**	**201,514**	**1,771**	**7,690,507**

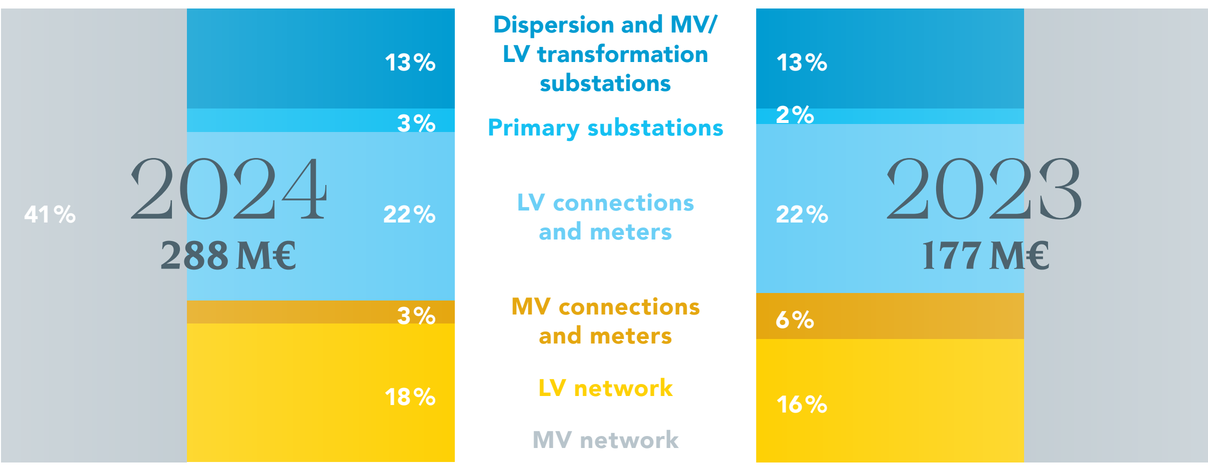
ACCUMULATED DEPRECIATION AND IMPAIRMENT		Land & buildings	Distribution network	Equipment	Other	Total
Opening balance	**2023**	**(51,461)**	**(2,920,004)**	**(151,355)**	**(3,028)**	**(3,125,849)**
Depreciation expenses		(3,052)	(173,676)	(10,184)	(55)	(186,967)
Transfers/decommissioning		0	50,358	5,042	1,930	57,330
Transfers to assets held for sale		0	8,915	0	0	8,915
Opening balance	**2024**	**(54,513)**	**(3,034,407)**	**(156,497)**	**(1,153)**	**(3,246,570)**
Depreciation expenses		(3,052)	(179,563)	(8,808)	(31)	(191,454)
Transfers/decommissioning		331	47,290	2,033	0	49,654
Transfers to assets held for sale		0	(212)	0	0	(212)
Public grants received		0	111	0	0	111
Closing balance	**2024**	**(57,234)**	**(3,166,781)**	**(163,272)**	**(1,184)**	**(3,388,471)**
Accounted for at historic cost		**131,037**	**4,132,170**	**38,242**	**587**	**4,302,036**

The investments in 2024, as in previous years, are mainly related to our gas and electricity distribution network,amounting to €316.4m out of total investments of €330.6m (compared to €260.8m related to the distribution network out of total investments of €271.6m in 2023). This increase is partly explained by the acceleration of investments in energy transition (network reinforcement, deployment of smart meters, ...).

Investment in the distribution network during the year comprised:

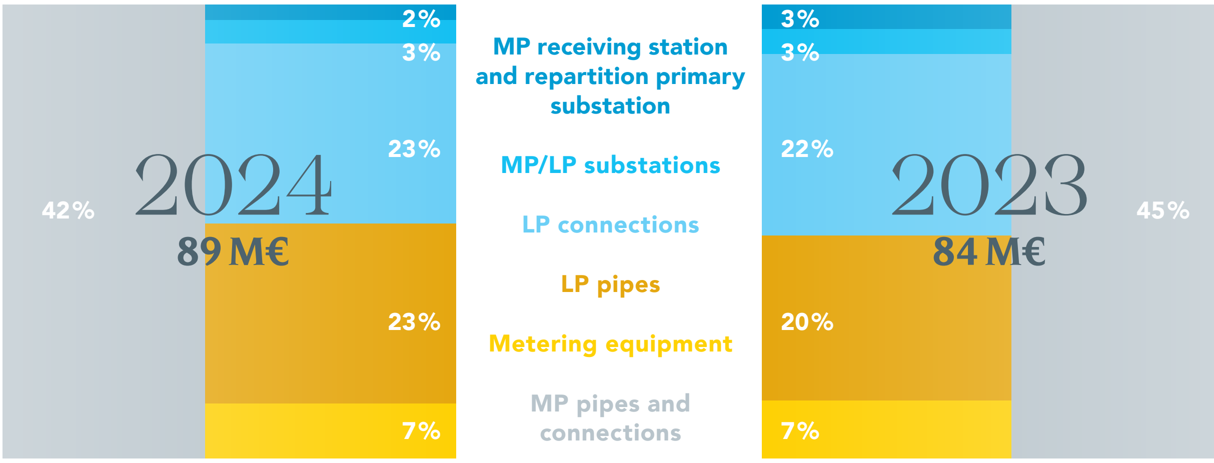
- Electricity: replacement of equipment (59%) as well as network extensions and installation of new substations (41%) for a total amount of €288M (€177m in 2023):

Investment in the electricity distribution network



- Gas: works done to rehabilitate the network (47%) and extend the existing network (53%) for a total of €89m (€84m in 2023).

Investment in the gas distribution network



In 2024, ORES Assets received capital grants totaling €146.9m to finance investments aimed at improving the energy efficiency of the distribution network, increasing the capacity to host renewable energy production, and controlling costs related to the energy transition. These subsidies are granted by the Walloon Region under the Walloon Recovery Plan (PRW) and, partly, by funds from Europe (under REPowerEU). As described in the accounting methods, these subsidies are accounted for as deductions from subsidised investments and are subject to a staggered transfer to the profit or loss statement, in line with the depreciation of the assets for which they were obtained. Although the exact allocation of the grants still needs to be clarified in 2025, it was decided in 2024 to allocate them entirely to investments made in the deployment of smart meters. This transfer to the income statement represents, in 2024, a deduction of depreciation expenses of €111k.

TOTAL AMOUNTS COMMITTED TO PURCHASE TANGIBLE ASSETS	31/12 2024	31/12 2023
Electricity distribution network	98,595	78,174
Gas distribution network	26,293	22,057
Buildings & equipment	8,066	9,983
Vehicles	495	834
Total	**133,449**	**111,048**

2. Tangible assets: rights-of-use

The rights-of-use for tangible assets arise from leases within the scope of IFRS 16 - Leases (see accounting policy A.8). In December 2024, the detail of the rights-of-use assets is as follows:

COST		Buildings	Optical fibers	Vehicles	Total
Opening balance	**2023**	**9,267**	**7,759**	**8,309**	**25,335**
New contracts/exercise of options		313	0	3,497	3,810
Termination of contracts/exercise of options		(2,325)	0	0	(2,325)
Opening balance	**2024**	**7,255**	**7,759**	**11,806**	**26,820**
New contracts/exercise of options		1,063	1,406	3,499	5,968
Termination of contracts/exercise of options		0	0	0	0
Closing balance	**2024**	**8,318**	**9,165**	**15,305**	**32,788**

ACCUMULATED DEPRECIATION AND IMPAIRMENT		Buildings	Optical fibers	Vehicles	Total
Opening balance	**2023**	**(5,050)**	**(2,860)**	**(5,202)**	**(13,111)**
Depreciation expense		(544)	(657)	(1,581)	(2,782)
		217	0	0	217
Opening balance	**2024**	**(5,377)**	**(3,517)**	**(6,783)**	**(15,676)**
Depreciation expense		(636)	(654)	(2,040)	(3,330)
		0	0	0	0
Closing balance	**2024**	**(6,013)**	**(4,171)**	**(8,823)**	**(19,006)**

Rights-of-use assets are depreciated over the shorter of the lease term or the economic lifetime of the leased asset.

During 2024, ORES entered into new leases for buildings and vehicles. Also, in accordance with the standard, the Group reconsidered the exercise of options to extend, renew or terminate leases in order to determine the value of the rights-of-use.

Note 10 – Financial assets (in thousands of €)

FINANCIAL ASSETS RECORDED AT FAIR VALUE THROUGH THE PROFIT OR LOSS STATEMENT	NON-CURRENT 31/12/2024	NON-CURRENT 31/12/2023	CURRENT 31/12/2024	CURRENT 31/12/2023
Unlisted equity instruments	17	17	0	0
Listed equity instruments –stock options	0	0	3,064	3,185
Derivative financial instruments	3,773	7,121	10	0
Total	**3,790**	**7,138**	**3,074**	**3,185**
FINANCIAL ASSETS RECORDED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME				
Derivative financial instruments	0	1,761	952	1,420
Total	**0**	**1,761**	**952**	**1,420**
FINANCIAL ASSETS AT AMORTIZED COST				
Trade receivables	0	0	38,215	37,290
Other receivables	99,266	21,354	91,917	110,979
Total	**99,266**	**21,354**	**130,132**	**148,268**
Total	**103,056**	**30,253**	**134,158**	**152,873**

Other non-current financial assets recorded at fair value through the profit or loss statement comprise derivative instruments (CAPs) that are not designated as hedging instruments (see also note 27). As indicated in note 05, the negative change in fair value is due to a downward trend in short-term interest rates over the next few years. This will have a negative impact on the mark-to-market of our CAPs, particularly those products due to mature at the end of 2029, which represent the majority of the portfolio.

Regarding financial assets measured at fair value through other comprehensive income, mainly consisting of interest rate swaps, the decrease in fair value is due to the maturity of certain contracts in 2024.

No new hedging contracts were subscribed this year.

Other current receivables partly consist of the interim dividend paid in 2024, amounting to €65.0m (see note 11 for an explanation of the variation in receivables and other receivables) and partly by the receivable held against the Walloon Region related to the balance of the subsidy to be received amounting to €102.4m, of which €84m in other non-current receivables and €18.4m in other current receivables (see note 09 on this subject). This distribution between long-term and short-term is an estimate based on a projection of subsidized investments to be made in the coming years.

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 31/12/2024	NON-CURRENT 31/12/2023	CURRENT 31/12/2024	CURRENT 31/12/2023
OTHER NON-CURRENT ASSETS	Financial assets recorded at fair value through the profit or loss statement	3,790	7,138	3,074	3,185
	Financial assets recorded at fair value through other comprehensive income	0	1,761	952	1,420
	Total	**3,790**	**8,899**	**4,026**	**4,605**
OTHER RECEIVABLES	Interim dividend	0	0	65,040	63,352
	VAT	0	0	35	2,961
	Public service obligation (PSO)	6,697	7,262	0	0
	Other	8,586	14,092	9,022	44,601
	Prosumer tariff	0	0	0	656
	Write-downs on other receivables	0	0	(560)	(591)
	Government grants receivable	83,984	0	18,380	0
	Total	**99,266**	**21,354**	**91,917**	**110,979**
Total		**103,056**	**30,253**	**95,943**	**115,584**
TRADE RECEIVABLES	Distribution	0	0	85,635	85,953
	Contract liabilities (Distribution)	0	0	(39,746)	(48,146)
	Total	**0**	**0**	**45,889**	**37,807**
	Public service obligations (PSO)	0	0	71,916	64,175
	Contract liabilities (PSO)	0	0	(29,980)	(33,577)
	Total	**0**	**0**	**41,936**	**30,598**
	Construction contract liabilities	0	0	(53,943)	(30,821)
	Other	0	0	34,006	28,006
	Write-downs of trade receivables	0	0	(29,673)	(28,301)
Total		**0**	**0**	**38,215**	**37,290**
CURRENT TAX ASSETS		0	0	1,788	22,003
Total		**0**	**0**	**1,788**	**22,003**
Total		**103,056**	**30,253**	**135,946**	**174,877**

For an explanation of the increase in current and non-current financial assets recognized at fair value through the profit or loss statement, please refer to note 10.

Regarding other receivables, as explained in notes 09 and 10, the ORES Group was granted a public subsidy amounting to €146.9m, of which €44.5m has already been received, leaving a balance of €102.4m to be received in the coming years (balance of €88m in non-current and €18.4m in current receivables).

It should also be noted that the decrease in the "other" item is related to the transport balance for the year 2023, which was partly reclassified as a regulatory tariff balance in 2024 for an amount of €27.6m, following the final statements received in the context of transport equalization (see note 01-B on this subject).

Trade receivables are quite stable this year, varying slightly by €0.1m. However, it should be noted that the increase in construction contract liabilities of €23.1m is largely due to the growing number of connection projects related to the energy transition (wind, photovoltaic fields, ...) that ORES is carrying out for its industrial customers.

As for the decrease in current tax assets of €20.2m, this is explained by the fact that the ORES Group made significant advance tax payments in 2023, generating a receivable from the tax administration that was recovered in 2024. The payments made this year are more in line with the estimated tax expense at the end of the year (see note 21 on this subject).

FINANCIAL ASSETS AND OTHER RECEIVABLES THAT ARE NOT YET IMPAIRED	TRADE RECEIVABLES		OTHER RECEIVABLES AND TAX ASSETS	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Not yet due	11,050	13,738	190,907	152,663
Total	**11,050**	**13,738**	**190,907**	**152,663**

CHANGES IN THE PROVISION FOR WRITE-DOWNS	TRADE RECEIVABLES		OTHER RECEIVABLES AND TAX ASSETS	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
On 1st January	28,301	26,492	591	768
• Recorded write-downs	10,749	11,131	139	120
• Reversal of write-downs	(9,377)	(9,322)	(169)	(298)
Balance at closing date	**29,673**	**28,301**	**560**	**591**

PROVISION FOR WRITE-DOWNS	31/12/2024	31/12/2023
Statement of financial position	(30,233)	(28,892)
Statement of comprehensive income	(11,133)	(9,713)

FINANCIAL ASSETS AND OTHER RECEIVABLES THAT ARE IMPAIRED		Write-down basis	Average rate of expected credit loss	Expected loss
BALANCE AT 31/12/2024	Up to 90 days	11,536	16 %	1,795
	Between 91 and 180 days	6,530	37 %	2,406
	Between 181 and 270 days	7,032	42 %	2,981
	Between 271 and 360 days	4,923	51 %	2,521
	Between 361 and 720 days	13,293	54 %	7,189
	More than 720 days	16,148	83 %	13,341
Total		**59,461**		**30,233**
BALANCE AT 31/12/2023	Up to 90 days	11,320	21 %	2,391
	Between 91 and 180 days	6,803	46 %	3,160
	Between 181 and 270 days	5,346	47 %	2,521
	Between 271 and 360 days	5,175	53 %	2,739
	Between 361 and 720 days	11,341	53 %	5,989
	More than 720 days	14,131	86 %	12,092
Total		**54,116**		**28,892**

As a reminder, since 2021, ORES has reviewed its estimates of the average rate of expected credit loss, considering a maximum timeframe of two years to recover the receivables. After this deadline, the receivables were considered to be entirely unrecoverable. As a result, the statistics used to determine credit loss rates are based on two financial years (2021-2022).

Note 12 – Inventories (in thousands of €)

	31/12/2024	31/12/2023
Raw materials and supplies	101,787	80,142
Total gross	**101,787**	**80,142**
Write-downs at 01/01/2024	**(3,119)**	**(3,277)**
Increase of write-downs	(473)	(23)
Reversal of write-downs	324	181
Write-downs at 31/12/2024	**(3,268)**	**(3,119)**
Total	**98,519**	**77,024**

Inventories recorded as expenses during the period (cost of sales)	23,510	23,323

At the end of 2024, the value of inventories increased by €21.5m in net carrying amount.

As in 2023, the increase in inventories is due, on the one hand, to an increase in business activity, which requires a higher level of inventories to cope with it, and to the large number of projects under way, and, on the other hand, to the upward trend in raw materials prices, certainly lower than in 2023. Some equipment stocks have also increased to avoid the material shortages observed in the post-Covid years.

It should be noted that the write-downs recorded since 2021 have been updated, on the one hand, on the stock of electromechanical and budget meters 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 very slow-moving stock, i.e. items which have not been moved for at least five years.

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

CASH AND CASH EQUIVALENTS FOR THE PURPOSE OF THE CASH FLOW STATEMENT	31/12/2024	31/12/2023
Cash	68,756	108,173
Short-term deposits	109	5,822
Total	**68,865**	**113,995**

Cash and cash equivalents have decreased this year by €45.1m but they were made in accordance with the recommendations of the Board of Directors on cash management policy.

For a more detailed analysis of cash and cash equivalents, please refer to the consolidated cash flow statement.

Note 14 – Capital

ORES ASSETS		1. Number of shares
Opening balance	**2023**	**66,321,987**
Contribution increase		
Contribution repayment		
Opening balance	**2024**	**66,321,987**
Contribution increase		
Contribution repayment		
Withdrawal of the municipality of Couvin from the electricity distribution activity		(167,196)
Closing balance	**2024**	**66,154,791**

ORES ASSETS			2. Subscribed capital (in thousands of €)
Opening balance		**2023**	**867,464**
Capital increase			
Incorporation of legal reserves			
Capital repayment			
Opening balance		**2024**	**867,464**
Capital increase			
Incorporation of legal reserves			
Withdrawal of the municipality of Couvin from the electricity distribution activity			(3,019)
Closing balance		**2024**	**864,445**
of which:	Available contribution		863,914
	Unavailable contribution		531

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 articles of association. The shares have no par value.

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

As announced in the 2023 annual report (see note 32 on this subject), the transfer of five municipal entities of the City of Couvin (Boussu-en-Fagne, Couvin, Frasnes-lez-Couvin, Mariembourg, and Pétigny) from ORES Assets to AIESH for the management of electricity distribution networks was operationalized on 1st January 2024. From this date, ORES Assets is no longer the electricity distribution system operator in the territory of the City of Couvin.

In accordance with the operational agreement between ORES Assets and AIESH regarding this transfer, the General Meeting of June 2024 approved the exact number of shares and the number of contributions concerned by the split, amounting to €9.8m (a difference of €37k from the figures as of 31st December 2023). The equity transferred amounts to €4.9m (including €3.0m in capital) and explains the variation recorded in capital both in terms of the number of shares and the amount (see also note 32 on this subject).

ORES ASSETS	3. Dividend per share (in thousands of €) 2024	2023
Dividends approved by the General Meeting	74,668	72,620
Dividend per share	1,12	1,10
Amount of total balance of dividends from year N-1 paid by the Group in year N (including associated withholding tax)	11,316	10,485
Amount of total interim dividends from year N paid by the Group in year N.	65,040	63,352
Total	**76,356**	**73,837**

Note 15 – Borrowings (in thousands of €)

CARRYING AMOUNT		31/12/2024	31/12/2023
UNSECURED - NON-CURRENT	Bank loans	1,759,176	1,667,539
	Bonds	379,106	379,061
	• Listed (not regulated)	279,106	279,061
	• Private placement	100,000	100,000
	Other	4,127	4,742
	Total	**2,142,409**	**2,051,343**
UNSECURED - CURRENT	Bank loans	322,655	212,535
	Bonds	6,937	6,730
	Other	615	615
	Total	**330,207**	**219,880**
Total financial liabilities		**2,472,616**	**2,271,223**
Of which	Current	330,207	219,880
	Non-current	2,142,409	2,051,343

The increase in financial liabilities by €201.4m is explained by the fact that the Group contracted new long-term bank loans amounting to €280m and a short-term bridge loan of €130m, subscribed as part of a market operation. The Group also made repayments amounting to €209m. These new loans are used, among other things, to finance the numerous investments made by the Group (see note 09 on this subject).

GLOSSARY OF TERMS USED TO SEGMENT 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 re-viewed 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 €)

31/12/2024	Fixed rate	Adjustable fixed rate	Floating rate	Hedged variable rate	TOTAL
Within the year	203,414	1,500	56,933	68,360	**330,207**
>1 and <3 years	296,434	3,000	53,000	71,046	**423,480**
>3 and <5 years	332,664	3,000	48,256	54,450	**438,370**
>5 and <15 years	624,965	15,000	245,875	0	**885,840**
>15 years	356,856	7,500	30,363	0	**394,719**
Total	**1,814,333**	**30,000**	**434,427**	**193,856**	**2,472,616**

31/12/2023	Fixed rate	Adjustable fixed rate	Floating rate	Hedged variable rate	TOTAL
Within the year	67,032	264	22,423	130,161	**219,880**
>1 and <3 years	200,419	0	74,775	105,380	**380,574**
>3 and <5 years	296,233	0	43,044	64,967	**404,244**
>5 and <15 years	656,347	0	216,052	25,440	**897,839**
>15 years	340,061	0	28,625	0	**368,685**
Total	**1,560,092**	**264**	**384,919**	**325,948**	**2,271,223**

REPAYMENTS ARE SCHEDULED AS FOLLOWS (BY TERM AND KIND)

31/12/2024	Bank loans	Bonds	Other	TOTAL
Within the year	322,655	6,937	615	**330,207**
>1 and <3 years	422,248	0	1,231	**423,479**
>3 and <5 years	437,140	0	1,231	**438,371**
>5 and <15 years	795,840	90,000	0	**885,840**
>15 years	103,948	289,106	1,665	**394,719**
Total	**2,081,832**	**386,043**	**4,742**	**2,472,616**

31/12/2023	Bank loans	Bonds	Other	TOTAL
Within the year	212,534	6,730	616	**219,880**
>1 and <3 years	379,343	0	1,231	**380,574**
>3 and <5 years	403,013	0	1,231	**404,244**
>5 and <15 years	812,838	85,000	0	**897,838**
>15 years	72,346	294,061	2,280	**368,686**
Total	**1,880,074**	**385,791**	**5,358**	**2,271,223**

The Group's standard bank loan agreements, except for the EIB loan, are not subject to any specific covenants (ratios, etc.).

The EIB loan is subject to 3 ratios based on the consolidated accounts drawn up under Belgian accounting standards (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.

The Group comply with all three ratios by the end of 2024.

Regarding bond issues, the Group must maintain a ratio of 30% of equity to the balance sheet total both at the statutory level of ORES Assets and at the consolidated level under Belgian accounting standards. This ratio is an integral part of ORES Assets' articles of association (see capital management in note 30).

All borrowings are shown in Euros.	CARRYING AMOUNT		BORROWING				HEDGING				
	31/12 2024	31/12 2023	INITIAL AMOUNT	MATURITY DATE (YEARS)	FIXED/VARIABLE RATE	INTEREST RATE AT THE END OF 2024	HEDGING INSTRUMENT	NOTIONAL RESIDUAL	FAIR VALUE	MATURITY DATE (YEARS)	INTEREST RATE AT THE END OF 2024, AFTER HEDGING
MP 2008	5,574	13,170	27,870	4	Variable	3.66 %	CAP 0.9 %	6,203	(298)	5	4.643 %
FP50 2008	73,013	103,932	292,051	5	Variable	Variable	CAPs to 0.8-1 %	74,145	(4,112)	6	Variable
Bond issue in 2014	80,000	80,000	80,000	20	Fixed	4 %					
Bond issue in 2015	100,000	100,000	100,000	20	Fixed	3 %					
Bond issue in 2015	100,000	100,000	100,000	20	Fixed	2.85 %					
Bond issue in 2021	50,000	50,000	50,000	12	Fixed	1.45 %					
Bond issue in 2021	50,000	50,000	50,000	17	Fixed	1.5 %					
SEDILEC_2	0	7,160									
SEDILEC_4	0	5,334									
IEH_6	0	5,230						5,230	(205)	4	Variable
IGH_4	0	6,428						6,428	(252)	4	Variable
IDEG_2	0	0									
Loan from EIB 100	93,333	100,000	100,000	14	Fixed	1.365 %					
Loan from EIB 150	130,000	140,000	150,000	13	Fixed	1.115 %					
Loan from EIB 50	50,000	50,000	50,000	15	Fixed	0.467 %					
Loan from EIB 50	50,000	50,000	50,000	15	Fixed	0.467 %					
Loan from EIB 100	100,000	100,000	100,000	16	Fixed	0.244 %					
Loan from EIB 100	100,000	100,000	100,000	17	Fixed	0.82 %					
MP ORES 2016 – Batch 1	0	40,000									
MP ORES 2016 – Batch 2	0	50,000						50,000	(1.420)	1	Fixed rate at 0.54 %
MP ORES 2016 – Batch 3	30,000	30,000	30,000	1	Variable	2.96 %	SWAP	30,000	(1.726)	2	Fixed rate at 0.66 %
MP ORES 2016 – Batch 4	30,000	30,000	30,000	1	Variable	2.89 %	CAP 1 % (1) and 0.9 % (2)	2,454	(61)	(1)	
MP ORES 2017 – Batch 3	40,000	40,000	40,000	2	Fixed	1.051 %					
MP ORES 2017 – Batch 4	40,000	40,000	40,000	3	Fixed	1.169 %					
MEC.ORES.2019 - Batch 1	50,000	50,000	50,000	1	Fixed	0.459 %					
MEC.ORES.2019 - Batch 2	40,000	40,000	40,000	2	Fixed	0.524 %					
MEC.ORES.2019 - Batch 3	30,000	30,000	30,000	4	Fixed	0.52 %					
MEC.ORES.2019 - Batch 4	30,000	30,000	30,000	4	Fixed	0.717 %					
MEC.ORES.2019 - NOV	45,000	45,000	45,000	5	Fixed	0.708 %					

MEC.ORES.2020 - Batch 1 - 24mios	14,400	16,800	24,000	6	Fixed	0.347 %	
MEC.ORES.2020 - Batch 2 - 36mios	24,000	27,000	36,000	8	Fixed	0.419 %	
MEC.ORES.2020 - Batch 3 - 30mios	22,000	24,000	30,000	11	Fixed	0.44 %	
MEC.ORES.2020 - Batch 4 - 40mios	40,000	40,000	40,000	4	Fixed	0.376 %	
MEC.ORES.2021 - Batch 1 - €30m	30,000	30,000	30,000	4	Fixed	0.499 %	
MEC.ORES.2021 - Batch 2 - €30m	30,000	30,000	30,000	5	Fixed	0.658 %	
MEC.ORES.2021 - Batch 3 - 32mios	22,400	25,600	32,000	7	Fixed	0.393 %	
MEC.ORES.2021 - Batch 4 - €24m	18,000	20,000	24,000	9	Fixed	0.477 %	
MEC.ORES.2021 - Batch 5 - 24mios	18,000	20,000	24,000	9	Fixed	0.679 %	
MEC.ORES.2021 - Batch 6 - €30m	24,000	26,000	30,000	12	Fixed	0.672 %	
MEC.ORES.2021 - Batch 7 - €30m	24,000	26,000	30,000	12	Fixed	0.698 %	
MEC.ORES.2022 - Batch 3 - €30m	15,000	15,000	15,000	6	Variable	3.19 %	
MEC.ORES.2022 - Batch 3 - €30m	15,000	15,000	15,000	6	Variable	3.29 %	
MEC.ORES.2022 - Batch 4bis - €30m	26,000	28,000	30,000	13	Variable	3.28 %	
MEC.ORES.2022 - Batch 4 - €30m	13,000	14,000	15,000	13	Variable	3.08 %	
MEC.ORES.2022 - Batch 4 - €30m	13,000	14,000	15,000	13	Variable	3.18 %	
MEC.ORES.2022 - Batch 5bis - €30m	27,000	28,500	30,000	18	Variable	3.30 %	
MEC.ORES.2022 - Batch 5 - €30m	13,500	14,250	15,000	18	Fixed	3.361 %	
MEC.ORES.2022 - Batch 5 - €30m	13,500	14,250	15,000	18	Fixed	3.461 %	
MEC.ORES.2023 - Batch 1 - €30m	30,000	30,000	30,000	7	Variable	3.38 %	
MEC.ORES.2023 - Batch 2 - €40m	40,000	40,000	40,000	9	Variable	3.38 %	
MEC.ORES.2023 - Batch 3 - €18m	8,438	9,000	9,000	15	Variable	3.35 %	
MEC.ORES.2023 - Batch 3 - €18m	8,438	9,000	9,000	15	Variable	3.37 %	
MEC.ORES.2023 - Batch 4 - €18m	30,000	32,000	32,000	15	Variable	3.33 %	
MEC.ORES.2023 - Batch 5 - €30m	28,500	30,000	30,000	19	Variable	3.36 %	
MEC.ORES.2023 - Batch 6 - €30m	28,800	30,000	30,000	24	Variable	3.45 %	
MEC.ORES.2023-Lot5bis - €30m	30,000	0	30,000	19	Fixed	2.741 + 0.62 %	
MEC.ORES.2024-Lot1 - €40m	40,000	0	40,000	10	Fixed	3.435 %	
MEC.ORES.2024-Lot2 - €30m	30,000	0	30,000	20	Fixed with phase	3.498 %	
MEC.ORES.2024-Lot2bis - €30m	30,000	0	30,000	20	Fixed	3.473 %	
MEC.ORES.2024-Lot3 - €30m	30,000	0	30,000	25	Fixed	2.883 %	
MEC.ORES.2024T4-Lot2 - €20m	20,000	0	20,000	16	Variable	3.43 %	
MEC.ORES.2024T4-Lot3 - €25m	25,000	0	25,000	16	Variable	3.56 %	
MEC.ORES.2024T4-Lot4 - €25m	25,000	0	25,000	20	Variable	3.54 %	
MEC.ORES.2024T4-Lot5 - €25m	25,000	0	25,000	20	Fixed	2.892 %	
MEC.ORES.2024T4-Lot6 - €25m	25,000	0	25,000	25	Fixed	2.906 %	

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

FINANCIAL LIABILITIES MEASURED AT AMORTIZED COST (EXCLUDING BORROWINGS)	Non-current		Current	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Trade payables	0	0	187,118	225,374
Advance on grants	0	7,857	0	0
Lease liabilities	11,172	9,357	3,758	2,583
Other liabilities	2,378	2,388	128,651	143,349
Total	**13,550**	**19,602**	**319,527**	**371,306**

TRADE PAYABLES

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

	31/12/2024	31/12/2023
Average credit period for trade payables	50 days	50 days

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

CARRYING AMOUNT		31/12/2024	31/12/2023
Social security and other taxes		29,967	25,867
Short-term employee benefits and associated provisions		52,918	48,986
Accrued charges		28	28
Deferred revenue		30	357
Lease liabilities		14,931	11,941
Advance on grants		0	7,857
Other		51,210	74,078
Total		**149,084**	**169,114**
Of which	Non-current	13,550	19,602
	Current	135,534	149,512

Regarding the advance on grants, see notes 09 and 11 on this subject.

As for the "Other" item of €51.2m, which includes other current liabilities amounting to €6.9m, it has decreased by €22.9m due to the consumption of various advances received from the Federal State and the Walloon Region related to the granting of premiums to residential customers through the DSO (prosumer tariff, energy crisis aid, etc.).

For a more detailed explanation of provisions for pensions and short-term employee benefits, which are also an integral part of this item, see notes 19 and 20. For a more detailed explanation of derivate instruments, see note 27. Additionals informations on lease obligations are provided in note 21.

Note 18 – Provisions (in thousands of €)

		31/12/2024	31/12/2023
Environmental remediation		3,619	3,619
Other		9,525	18,706
Total		**13,144**	**22,325**
Of which	Current	0	0
	Non-current	13,144	22,325

CHANGES IN PROVISIONS (EXCLUDING EMPLOYEE BENEFITS) 2024		Environmental remediation	Other	TOTAL
At 1st January		3,619	18,706	**22,325**
Additional provisions recognized		0	257	**257**
Total used during the financial year		0	(6,438)	**(6,438)**
Total reversed during the financial year		0	(3,000)	**(3,000)**
At the end of the year		**3,619**	**9,525**	**13,144**
Of which	Current	0	0	**0**
	Non-current	3,619	9,525	**13,144**

CHANGES IN PROVISIONS (EXCLUDING EMPLOYEE BENEFITS) 2023		Environmental remediation	Other	TOTAL
At 1st January		3,619	74,957	**78,576**
Additional provisions recognized		0	3,654	**3,654**
Total used during the financial year		0	(52,772)	**(52,772)**
Total reversed during the financial year		0	(7,133)	**(7,133)**
At the end of the year		**3,619**	**18,706**	**22,325**
Of which	Current	0	0	**0**
	Non-current	3,619	18,706	**22,325**

Provisions are recognized 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 5th 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. Since then, two sites have been sold, and there are still three sites subject to a provision.

In 2024, new orientation and characterization studies were carried out but have not yet allowed for precise evaluation of the potential environmental remediation costs to be incurred. New drilling planned for 2025 will help define the next steps to be undertaken.

OTHER

The Group's activities also expose it to legal risks. Provisions for litigation are therefore regularly updated in consultation with the Group's legal department. The provisions set aside correspond to the best estimate of the outflow of resources considered probable by the Group.

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

As a reminder, since 2015, provisions have also been set aside to meet regulatory obligations. A decree published by the Walloon Government requires us to vectorize network maps. The Impétrants decree of 2009, which was adapted in November 2013, and the implementation of the POWALCO platform by the Walloon Region therefore require the network to be vectorized, i.e. the transformation of paper drawings into digital drawings within 10 years. In 2023, the budget earmarked for this vectorization work has been updated, leading to an additional allocation of €3.2m and the use of €0.6m. In 2024, the works intensified, leading to an additional utilization of the provision amounting to €1.8m.

The two other major events in this item are explained below. Firstly, the dispute regarding the termination of the IT service contract for the implementation of an information system for smart metering was settled (utilization of €2.2m, reversal of €1.6m). Secondly, the provision related to the duty arising from the Walloon Government Decree of 5th July 2018 concerning excavated soil (AGW Terres excavées), which came into force in 2021, was completely reversed following the payment of various compensations to subcontractors amounting to €1.8m, generating a provision reversal of €1.3m.

Also, as a reminder, the year 2023 saw the utilization of the provision for energy purchases totaling €49.8m (see the 2023 annual report on this subject).

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

NON-CURRENT	31/12/2024	31/12/2023
Pension benefits - funded plans	(216,682)	(201,196)
Pension benefits - unfunded plans	2,403	4,505
Other post-employment benefits	70,155	72,400
Other long-term benefits	35,453	35,060
Total	**(108,671)**	**(89,231)**
Effect of the asset ceiling	188,430	168,150
Total	**79,759**	**78,919**

CURRENT	31/12/2024	31/12/2023
Remuneration and bonuses	**52,918**	**48,986**
Total	**132,677**	**127,905**

STATEMENT OF COMPREHENSIVE INCOME	31/12/2024	31/12/2023
Salaries	214,416	196,294
Social security contributions	51,929	46,993
Pension expenses and other long-term benefits	11,195	10,685
Other social expenses	18,009	16,168
Of which included in the cost of intangible and tangible assets	(108,864)	(98,575)
Total	**186,685**	**171,565**

AVERAGE NUMBER OF PERSONNEL	31/12/2024	31/12/2023
Employees - total full-time equivalents	3,071	2,859

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

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

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

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

Defined benefit pension plans backed by plan assets (funded plans)

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 salary-scaled employees hired before 1st January 2002 (Elgabel), as well as for the benefit of executive and senior management employees hired before 1st 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 18th December 2015 amending the law on supplementary pensions and the prohibition of provisions that encourage early retirement, the Elgabel pension plan was amended with effect from 1st January 2022 by the CLA (Collective Labor Agreement) of 1st October 2020. The sectoral plan was transformed into a company plan on 1st January 2022, and the solidarity fund was wound up.

2. POWERBEL/ENERBEL

Two other pension plans, previously considered as defined contribution, also exist within ORES. One is for executive and senior management staff hired on or after 1st May 1999 or who opted for this scheme on 1st January 2007 or 1st January 2015 (Powerbel). The other is for employees hired on or after 1st January 2002 (Enerbel).

Following the change to the law on supplementary pensions (L.P.C. 28/4/2003 - Art. 24) which came into force on 1st January 2016 and which now requires the same minimum rate of return to be guaranteed on employer and 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%), ORES initiated a review which led to the Powerbel and Enerbel pension plans being accounted for as defined benefit plans from 1st January 2016. These two plans, which provide retirement capital determined by the amount of premiums paid and the return attributed to them, are described below.

ENERBEL

The personal contribution payable by the employee is determined on the basis of a tiered rate. It is equal to 0.875% of the part of the remuneration below a fixed ceiling, increased by 2.625% of the part of the remuneration exceeding this ceiling. This contribution is deducted monthly from the employee's salary.

The amount of the employer's pension contributions, including taxes, is:

For employees with less than 5 years of seniority:

- **2.7563%** of the part of the annual reference salary T on 1st January which does not exceed the salary ceiling T1;
- **8.2688%** of the part of this same T remuneration exceeding this ceiling.

For employees with at least 5 and less than 10 years' seniority:

- **2.8941%** of the part of the annual reference salary T on 1st January which does not exceed the salary ceiling T_1;
- **8.6822%** of the part of this same T remuneration exceeding this ceiling.

For employees with at least 10 years' seniority:

- **3.0319%** of the part of the annual reference salary T on 1st January which does not exceed the salary ceiling T1;
- **9.0957%** of the part of this same T remuneration exceeding this ceiling.

POWERBEL

The personal contribution payable by the employee is determined on the basis of a tiered rate. It is equal to 0% of the part of the remuneration below a fixed ceiling, increased by 3% of the part of the remuneration exceeding 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,increased by 20% of the part of the remuneration exceeding this ceiling.

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

The Enerbel and Powerbel pension plans expose the employer to investment risk because, as mentioned above,since 1st January 2016, legislation has required this type of plan 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 30thJune 2016 (Enerbel) and 30th October 2016 (Powerbel), employee contributions were paid into a group insurance scheme (Contassur S.A. - branch 21 - deferred capital without repayment). Since then, like the employers' contributions, they have been paid into a pension fund that no longer offers any guarantee of a minimum return. Following this change, the reserves accumulated in individual group insurance contracts have also been transferred to the pension fund at a guaranteed rate of 3.25%.

It should also be noted that since 1st January 2017, the insurance company Contassur S.A. has changed its guaranteed interest rate to 0% for level annual premiums and 0.5% for successive single premiums.

3. DEFINED CONTRIBUTION PLANS FINANCED UNDER BRANCH 21

Since 31st December 2021, the IAS19 valuations of ORES and Comnexio have also taken into account the defined contribution plans fully funded in branch 21 with the insurance company Contassur. These plans also benefit from the statutory minimum guarantee provided for in the Supplementary Pensions Law. They are therefore also considered as defined benefit plans.

4. OVERHEADS SCHEME

This Elgabel scheme, which has been closed to new members since 1st January 1993, is designed to provide a life annuity at retirement age amounting to 75% of final salary for a full career, after deduction of the statutory parity pension. In the event of death. 60% of the annuity is reversible in favor 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 outsourced on 1st January 2007 in the form of payments made to the OFP Elgabel; it should be noted that for employees benefiting from this scheme and still active on 1st January 2007, technical provisions have been set aside for the career after this date in the OFP Elgabel,in accordance with the law. A few years ago, the ORES Group also decided to finance, through the OFP Elgabel,-commitments related to careers prior to 1st January 2007, as well as pensions currently in payment.

Following the publication of the law of 18th December 2015 amending the law on supplementary pensions and the prohibition of provisions encouraging early retirement,the overheads pension plan was amended with effect from 1st January 2022 by the CLA (Collective Labor Agreement) of 23rd December 2021 and becomes a company plan from that date.

5. CASH BALANCE PLUS PLAN IN CPTBL

This plan provides for the payment of a capital on the date of retirement corresponding to the amount in the member's individual account.

This capital is made up of:

- Contributions paid, capitalized at a guaranteed rate equal to the LPC rate + 0.25% (at 31/12/2024, this rate is 1.75% + 0.25% = 2%), to which an additional return may be attributed;
- Reserves transferred from group insurance no. 2970 with the insurance company Contassur, which are capitalized at a guaranteed fixed rate of 3.25%.

As a result of these guaranteed returns, the plan is considered to be a defined benefit plan.

Comnexio staff with executive or employee status hired on or after 1st June 2019 are affiliated to this plan from the date of their entry into service.

Staff members who transferred from N-ALLO on 1st June 2019 are also participating.

The annual contribution is payable by the employer and is set at:

- 3.50% of the part of the annual remuneration salary not exceeding the remuneration ceiling

plus

- 5.50% of the part of the same remuneration exceeding this ceiling.

At 1st January 2019, the remuneration ceiling is set at €53.949.61 and is indexed annually on 1st January in line with changes in the health index.

STATEMENT OF FINANCIAL POSITION	31/12/2024	31/12/2023
Present value of the defined benefit obligations/funded plans	304,248	305,054
Plan assets	(521,317)	(506,308)
Deficit / (surplus)	**(217,069)**	**(201,254)**
Present value of the other long-term benefit obligations	36,167	35,675
Plan assets of the other long-term benefits	(328)	(557)
Deficit / (surplus)	**35,839**	**35,118**
Present value of the defined benefit obligations/unfunded plans	**72,558**	**76,906**
Effect of the asset ceiling	188,430	168,150
Net liability arising from defined benefit obligation	**79,758**	**78,920**
Reimbursement rights	**(371)**	**(422)**

STATEMENT OF COMPREHENSIVE INCOME		31/12/2024	31/12/2023
Service cost	Cost of service provided for defined benefits	13,695	14,253
	Cost of service provided for other long-term benefits	2,148	2,115
	Total	**15,843**	**16,368**
Net interest on the defined benefit liability (asset)	Interest cost on the defined benefit obligation	11,868	11,791
	Interest income on plan assets	(15,262)	(14,557)
	Interest on the effect of the asset ceiling	5,162	6,021
	Total	**1,768**	**3,255**
Net interest on other long-term benefit liability (asset)	Interest cost of other long-term benefit obligation	1,106	1,115
	Interest income/(cost) on plan assets for other long-term benefits	(922)	6,345
	Interest on the effect of the asset ceiling		4
	Total	**184**	**7,464**
(Income)/cost recorded in the profit or loss statement in relation to defined benefit plans and other long-term benefits		**17,795**	**27,087**

The decrease in expenses recognized in the profit or loss statement regarding defined benefit plans and other long-term benefits is mainly due to the reduction in actuarial losses arising from obligations for long-term benefits. The year 2023 was indeed marked by a loss mainly due to the actual indexation of salaries and their evolution.

REMEASUREMENT OF NET DEFINED BENEFIT LIABILITY (ASSET) AND OTHER LONG-TERM BENEFITS RECOGNIZED IN OTHER COMPREHENSIVE INCOME (OCI)

ACTUARIAL (GAINS)/LOSSES ON DEFINED BENEFIT OBLIGATION ARISING FROM:		31/12/2024	31/12/2023
i)	Changes in demographic assumptions	(1,696)	488
ii)	Changes in financial assumptions	(3,126)	(1,328)
iii)	Experience adjustments	2,669	23,364
iv)	**Subtotal**	**(2,153)**	**22,525**
i)	Return on plan assets excluding interest income on plan assets	(14,933)	(19,590)
ii)	Changes in financial assumptions		
iii)	Change in the effect of the asset ceiling excluding associated interests	15,118	(30,371)
iv)	**Subtotal**	**185**	**(49,961)**
(Income)/ expenses for defined benefit plans		**(1,968)**	**(27,436)**

The change in the effect of the asset ceiling is in line with movements in liabilities. The absolute value of actuarial gains and losses on defined benefit plans has significantly decreased this year, particularly due to the reduction in losses arising from experience, similar to long-term benefits.

CHANGES IN THE PRESENT VALUE OF THE DEFINED BENEFIT OBLIGATION:		31/12/2024	31/12/2023
Opening balance		**381,959**	**352,087**
Current service cost		13,695	14,253
Interest cost		11,868	11,791
Contributions from plan participants		1,387	1,196
Actuarial (gains)/losses arising from:	i) Changes in demographic assumptions	(1,696)	488
	ii) Changes in financial assumptions	(3,126)	(1,328)
	iii) Experience adjustments	2,669	23,364
Benefits paid		(29,950)	(19,893)
Closing balance		**376,806**	**381,959**

CHANGES IN THE FAIR VALUE OF THE PLAN ASSETS WERE AS FOLLOWS:	31/12/2024	31/12/2023
Opening balance	**506,307**	**478,288**
Interest income on plan assets	15,262	14,557
Return on plan assets excluding interest income on plan assets	18,627	27,636
Actuarial gaps	(3,694)	(8,046)
Contributions from employer	9,360	8,783
Contribution from plan participants	1,387	1,196
Benefits paid	(25,932)	(16,107)
Closing balance	**521,317**	**506,307**

ACTUAL RETURN ON PLAN ASSETS	31/12/2024	31/12/2023
	33,889	42,193

MAIN ACTUARIAL ASSUMPTIONS USED: FOR ORES			31/12/2024	31/12/2023
Discount rate on pension plans related to old contracts			3.17 %	3.07 %
Discount rate on pension plans related to new contracts			3.40 %	3.25 %
Discount rate on tariff and healthcare benefits			2.93 %	2.99 %
Expected rate of salary increase - old conditions (excluding inflation)			0.49 % - 0.73 % + 0.275 %	0.54 % - 0.76 % + 0.275 %
Expected rate of salary increase - new conditions (excluding inflation)			2.61 % - 2.72 % + 0.275 %	2.55 % - 2.71 % + 0.275 %
Turnover rate for old contracts			1.00 %	0.50 %
Turnover rate for new contracts			1.50 %	1.50 %
Expected medical cost increase (excluding inflation)			1.00 %	1.00 %
Increase in the average cost relating to tariff reductions			2.00 %	2.00 %
Inflation rate			2.00 %	2.00 %
Average retirement age for old conditions			63 years	63 years
Average retirement age for new conditions			65 years	65 years
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 the reporting date:	Male	20.3	20.3
		Female	24.0	24.0
	For a person aged 65 in 20 years:	Male	22.6	22.6
		Female	26.1	26.1

MAIN ACTUARIAL ASSUMPTIONS USED: FOR COMNEXIO			31/12/2024	31/12/2023
Discount rate on pension plans			3.40 %	4.13 %
Expected rate of salaries increase (excluding inflation)			0.98 % - 1.41 %	0.58 % - 1.29 %
Expected medical cost increase (excluding inflation)			1.00 %	1.00 %
Turnover rate			5.00 %	7.50 %
Inflation rate			2.00 %	2.00 %
Average retirement age			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 the reporting date:	Male	20.3	20.3
		Female	24.0	24.0
	For a person aged 65 in 20 years:	Male	22.6	22.6
		Female	26.1	26.1

BREAKDOWN OF DEFINED BENEFIT OBLIGATION BY TYPE OF BENEFIT:	Defined benefit obligation	
	31/12/2024	31/12/2023
Retirement or death benefits	306,651	309,559
Other post-employment benefits (medical and tariff reductions)	70,155	72,400
Total	**376,806**	**381,959**

MAJOR CATEGORIES OF PLAN ASSETS:	Fair value of plan assets	
	31/12/2024	31/12/2023
Having a market price quoted in an active market	**483,038**	**477,567**
Shares (Eurozone)	64,295	45,503
Shares (outside the Eurozone)	72,878	101,166
Government bonds (Eurozone)	16,221	2,218
Other bonds (Eurozone)	170,550	144,366
Other bonds (outside the Eurozone)	159,094	184,313
Without a quoted market price in an active market	**38,606**	**29,298**
Cash and cash equivalents	3,527	14,408
Real property	10,021	8,938
Other	25,058	5,952
Total	**521,644**	**506,865**

SENSITIVITY ANALYSIS FOR EACH SIGNIFICANT ACTUARIAL ASSUMPTIONS UNDERLYING ON DEFINED BENEFIT OBLIGATION	Impact on the defined benefit obligation	
	31/12/2024	31/12/2023
Discount rate plus 0.25%	(7,285)	(19,490)
Salary increase of 0.1%	2,201	(26,599)
Medical costs increased plus 1%.	45	(24,221)
Increase of average cost of tariff reductions plus 0.50%.	3,460	(27,745)
Inflation rate plus 0.25%.	6,751	33,903
1 year age correction applied to mortality tables	4,355	(28,576)

	31/12/2024	31/12/2023
Weighted average duration of the defined benefit obligation related to old contracts and other long-term benefits	7	7
Weighted average duration of the defined benefit obligation related to new contracts	20	20
Weighted average duration of the defined benefit obligation related to other long-term benefits and other post-employment benefits	13	13

Expected contributions during the next period for defined benefit plans related to old contracts	1,624	1,385
Expected contributions during the next period for defined benefit plans related to new contracts	6,579	6,303

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 the modification of a plan, a change in assumptions, too low a level of cover, etc. may give rise to exceptional payments by the sponsor, which is not the case in 2024.

DESCRIPTION OF THE RISKS FACED BY DEFINED BENEFIT 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 fibers	Vehicles	TOTAL
Opening balance	**2023**	**4,236**	**5,048**	**3,154**	**12,438**
Interest expense on lease contracts		68	96	177	**341**
Lease payments		(469)	(740)	(1,740)	**(2,949)**
New contracts/exercise of options		32	0	3,419	**3,451**
Termination of contracts/ exercise of options		(1,418)	0	78	**(1,340)**
Closing balance	**2023**	**2,449**	**4,404**	**5,088**	**11,941**
Interest expense on lease contracts		55	97	268	**420**
Lease payments		(403)	(740)	(2,254)	**(3,397)**
New contracts/exercise of options		309	0	3,581	**3,890**
Termination of contracts/ exercise of options		753	1,406	(83)	**2,076**
Closing balance	**2024**	**3,163**	**5,167**	**6,600**	**14,930**

			Buildings	Optical fibers	Vehicles	TOTAL
1. DISCOUNTED AMOUNTS AS RECORDED IN THE STATEMENT OF FINANCIAL POSITION	**31/12/2024**	Within the year	1,132	642	1,984	**3,758**
		>2 and <5 years	1,480	2,692	4,617	**8,789**
		>5 years	550	1,833	0	**2,383**
		Total	**3,162**	**5,167**	**6,601**	**14,930**
	31/12/2023	Within the year	318	656	1,609	**2,583**
		>2 and <5 years	1,579	2,522	3,480	**7,581**
		>5 years	551	1,226	0	**1,777**
		Total	**2,448**	**4,404**	**5,089**	**11,941**
2. FUTURE CASH OUTFLOWS - LEASE PAYMENTS MATURITY (INCLUDING INTEREST)S INTÉRÊTS)	**31/12/2024**	Within the year	1,182	740	2,220	**4,142**
		>2 and <5 years	1,566	2,960	4,885	**9,411**
		>5 years	873	1,915	0	**2,788**
		Total	**3,621**	**5,615**	**7,105**	**16,341**
	31/12/2023	Within the year	361	740	1,791	**2,892**
		>2 and <5 years	1,650	2,728	3,704	**8,082**
		>5 years	882	1,266	0	**2,148**
		Total	**2,893**	**4,734**	**5,495**	**13,122**

The lease liability primarily relates to the following assets:

- The rental of administrative buildings;
- The rental of vehicles for executives and senior management;
- The fees paid for the use of optical fibres.

The corresponding assets (rights-of-use) are detailed in note 09.

The norm IFRS 16 - Leases specifies the definition of a lease contract and offers certain options. Consequently, the lease obligation does not concern:

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

The options present in the contracts that were exercised by ORES during the fiscal year have been accounted for as an increase in the lease obligation (and an increase in the corresponding assets).

The expenses recorded for contracts that do not fall within the scope of the standard and are directly recognized in the profit or loss statement (and not as a lease obligation) are detailed in note 04.

Note 22 – Taxes (in thousands of €)

1. TAX EXPENSES RECORDED IN THE PROFIT OR LOSS STATEMENT	31/12/2024	31/12/2023
Current income tax expense in respect of the period	34,362	25,677
Adjustments recognized in the current period in relation to the current tax of prior years	(266)	(741)
Tax payables on interest received	48	1,036
Current tax expense (income)	**34,144**	**25,972**
Deferred tax expense (income) relating to recognition and reversal of temporary differences	(7,593)	(11,143)
Deferred tax expense (income)	**(7,593)**	**(11,143)**
Total tax expense recorded in profit or (loss)	**26,551**	**14,829**

2. RECONCILIATION OF THE ACTUAL TAX RATE WITH THE THEORETICAL TAX RATE	31/12/2024	31/12/2023
Profit (loss) before taxes	93,441	107,215
Tax rate applicable in Belgium	25 %	25 %
Theoretical tax liability	**23,360**	**26,804**
Adjustments:		
Tax on non-deductible expenses	3,448	(12,206)
(Income) arising from deduction for investment	(39)	(39)
Tax credit linked to tax shelter	0	(25)
Tax payable on interest received	48	1,036
Total	**3,457**	**(11,234)**
Taxes related to previous period	**(266)**	**(741)**
Total tax during the period	**26,551**	**14,829**
Average effective rate	28.41 %	13.83 %

3. TAX EXPENSE RECORDED UNDER OTHER COMPREHENSIVE INCOME	31/12/2024	31/12/2023
Deferred tax expense (income) on fair value of hedging instruments entered into for cash flow hedges	(557)	(709)
Deferred tax expense (income) on defined benefit pension plans	492	6.859
Deferred tax expense (income) related to the withdrawal of the municipality of Couvin following the transfer of the electricity distribution activity	(610)	
Total income tax in other comprehensive income	**(675)**	**6.150**

The increase in current tax expense by €11.7m, despite the decrease in profit before tax, is mainly explained by the exemption in 2023 of the provision reversal of €49.8m related to energy purchases (see note 18 on this subject). This is also the reason why the tax on non-deductible expenses in 2023 was an income.

Regarding deferred taxes, the income recognized mainly results from the amortization of the revaluation surplus (see note 23).

Unlike previous years, and although the Group has again financed certain audiovisual production under the tax shelter scheme, no tax credit could be recognized in 2024. This is due to the absence of a reserve during the allocation of the statutory result of ORES Assets. The reserve is required by Belgian tax law for recognition as a tax credit.

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 in this item, as prescribed by IAS 12 - Income Taxes.

Note 23 – Deferred tax (in thousands of €)

1. OVERVIEW OF DEFERRED TAX ASSETS AND LIABILITIES BY TYPE OF TEMPORARY DIFFERENCE	ASSETS		LIABILITIES	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Intangible assets			(9,288)	(9,487)
Tangible assets			(69,118)	(71,154)
Tangible assets - revaluation			(170,540)	(176,322)
Tangible assets - lease			(3,445)	(2,786)
Other non-current assets			(707)	(985)
Trade and other receivables	1,815	1,863		
Other current assets	1,262	1,931		
Cash				
Borrowings			(224)	(235)
Provisions for employee benefits	19,940	19,730		
Other provisions				
Other non-current liabilities	2,555	1,544		
Other current liabilities			(349)	(465)
Total temporary differences	**25,572**	**25,068**	**(253,672)**	**(261,434)**
Deferred tax assets (liabilities)	**25,572**	**25,068**	**(253,672)**	**(261,434)**
Offsetting	(25,572)	(25,068)	25,572	25,068
Total net	**0**	**0**	**(228,100)**	**(236,366)**

2. CHANGES RECORDED IN THE DEFERRED TAX BALANCES	Opening balance	Recorded in the profit or loss statement	Recorded under other comprehensive income	Closing balance
Temporary differences				
Intangible assets	(9,487)	199	0	(9,288)
Tangible assets	(71,153)	2,036	0	(69,117)
Tangible assets - revaluation	(176,322)	5,173	609	(170,540)
Tangible assets - lease	(2,783)	(659)	0	(3,442)
Other non-current assets	(985)	278	0	(707)
Trade and other receivables	1,863	(48)	0	1,815
Other current assets	1,930	(669)	0	1,261
Borrowings	(235)	11	0	(224)
Provisions for employee benefits	19,730	702	(492)	19,940
Other non-current liabilities	1,544	454	557	2,555
Other current liabilities	(465)	116	0	(349)
Total temporary differences	**(236,366)**	**7,593**	**674**	**(228,096)**

3. DEFERRED TAX RECORDED IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION	31/12/2024	31/12/2023
Deferred tax liabilities	**(228,096)**	**(236,366)**

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	Energy network operator
Comnexio	Belgium	93.00%	93.00%	December	Contact center

ORES' SHAREHOLDING IS MADE UP AS FOLLOWS	% shareholding 2024	Number of shares 2024	% shareholding 2023	Number of shares 2023
ORES Assets	99.72%	2,453	99.72%	2,453
IPF IDEFIN	0.04%	1	0.04%	1
IPF CENEO	0.04%	1	0.04%	1
IPF FINEST	0.04%	1	0.04%	1
IPF SOFILUX	0.04%	1	0.04%	1
IPF FINIMO	0.04%	1	0.04%	1
IPF IPFBW	0.04%	1	0.04%	1
IPF IEG	0.04%	1	0.04%	1
Total	**100.00%**	**2,460**	**100.00%**	**2,460**

COMNEXIO'S SHAREHOLDING IS MADE UP AS FOLLOWS	% shareholding 2024	Number of shares 2024	% shareholding 2023	Number of shares 2023
ORES Assets	93.00%	93	93.00%	93
IPF IDEFIN	1.00%	1	1.00%	1
IPF CENEO	1.00%	1	1.00%	1
IPF FINEST	1.00%	1	1.00%	1
IPF SOFILUX	1.00%	1	1.00%	1
IPF FINIMO	1.00%	1	1.00%	1
IPF IPFBW	1.00%	1	1.00%	1
IPF IEG	1.00%	1	1.00%	1
Total	**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 companies (IPF) and one share to RESA (formerly Tecteo). This resulted in the recognition of a non-controlling interest of €31k 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 €4k.

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 €53k 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 €)

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

CHANGES IN INVESTMENT IN ASSOCIATES	31/12/2024	31/12/2023
Balance at 1st January	3	3
Balance at 31st December	**3**	**3**

SUMMARY FINANCIAL INFORMATION	31/12/2024	31/12/2023
Sales and other operating income	76,149	63,518
Profit (loss) before interests and taxes	1,217	2,151
Financial profit (loss)	(1,159)	(2,099)
Profit (loss) before taxes	59	52
Taxation	(59)	(52)
Profit (loss) for the year	**0**	**0**

Non-current assets	30,668	42,974
Current assets	25,982	34,695
Total assets	**56,650**	**77,670**
Non-current liabilities	41,800	55,800
Current liabilities	14,831	21,851
Total liabilities	**56,631**	**77,651**
Net assets	**19**	**19**
Group share of net assets of associates	3	3
Loans made by Group companies to associates	**8,230**	**10,987**

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

31/12/2024		Category	Carrying amount	Fair value	Level
FINANCIAL ASSETS	Interest rate caps	2	3,783	3,783	Level 2
	Interest rate swaps	3	952	952	Level 2
	Trade receivables	1	38,215	38,215	Level 2
	Unlisted equity instruments	1	17	17	Level 3
	Other receivables	1	91,917	91,917	Level 2
	Other financial assets	2	3,645	3,645	Level 2
	Total financial assets		**138,528**	**138,528**	
FINANCIAL LIABILITIES	Unsecured – Non-current	1	2,142,409	2,210,620	Level 2
	Unsecured - Current	1	330,207	330,207	Level 2
	Trade payables	1	187,118	187,118	Level 2
	Other payables	1	128,651	128,651	Level 2
	Total financial liabilities		**2,788,385**	**2,856,596**	

31/12/2023		Category	Carrying amount	Fair value	Level
FINANCIAL ASSETS	Interest rate caps	2	7,121	7,121	Level 2
	Interest rate swaps	3	3,181	3,181	Level 2
	Trade receivables	1	37,290	37,290	Level 2
	Unlisted equity instruments	1	17	17	Level 2
	Other receivables	1	110,979	110,979	Level 2
	Other financial assets	2	3,942	3,942	Level 2
	Total financial assets		**162,530**	**162,530**	
FINANCIAL LIABILITIES	Unsecured – Non-current	1	2,051,343	2,089,071	Level 2
	Unsecured - Current	1	219,880	219,880	Level 2
	Trade payables	1	225,374	225,374	Level 2
	Other payables	1	143,349	143,349	Level 2
	Total financial liabilities		**2,639,946**	**2,677,674**	

- Category 1: financial assets or liabilities at amortized cost;
- Category 2: financial assets or liabilities at fair value through net profit or loss statement;
- Category 3: financial assets or liabilities at fair value through other comprehensive income (hedge accounting).

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

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

DESCRIPTION OF METHODS USED TO DETERMINE THE FAIR VALUE

For derivative financial instruments:

- 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 equal to their carrying amount due to their short-term maturity.

For loans (secured and unsecured):

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

For an explanation regarding the change in the fair value of interest rate caps, see note 5 on financial products.

Note 27 – Derivative instruments (in thousands of €)

SUMMARY OF DERIVATIVE FINANCIAL INSTRUMENTS		Positive fair values 31/12/2024	Positive fair values 31/12/2023
Derivative instruments designated in a cash flow hedge relationship			
Interest rate swaps		**953**	**3,181**
Of which	Non-current	953	1,761
	Current	0	1,420
Derivative instruments not designated in a cash flow hedge relationship			
Interest rate caps		**3,783**	**7,121**
Of which	Non-current	3,773	7,121
	Current	10	0

The following table summarizes the interest rate swap contracts designated in a hedging relationship as at 31st December 2024

	Interest rate at the closing date 31/12 2024	Interest rate at the closing date 31/12 2023	Notional principal amount 31/12 2024	Notional principal amount 31/12 2023	Fair value (FV) of the instrument 31/12 2024	Fair value (FV) of the instrument 31/12 2023	Variation of the FV used to calculate the hedge ineffectiveness 31/12 2024	Maturity	Variable rate item (hedged) BORROWINGS
Swap	0.40 %	0.40 %	30,000	30,000	952	1,726	(774)	31/12/2025	MP ORES 2016 - Batch 3
Swap	0.00 %	0.37 %		50,000		2,706		30/12/2024	MP ORES 2016 - Batch 2
Swap 2006	2.20 %	2.20 %	2,126	3,189	0	35	(35)	31/12/2026	IGH_2006
			32,126	**83,189**	**952**	**3,181**	**(809)**		

DESCRIPTION OF THE HEDGING POLICY WITHIN THE GROUP

In order to manage 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 financial instruments are used for speculative purposes.

Given the high proportion of variable rate loans in the portfolio (note 15), the Group has taken out several interest rate caps to protect itself against a rise in interest rates. These caps have a fair value at end-2024 of €3.8m, recorded under other non-current financial assets. After analysis, the Group decided not to apply hedge accounting, and the change in their fair value is therefore recognized in profit or loss 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.

4 Other appendices 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 any companies controlled directly or indirectly controlled 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 significant related parties.

		TYPE OF RELATIONSHIP	AMOUNTS RECEIVABLES		AMOUNTS PAYABLES	STATEMENT OF COMPREHENSIVE INCOME		
			MORE THAN ONE YEAR	WITHIN ONE YEAR	WITHIN ONE YEAR	OTHER OPERATING INCOME	OTHER OPERATING EXPENSES	FINANCIAL INCOME
RELATED PARTIES AT 31/12 2024	Atrias	Shareholder funding	8,230					350
	Atrias - customer	Accounting		51		170		
	Atrias - supplier	IT service - projects			302		(15,457)	
	Total		**8,230**	**51**	**302**	**170**	**(15,457)**	**350**
RELATED PARTIES AT 31/12 2023	Atrias	Financement actionnaire	10,987	947				471
	Atrias - customer	Comptabilité		51		168		
	Atrias - supplier	Service IT - projets		159			(12,923)	
	Total		**10,987**	**1,157**		**168**	**(12,923)**	**471**

In terms of bank loans, it should be noted that the Walloon municipalities and the former private partner have guaranteed certain loans worth a total of €219.4m, or 8.87% of the total bank debt at the end of 2024 (compared with 11.77% at the end of 2023). The private partner will be released from its guarantees (following its exit from the capital of ORES Assets on 31st December 2016) according to a timetable yet to be defined.

As all the Group's subsidiaries work at cost price and therefore without margin, in accordance with their articles of association, all transactions between related parties are therefore carried out at cost price and not outside market conditions.

<table>
<tr><th colspan="2">EMPLOYEE BENEFITS FOR KEY MANAGEMENT PERSONNEL</th><th>31/12/2024</th><th>31/12/2023</th></tr>
<tr><td colspan="2">Short-term benefits</td><td>2,286</td><td>2,307</td></tr>
<tr><td rowspan="2">Post-employment benefits</td><td>• Present value of pension liability (defined benefit plan)</td><td>5,301</td><td>4,520</td></tr>
<tr><td>• Net cost of the pension for the period</td><td>380</td><td>379</td></tr>
<tr><td colspan="2">Termination benefits</td><td></td><td></td></tr>
<tr><td rowspan="2">Other long-term benefits</td><td>• Present value of pension obligation (defined benefit plan)</td><td>90</td><td>122</td></tr>
<tr><td>• Net cost of the pension for the period</td><td>5</td><td>5</td></tr>
<tr><td colspan="2">Total</td><td>8,062</td><td>7,333</td></tr>
</table>

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

Note 29 – Events after the reporting date (in thousands of €)

NATURE	ESTIMATED FINANCIAL IMPACT Statement of financial position	Comprehensive income
Dividends proposed at the ORES Assets General Meeting to be held in 2025	76,145	

The CWaPE made several tariff decisions during the first months of 2025. Firstly, on 13th February 2025, the CWaPE approved a revision of the re-invoicing tariffs for the transport of Walloon DSOs for the 2025 tariff year. This revision, requested by the regulator itself, stems from the revision of tariffs for the public service obligations of the TSO Elia,approved by the CREG and applicable from 1st January 2025. More importantly, on 20th February 2025, the Walloon regulator approved the request for revision of the authorised electricity revenue for 2025-2029 from ORES Assets, submitted on 31st January of the same year. This request,which led to numerous exchanges between ORES and the CWaPE, results from the adoption by the Walloon Parliament in April 2024 of an amending decree providing for the widespread deployment of smart electricity meters by the end of 2029 and the modification by the CWaPE of the 2025-2029 tariff methodology to comply with this amending decree. It allows ORES Assets to have the necessary means to implement this widespread deployment. It should also be noted that, at the request of the Walloon Region, discussions, not yet concluded, took place between the DSOs, the Administration, and the CWaPE, on the allocation of part or all of the subsidies received in the context of the energy transition solely to smart meters.

The contract of Mr Benoît Médaets, IT Director until 25th February 2025, was terminated on 20th March 2025. On a transitional basis, Mr Grégory Van Koninckxloo is acting as interim head of this department.

On 14th March 2025, ORES finalized a bond financing operation of €250m with American institutional investors. ORES Assets provided its guarantee for this financing.

In January and February 2025, following numerous exchanges between ORES and NEOWAL, the intermunicipal pure financing companies associated with ORES Assets approved the dividend policy for 2025-2039 as well as the shareholders' agreement incorporating the principles.

The Group has not identified any other significant post-reporting date events that would have an impact on the financial statements for the year ended 31st December 2024.

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 credit risk in a number of ways. In terms of cash and investments, the Group's surplus cash is either invested with financial institutions, or in the form of commercial papers, in a highly diversified manner with banks or companies that meet strict selection criteria.

Trade receivables can be broken down as follows:

- Receivables related to distribution fees for which the Group obtains bank guarantees or carries out balance sheet analyses before determining the payment terms granted;
- Receivables related to public service obligations (energy supply) and works for which the Group assigns receivables without recourse.

DETAILS OF THE MAXIMUM CREDIT RISK	31/12/2024	31/12/2023
Derivatives financial assets	4,735	10,302
Trade receivables and other receivables	130,132	148,269
Unlisted equity instruments	17	17
Cash and cash equivalents	68,865	113,995
Total financial assets	**203,749**	**272,583**

2. Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial instruments.

Liquidity risk arises from the Group's need to obtain the external financing required, among other things, to carry out its investment program and refinance existing financial debt.

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

ORES has short-term financing capacity through its commercial paper program and a short-term credit line of €50m with a term of 3 years. Liquidity risk can be considered to be virtually zero. Cash management helps 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.

Regarding the maintenance of liquidity, the Group's cash amounts to €68.9m as of 31st December 2024 (compared to €113.9m at the end of 2023) – see note 13. The details of the loans contracted by the Group are provided in note 15.

MATURITY ANALYSIS (BASED ON UNDISCOUNTED FUTURE CASH FLOWS)

31/12/2024	Amount recorded	< 1 year	>1 and <3 years	>3 and <5 years	>5 and <15 years	>15 years	No maturity date	TOTAL
Derivative financial assets	4,735	962	3,773	0	0	0	0	4,735
Trade receivables and other receivables	130,132	130,132	0	0	0	0	0	130,132
Financial assets held for sale	17	0	0	0	0	0	17	17
Cash and cash equivalents	68,865	68,865	0	0	0	0	0	68,865
Total assets	**203,749**	**199,959**	**3,773**	**0**	**0**	**0**	**17**	**203,749**
Derivative financial liabilities	0	0	0	0	0	0	0	0
Borrowings	2,472,616	233,296	498,108	502,606	1,082,862	449,225	0	2,766,097
Trade payables and other payables	315,769	315,769	0	0	0	0	0	315,769
Total liabilities	**2,788,385**	**549,065**	**498,108**	**502,606**	**1,082,862**	**449,225**	**0**	**3,081,866**
Derivatives financial liabilities	**(2,584,636)**	**(349,106)**	**(494,335)**	**(502,606)**	**(1,082,862)**	**(449,225)**	**17**	**(2,878,117)**

31/12/2023	Amount recorded	< 1 year	>1 and <3 years	>3 and <5 years	>5 and <15 years	>15 years	No maturity date	TOTAL
Derivative financial assets	10,302	7,121	3,181	0	0	0	0	10,302
Trade receivables and other receivables	148,269	148,269	0	0	0	0	0	148,269
Financial assets held for sale	17	0	0	0	0	0	17	17
Cash and cash equivalents	113,995	113,995	0	0	0	0	0	113,995
Total assets	**272,583**	**269,385**	**3,181**	**0**	**0**	**0**	**17**	**272,583**
Derivative financial liabilities	0	0	0	0	0	0	0	0
Borrowings	2,271,222	256,702	445,376	458,457	1,065,677	427,729	0	2,653,943
Trade payables and other payables	368,724	368,724	0	0	0	0	0	368,724
Total liabilities	**2,639,946**	**625,426**	**445,376**	**458,457**	**1,065,677**	**427,729**	**0**	**3,022,667**
Derivatives financial liabilities	**(2,367,363)**	**(356,041)**	**(442,195)**	**(458,457)**	**(1,065,677)**	**(427,729)**	**17**	**(2,750,084)**

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 rates (exchange risk) - not applicable to the Group;
- Market interest rate (interest rate risk);
- Market price (e.g. 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 THE SENSITIVITY TEST

The interest rate to be used before margin variations will be calculated as follows:

The latest rates recorded on the last business day of the period concerned are used as the reference base, the averages for Euribor (Euribor 1, 3, 6 and 12 months) and for swap rates (with maturities of 1 to 30 years) are calculated. At 29th December 2023, the average Euribor rate was 3.34% (2.50% at end-2022) and the average swap rate fell to 2.54% (3.085% at end-2022).

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

We then simulate the impact of a 50-basis point increase in the rate calculated below. We do the same by simulating the impact of a 50-basis point fall in the yield curve calculated below.

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

1. On pre-tax income (for all products): this column represents the difference between the simulated financial expenses compared with the financial expenses calculated at the reporting date using the average rate (positive = gain; negative = loss).
2. On shareholders' equity: this column represents the difference between the carrying amount calculated at the reporting date on the basis of the average rate compared with the simulated carrying amount (outstanding capital or market value) (positive = gain; negative = loss).

		+ 50 BASIS POINTS		- 50 BASIS POINTS	
		Impact on profit before tax	Impact on equity	Impact on profit before tax	Impact on equity
31/12/2024	Loan	(2,114)	0	2,812	0
	Cap	654	1,380	(787)	(1,302)
	Swap	86	79	(339)	(80)
	Total	(1,374)	1,459	1,686	(1,382)
31/12/2023	Loan	(1,395)	0	3,042	0
	Cap	628	1,897	(1,231)	(1,830)
	Swap	103	333	(491)	(339)
	Total	(663)	2,231	1,320	(2,169)

An increase of 50 basis points would decrease the pre-tax profit by €1.4m but increase the equity by €1.5m, while a decrease of 50-basis points would increase the profit by €1.7m but have a negative impact of €1.4m on the equity.

4. Capital risk management

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

The capital of ORES Assets is made up of the contributions, which are themselves made up of an unavailable portion (€533k) and an available portion (€866.931k). The contributions are fully subscribed and paid up. Any distribution of the contributions to the shareholders 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 shareholders 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 of association 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 shareholders. 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 asset is 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.

Although point 4 of article 35 of the articles of associations of ORES Assets allows the Board of Directors to distribute dividends from the profit of the current fiscal year (commonly known as "advance payment"), the power to decide the allocation of the result and the amount of distributions is reserved for the General Assembly, which remains sovereign in the final decision regarding the distribution of dividends.

There is only one type of share in ORES Assets. Each shareholder 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 shareholders and with the approval of the Board of Directors. They may be transferred between an associated intermunicipal financing company(ies) and one or more associated municipalities associated to it by agreement between them.

An intermunicipal company must have at least two municipalities among its shareholders; there are 199 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 company.

ORES Assets was a so-called "mixed" intermunicipal company until 31st December 2016, as its capital was held partly by municipalities (located in Wallonia) directly or indirectly through a intermunicipal pure financing 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 31st December 2016, the capital shares are held 100% by the municipalities and the seven intermunicipal pure financing companies.

As of 1st January 2020, an eighth Intermunicipal pure financing company 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 optimization 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.

Note 31 – Assets held for sale (in thousands of €)

ASSETS	31/12/2024	31/12/2023
Non-current assets	**0**	**9,146**
Tangible assets		9,136
Other non-current assets		10
Current assets	**0**	**198**
Trade receivables		166
Other receivables		3
Other current assets		29
Total assets excluding tariff receivables	**0**	**9,343**
Tariff receivables		398
Assets held for sale	**0**	**9,741**

By a Walloon Government Decree of 8th September 2022. AIESH was designated as the sole DSO for the entire territory of the City of Couvin, subject to the condition precedent of the acquisition of a real right of use or ownership of the network located on the territory.

In order to fulfil this condition precedent, ORES Assets, ORES and AIESH have decided to organize the transfer to AIESH of the ownership and operation of the network located in the territory, by means of a partial demerger.

The transfer of the five municipal sections of the City of Couvin (Boussu-en-Fagne, Couvin, Frasnes-lez-Couvin, Mariembourg and Pétigny) from ORES Assets to AIESH for the management of the electricity distribution networks came into effect on 1st January 2024. From this date, ORES Assets is no longer the electricity distribution system operator in the territory of the City of Couvin.

In accordance with the operational agreement between ORES Assets and AIESH regarding this transfer, the General Meeting of June 2024 approved the exact number of shares and the amount of contributions concerned by the split, amounting to €9.8m (a difference of €37k from the figures as of 31st December 2023). The equity transferred amounts to €4.9m and explains the variation recorded in capital (see note 14 on this subject). It should be noted that no impairment had been recognized in the accounts as of 31st December 2023 following this transfer of activity.

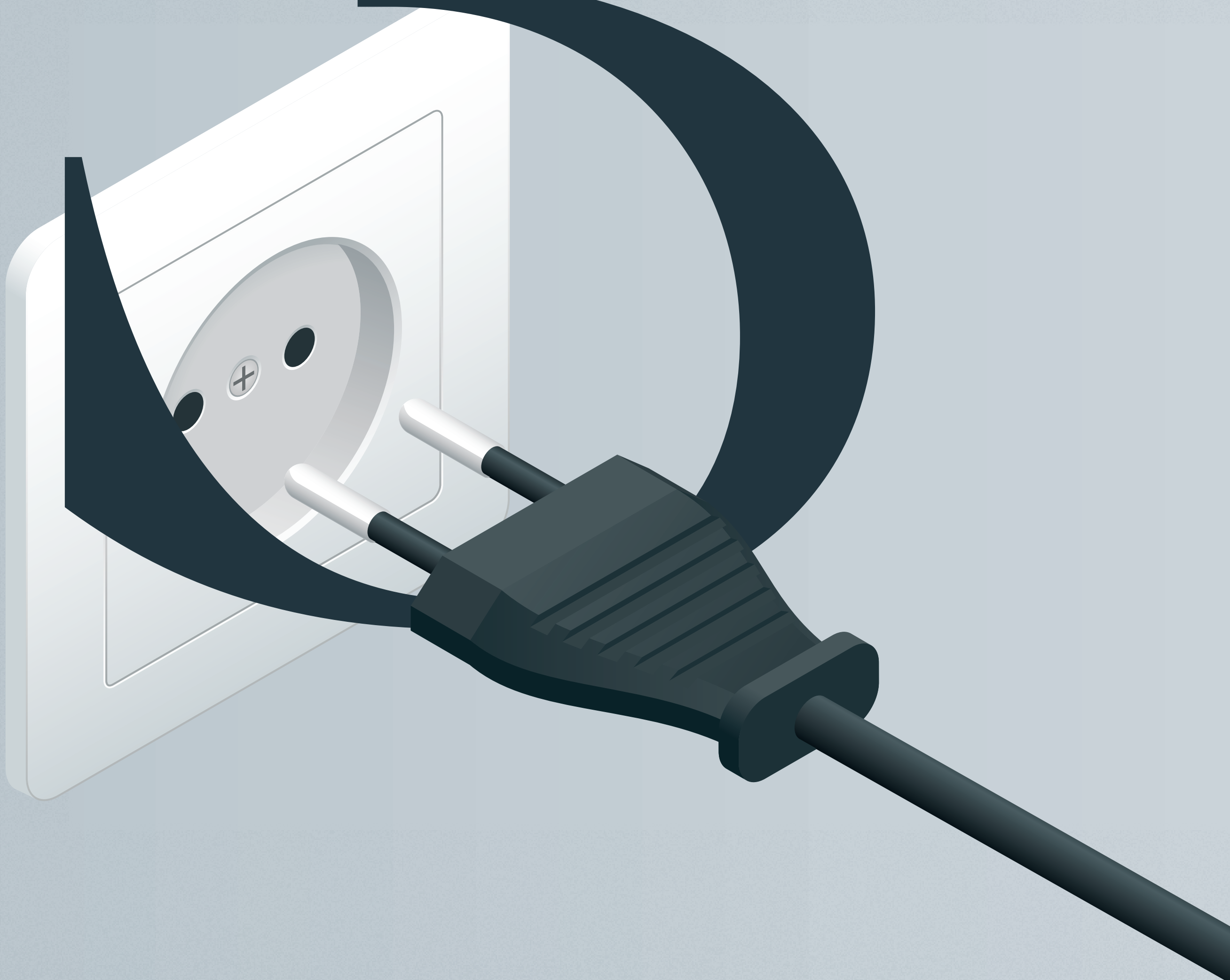
Among the items transferred to AIESH are, in particular:

- land and facilities for €9.1m
- trade receivables and accruals (pension capital. HGHP files and regulatory balances) for €0.6m.

Based on the situation as of 1st January 2024, an amount of €4.9m is owed to ORES Assets by AIESH, with €4.4m currently paid. In accordance with the aforementioned agreement, a final adjustment of this amount will be made,if necessary, to incorporate the potential impacts of the approval of the 2023 regulatory balances by the CWaPE.

This amount should be supplemented by the compensation, namely the indemnity paid by AIESH to ORES Assets to compensate for the loss of economies of scale observed in this latter DSO.

Chapter 3



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

Statement of compliance

The consolidated accounts include the Group's consolidated financial statements for the year ending on 31st December 2024. The Group's consolidated financial statements have been prepared on a voluntary basis and in accordance with IFRS (International Financial Reporting 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.

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 31st December 2024.

STANDARDS AND INTERPRETATIONS APPLICABLE FOR THE ANNUAL PERIOD BEGINNING ON OR AFTER 1ST JANUARY 2024

- Amendments to IAS 1 Presentation of Financial Statements: *Classification of liabilities as current or non-current and classification of non-current liabilities with covenants.*
- Amendments to IFRS 16 Leases: *Lease liabilities in a sale and leaseback transaction.*
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: *Supplier financing arrangements.*

The application of these standards did not have a material impact on the Group's financial statements.

STANDARDS AND INTERPRETATIONS PUBLISHED, BUT NOT YET APPLICABLE FOR THE ANNUAL PERIOD BEGINNING ON 1ST JANUARY 2024

- Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates: Lack of Convertibility* (applicable for annual periods beginning on or after 1st January 2025).
- IFRS 18 *Presentation and Disclosures in Financial Statements* (applicable for annual periods beginning on or after 1st January 2027 but not yet adopted at the European level).
- IFRS 19 *Subsidiaries without Public Accountability: Disclosures* (applicable for annual periods beginning on or after 1st January 2027 but not yet adopted at the European level).
- Amendments to IFRS 9 and IFRS 7 *Classification and Measurement of Financial Instruments* (applicable for annual periods beginning on or after 1st January 2026 but not yet adopted at the European level).
- Annual Improvements – *Volume 11* (applicable for annual periods beginning on or after 1st January 2026 but not yet adopted at the European level).
- Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Electricity Dependent on Nature* (applicable for annual periods beginning on or after 1st January 2026 but not yet adopted at the European level).

The Group has not anticipated the application of any new standard or interpretation published but not yet effective,and except for IFRS 18 or the amendment to IAS 1, for which an analysis is ongoing, the Group does not expect any significant impact from the application of these new standards or interpretations.

A.3 Consolidation principles

The eight Walloon mixed intermunicipal companies merged on 31st December 2013 with retroactive effect from 1st January 2013, giving rise to ORES Assets (hereinafter referred to as "DSO" or ORES Assets). ORES Assets is therefore an electricity and gas distribution system operator (hereinafter referred to as a "DSO") in Wallonia which, as of 31st December 2024, 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 asset. 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 recognized 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 amortized 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 amortization and total impairments. Intangible assets are amortized according to the straight-line method over the estimated useful life of the asset.

Amortization of an intangible asset begins when the asset is operational as intended by management.

USEFUL LIFE

- Computer software: 10 years for computer software acquired on or after 1st January 2019 and 5 years for all other software.
- Development: 5 years

COMPUTER SOFTWARE

Software licenses acquired by the Group are recorded at their acquisition cost, less accumulated amortization, and accumulated impairment losses. Software developed internally are recorded at their 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 1st 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 recognizing an intangible asset defined by IAS 38 are met. An intangible asset that comes from the development activity is then amortized using the straight-line method over its useful life and reduced by any impairments.

A.6 Tangible assets

Generally, the Group is the owner of tangible assets including network installations, buildings, land, vehicles (fleet), furniture and equipment.

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, removing the asset, and returning the site at which it is based to its original state, as required.

Transfers of assets from customers 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 turnover in application of IFRS 15 as of 1st January 2019.

After they are first accounted for at their historic cost, tangible assets owned by the Group are depreciated based on 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 derecognized.

Since 2003, at the same rhythm that the electricity and natural gas markets have been liberalized, 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 in 2013) with a technical inventory justifying the value of the tangible assets could establish the initial value of the capital invested as at 31st 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 31st December 2005 for electricity and 31st 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)
Gas pipes	2% (50 years)
Cables	2% (50 years)
Lines	2% (50 years)
Optical fibre cable sheath signaling network	5% (20 years)
Primary substations and substations (electricity and gas)	3% (33 years)
Connections - transformers	3% (33 years)
Connections - lines and cables	2% (50 years)
Metering 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)
Signaling network (smart equipment)	10% (10 years)
Remote control, lab and dispatching equipment	10% (10 years)
Teletransmission	10% (10 years)
Optical fiber	5% (20 years)
Furniture and tools	10% (10 years)
Vehicles (passenger and freight transport)	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 organized into operating (electricity, gas, others), the Group has defined these CGUs as the assets and liabilities of an operating segment.

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 amortization, 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 contract 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 contract confers this right, the Group must assess whether, throughout the useful life,it has the following two rights:

A. The right to obtain substantially all the economic benefits from the use of the specific asset; and

B. 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 analyzed to ensure that it is or contains a lease. The Group recognizes 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 recognizes 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 measurement of the lease liability include:

A. Fixed lease payments, including in substance, net of lease inducements received or to be received (free of charge, ...);

B. Variable lease payments that are based on an index or rate, initially measured using the index or rate in effect at the start date;

C. The amount that the Group expects to pay to the lessor under residual value guarantees;

D. The exercise price of call options that the Group has reasonable certainty of exercising;

E. The penalties required in the event of termination of the lease if the lease contract 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:

A. 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 revalued by discounting the revised lease payments using a revised discount rate;

B. 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);

C. 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 recognized 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 contract.

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

The Group recognizes 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 recognized 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 realizable 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 realizable value is the estimated selling price in the ordinary course of business, less the estimated costs for completion and the estimated costs needed to finalize 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 carrying amount, 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 recognized 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 amortized 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 amortized cost using the effective interest rate, less reductions for any expected impairment.

The Group recognizes expected credit losses and changes in these losses at each reporting 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 or loss statement when a financial asset recorded at its amortized cost is derecognized or impaired.

A.10.3 Effective interest rate method

The effective interest rate method is a method of calculating the amortized 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 or 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 amortized 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 derivative financial instruments such as interest rate swaps, collars or 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 recognized asset or liability, a fixed commitment or a planned transaction that is highly likely to have an influence on the profit or 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 or 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 or loss statement when the expected transaction is recognized in the profit or 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 or loss statement. This is a reclassification adjustment (see IAS 1).

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

Financial assets valued at fair value through the net profit or 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 or 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 its financial assets. They are accounted for under other non-current 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 recognizes 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 standards requires or authorizes 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 provide 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 present 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 turnover 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 or 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 recognized 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 remediation 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 or 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 a hedge accounting relationship are shown as financial expenses or income.

A.15 Revenue recognition

A.15.1 Regulatory context

AUTHORISED 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 29th December 2017. This constructive dialogue enabled ORES to obtain, on 28th August 2018, the approval by the CWaPE of the authorised revenues 2019-2023.

In accordance with the procedure set out in the tariff methodology, on 1st 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 analyzed by the CWaPE and were the subject of additional questions addressed to the distribution system operator. On 13th December 2018, 15th January 2019 and 25th January 2019, ORES filed adapted tariff proposals for the regulatory period 2019-2023. On 7th February 2019 (for periodic tariffs) and 20th 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 1st March 2019.

REGULATORY EVOLUTION 2024

A new regulatory period was supposed to span from 2024 to 2028, with the previous period covering the fiscal years 2019 to 2023. On 1st June 2022, the CWaPE published and submitted for public consultation and discussion a draft tariff methodology for the regulatory period 2024-2028. This new tariff methodology was supposed to be published on 31st October 2022. However, this publication date was postponed to the end of the first semester of 2023 to grant all involved parties the necessary time for a quality discussion process. The continuation of the discussion required modifications to the regulatory period. On the one hand, the tariff methodology submitted for consultation and discussion now covers the regulatory period 2025-2029. On the other hand, an intermediate and transitional period of one year between two five-year regulatory periods (2019-2023 and 2025-2029) was established for the fiscal year 2024. The publications of the tariff methodologies adopted by the CWaPE therefore took place on 13th April 2023[7] for the 2024 tariff methodology[8] (hereinafter "CWaPE 2024 tariff methodology") and on 31st May 2023 for the 2025-2029 tariff methodology[9] (hereinafter "CWaPE 2019-2023 tariff methodology").

The proposals for authorised revenues and electricity and gas tariffs for 2024 from ORES Assets were submitted on 15th September 2023. They were approved by the CWaPE on 12th October 2023 for authorised revenues and periodic tariffs and on 12th December 2023 for non-periodic tariffs.

Additionally, each year, the DSOs submit a proposal for the re-invoicing tariffs of electricity transport costs, which are billed to ORES Assets by the transport operator Elia,-for approval by the CWaPE. The tariffs applicable from 1st March 2024 to 31st December 2024 were approved by the CWaPE on 20th February 2024.

The year 2024 was mainly dedicated to various works related to the regulatory period 2025-2029. On 28th March 2024, the CWaPE approved the proposals for authorised electricity and gas revenues for 2025-2029 submitted by ORES Assets on 13th October 2023. Then, on 27th June 2024, the CWaPE approved guidelines for a new tariff structure applicable to low-voltage electricity distribution network users, which will only be applicable for the years 2026 to 2029. This new tariff structure therefore involves a two-step process for electricity tariff proposals, with an initial approval procedure for 2025 tariffs and a subsequent approval procedure for 2026-2029 tariffs. Thus, on 15th June 2024, ORES Assets submitted electricity distribution tariffs for the year 2025 and gas distribution tariffs for the years 2025 to 2029. These proposals were approved by the CWaPE on 29th November 2024. On 15th November 2024, ORES Assets submitted its electricity distribution tariffs for the years 2026 to 2029. These tariff proposals are currently under review by the CWaPE. After a submission scheduled for 15th April 2025 by ORES Assets of new electricity tariff proposals for 2026-2029, integrating the modified authorised revenues for the widespread deployment of smart meters (see below), the final decisions of the CWaPE regarding these will be made on 30th June 2025.

In parallel with the above-mentioned works, the Walloon Parliament adopted on 25th April 2024 an amendment to the electricity decree to establish the widespread deployment of smart electricity meters for all Walloon customers before 2030. The CWaPE aligned its 2025-2029 tariff methodology with these new decree provisions by decision on 6th June 2024. New proposals for authorised electricity revenues for 2025-2029 and business cases for smart meters were submitted to the CWaPE on 11th October 2024 and 31st January 2025. At the time of writing this report, these proposals were about to be approved.

Then, on 29th November 2024, the CWaPE also approved the re-invoicing tariffs for transport costs for the year 2025 for Wallonia. The tariff proposal approved by the CWaPE was based on Elia's OSP tariffs and surcharges for the year 2024, as those for 2025 are generally only known late (November/December) in the year preceding the tariff application. On 28th November, the federal regulator,the CREG, approved the OSP tariffs and surcharges to be applied by Elia System Operator for the year 2025. By decision on 13th of February 2025, the CWaPE approved a modification of the re-invoicing tariffs for transport costs of Walloon distribution system operators, applicable from 1st March to 31st December and integrating these new OSP tariffs and surcharges.

Finally, the non-periodic electricity and gas tariffs for 2025-2029 were approved by the CWaPE on 19th December 2024.

7 A public consultation and discussion were organized from 3rd February 2023 to 3rd March 2023 on the draft 2024 tariff methodology.

8 Decision CD-23d13-CWaPE-0766 of 13th April 2023 regarding the tariff methodology applicable to electricity and gas distribution system operators active in the Walloon Region for the year 2024.

9 Decision CD-23e31-CWaPE-0773 of 31st May 2023 regarding the tariff methodology applicable to electricity and gas distribution system operators active in the Walloon Region for the regulatory period 2025-2029.

DETERMINATION OF REVENUE ELEMENTS AND TARIFFS: TARIFFS METHODOLOGY 2024

ELEMENTS OF A DSO'S TOTAL REVENUE

As indicated above, the methodology applicable during the year 2024 is the tariff methodology adopted by the CWaPE on 13th April 2023. It targets only the year 2024,which constitutes a transition between two tariff periods (2019-2023 and 2025-2029). The principles of the CWaPE 2024 tariff methodology largely follow those applicable under the tariff methodology adopted by the CWaPE for the regulatory period 2019-2023. The rules for determining the authorised ex-ante budgeted electricity and gas revenues for the year 2024 have been greatly simplified to match, with few exceptions, the authorised electricity and gas revenues for 2024 to those of 2023 approved by the CWaPE in 2018. Thus, no additional efficiency or inflation factor compared to 2023 has been integrated into the authorised budgeted revenues in 2024; inflation is treated ex-post (via regulatory balance) based on actual inflation.

In the CWaPE 2019-2023 tariff methodology, the elements of authorised revenue are divided between costs classified as "controllable" and those classified as "non-controllable". Controllable costs (respectively, non-controllable costs) are those over which the DSO exercises (respectively, does not exercise) direct control.

The regulation of controllable costs[10] includes an incentive mechanism (bonus or penalty) that encourages DSOs to act more productively and efficiently.

To this end, controllable costs evolve according to a "revenue-cap" mechanism, of the "CPI-X" type, which provides that ex-ante, they are indexed according to the health index ("CPI") and subject to a productivity improvement coefficient (factor "X"). The index was set by the CWaPE at 1.575% per year over the period 2019-2023, while the X factor amounts to 1.5% per year, applicable to controllable costs (except for costs related to fixed assets). As a result, the evolution of controllable costs over the period is limited to 0.075% per year (1.575% for costs related to fixed assets on which the X factor does not apply). These parameters are fixed and non-revisable. As indicated above, these coefficients do not apply between 2023 and 2024.

For 2024, no additional productivity improvement coefficient is imposed compared to 2023, while the effect of inflation is considered ex-post once actual inflation is known and will therefore be recovered in future tariffs via a regulatory balance (see below). Thus, the controllable costs considered for tariff calculation are fixed at their 2023 level.

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 shareholders and will not affect tariffs, either during the regulatory period or afterwards.

Non-controllable expenses and volumes[11] are budgeted by the DSOs based on best estimates. They are subject to "cost-plus" regulation. During the ex-post control, the regulator determines the amounts of regulatory balances that can be integrated into future tariffs to which they are fully allocated. Regarding non-controllable costs, if the difference between budgeted costs and actual costs is positive/negative, it is referred to as a regulatory deficit/surplus or a regulatory asset/liability. A regulatory surplus/liability means that budgeted costs were higher than actual costs and that part of these costs must be returned to network users through a downward revision of tariffs, within the regulatory period or the next regulatory period. Regarding volumes, reference quantities (kW, kWh, number of network users/number of meters, etc.) are predetermined by the DSOs based on the volumes they plan to sell to their network users. If actual volumes are higher/lower than planned volumes, they will generate a regulatory surplus/liability or a regulatory deficit/asset. Differences in non-controllable costs and volumes are recorded annually by the DSOs in a separate asset or liability account pending final allocation during the current tariff period or subsequent tariff periods, either as a tariff receivable (regulatory deficit/asset) or as a tariff debt (regulatory surplus/liability). In the 2024 tariff methodology, non-controllable costs are fixed at their 2023 level. Volumes, however, have been re-estimated based on the latest available reality.

10 These are all operating expenses that are not identified as non-controllable in Article 12 of the 2019-2023 tariff methodology (for more details, see the 2019-2023 tariff methodology published on: https://www.cwape.be/sites/default/ files/cwape-documents/2021.09.02-M%C3%A9thodologie%20tarifaire%202019-2023%20-%20modifications%20-%20consolida-tion%20officieuse.pdf).

11 Applied to the approved tariffs, these volumes will determine the turnover of the DSO which covers the costs.

NET EXPENSES RELATED TO SPECIFIC PROJECTS

ORES Assets obtained additional budgets for the implementation of two specific projects authorised by the CWaPE 2019-2023 tariff methodology, namely the deployment of smart meters and the promotion of connections to the natural gas network (Promogaz campaign, which ended in June 2024). These budgets were extended in 2024.

FAIR PROFIT MARGIN

The fair profit margin constitutes the compensation for the capital invested in the regulated asset base (RAB) of the DSO. In the CWaPE 2019-2023 tariff methodology, the invested capital consists of both the equity and external financing of the DSO. The profit margin is calculated annually by applying the authorised return percentage to the regulated asset base, on which it will evolve during the 2019-2023 period, with the return percentage being fixed and non-revisable over the period. The fair profit margin for 2024 is set at its 2023 level.

Regulatory assets

The initial value of the regulated asset base is the value of the regulated asset base on 1st 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 31st December 2015 obtained by adding the carrying amount value of the primary and secondary regulated asset bases at 31st December 2015 (it is therefore based on the initial value of the RAB approved by the regulator). 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 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 1st 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 authorised return percentage is determined based on the weighted average cost of capital (WACC) formula. This was set by the CWaPE at a rate of 4.053% for the regulatory period 2019-2023 and the year 2024.

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:

$$\mathbf{CMPC} = \frac{E}{E+D} \times k_e + \frac{D}{E+D} \times k_D$$

With:

E	= Equity value
D	= Value of financial debt
E/(E+D)	= Equity ratio expressed as a percentage
D/(E+D)	= Financial debt ratio expressed as a percentage
k_e	= Cost of equity
	$= r_{f1} + B_e (K_m - r_f)$

Avec:

r_{f1}	= risk – free cost of equity rate
B_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 stipulate that the balances relating to non-controllable expenses are carried forward in full in the tariffs and are therefore charged to or benefit network users.

Currently, all decisions on regulatory balances setting the level of balances up to the year 2022 have been made by the CWaPE[12]. The review of the 2023 balances by the CWaPE is ongoing, and they will acquire their final status only after their final approval by the CWaPE. Given the level of these balances, exceptionally and before any final approval, the CWaPE has agreed that they can already be partially integrated into the electricity distribution tariffs (2025) and gas tariffs for 2025-2029 to allow for smoothing their impact and avoiding significant tariff impacts.

As mentioned above, the budgeted authorised revenues for 2024 correspond closely to those of 2023 approved in 2018. Several factors explain the difference between the authorised revenue costs for 2024 and the reality of these costs. Notably, since 2018, in the broader and more recent context of the energy crisis, actual inflation has proven to be much higher than budgeted inflation, and energy prices have increased significantly, which could not have been anticipated in the budgets and principles developed in 2018. This has led to the recognition of significant regulatory assets again in 2024 (see note 01-B on this subject).

The CWaPE's control schedules provide for the possible integration of these balances into tariffs from 2026.

A.15.2 Turnover

The Group applies IFRS 15, which introduces a five-step revenue from ordinary activities recognition method.

Revenue from ordinary activities from the sale of goods is recognized when all of the following conditions are met:

A. The parties to the contract have approved it and are committed to fulfilling their obligations;

B. The Group can identify the rights of each party as far as the goods or services to be supplied are concerned;

C. The Group can identify the expected payment conditions for the goods or services to be supplied;

D. The contract has commercial substance;

E. 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 customer.

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

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

A. Distribution fees;

B. Energy sales within the context of public service obligations;

C. 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 or loss statement.

The income and expenses related to distribution fees are recognized 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 recognized 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.

12 The CWaPE's decision on the 2022 balances was made on 30th January 2024. Décision approbation soldes 2022 gaz ORES ASSETS + annexe I.pdf

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 customers). They consist, among other things, in ensuring, at the social tariff, 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 recognized 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 recognized 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 tariff, and the difference between this tariff and the market tariff 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 customer, 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 or 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 customer receivable when it is billed to the customer.

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

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 turnover as of 1st January 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 authorised revenue 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 revenue 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 or 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 tax 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 as far 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 recognized 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 recognized 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 realized 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 realize 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 or 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 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 above mentioned 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 or loss for the continuing activities.

A.18 Government grants

The Group applies IAS 20 – *Accounting for Government Grants and Disclosure of Government Assistance* for the recognition of government grants related to capital investments.

Government grants are recognized when it is reasonably certain that the Group will receive these subsidies and that all underlying conditions will be met.

Government grants related to capital expenditures are deducted from the carrying amount of the related asset in accordance with IAS 20 and will be recognized in the profit or loss statement, reducing the depreciation expense, on a systematic basis over the expected useful life of the asset in question.

Any part of the grant received in advance is recognized as a liability until the corresponding asset is acquired or the expenditure is incurred.

Grants related to expense items are recognized in the profit or loss statement during the same period as the expenses for which the grant was received.

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 accounting policies

B.1.1 Actuarial obligations in respect of pension plans, other post-employment benefits 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 rate of salary growth;
- Average inflation rate;
- Staff turnover rate;
- Mortality table;
- Rate benefits;
- Out-patient and hospitalization expenses.

B.1.2 Fair value of derivative instruments

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

B.1.3 Valuation of 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 environmental 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 recognized 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 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.

B.2 Significant judgements applied to accounting policies

B.2.1 Measuring the turnover - Transport fees

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 recognized 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.

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, if they are clearly identified. Similarly, ongoing discussions at IASB level and the "regulatory assets and regulatory liabilities" standard project published in January 2021 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 recognized 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 Debt/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 shares representing the capital (note 14) are equity instruments.

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

The Group determines on a case-by-case basis whether there is an obligation that could have a negative impact on its financial position. 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.

B.2.5 Classification of Couvin-related activities as assets held for distribution in accordance with IFRS 5 and non-application of IFRIC 17 at the transaction date

In accordance with IFRS 5, the criteria for classification in the balance sheet are met when the distribution is highly probable, the actions to complete the distribution have been initiated and the business is expected to be sold within one year of the date of classification, which is the case for the Couvin business.

Furthermore, IFRIC 17 only applies at the closing date of the transaction date to distributions in which all holders of the same class of equity instruments are treated in the same way. In this case, only the municipality of Couvin benefits from the distribution. As ORES Assets does not make distributions to all municipalities, IFRIC 17 cannot be applied to the transaction.

In addition, there is no classification as "discontinued operations" in the profit or loss statement. To be classified as such in the profit or loss statement, IFRS 5 standard requires not only that the above criteria be met for a separate classification in the balance sheet, but also that these activities constitute a component of the entity that "represents a separate major line of business or geographical area of operations", which is not the case for the Couvin activities.

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.

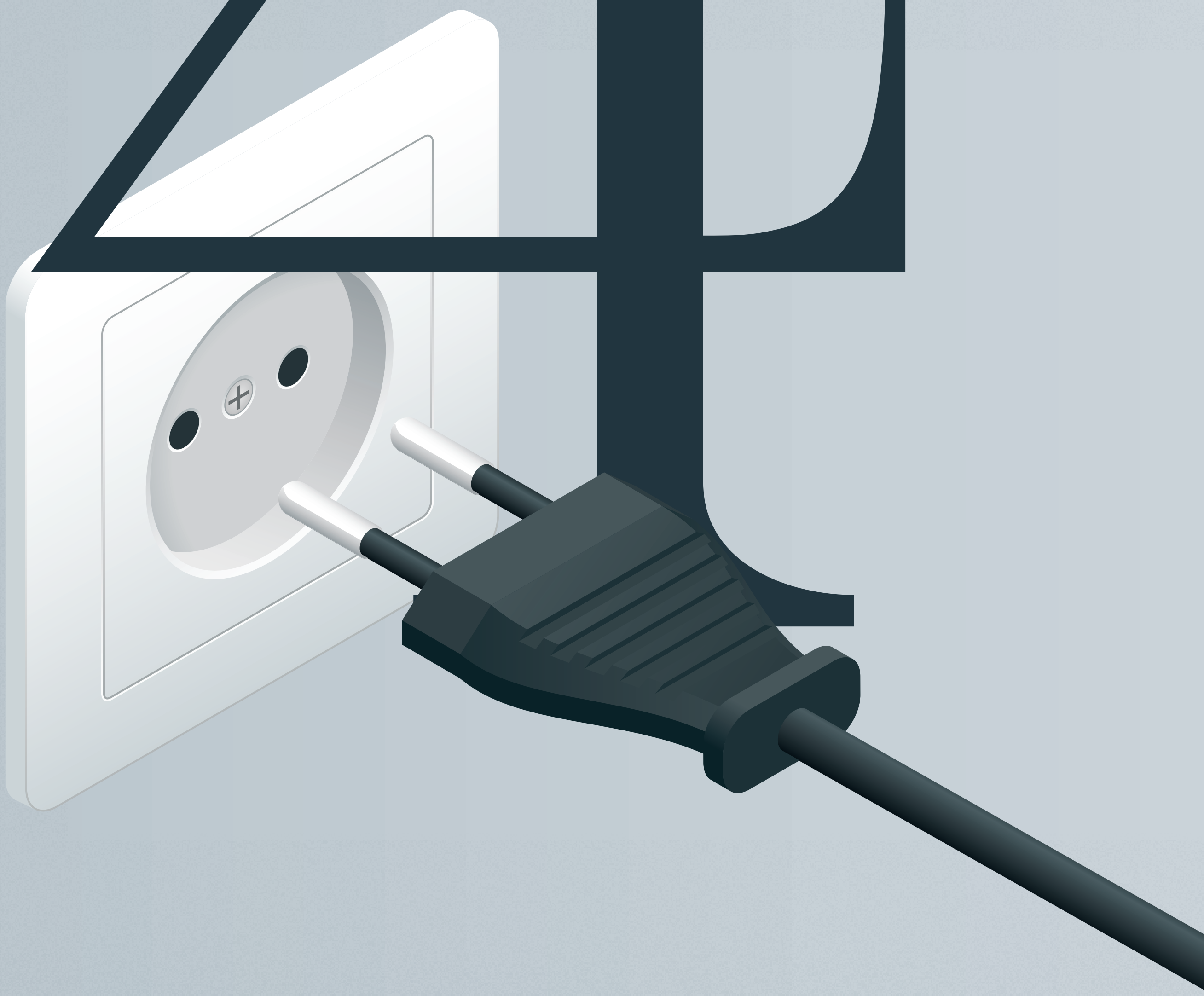
A change to an accounting policy is applied retrospectively, unless it is not practical to determine the effects of the change specifically linked to the period or cumulatively. In addition, a change to an accounting policy is not applied retrospectively in the event of a transitional provision specific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

It should be noted that no changes in accounting methods were made in the 2024 financial statements.

Chapter 4



Independent auditor's report

T : +32 87 69 30 00
www.bdo.be

Rue Waucomont 51
B-4651 Battice

ORES ASSETS SC

Statutory auditor's report
to the general meeting
for the year ended 31 December 2024
(Consolidated financial statements)

Free translation

T : +32 87 69 30 00
www.bdo.be

Rue Waucomont 51
B-4651 Battice

Free translation

STATUTORY AUDITOR'S REPORT TO THE GENERAL MEETING OF ORES ASSETS SC FOR THE YEAR ENDED 31 DECEMBER 2024 (CONSOLIDATED FINANCIAL STATEMENTS)

In the context of the statutory audit of the consolidated financial statements of ORES ASSETS SC ('the Company') and its subsidiaries (together referred to as 'the Group'), we hereby present our statutory auditor's report. It includes our report on the audit of the consolidated financial statements and the other legal and regulatory requirements. This report is an integrated whole and is indivisible.

We have been appointed as statutory auditor by the general meeting of 16 June 2022, following the proposal formulated by the administrative body issued upon recommendation of the Audit Committee and upon presentation by the works council. Our statutory auditor's mandate expires on the date of the General Meeting deliberating on the financial statements closed on 31 December 2024. We have performed the statutory audit of the consolidated financial statements of the Group for 3 consecutive years.

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Unqualified opinion

We have performed the statutory audit of the Group's consolidated financial statements, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, and which is characterised by a consolidated statement of financial position total of 5.145.532 (000) EUR and for which consolidated income statement and other comprehensive income shows a profit for the year of 67.304 (000) EUR.

In our opinion, the consolidated financial statements give a true and fair view of the Group's net equity and financial position as at 31 December 2024, as well as of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Belgium. Our responsibilities under those standards are further described in the 'Statutory auditor's responsibilities for the audit of the consolidated financial statements' section in this report. We have complied with all the ethical requirements that are relevant to the audit of consolidated financial statements in Belgium, including those concerning independence.

We have obtained from the administrative body and company officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the administrative body for the drafting of the consolidated financial statements

The administrative body is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory provisions applicable in Belgium, and for such internal control as the administrative body determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated financial statements, the administrative body is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the administrative body either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

When executing our audit, we respect the legal, regulatory and normative framework applicable for the audit of the consolidated financial statements in Belgium. However, a statutory audit does not guarantee the future viability of the Group, neither the efficiency and effectiveness of the management of the Group by the administrative body. Our responsibilities with respect to the administrative body's use of the going concern basis of accounting are described below.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the administrative body;

- Conclude on the appropriateness of the administrative body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated financial statements and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the management, the supervision and the performance of the Group audit. We assume full responsibility for the auditor's opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control identified during the audit.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Responsibilities of the administrative body

The administrative body is responsible for the preparation and the contents of the director's report on the consolidated financial statements and for the other information included in the annual report on the consolidated financial statements.

Responsibilities of the statutory auditor

In the context of our mandate and in accordance with the Belgian standard (version revised in 2020) which is complementary to the International Standards on Auditing (ISA) as applicable in Belgium, it is our responsibility to verify, in all material aspects, the director's report on the consolidated financial statements, as well as to report on these elements.

Aspects relating to the director's report on the consolidated financial statements

In our opinion, after having performed specific procedures in relation to the director's report, this report is consistent with the consolidated financial statements for the same financial year, and it is prepared in accordance with article 3:32 of the Code of companies and associations.

In the context of our audit of the consolidated financial statements, we are also responsible for considering, in particular based on the knowledge we have obtained during the audit, whether the director's report on the consolidated financial statements contains any material misstatements, i.e. any information which is inadequately disclosed or otherwise misleading. Based on the procedures we have performed, there are no material misstatements we have to report to you.

Statement concerning independence

- Our audit firm and our network did not provide services which are incompatible with the statutory audit of the consolidated financial statements and our audit firm remained independent of the Group during the terms of our mandate.

- The fees related to additional services which are compatible with the statutory audit as referred to in article 3:65 of the Code of companies and associations were duly itemised and valued in the notes to the consolidated financial statements.

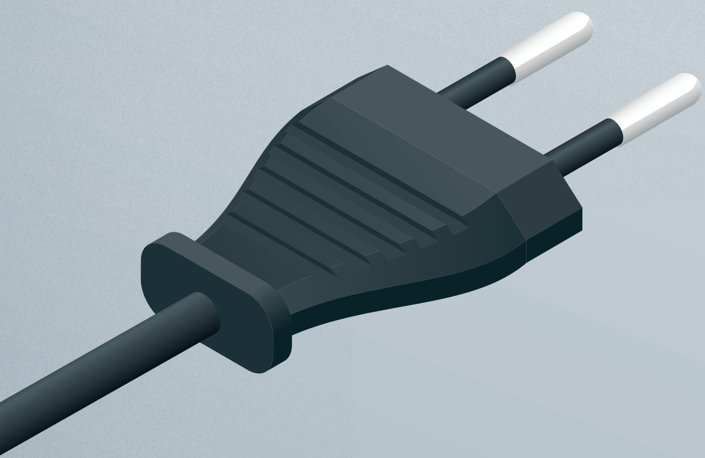
Battice, 8 May 2025

Christophe Colson (Signature)

Signé numériquement par Christophe Colson (Signature)
DN : cn=Christophe Colson (Signature), c=BE
Raison : J'accepte les termes définis par le placement de ma signature sur ce document
Date : 2025.05.08 22:18:02 +02'00'

BDO Réviseurs d'Entreprises SRL
Statutory auditor
Represented by Christophe Colson*
Auditor
*Acting for a company

ORES



Customer service
078 15 78 01

Repair service
078 78 78 00

Emergency, smell of gas
0800 87 087

Avenue Jean Mermoz, 14
6041 Gosselies – Belgium

www.ores.be

Responsible publisher: Jean-Michel Brebant
Avenue Jean Mermoz, 14 – 6041 Gosselies

June 2025 — Design: StudioTokyo.be