



# ANNUAL FINANCIAL STATEMENTS 2020

infrabel.be



Annual Financial Statements 2020  
Submitted by the Board of Directors to the General  
Shareholders' Meeting of 19 May 2021

Free translation – The original signed versions of  
this report are in Dutch and in French





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# INTRODUCTION

## COMPANY PRESENTATION

Infrabel is the manager of the Belgian railway infrastructure. The company was established on 29 October 2004 as a limited company under public law following the European Directives on separation of railway infrastructure management and railway transport service operation. The company's Articles of Association were last changed on 27 February 2018.

The company's registered office is located at place Marcel Broodthaers 2 in 1060 Brussels.

The annual accounts are prepared in accordance with the Belgian Accounting Law (Belgian GAAP), where the valuation rules were to the utmost aligned with the International Financial Reporting Standards (IFRS).

## FINANCIAL YEAR

The financial year runs from 1 January to 31 December of each year.

## CAPITAL

The capital of Infrabel consists of 53,080,660 registered shares without nominal value.





On 31/12/2020, the situation of the shareholders is as follows:

- the Belgian State holds 52,707,410 shares, i.e. 99.30 % of the capital
- the SFPI (the Federal Holding and Investment Company) holds 313,493 shares, i.e. 0.59 % of the capital
- private shareholders hold 59,757 shares, i.e. 0.11 % of the capital.

There are currently 27,824 shares registered in the name of private shareholders and 31,933 shares that Infrabel holds on behalf of holders of dividend-right shares of the former SNCB Holding. The latter holders may come forward until 31/12/2025 and if they hold at least 53 dividend-right shares, Infrabel is required to register them in the register of shareholders.

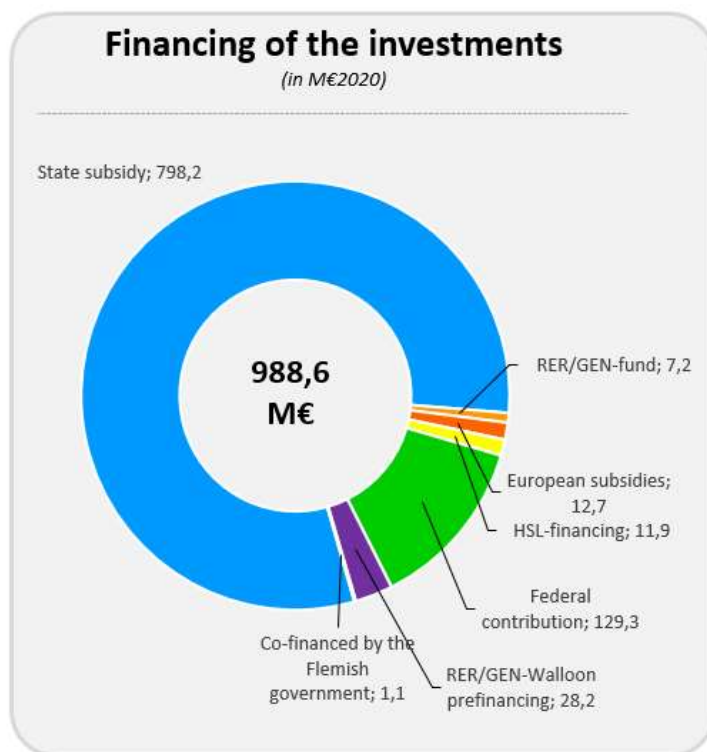
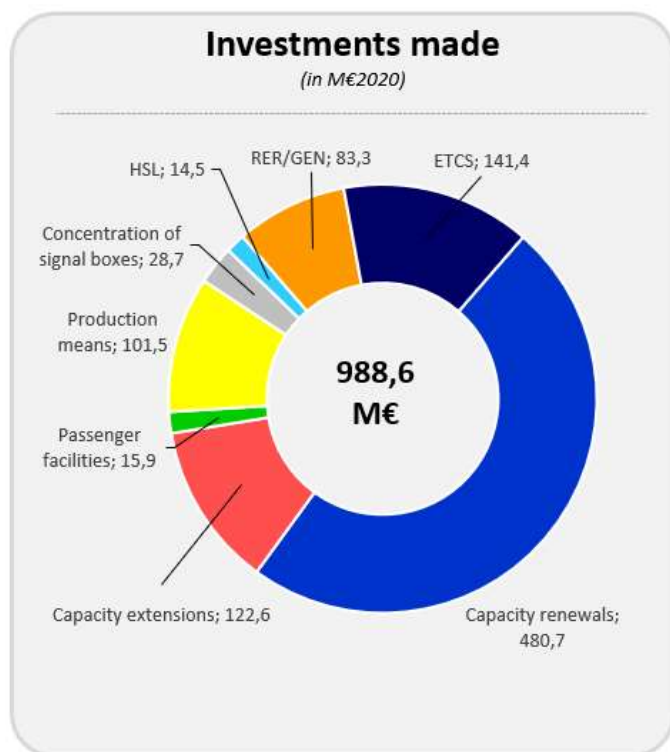
## INFORMATION

The annual accounts are submitted to the National Bank of Belgium. The annual report of the Board of Directors to the General Shareholders' Meeting forms an integral part of the financial statements and is an adjacent document.





# KEY FIGURES 2020



## INCOME STATEMENT (IN MILLION €)

Operating revenues		1,432.76
Operating costs*		1,413.42
Recurring gross operating income (REBITDA)		19.34
Non-recurring operating income		8.50
Gross operating income (EBITDA)		27.84
Depreciation, impairments and provisions		-750.17
Recurring financial result		669.42
Non-recurring financial result		-2.19
Overall result ( EBT )		-55.10

\* Excluding depreciation, impairments and provisions

## BALANCE SHEET

Infrabel's balance sheet total amounts to € 22,932,394,926.76 on 31/12/2020 compared with € 22,396,357,709.92 on 31/12/2019.

The balance sheet showing the amounts, by category of assets and liabilities, is presented from page 7 onward.





# BALANCE SHEET 2020







# 1. Assets

## BALANCE SHEET FINANCIAL YEAR 2020 (IN €)

ASSETS	Balance sheet at 31/12/2019	Balance sheet at 31/12/2020
I. Formation expenses	0.00	0.00
<b>FIXED ASSETS</b>	<b>19,760,922,634.48</b>	<b>20,034,621,985.53</b>
II. Intangible fixed assets	1,354,844,262.61	<b>1,359,369,950.43</b>
Concession right	1,153,939,393.91	1,140,202,020.17
Intangible assets excl. concession right	200,904,868.70	219,167,930.26
III. Tangible fixed assets	18,371,340,256.71	<b>18,635,998,246.24</b>
A. Land and buildings	7,531,263,028.27	7,624,565,598.72
Acquisition value	8,918,377,680.25	9,121,191,855.23
Depreciation	-1,387,114,651.98	-1,496,626,256.51
B. Plant, machinery and equipment	8,768,396,655.78	9,013,452,504.97
Acquisition value	15,941,645,151.04	16,495,642,348.93
Depreciation	-7,173,248,495.26	-7,482,189,843.96
C. Furniture and vehicles	71,363,297.15	78,367,363.45
Acquisition value	178,637,624.28	190,535,552.78
Depreciation	-107,274,327.13	-112,168,189.33
D. Leasing and similar rights	0.00	0.00
Acquisition value	0.00	0.00
Depreciation	0.00	0.00
E. Other tangible fixed assets	30,127,671.18	29,455,145.20
Acquisition value	136,929,002.51	137,959,744.06
Depreciation	-106,801,331.33	-108,504,598.86
F. Assets under construction and advance payments	1,970,189,604.33	1,890,157,633.90
IV. Financial fixed assets	34,738,115.16	<b>39,253,788.86</b>
A. Affiliated companies	23,714,409.21	28,222,794.90
1. Shareholdings	21,365,690.03	21,365,690.03
2. Accounts receivable	2,348,719.18	6,857,104.87
B. Companies linked by shareholding interests	10,991,955.00	10,991,955.00
1. Shareholdings	10,991,955.00	10,991,955.00
C. Other financial fixed assets	31,750.95	39,038.96
1. Shares	4,715.48	9,043.49
2. Accounts receivable and cash guarantees	27,035.47	29,995.47







ASSETS		Balance sheet at 31/12/2019	Balance sheet at 31/12/2020
CURRENT ASSETS		2,635,435,075.44	2,897,772,941.23
V.	Accounts receivable after more than one year	920,592,717.62	1,105,680,581.18
	A. Trade receivables	0.00	3,100,373.85
	B. Other accounts receivable	920,592,717.62	1,102,580,207.33
	Receivable from the State related to PPP Diabolo	363,149,000.00	347,348,000.00
	Other receivables from the State	556,415,403.61	755,041,075.75
	Other	1,028,314.01	191,131.58
VI.	Stocks and contracts in progress	267,916,375.89	274,426,299.07
	A. Stocks	259,050,575.91	270,531,171.90
	1. Raw materials	251,187,007.91	262,731,778.25
	2. Work in progress	6,532,144.88	6,459,266.55
	3. Finished products	1,331,423.12	1,340,127.10
	6. Advance payments	0.00	0.00
	B. Contracts in progress	8,865,799.98	3,895,127.17
VII.	Accounts receivable within one year	364,245,159.97	337,027,870.10
	A. Trade receivables	187,358,587.82	156,089,368.65
	B. Other accounts receivable	176,886,572.15	180,938,501.45
	Subsidised receivables	72,694,065.60	49,738,545.62
	Recoverable VAT	31,634,721.85	45,376,748.37
	Investment grants	29,764,969.20	42,525,976.88
	Other	42,792,815.50	43,297,230.58
VIII.	Cash investments	501,955,565.52	483,485,061.63
	B. Other cash investments and deposits	501,955,565.52	483,485,061.63
IX.	Cash at bank and in hand	112,665,239.32	278,174,270.50
X.	Deferred charges and accrued income	468,060,017.12	418,978,858.75
	Deferred charges related to PPP Diabolo	430,222,525.84	380,579,630.34
	Other deferred charges	12,698,981.31	14,403,003.92
	Accrued income	25,138,509.97	23,996,224.49
TOTAL ASSETS		22,396,357,709.92	22,932,394,926.76





## 2. Liabilities

### BALANCE SHEET FINANCIAL YEAR 2020 (in €)

LIABILITIES	Balance sheet at 31/12/2019	Balance sheet at 31/12/2020
<b>EQUITY</b>	17,544,956,954.25	17,999,912,758.50
I. Capital	770,080,391.67	<b>770,080,391.67</b>
A. Issued capital	770,080,391.67	770,080,391.67
B. Uncalled capital ( - )	0.00	0.00
II. Share premium	299,317,752.80	<b>299,317,752.80</b>
III. Revaluation surpluses	55,647,763.54	<b>55,284,482.62</b>
IV. Reserves	17,170,597.69	<b>17,170,597.69</b>
A. Legal reserves	17,170,597.69	17,170,597.69
V. Result carried forward	-63,852,026.67	<b>-118,949,387.86</b>
VI. Investments grants	16,466,592,475.22	<b>16,977,008,921.58</b>
<b>PROVISIONS AND DEFERRED TAXES</b>	345,963,088.28	350,631,916.44
VII. Provisions for liabilities and charges and deferred taxes	345,963,088.28	<b>350,631.916.44</b>
A. Provisions for liabilities and charges	345,963,088.28	350,631,916.44
1. Pensions and similar obligations	195,824,369.01	208,719,425.62
4. Environmental liabilities	31,707,774.60	30,912,634.59
5. Other liabilities and charges	118,430,944.67	110,999,856.23







DEBTS		4,505,437,667.39	4,581,850,251.82
VIII.	Accounts payable after more than one year	2,885,688,689.86	<b>2,738,460,330.78</b>
	A. Financial debts	1,844,210,868.78	1,717,954,280.62
	2. Unsubordinated debentures	1,219,585,004.27	1,223,171,369.58
	4. Credit institutions	110,000,000.00	0.00
	5. Other loans	514,625,864.51	494,782,911.04
	B. Trade debts	998,494,796.53	973,920,471.18
	PPP Liefkenshoek rail link	631,328,151.26	623,902,040.58
	PPP Diabolo	363,147,840.32	347,346,911.06
	Other	4,018,804.95	2,671,519.54
	D. Other debts	42,983,024.55	46,585,578.98
IX.	Accounts payable within one year	815,021,399.90	<b>1,129,901,043.59</b>
	A. Accounts payable after more than one year due within the year	42,967,625.56	355,228,743.69
	B. Financial debts	277,537,109.45	270,796,569.00
	1. Credit institutions	197,190,000.00	204,400,000.00
	5. Other loans	80,347,109.45	66,396,569.00
	C. Trade payables	489,795,104.52	488,251,590.56
	1. Trade creditors	489,795,104.52	488,251,590.56
	D. Advances received on contracts	1,324,334.65	944,551.63
	E. Debts with regard to taxes, remuneration and social security	30,342.66	5,606.96
	F. Other debts	3,366,883.06	14,673,981.75
X.	Accrued charges and deferred income	804,727,577.63	<b>713,488,877.45</b>
	Accrued charges	149,948,078.67	151,496,424.24
	Deferred income related to PPP Diabolo	430,223,647.50	380,580,810.89
	Deferred income from infrastructure fee	124,519,978.98	64,523,087.31
	Other deferred income	100,035,872.48	116,888,555.01
TOTAL LIABILITIES		22,396,357,709.92	22,932,394,926.76





## 3. NOTES TO THE BALANCE SHEET

### 1. INTRODUCTION

The balance sheet total increased from € 22.4 billion end 2019 to € 22.9 billion end 2020, an increase of 2.4 % compared to the previous year.

### 2. INTANGIBLE FIXED ASSETS

The intangible fixed assets include, on the one hand, the right to operate the Belgian network with a book value of € 1,140,202,020.17. This operating right is depreciated on a straight-line basis over 99 years. On the other hand, they include the investments in software for specific applications like amongst others SAP. The book value of the software is € 219,167,930.26.

*See also the notes to the annual financial statements – Statement 1 (page 29)*

### 3. TANGIBLE FIXED ASSETS

Infrabel has a considerable annual investment budget. The company's investments particularly relate to expansion, modernisation and maintenance of the traditional railway infrastructure. Infrabel is investing significant amounts for investment projects foreseen in the strategic plan GO, such as the deployment of the ETCS security system, the concentration of signalling boxes, access to the ports... Infrabel is also investing in the completion of railway infrastructure works aimed at providing greater accessibility to Brussels (RER).

The net increase of the tangible fixed assets compared to 31 December 2019 amounts to € 264,657,989.53. This increase is mainly due to investments made by Infrabel in 2020 for € 941,426,192.88. This increase is partially offset by depreciation of fixed assets, sales and retirements for € 676,768,203.35.

*See also the notes to the annual financial statements – Statement 2 (page 30)*

### 4. FINANCIAL FIXED ASSETS

Infrabel holds shareholding interests in 5 subsidiaries amounting to € 21,365,690.03:

- TUC RAIL SA for € 19,382,957.76
- Brussels Creosote Centre SA (CCB) for € 1,796,732.27
- SPV 162 SA for € 62,000.00
- SPV Zwankendamme NV for € 62,000.00
- SPV Brussels Port SA for € 62,000.00

The loans to the SPVs, created for the pre-financing of some priority investment projects, represent an amount of € 6,857,104.87 end of 2020.

Infrabel also holds direct shareholding interests of less than 50% in 4 other companies.

HR Rail S.A. under public law acts as legal employer of all Infrabel staff. Infrabel holds 49% of the shares.

In addition, Infrabel holds a shareholding interest in SA Greensky and CVBA SPS Fin, which were established within the framework of projects for alternative energy.

Among the direct shareholdings, there is also the participation in the NPO Liège Carex which conducts studies on the construction of a trimodal terminal (air, HST and road) at Liège Airport.

Furthermore, Infrabel is also member of the European Economic Interest Grouping (EEIG) Rail Freight Corridor North Sea – Mediterranean, the EEIG Corridor Rhine-Alpine and the EEIG RFC North Sea-Baltic Rail Freight Corridor. These EEIG are intended to promote and develop the transport of freight by rail via international rail corridors.



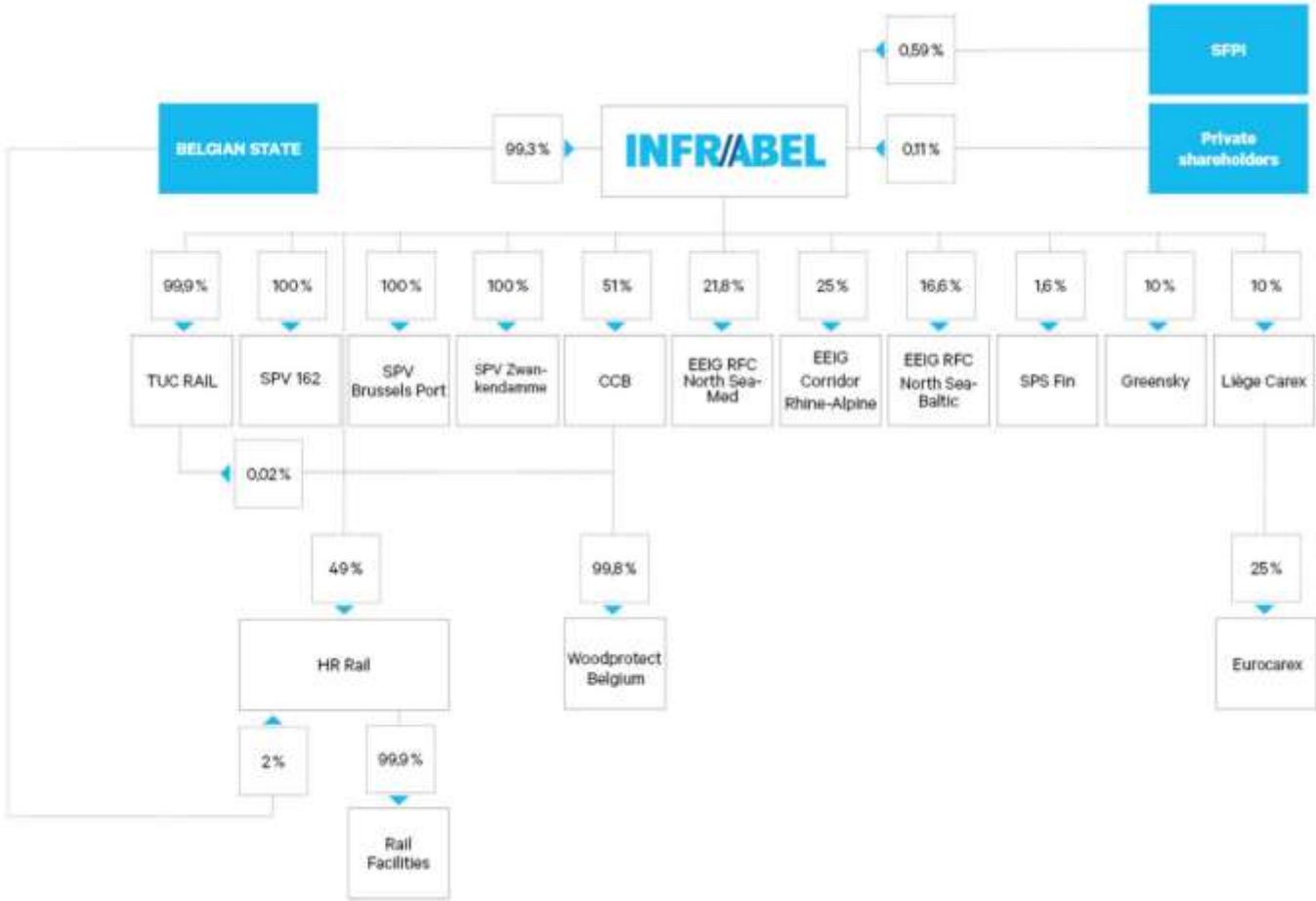




Through these subsidiaries, Infrabel indirectly inherits shareholdings in Woodprotect Belgium NV, Rail Facilities SA, INPO Euro-carex and TUC RAIL SA.

The general structure of Infrabel’s shareholding interests in its subsidiaries’ capital is presented in the following diagram.

See also the notes to the annual financial statements – Statement 3 (page 32)





## 5. ACCOUNTS RECEIVABLE AFTER MORE THAN ONE YEAR

On 31/12/2020, the accounts receivable after more than one year amount to € 1,105,680,581.18.

They include the following receivables:

- Trade receivable after more than one year for an amount of € 3,100,373.85.
- Receivable from the State related to the PPP Diabolo in the amount of € 347,348,000.00 for the implementation of the rail infrastructure intended to improve the access to the Brussels airport.
- Other receivables from the State amounting to € 755,041,075.75 for the implementation of various railway infrastructure works.
- Other receivables for an amount of € 191,131.58.

## 6. STOCKS AND CONTRACTS IN PROGRESS

On 31/12/2020, the company has a total amount of € 270,531,171.90 in stocks on its balance sheet. A large part of these stocks concern supplies in consumables, including advance payments, such as signalling equipment, sleepers, track equipment, telecom materials, etc. amounting to € 262,731,778.25. Finished products and work in progress have a value of € 1,340,127.10 € and € 6,459,266.55 respectively.

Contracts in progress amount to € 3,895,127.17 and mainly concern works where a contract is signed with the third party who placed the order. These open orders will later be invoiced to the third party in question.

Amounts in €		
STOCKS		270,531,171.90
1.	Supplies	262,731,778.25
	Acquisition value	288,397,497.92
	- Signalling equipment	108,117,029.46
	- Various deliveries	24,766,164.60
	- Sleepers	21,684,850.89
	- Crossings	20,260,336.56
	- Catenary	17,417,445.95
	- Track equipment	14,427,100.24
	- Rails	11,567,683.94
	- Telecom materials	11,266,346.65
	- Decommissioned equipment	9,540,883.03
	- Substation and power distribution equipment	8,755,739.88
	- Ballast	1,147,153.91
	- Rolling stock	974,256.54
	- Raw materials	111,335.82
	- Other track materials	38,361,170.45
	Recorded impairments	-25,665,719.67
2.	Work in progress	6,459,266.55
3.	Finished products	1,340,127.10

Amounts in €	
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CONTRACTS IN PROGRESS		3,895,127.17
Manufacturing cost		5,212,044.27
Impairments		-1,316,917.10

## 7. ACCOUNTS RECEIVABLE WITHIN ONE YEAR

The accounts receivable within one year stand at € 337,027,870.10 on 31/12/2020 and consist of trade receivables of € 156,089,368.65 and other receivables of € 180,938,501.45.

The trade receivables towards the railway operator SNCB amount to € 45,900,339.67. These relate mainly to the invoice for the infrastructure fee for the month of February 2021. Infrastructure fees are invoiced two months in advance to each operator active on the Belgian railway network. The receivable linked to the operating grant from the State amounts to € 55,392,085.69.

The other receivables, amounting to € 180,938,501.45, include mainly receivables linked to investment grants from the State for € 42,525,976.88 and funding by third parties for € 49,738,545.62, € 23,192,056.50 of which concerns the European Union and € 18,762,407.05 the RER fund. The VAT amount to be recovered amounts to € 45,376,748.37.

## 8. CASH INVESTMENTS AND CASH AT BANK AND IN HAND

On 31/12/2020, Infrabel has cash investments amounting to € 483,485,061.63, of which € 468,785,815.38 is unavailable, because these cash investments have the same maturity dates as the debts they are linked to.

The cash investments are composed as follows :

- Fixed income securities and deposits held to cover some long-term debts for € 322,898,815.38.
- « Collaterals » related to swaps for € 152,980,000.00. For these swaps, « collaterals » need to be created as guarantee based on the fair value of the debts they cover.
- Short-term deposits for € 7,855,979.76.

On 31/12/2020, Infrabel has also cash at bank and in hand for € 278,479,221.12.

This amount also includes € 66,396,569.00 in deposits from subsidiaries at Infrabel in the context of the cash pooling. This cash does not belong to Infrabel.

The actual available cash for the treasury department amounts to € 212,082,652.12.

The cash flow table below presents the movements in cash investments and cash and the way in which these were generated and allocated. The definition of cash and cash equivalents includes fixed income securities, term deposits and cash with a maturity date of less than 3 months. The indirect method was applied for the preparation of the cash flow statement. This method reconstructs the cash flow by correcting the net profit for activities without a monetary character, such as depreciation, impairments and provisions.

CASH FLOW		31.12.2020
CASH INVESTMENTS AND CASH EQUIVALENTS AT THE START OF THE FINANCIAL YEAR		119,874,779.23
OPERATIONAL ACTIVITIES		
Company result		- 55,097,361.19





<b>Non-cash items included in the company result</b>	<b>29,459,300.19</b>
Depreciation of fixed assets	728,013,301.68
Revenue recognition of investment grants	- 709,535,553.43
Impairments	7,932,309.98
Provisions for risks and charges	4,668,828.16
Gains and losses on derecognition of fixed assets	- 1,619,586.20
<b>Gross cash flow generated by the company's operational activities</b>	<b>- 25,638,061.00</b>
Variation in stocks and contracts in progress	- 10,748,908.57
Variation in short-term trade receivables	49,214,336.35
Variation in long-term trade receivables	- 185,112,544.89
Variation in receivables linked to the operating grant from the State	- 15,224,760.55
Variation in other short-term receivables	- 3,331,172.68
Variation in short-term trade debts	- 1,543,513.96
Variation in long-term trade debts	- 23,942,944.77
Variation in other debts	10,902,579.97
Variation in the accruals and deferrals	- 42,106,824.35
Variation in current account VAT	- 13,742,026.52
Interest income and expenses	48,006,318.77

**NET CASH FLOW GENERATED BY OPERATIONAL ACTIVITIES** -213,267,522.20

#### INVESTMENT ACTIVITIES

Investment in intangible fixed assets	- 60,335,538.89
Investment in tangible fixed assets	- 941,426,192.88
Income from the sale of fixed assets	2,183,204.03
Investment in financial fixed assets	- 4,511,345.69
Interest received	4,053,648.65

**NET CASH FLOW GENERATED BY INVESTMENT ACTIVITIES** -1,000,036,224.78

#### FINANCING ACTIVITIES

Investment grants from the State for the funding of assets	1,219,951,999.79
Variation in receivables linked to the investment grant from the State	- 12,761,007.68
Variation in receivables linked to the RER fund	22,102,036.90
Variation in other receivables linked to the financing of investment projects	853,483.08
Variation in financial and non-financial debts	182,235,163.37
Variation in revaluation surpluses	- 363,280.92
Variation in guarantee payments linked to swaps and investments directly related to financial debts	19,043,957.87
Variation in other receivables related to hedge positions	812,501.10
Interest paid	- 52,059,967.42

**NET CASH FLOW GENERATED BY FINANCING ACTIVITIES** 1,379,814,886.09

Effect of exchange rate fluctuations -50,717.46

**CASH INVESTMENTS AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR** 286,335,200.88

## 9. SHAREHOLDERS' EQUITY

The shareholders' equity amounts to € 17,999,912,758.50 and can be summarised as follows:





Issued capital	770,080,391.67
Uncalled capital	0.00
Share premium	299,317,752.80
Revaluation surpluses	55,284,482.62
Reserves	17,170,597.69
Result carried forward	-118,949,387.86
Investment grants	16,977,008,921.58

<b>TOTAL</b>	<b>17,999,912,758.50</b>
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On December 31, 2020, the share capital of Infrabel is represented by 53,080,660 shares with voting right, without nominal value, representing each 1/53,080,660 part of the share capital. All shares are fully paid.

The increase in investment grants compared with the previous financial year, relates to new investment grants received for different investment projects financed by the State, the European Union, the Regions, etc.

## 10. PROVISIONS AND DEFERRED TAXES

To cover all known significant liabilities and obligations, Infrabel has recorded provisions in its balance sheet totalling € 350,631,916.44. The provisions refer to:

Pensions and similar obligations	208,719,425.62
Environmental liabilities	30,912,634.59
Deferred leave	48,708,989.12
Legal disputes	39,364,927.34
Financial instruments	13,242,568.46
Seniority leave and seniority premiums	7,342,267.84
Other risks and costs	2,341,103.47

<b>TOTAL</b>	<b>350,631,916.44</b>
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The provisions for pensions and similar obligations as well as the provisions for seniority leave and seniority premiums, which are valued according to the IAS 19 standard for employee benefits, are calculated actuarially and individually.

Provisions for environmental liabilities relate to provisions for the sanitation of historical soil pollution.

The provision for legal disputes is linked to a number of pending legal cases for which the risk of compensation is higher than 50 %.

Since 2017, compensatory and normal deferred leave are no longer recognised as "Provisions", but as "Accrued charges".

Provisions for financial instruments are linked to the debts transferred to Infrabel following the reform of the SNCB Group.

Following a tax control at HR Rail in 2015, Infrabel has partially repaid the income related to certain exemptions from payroll withholding tax included in the payroll withholding tax declaration of 2013. Out of prudence, a provision had been recorded for the tax years 2014 and 2015. As from 2016, Infrabel applies the most stringent tax interpretation for these exemptions from payroll withholding tax. A provision for the tax year 2016 was therefore no longer necessary. Since 2017, the recovery plan mechanism no longer applies to Infrabel. On December 31, 2020, the provision was fully cancelled since the limitation period was reached.







## 11. ACCOUNTS PAYABLE AFTER MORE THAN ONE YEAR

Long-term debts amount to € 2,738,460,330.78 and can be broken down as follows:

Unsubordinated debentures	1,223,171,369.58
Other financial debts	494,782,911.04
Trade payables	973,920,471.18
Other debts	46,585,578.98

<b>TOTAL</b>	<b>2,738,460,330.78</b>
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Following the allocation of the historical debt as part of the reform of the SNCB Group, Infrabel was allotted:

- unsubordinated debentures (Euro Medium Term Notes and private placements),
- financial debts with credit institutions,
- other unsecured financial debts,
- other debts related to currency swaps.

In 2020, Infrabel contracted a loan of € 231,000,000.00 from the Federal Debt Agency for the pre-financing of the completion of the RER works in Wallonia. This debt is fully covered by the Federal State for the principal amount and by the Walloon Region for the interest charges, which is reflected in the receivables after more than one year. This increase in debts after more than one year is more than offset by the reclassifications from long to short term of debts that mature in 2021.

The other debts also contain a long-term deposit in several installments of HR Rail with Infrabel for an amount of € 15,000,000.00.

Trade payables consist of the debt related to the public-private partnership Liefkenshoek rail link for € 623,902,040.58, the debt related to the PPP Diabolo for € 347,346,911.06 and the debt related to the construction of new assembly halls in the Bascoup workshop for an amount of € 2,671,519.54.





## 12. ACCOUNTS PAYABLE WITHIN ONE YEAR

Short-term debts amount to € 1,129,901,043.59 and can be broken down as follows:

Long-term debts due within the year		355,228,743.69
Financial debts		270,796,569.00
Trade payables		488,251,590.56
Advance payments received		944,551.63
Taxes, remuneration and social security		5,606.96
Other debts		14,673,981.75
TOTAL		1,129,901,043.59

“Long term debts due within the year” consist of the short-term part of unsubordinated bonds, of the financial debts with credit institutions and of the long-term commercial debts.

The “financial debts” are the result of the deposits of Infrabel’s subsidiaries at Infrabel through the cash pooling.

“Trade payables” consist of supplier invoices, invoices to be received and credit notes to be issued to customers.



# INCOME STATEMENT 2020







# 1. DETAILED INCOME STATEMENT (IN €)

INCOME STATEMENT (in comparison to the previous financial year)		Year to date 31.12.2019	Year to date 31.12.2020	Variation
I.	Operating revenues	1,452,937,582.30	1,443,710,016.38	-9,227,565.92
	A. Turnover	1,088,384,257.34	1,080,077,054.23	-8,307,203.11
	Sales and services	1,088,384,257.34	1,080,077,054.23	-8,307,203.11
	Infrastructure fee	781,173,628.99	707,484,665.64	-73,688,963.35
	State funding	101,696,360.93	174,867,658.63	73,171,297.70
	Energy for traction and buildings	112,481,202.60	106,110,412.74	-6,370,789.86
	Investments for third parties	17,542,894.06	21,255,597.72	3,712,703.66
	Other	75,490,170.76	70,358,719.50	-5,131,451.26
	Awarded discounts, returns and rebates	0.00	0.00	0.00
	B. Variation in work in progress, finished products and contracts in progress (increase+, decrease-)	-2,844,588.24	-5,431,865.65	-2,587,277.41
	C. Produced fixed assets	336,725,787.07	347,764,269.04	11,038,481.97
	D. Other operating income	11,336,831.15	10,347,610.95	-989,220.20
	E. Non-recurring operating income	19,335,294.98	10,952,947.81	-8,382,347.17
II.	Operating costs	2,106,642,022.08	2,166,034,765.01	59,392,742.93
	A. Raw materials and consumables	213,886,152.46	223,907,657.44	10,021,504.98
	1. Purchases	244,243,882.00	240,088,431.66	-4,155,450.34
	2. Variation in stocks (increase-, decrease+)	-30,357,729.54	-16,180,774.22	14,176,955.32
	B. Services and other goods	1,202,482,388.22	1,186,708,235.19	-15,774,153.03
	Payroll charges	692,944,072.52	690,314,630.71	-2,629,441.81
	Other	509,538,315.70	496,393,604.48	-13,144,711.22
	C. Remuneration, social security costs and pensions	0.00	0.00	0.00
	D. Depreciation and impairments on formation expenses, tangible and intangible fixed assets	681,355,810.99	728,013,301.68	46,657,490.69
	E. Impairments on stocks, contracts in progress and trade receivables (increase+, decrease-)	-3,811,476.20	4,658,362.86	8,469,839.06
	F. Provisions for liabilities and charges (increase+, decrease-)	8,579,147.27	17,494,379.42	8,915,232.15
	G. Other operating costs	2,501,576.72	2,800,913.76	299,337.04
	I. Non-recurring operating costs	1,648,422.62	2,451,914.66	803,492.04
III.	Operating result	-653,704,439.78	-722,324,748.63	-68,620,308.85





INCOME STATEMENT (in comparison to the previous financial year)		Year to date 31.12.2019	Year to date 31.12.2020	Variation
IV.	Financial income	742,834,161.47	785,692,593.15	42,858,431.68
	A. Income from financial fixed assets	1,471,882.76	627,111.83	-844,770.93
	B. Income from current assets	33,980,948.50	33,140,216.69	-840,731.81
	C. Other financial income	707,376,614.73	751,920,936.62	44,544,321.89
	D. Non-recurring financial income	4,715.48	4,328.01	-387.47
V.	Financial cost	115,920,489.36	118,465,205.71	2,544,716.35
	A. Debt costs	122,182,072.89	119,574,071.04	-2,608,001.85
	B. Impairments on current assets other than those referred to in II.E. ( increase+.decrease-)	-1,397,196.73	3,278,275.13	4,675,471.86
	C. Other financial costs	-7,075,479.94	-6,584,080.86	491,399.08
	D. Non-recurring financial costs	2,211,093.14	2,196,940.40	-14,152.74
IX.	Profit (loss) of the financial year before taxes	-26,790,767.67	-55,097,361.19	-28,306,593.52





## 2. NOTES TO THE INCOME STATEMENT

### 1. TURNOVER

Total turnover amounts to € 1,080,077,054.23 and can be presented as follows:

Amounts in €	
I. Operating revenues	
A. Turnover	1,080,077,054.23
Infrastructure fee	707,484,665.64
State funding	174,867,658.63
Energy for traction and buildings	106,110,412.74
Investments for third parties	32,534,369.32
ICT services	21,255,597.72
Other services provided	10,725,523.94
Scrap sales	9,375,003.03
Maintenance and modification of railway installations	9,307,958.67
Contractual fees	8,415,864.54

The infrastructure fee obtained from railway operators represents € 707.48 million or 66% of the turnover.

Infrabel receives a fee from the various railway operators calculated per train kilometre for use of the Belgian railway infrastructure, both for national and international passenger transport and for freight transport.

To finance its operating costs, the company also obtained state funding for € 174.87 million, which is 16 % of the turnover.

Mainly as a result of the COVID-19 crisis, the infrastructure fee decreased by € 73.69 million compared to 2019. This decrease was fully offset by an additional grant from the Federal State of € 46.90 million, also covering other costs related to COVID-19, and by the correction mechanism for an amount of € 34.28 million. The correction mechanism provides, for public service missions, a compensatory grant in plus or in minus of 95% of the difference between the actual and budgeted infrastructure fee.

Infrabel purchases electrical energy and then provides it to the various users. This means re-invoicing for both traction energy and energy for buildings. This income amounted to € 106.11 million in 2020. This income is also down by € 6.37 million following the COVID-19 crisis, but this decrease is offset in terms of charges for an equivalent amount.

Infrabel also earns other revenues from amongst others investments for third parties, ICT services, scrap sales, contractual fees etc.







## 2. VARIATION IN WORK IN PROGRESS, FINISHED PRODUCTS AND CONTRACTS IN PROGRESS

Variation in work in progress, finished products and contracts in progress represents the difference between inventories and contracts in progress on January 1<sup>st</sup> of the financial year and those on December 31 of the same year. This variation amounts to € -5,431,865.65 for the financial year 2020 and is subdivided as follows:

Amounts in €	
I. Operating revenues	
B. Variation in work in progress, finished products and contracts in progress	-5,431,865.65
Work in progress	-142,238.11
Finished products	8,703.98
Contracts in progress	-5,298,331.52

## 3. PRODUCED FIXED ASSETS

Infrabel has its own resources that it may use to construct tangible and intangible fixed assets, within the framework of its economic activities. These sustainable assets, investments made using internal resources, are referred to as “produced fixed assets”.

The charges for works carried out under the entity’s own management are neutralised by posting a corresponding income, while the investments realised are put on the balance sheet.

The produced fixed assets amount to € 347,764,269.04 in 2020.

## 4. OTHER OPERATING INCOME

The other operating income on December 31, 2020 amounts to € 10,347,610.95 and can be broken down as follows:

Amounts in €	
I. Operating revenues	
D. Other operating income	10,347,610.95
Fines invoiced to contractors	1,808,385.83
Costs recovered from third parties	3,400,733.30
Other income	5,138,491.82

## 5. NON-RECURRING OPERATING INCOME

The non-recurring operating income amounts to € 10,952,947.81 on December 31, 2020 and can be presented as follows:

Amounts in €	
I. Operating revenues	
E. Non-recurring operating income	10,952,947.81
Fixed assets inventory adjustments	2,196,940.40
Gain on disposal of fixed assets	1,628,519.62
Other non-recurring operating income	7,127,487.79

Following the expiry in 2020 of the limitation period for the tax dispute relating to the Economic Recovery Plan with regards to fiscal year 2015, the provision that had been established, was entirely reversed for an amount of € 6,964,119.72.





## 6. RAW MATERIALS AND CONSUMABLES

The costs related to raw materials and consumables amount to € 223.91 million and include € 171.24 million for specific consumables and supplies for the railroad.

Amounts in €	
<b>II. Operating costs</b>	
<b>A. Raw materials and consumables</b>	<b>223,907,657.44</b>
1. Purchases	240,088,431.66
Signalling equipment	50,222,917.19
Rails	26,233,743.25
Sleepers	18,352,834.37
Ballast	12,073,821.43
Track accessories	10,378,703.52
Points	11,865,308.79
Catenaries	11,646,355.57
Substation equipment and power distribution	14,052,094.51
Other railway equipment	16,415,720.43
Telecommunication items	18,908,473.05
Other supply items	49,938,459.55
2. Variation in stocks	-16,180,774.22
Variation in stocks of specific railroad items	-7,909,442.18
Variation in stocks of other items	-8,271,332.04

## 7. SERVICES AND OTHER GOODS

Services and other goods amount to € 1,186.71 million, including € 690.31 million related to payroll charges.

Amounts in €	
<b>II. Operating costs</b>	
<b>B. Services and other goods</b>	<b>1,186,708,235.19</b>
Payroll charges	690,314,630.71
Other payroll charges	18,975,179.46
Infrastructure maintenance	152,837,475.72
Energy for traction and buildings	83,546,011.72
Rent of movable and immovable properties	55,735,197.01
Network fees	31,694,105.12
Cost of technical controls, industrial processes and transport	31,440,898.93
Investments for third parties	16,753,680.53
Other services	105,411,055.99

Because the entire staff is seconded by HR Rail, playing the role of legal employer, personnel expenses are treated as services and other goods.

Infrabel buys electrical energy for its own use and for other users. Only Infrabel's part has an impact on the profit and loss account. These purchases include both traction energy and energy for buildings. These purchases amount to € 83.55 million.

## 8. DEPRECIATION, IMPAIRMENTS AND PROVISIONS FOR LIABILITIES AND CHARGES

Depreciation is posted on a monthly basis and commences on the first day of the month following the month in which the fixed asset can be commissioned, in accordance with the approved valuation rules.





Depreciation of tangible and intangible fixed assets is largely compensated by the depreciation of the corresponding investment grants. The latter are accounted for as financial income.

The cost of € 17.49 million for the provisions for liabilities and charges is mainly the result of revaluations of personnel-related provisions due to lower interest rates.

Amounts in €	
II. Operating costs	
D. Depreciation and impairments on formation expenses, tangible and intangible fixed assets	728,013,301.68
Formation expenses	0.00
Concession right	13,737,373.74
Other intangible fixed assets ( mainly software )	42,088,105.84
Tangible fixed assets	672,187,822.10
E. Impairments on stocks, contracts in progress and trade receivables	4,658,362.86
F. Provisions for liabilities and charges	17,494,379.42

## 9. OTHER OPERATING COSTS

Other operating costs amount to € 2,800,913.76 detailed as follows:

Amounts in €	
II. Operating costs	
G. Other operating costs	2,800,913.76
Taxes	1,891,845.65
Losses on the realisation of trade receivables	354,028.36
Various	555,039.75

## 10. NON-RECURRING OPERATING COSTS

Non-recurring operating costs amount to € 2,451,914.66, detailed as follows and concern, on the one hand, a provision for a possible additional commercial gesture to rail operators and, on the other hand, the losses on disposal of fixed assets.

Amounts in €	
II. Operating costs	
I. Non-recurring operating costs	2,451,914.66
Provisions for non-recurring liabilities and charges	2,442,981.24
Loss on disposal of fixed assets	8,933.42

## 11. FINANCIAL INCOME

The financial income amounts to € 785.69 million and mainly results from depreciation on the investment grants (€ 711.73 million) and from interest grants (€ 39.83 million). Furthermore, an amount of € 33.14 million comes from the interests on investments. An amount of € 0.63 million is generated by the financial assets, particularly interest income on loans to the SPVs and on the cash pooling.







Amounts in €	
<b>IV. Financial income</b>	<b>785,692,593.15</b>
A. Income from financial fixed assets	627,111.83
B. Income from current assets	33,140,216.69
C. Investment and interest grants	751,565,411.43
D. Other financial income	355,525.19
E. Non-recurring financial income	4,328.01

## 12. FINANCIAL COSTS

The financial costs amount to € 118.47 million and can mainly be explained by the interest charges on the debts (€ 119.57 million). The negative charge under "Other financial costs" is mainly due to a reversal of provision for financial instruments. Non-recurring financial costs relate to adjustments to the fixed assets inventory, which are fully offset by a corresponding income that is included in non-recurring operating income.

Amounts in €	
<b>V. Financial costs</b>	<b>118,465,205.71</b>
A. Debt costs	119,574,071.04
B. Impairments on current assets	3,278,275.13
C. Other financial costs	-6,584,080.86
D. Non-recurring financial costs	2,196,940.40



# NOTES TO THE ANNUAL ACCOUNTS





## 1. STATEMENT OF INTANGIBLE FIXED ASSETS

Amounts in €	Concessions, patents, licenses, ...
<b>A. Acquisition value</b>	
At the end of the previous financial year	1,832,737,169.03
Movements during the financial year :	
Acquisitions, including produced fixed assets	60,335,538.89
Sales and disposals	-26,074,323.27
Transfer from one heading to another	15,628.51
Situation at the end of the financial year	1,867,014,013.16
<b>C. Depreciation and impairments</b>	
At the end of the previous financial year	477,892,906.42
Movements during the financial year :	
Recorded	55,825,479.58
Write-backs	
Acquisitions from third parties	
Sales and disposals	-26,074,323.27
Transfer from one heading to another	
Situation at the end of the financial year	507,644,062.73
<b>D. Net book value at the end of the financial year</b>	<b>1,359,369,950.43</b>







## 2. STATEMENT OF TANGIBLE FIXED ASSETS

Amounts in €	Land and buildings	Plant, machinery and equipment	Furniture and vehicles
<b>A. Acquisition value</b>			
At the end of the previous financial year	7,750,989,151.50	15,941,645,151.04	178,637,624.28
Movements during the financial year :			
Acquisitions, including produced fixed assets	49,425,624.52	184,293,868.66	866,804.94
Sales and disposals	-4,265,063.79	-230,624,777.01	-3,667,488.26
Transfer from one heading to another	158,016,895.17	600,328,106.24	14,698,611.82
Situation at the end of the financial year	7,954,166,607.40	16,495,642,348.93	190,535,552.78
<b>B. Revaluation surpluses</b>			
At the end of the previous financial year	1,167,388,528.75		
Movements during the financial year :			
Recorded			
Acquisitions from third parties			
Write-backs	-363,280.92		
Transfer from one heading to another			
Situation at the end of the financial year	1,167,025,247.83		
<b>C. Depreciation and impairments</b>			
At the end of the previous financial year	1,387,114,651.98	7,173,248,495.26	107,274,327.13
Movements during the financial year :			
Recorded	119,622,136.23	539,907,632.22	8,524,588.68
Acquisitions from third parties			
Write-backs			
Sales and disposals	-4,090,233.76	-230,624,777.01	-3,640,912.79
Transfer from one heading to another	-6,020,297.94	-341,506.51	10,186.31
Situation at the end of the financial year	1,496,626,256.51	7,482,189,843.96	112,168,189.33
<b>D. Net book value at the end of the financial year</b>	<b>7,624,565,598.72</b>	<b>9,013,452,504.97</b>	<b>78,367,363.45</b>

Amounts in €	Leasing and similar rights	Other tangible fixed assets	Assets under construction and
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advance payments			
<b>A. Acquisition value</b>			
At the end of the previous financial year	0.00	136,929,002.51	1,970,189,604.33
Movements during the financial year :			
Acquisitions, including produced fixed assets		165,250.10	706,674,644.66
Sales and disposals		-8,780,746.99	-4,001,134.91
Transfer from one heading to another		9,646,238.44	-782,705,480.18
Situation at the end of the financial year	0.00	137,959,744.06	1,890,157,633.90
<b>B. Revaluation surpluses</b>			
At the end of the previous financial year	0.00	0.00	
Movements during the financial year :			
Recorded			
Acquisitions from third parties			
Write-backs			
Sales and disposals			
Situation at the end of the financial year	0.00	0.00	
<b>C. Depreciation and impairments</b>			
At the end of the previous financial year	0.00	106,801,331.33	
Movements during the financial year :			
Recorded		4,132,396.38	
Acquisitions from third parties			
Write-backs			
Sales and disposals		-8,780,746.99	
Transfer from one heading to another		6,351,618.14	
Situation at the end of the financial year	0.00	108,504,598.86	
<b>D. Net book value at the end of the financial year</b>	<b>0.00</b>	<b>29,455,145.20</b>	<b>1,890,157,633.90</b>

### 3. STATEMENT OF FINANCIAL FIXED ASSETS

Amounts in €	Affiliated companies	Companies linked by a shareholding interest	Other companies
<b>1. Shareholding interests</b>			
<b>A. Acquisition value</b>			
At the end of the previous financial year	21,365,690.03	10,991,955.00	10,000.00
Movements during the financial year :			





Acquisitions			
Sales and disposals			
Situation at the end of the financial year	21,365,690.03	10,991,955.00	10,000.00
<b>C. Impairments</b>			
At the end of the previous financial year	0.00	0.00	5,284.52
Movements during the financial year :			
Recorded			
Write-backs			-4,328.01
Situation at the end of the financial year	0.00	0.00	956.51
<b>D. Uncalled amounts</b>			
At the end of the previous financial year			
Movements during the financial year			
Situation at the end of the financial year			
<b>Net book value at the end of the financial year</b>	<b>21,365,690.03</b>	<b>10,991,955.00</b>	<b>9,043.49</b>
<b>2. Accounts receivable</b>			
Net book value at the end of the previous financial year	2,348,719.18		27,035.47
Movements during the financial year :			
Additions	5,704,149.21		2,960.00
Reimbursements	-1,195,763.52		
Transfer to short-term receivables	0.00		
<b>Net book value at the end of the financial year</b>	<b>6,857,104.87</b>	<b>0.00</b>	<b>29,995.47</b>

## 4. CASH INVESTMENTS AND OTHER DEPOSITS

Amounts in €	
Fixed income securities	143,193,138.12
With a residual maturity of more than one year	143,193,138.12
Fixed term deposits with credit institutions	340,541,657.02
With a residual maturity up to one year	14,948,979.76
With a residual maturity of more than one year	325,592,677.26





## 5. DEFERRED CHARGES AND ACCRUED INCOME

Amounts in €	
<b>Deferred charges</b>	<b>394,982,634.26</b>
Charges related to PPP Diabolo	380,579,630.34
Software licences	9,665,581.70
Rents for buildings	36,924.81
Other deferred costs	4,700,497.41
<b>Accrued income</b>	<b>23,996,224.49</b>
Accrued unmaturred interests on cash investments and swaps	23,845,892.75
Other accrued income	150,331.74

## 6. STATEMENT OF CAPITAL

	Amounts in €	Number of shares
<b>A. Capital</b>		
1. Issued capital		
At the end of the previous financial year	770,080,391.67	53,080,660
Changes during the financial year		
<b>At the end of the financial year</b>	<b>770,080,391.67</b>	<b>53,080,660</b>
2. Structure of the capital		
2.1. Categories of shares		
Registered shares without par value	770,080,391.67	53,080,660
<b>B. Unpaid capital</b>		
1. Uncalled capital	0.00	

## 7. ACCRUED CHARGES AND DEFERRED INCOME

Amounts in €	
<b>Accrued charges</b>	<b>151,496,424.24</b>
Holiday pay and staff bonus	87,647,962.65
Accrued unmaturred interests on financial debts and swaps	62,411,356.27
Various expenses	1,437,105.32
<b>Deferred income</b>	<b>561,992,453.21</b>
Income related to PPP Diabolo as a result of the receivable from the State	397,170,323.63
Infrastructure fee	64,523,087.31
Income related to other receivables from the State	72,646,717.71
Various income	27,652,324.56

## 8. OFF-BALANCE SHEET RIGHTS AND COMMITMENTS

Amounts in €
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Personal guarantees given or irrevocably promised by the enterprise as security for debts and commitments of third parties	40,187,589.13
<b>Substantial commitments to acquire fixed assets</b>	
Investments in railway infrastructure	1,338,778,099.55
<b>Forward transactions</b>	
Currencies purchased	145,760,569.69
Currencies sold	145,760,569.69
<b>Important legal disputes and other important commitments</b>	
Purchase of materials and delivery of services	426,590,375.77
Interest rate swaps (paying leg)	453,702,129.89
<b>Nature and business purpose of off-balance sheet arrangements</b>	
Guarantees given by third parties on behalf of the company	256,129,674.99
Rights related to customer contracts	45,708,526.83
Rights related to legal disputes	4,630,269.56
Interest rate swaps (receiving leg)	438,360,000.00
Securities held for third parties	526,563.32
Granted credit line	10,000,000.00
<b>Other rights and commitments not reflected in the balance sheet</b>	
Rights and commitments resulting from the Royal Decree of 11 December 2013 concerning the reform of the structures of the SNCB Holding, Infrabel and the SNCB :	
1. SNCB holds for free a perpetual easement on the platforms, ... to achieve its public service missions,	
2. Infrabel holds for free a perpetual easement on SNCB's stations and properties needed to execute Infrabel's public service missions.	

## 9. RELATIONS WITH AFFILIATED COMPANIES AND COMPANIES LINKED BY SHAREHOLDING INTERESTS

Amounts in €	2019	2020
<b>Affiliated companies</b>		
1. Financial fixed assets	23,714,409.21	28,222,794.90





	Investments	21,365,690.03	21,365,690.03
	Accounts receivable : others	2,348,719.18	6,857,104.87
2.	Accounts receivable	17,177,377.68	16,422,068.22
	After more than one year	0.00	0.00
	Within one year	17,177,377.68	16,422,068.22
3.	Cash investments	0.00	0.00
	Accounts receivable	0.00	0.00
4.	Accounts payable	144,153,782.43	121,220,874.59
	After more than one year	0.00	0.00
	Within one year	144,153,782.43	121,220,874.59
7.	Financial results	1,547,394.73	413,178.88
	Income from financial fixed assets	1,146,906.36	345,679.83
	Income from current assets	0.00	0.00
	Other financial income	2.69	1.65
	Debt costs	381,418.61	51,408.21
	Other financial costs	19,067.07	16,089.19
<b>Companies linked by shareholding interests</b>			
1.	Financial fixed assets	10,991,955.00	10,991,955.00
	Investments	10,991,955.00	10,991,955.00
2.	Accounts receivable	4,981,573.13	5,307,012.77
	After more than one year	0.00	0.00
	Within one year	4,981,573.13	5,307,012.77
4.	Accounts payable	109,887,703.27	108,114,721.22
	After more than one year	0.00	0.00
	Within one year	109,887,703.27	108,114,721.22





# VALUATION RULES 2020

The valuation rules applied at the closing of the annual financial statements as at 31 December 2020 were approved by the Board of Directors on 17/12/2018.

There were no changes in the valuation rules in 2020.

These valuation rules have been prepared in compliance with the legal provisions in force in Belgium, and more particularly those resulting from the Book III, title 3, chapter 2 of the Code de Droit Economique [Code of Economic Law] and the Royal Decree of 29 April 2019, implementing the Code des Sociétés et des associations [Companies and Associations Code].

Where appropriate, when legislation or accounting practice does not provide any guidance on accounting for extraordinary transactions, the accounting texts used are done so in accordance with the provisions of article 3:1 of the Royal Decree of 29 April 2019 implementing the Code des Sociétés et des associations [Companies and Associations Code], and, if possible, using the notices issued by the Commission des Normes Comptables [Accounting Standards Commission] or the requirements of the IAS/IFRS international accounting rules.

The valuation rules have been aligned as much as possible with IAS/IFRS.

The main valuation rules are the following:





## 1. FORMATION EXPENSES

Formation expenses are charged to the financial year during which they are incurred. Formation expenses cannot be capitalised.

## 2. INTANGIBLE FIXED ASSETS

This heading includes identifiable, non-monetary assets with no physical substance, held with a view to their use for the production or supply of goods or services, for leasing to third parties or for administrative purposes.

Intangible assets can however only be posted as assets if they are likely to have a future economic use that contributes to the functioning of the company and if the cost of the asset can be reliably valued.

Intangible assets are valued according to the cost model, i.e. at their initial cost after deduction of accumulated depreciation and any accumulated impairment losses.

The initial cost for intangible assets:

- acquired separately includes, in addition to the purchase price, additional costs such as non-recoverable taxes and transport costs;
- internally generated equals the sum of the costs incurred from the date at which the assets met the criteria for recognition under IAS 38 for the first time, namely from the time when the Company can demonstrate (1) the technical feasibility of the project, (2) its intention to sell or use the asset, (3) how the asset will generate future economic benefits, (4) the existence of adequate resources to complete the project and (5) that these costs can be reliably measured. These costs incorporate both direct costs and the running costs of operational services (Infrastructure areas, districts and workshops).

With regard to software programs developed in-house, only the development costs are capitalised, while research costs are charged directly to the net result. Development costs only relate to: (a) programming and description of the concept and the introduction of controls, (b) examination of the operational reliability of the programmed concept and review of the effectiveness of the controls introduced, and (c) further but fundamental adaptation of the program in order to change or extend the application.

Intangible assets are depreciated on a straight-line basis over their probable useful life. The concession right is amortised over the duration of the right as set out in the A.R. [Royal Decree] of 14 June 2004. Licences are depreciated over the duration of the contract. The depreciation periods applied are as follows:

Categories	Depreciation periods
Concession right	99 years
Software	3 to 10 years
Software in development	Not depreciated
Licences	Contract duration







### 3. TANGIBLE FIXED ASSETS

This heading includes tangible assets which are held by the company, either to be used in the production or supply of goods or services, or to be leased to third parties, or for administrative purposes, and which are expected to be used over more than one financial year.

Tangible fixed assets are valued according to the cost model, i.e. at their initial cost after deduction of accumulated depreciation and any accumulated impairment losses.

The initial cost includes:

- the costs directly attributable to the purchase transaction;
- the costs directly attributable to the transfer of the asset to its place of use and to put them in the condition required to be used as intended by the Company.

The cost therefore excludes the costs inherent in the study phase incurred in connection with tangible fixed asset construction projects, management costs, overheads related to non-operational services (i.e. excluding Infrastructure areas, districts and workshops), staff training costs and HR management costs.

The initial cost of tangible fixed assets generated internally is equal to the sum of the costs incurred from the date on which the assets have met the criteria for recognition under IAS 16 for the first time, i.e. if it is probable that associated future economic benefits will flow to the Company and that the cost of the asset can be reliably valued.

For industrial buildings, the rail infrastructure (tracks, certain engineering structures, level crossings, signalling, lighting, LHPP installations, electrical traction installations) and sundry installations and equipment, the acquisition value of the tangible fixed assets is broken down into its various components with different periods of use, and each component is depreciated over its specific useful life.

With the exception of land, tangible fixed assets are depreciated over their probable useful life, using the straight-line method. The amount to be depreciated corresponds to the acquisition cost reduced by its residual value, provided the latter can be determined reliably. The depreciation periods applied are as follows:

Tangible fixed assets	Depreciation periods
Land	N/A
Buildings :	
Main structure	50 to 60 years
Roof	15 to 30 years
Technical components	10 to 20 years
Small constructions	15 years
Furnishing of rented buildings	15 years or term of contract when shorter
Tracks :	
Superstructure	25 to 50 years
Substructure	100 years
Railway equipment, weighbridges, ...	10 to 50 years
Level crossings	10 to 30 years
Civil engineering structures	10 to 120 years
Signalling	4 to 35 years
Traction sub-stations	10 to 50 years
Power Distribution	7 to 30 years





Catenaries	20 to 80 years
Rolling stock	6 to 40 years
Telecom	4 to 50 years
Equipment and various installations	4 to 40 years
Land- and station equipment	20 to 30 years
Artworks and museum collection	Not depreciated

For tangible fixed assets acquired by leasing or similar rights, the means of financing may not influence the book value of these fixed assets. Such fixed assets are recognised at the start of the contract at their fair value or, if lower, at the discounted value of the minimum lease payments.

Disused fixed assets or those which have ceased to be sustainably employed in the company's business are, if appropriate, subject to additional depreciation in order to align their valuation with their probable realisation value.

The fixed assets (or a group of fixed assets) must be classified as held for sale if their book value is recovered mainly by means of a sales transaction rather than by continuous use. In other words, this means that the fixed asset is available for immediate sale in its current state and that the sale is highly probable.

The assets acquired through a specific contract, are depreciated according to the useful life which is at least equal to the contract period. The underlying assets which are part of the specific contract, and for which the useful life is longer than the contract period, are depreciated over their normal useful life.

Land held for sale is valued according to the revaluation model, i.e. at its fair value at the date of revaluation less the costs to sell, minus potential impairments. The revaluation is performed on a regular basis to ensure that the book value does not become significantly different from the fair value at closing date. When this land meets the IFRS 5 requirements for « Assets held for sale », it is classified in this category.

In 2013 Infrabel decided to revalue certain land as part of restructuring the SNCB Group. To determine the potential of the revaluation, the recoverable value from the revalued assets was calculated on the basis of future cash flows. This calculation was carried out using the best available forecasts with regards to future cash flows, interest rates, inflation, etc. Given that all the land Infrabel owns can be regarded as required to its mission of public service as the Rail Infrastructure Manager, the sites were revalued at their «Depreciated Replacement Cost» ('DRC'), as determined by an external expert. Each year, an impairment test is performed.

## 4. FINANCIAL FIXED ASSETS

This heading includes (a) shareholdings, regardless of the relative significance, in other companies, where the aim is to perpetuate or support their operations, (b) shares and interests that do not constitute a shareholding, when such holding seeks, through the establishment of a sustainable and specific link with the companies concerned, to contribute to Infrabel's own activity, (c) receivables made available long term to sustainably support the activity of those companies and (d) cash bonds paid as permanent guarantees.

Financial fixed assets are recorded at their acquisition value, less any impairment losses.

Expenses incidental to their acquisition are recorded directly as costs.

Financial fixed assets represented by receivables are valued at their nominal value, applying the conversion rate at acquisition if the amount is stipulated in foreign currency.

In accordance with the stipulations of standard IAS 36, financial fixed assets are subject, at least once a year, to an impairment test.





If the impairment test shows that the recoverable amount of the financial fixed asset concerned is lower than its book value, the holding or the shares held are subject to an impairment loss.

On the basis of this impairment test and on the basis of the other information made available to the management, an allocation or write-back to the impairment losses must be recorded.

Financial fixed assets represented by receivables are subject to impairment if their repayment on the due date is wholly or partly uncertain or compromised.

## 5. ACCOUNTS RECEIVABLE AFTER MORE THAN ONE YEAR

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This heading includes receivables with a contractual term of more than one year.

Receivables are valued at their nominal value, except for receivables in the form of fixed-income securities which are valued at their acquisition value. They are adjusted, where appropriate, for impairment.

When a long-term receivable is non-interest-bearing or yields abnormally low interest, it is subject to discounting intended to record it at its current value, in any event if the effect of the discounting is significant. This discounting is posted in the accrued charges.

Receivables are subject to impairment according to the dispositions of IFRS 9. In accordance with this standard, a write-down for expected credit losses must be calculated during the term of the receivable. The calculation must be based on an accurate estimation of the probability of default and the loss given default.

## 6. STOCKS AND CONTRACTS IN PROGRESS

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The heading 'stocks' includes assets (a) held for sale, (b) in the course of production, including materials or raw materials and supplies already incorporated into the production process, (c) in the form of raw materials or supplies to be consumed in the production or supply of services process.

The heading "contracts in progress" includes works being executed, products in the course of being manufactured and services in the course of being performed, carried out on behalf of a third party pursuant to an order.

Stocks are valued at the lower of acquisition cost or net realisable value.

The acquisition price of fungible stocks is determined by applying the weighted average price method.

The cost of stocks includes all the acquisition and processing costs, plus the other costs incurred in transporting the stocks to their present place and in their present condition.

Stock processing costs include the costs directly linked to the units produced, such as direct labour. They also include the routine allocation of fixed or variable production overheads which are incurred in processing the raw materials into finished products.

Work in progress and contracts in progress are valued at cost price. Financing costs are excluded from the cost price.

Certain stock articles are periodically subject to impairments following regular examination of their condition by the technical services concerned.

Ranges of stock articles with no direct link to tangible fixed assets are subject to an impairment when they do not experience any movement for at least one year. The percentage of impairment applied to the value of the articles is based on the known stock rotation rate.





Impairments are recorded on contracts in progress (a) if their cost price, plus the estimated amount of related costs still to be incurred, exceeds, according to the circumstances, their net selling price on the closing date or the cost price set out in the contracts, and (b) by 50% and 100% respectively if their execution date exceeds the invoicing date by 1 or 2 years.

## 7. ACCOUNTS RECEIVABLE WITHIN ONE YEAR

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This heading includes receivables - commercial or otherwise - whose initial term is one year maximum, as well as receivables or parts of receivables whose initial term exceeded one year, but which come to term within twelve months of the end of the last financial year.

Receivables are entered on the balance sheet at their nominal value, except for those in the form of fixed-income securities which are valued at their acquisition value. They are adjusted, where appropriate, for impairment.

Receivables are subject to impairment according to the dispositions of IFRS 9. In accordance with this standard, a write-down for expected credit losses must be calculated. The calculation must be based on an accurate estimation of the probability of default and the loss given default.

## 8. CASH INVESTMENTS

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This heading includes receivables in term deposits with credit institutions, securities acquired as cash investments that are not classified as financial fixed assets and precious metals acquired with the intention to sell them in the short or medium term.

Cash investments are valued at the lowest of acquisition value or market value.

For fixed-income securities, if there is a difference between the acquisition and redemption value, the difference is accounted for in profit and loss pro rata temporis over the remaining term of the securities, as a constituent part of the interest produced by these securities and is, as appropriate, added to or deducted from the acquisition value of the securities, the recording in profit and loss being made on a discounted basis.

For cash investments represented by shares or stocks, impairments are recorded either (a) for the difference between book value and repurchase or realisation value, or (b) for the difference between book value and market value or (c) for the difference between book value and the share in the equity of the company.

Cash investments due to be realised shortly are subject to appropriate impairments if, at the end of the financial year, the estimation of their realisation value is lower than their acquisition price.

Cash investments that are not related to alternative financing transactions, are subject to impairment according to the dispositions of IFRS 9. In accordance with this standard, a write-down for expected credit losses must be calculated. The calculation must be based on an accurate estimation of the probability of default and the loss given default.

For cash investments with very low credit risk exposure, estimations of the probability of default and the loss given default are based on a reference definition of these variables.

## 9. CASH AT BANK AND IN HAND

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This heading includes available financial items, such as cash in hand, securities falling due for collection and credit balances at banks.

Cash at bank and in hand is recorded at its nominal value and adjusted, where appropriate, for impairment.







Cash at bank and in hand is subject to impairment according to the dispositions of IFRS 9. In accordance with this standard, a write-down for expected credit losses must be calculated. The calculation must be based on an accurate estimation of the probability of default and the loss given default.

For cash at bank and in hand with very low credit risk exposure, estimations of the probability of default and the loss given default are based on a reference definition of these variables.

## 10. DEFERRED CHARGES AND ACCRUED INCOME

---

This heading includes (1) deferred charges, i.e. pro rata charges incurred during the financial year or a previous year but which relate to one or more later years, and (2) accrued income, i.e. pro rata income which will only fall due during a subsequent financial year but which relate to a previous year.

Deferred charges and accrued income are valued at their acquisition value taking due account, for income, of its recoverability.

## 11. CAPITAL

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The capital consists of two items, in particular the issued capital, formed by the amounts which the shareholders have agreed to contribute, and the uncalled capital, i.e. the part of which the company's management bodies have not yet claimed the payment.

Shares representing capital are valued at their nominal value.

## 12. REVALUATION SURPLUSES

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This heading includes unrealised revaluation surpluses recorded on the net book value of tangible or financial fixed assets, to the extent that they constitute an increase in the intrinsic value of the capital invested.

Revaluation surpluses are recorded at their nominal value and apply only to positive differences between the estimation by an expert and the net book value posted under assets.

In case of future capital loss on a revalued asset, the recorded revaluation surplus is reversed for the amount not yet depreciated.

## 13. RESERVES

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This heading includes profits of previous financial years not distributed by the Company, in a sustainable context, in accordance with legal, regulatory or corporate provisions, following a decision of the General Shareholders' Meeting.

Reserves are valued at their nominal value.

## 14. INVESTMENT GRANTS

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This heading includes public aid, taking the form of transfers of resources to a company, the main condition of obtaining which is the purchase, construction or acquisition by any means of assets in the long term, and granted by the European Community, the Belgian State, other Belgian or foreign public authorities, or by third parties.





Investment grants are recorded at their nominal value.

Investment grants are subject to straight-line depreciation at the same rate as the tangible and intangible fixed assets which they have financed.

## 15. PROVISIONS AND DEFERRED TAXES

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This heading includes liabilities whose due date or amount is uncertain.

Two kinds of provisions are included, firstly those provisions valued in accordance with the principles set out in Standard IAS 37, and secondly those provisions valued in accordance with the principles set out in Standard IAS 19.

### 1. IAS 37 PROVISIONS

Provisions valued in accordance with IAS 37 principles must be included in the balance sheet only when (a) there is a current (legal or implicit) obligation resulting from a past event, (b) it is probable that the expense will be incurred, and (c) the amount of the obligation can be reliably estimated.

When the impact of the effect of time is likely to be significant, the provision is valued on a discounted basis.

Contingencies and expenditure which are the subject of a provision are estimated, case-by-case, based on information brought to the Company's attention, while ensuring compliance with the criteria of prudence, truthfulness and good faith.

A provision must be recorded under liabilities at its gross value (= cannot be reduced by a recoverable asset).

### 2. IAS 19 PROVISIONS

Employee benefits are subject to provisions in line with the principles set out in Standard IAS 19. These mainly concern provisions for post-employment benefits, other long-term benefits and termination benefits.

#### **POST-EMPLOYMENT BENEFITS**

Post-employment benefits refer to employee benefits that are payable subsequent to cessation of employment.

Post-employment benefits granted to personnel can be of two types:

- "defined contributions" type: these are plans for which a contribution is paid by the Company to a distinct entity, and in respect of which the Company will have no legal or implicit obligation to pay additional contributions. These contributions are recorded as costs in the periods during which the services are rendered by the employees. When applicable, contributions paid in advance (not yet paid) are recorded under assets (liabilities) in the financial statements;
- "defined benefit" type: these are all plans other than the "defined contributions" type.

Post-employment benefits granted to employees and of the "defined benefit" type are subject to actuarial valuation. They are provided for (subject to deduction of any plan assets, i.e. any assets previously constituted to pay for the benefits) to the extent that the Company has an obligation to bear the costs, related to the services rendered by the personnel. This obligation can result from a law, a contract or "acquired rights" on the basis of established practice (implicit obligation). The actuarial method used is the "projected unit credit method".

The discount rate used is determined by reference to the market rate at the date of calculation of the bonds of leading companies and with maturity comparable to that of the commitments. The other actuarial hypotheses (mortality, salary increases, inflation, etc.) reflect the Company's best estimate.

#### **OTHER LONG-TERM BENEFITS**





The other long-term benefits are benefits that are not wholly due in the twelve months following the end of the financial year during which the employees rendered the corresponding services.

The amount recorded in the financial statements is equal to the present value of the obligation reduced, if appropriate, by the market value at the date of closing of the plan assets. The calculations are based on the "projected unit credit method".

#### **TERMINATION BENEFITS**

Termination benefits are benefits payable following a decision by the Company to terminate the contract of employment of one or more employees before the normal retirement date, or following the decision of the employee(s) to leave voluntarily in exchange for benefits.

For these benefits, a debt determined on an actuarial basis is recorded to the extent that an obligation exists for the Company. This debt is discounted if the benefits are payable beyond twelve months.

### **3. DEFERRED TAXES**

No deduction for deferred taxes is recorded

## **16. ACCOUNTS PAYABLE AFTER MORE THAN ONE YEAR**

---

This heading includes debts which have a contractual term exceeding one year.

Debts are entered at their nominal value.

Non-interest-yielding debts or those yielding abnormally low interest are entered as liabilities at their nominal value, but the entry is accompanied by an accrued income entry and an entry in the P&L pro rata temporis on the basis of the compound interest, of the discount calculated at the market rate.

Debts represented by fixed-income securities are valued at their acquisition value.

## **17. ACCOUNTS PAYABLE WITHIN ONE YEAR**

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This heading includes debts which have a contractual term of less than, or equal to, one year.

Debts are entered at their nominal value.

Debts represented by fixed-income securities are valued at their acquisition value.

## **18. ACCRUED CHARGES AND DEFERRED INCOME**

---

This heading includes (1) accrued charges, i.e. the pro rata of charges which will only fall due during a later financial year but which relate to a previous year, and (2) deferred income, i.e. the pro rata of income received during the financial year or a previous year but which relates to one or more later years.

Accrued charges, deferred income and interest included in receivables are recorded at their nominal value.





# BOARD OF AUDITORS' REPORT ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020







## INFRABEL SA UNDER PUBLIC LAW

**Board of Auditors' report  
to the general meeting  
for the year ended December 31<sup>st</sup>, 2020**

***Free translation of unqualified statutory Board of  
Auditors' report originally prepared in Dutch and  
French***

## BOARD OF AUDITORS' REPORT TO THE GENERAL MEETING OF INFRABEL SA UNDER PUBLIC LAW FOR THE YEAR ENDED DECEMBER 31<sup>st</sup>, 2020

In the context of the statutory audit of the annual accounts of Infrabel SA under Public Law ("the Company"), we hereby present our Board of Auditor's report. It includes our report of the annual accounts and the other legal and regulatory requirements. This report is an integrated whole and is indivisible.

The auditors, members of the Institute of Auditors, have been appointed as statutory auditor by the general meeting of May, 20<sup>th</sup>, 2020, following the proposal formulated by the board of directors. Their statutory auditor's mandate expires on the date of the general meeting deliberating on the annual accounts closed on December 31<sup>st</sup>, 2022. They have performed the statutory audit of the annual accounts of the Company for 4 consecutive years. Based on article 25§3 from the law of March 21, 1991, the other two members of the Board of Auditors have been appointed by the General Assembly of the Court of Audit of October 2, 2019 and November 23, 2020, respectively Rudi Moens who has performed the statutory audit of the annual accounts of the Company for 11 consecutive years and Pierre Rion during one financial year.

### REPORT ON THE ANNUAL ACCOUNTS

accordance with the financial reporting framework applicable in Belgium.

#### *Unqualified opinion*

We have audited the annual accounts of the Company, which comprise the balance sheet as at December 31<sup>st</sup>, 2020, the profit and loss account for the year then ended and the notes to the annual accounts, characterized by a balance sheet total of 22.932.394.927 EUR and a profit and loss account showing a loss for the year of 55.097.361 EUR.

In our opinion, the annual accounts give a true and fair view of the Company's net equity and financial position as at December 31<sup>st</sup>, 2020, as well as of its results for the year then ended, in

#### *Basis for unqualified opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Belgium and the framework specific to the company as included in the Law of 21 March 1991 on the reform of some economics public companies. In addition, we have applied the ISAs as issued by the IAASB applicable for the current accounting year while these have not been adopted in Belgium yet. Our responsibilities under those standards are further described in the '*Board of Auditors' responsibilities for the audit of the annual accounts*' section in this report.

We have complied with all the ethical requirements that are relevant to the audit of annual accounts in Belgium, including those concerning independence.

We have obtained from the administrative body and the officials of the Company 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 administrative body for the drafting of the annual accounts***

The administrative body is responsible for the preparation of annual accounts that give a true and fair view in accordance with the financial reporting framework applicable in Belgium, and for such internal control as the administrative body determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the administrative body is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

#### ***Board of Auditors' responsibilities for the audit of the annual accounts***

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a Board of Auditors'

#### ***Free translation***

report that includes our opinion. Reasonable assurance is a high level of assurance, but 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 annual accounts.

When executing our audit, we respect the legal, regulatory and normative framework applicable for the audit of annual accounts in Belgium. However, a statutory audit does not guarantee the future viability of the Company, neither the efficiency and effectiveness of the management of the Company by the administrative body.

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 annual accounts, 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Board of Auditors' report to the related disclosures in the annual accounts 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 Board of Auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the annual accounts and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the administrative body regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

#### OTHER LEGAL AND REGULATORY REQUIREMENTS

##### *Responsibilities of the administrative body*

The administrative body is responsible for the preparation and the content of the management report and of the other information included in the annual report, for the documents to be deposited in accordance with the legal and regulatory requirements, as well as for the compliance with the legal and regulatory requirements regarding bookkeeping, with the Code of companies and associations and with the Company's by-laws.

##### *Responsibilities of the Board of Auditors'*

In the context of our mandate and in accordance with the Belgian standard which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, it is our responsibility to verify, in all material aspects, the management report and the other information included in the annual report, certain documents to be deposited in accordance with the legal and regulatory requirements, and compliance with certain provisions of the Code of Companies and Associations and of the Company's by-laws, as well as to report on these elements.

### ***Aspects related to the management report and to the other information included in the annual report***

In our opinion, after having performed specific procedures in relation to the management report, the management report is consistent with the annual accounts for the same financial year, and it is prepared in accordance with articles 3:5 and 3:6 of the Code of Companies and Associations.

In the context of our audit of the annual accounts, we are also responsible for considering, in particular based on the knowledge we have obtained during the audit, whether the management report and the other information included in the annual report, namely:

- Financial data (pages 93 to 105)
- Corporate Governance (pages 106 to 122)
- Remuneration report (pages 123 to 133)

contain a material misstatement, i.e. 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 related to the social balance sheet***

The social balance sheet, to be deposited at the National Bank of Belgium in accordance with article 3:12, §1, 8° of the Code of companies and associations, includes, both in terms of form and content, the information required by the said Code, and does not present any

### ***Free translation***

material inconsistencies with the information that we have at our disposition during the performance of our mission.

### ***Statement related to independence***

- Our audit firm and our network did not provide services which are incompatible with the statutory audit of annual accounts and our audit firm remained independent of the Company during the terms of our mandate.
- The fees related to additional services which are compatible with the statutory audit of annual accounts as referred to in article 3:65 of the Code of companies and associations, were duly itemised and valued in the notes to the annual accounts.

### ***Other statements***

- Without prejudice to certain formal aspects of minor importance, the accounting records are maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- The appropriation of results proposed to the general meeting complies with the legal provisions and the Company's by-laws.
- We do not have to report to you any transactions undertaken or decisions taken in breach of the by-laws or the Code of companies and associations.





*Free translation*

Zaventem, March 17<sup>th</sup>, 2021

The Board of Auditors

The Court of Audit  
Represented by

Rudi Moens  
Councillor

Pierre Rion  
Councillor

The members of the Institute of Registered Auditors

BDO Réviseurs d'Entreprises SCRL  
Represented by

KPMG réviseurs d'entreprises SRL  
Represented by

Felix Fank  
Statutory Auditor

Patrick De Schutter  
Statutory Auditor