Integrated annual report **2023**



Boldly building
a connected world
that people trust
so society blooms

proximus

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Integrated reporting approach 2023

The purpose of this report is to **inform our stakeholders** about our role in society. We outline our corporate strategy and the progress we have made in achieving our goals, while linking this to our most material topics. The report also contains the full financial, environmental, social and governance statements and notes.

Our stakeholders include all individuals and organizations affected by our operations or with whom we have a relationship. They include – but are not limited to – enterprises, residential and wholesale customers, investors, employees, political and regulatory stakeholders, suppliers, partners, journalists and opinion formers.

The information in this report refers to **Proximus Group**, unless stated otherwise. Proximus Group comprises Proximus SA, its subsidiaries, as well as the Group's interests in associates and joint ventures accounted for under the equity method and joint operations. We refer you to Note 8 (see page 200) for the list of subsidiaries, associates, joint ventures and joint operations. Proximus SA is a Limited Liability Company of Public Law, registered in Belgium.

Since 2020, Proximus has adopted an **integrated reporting approach**. This 2023 report follows the International Integrated Reporting Council (IIRC) framework, explaining how we create value for our stakeholders and society in relation to our ambitions, sense of purpose and goals.

The Audit and Compliance Committee assists and advises the Board of Directors in its oversight of the efficiency of the systems for internal control and risk management of the company, of the external auditors' work, and of compliance with policies and legal and regulatory requirements.

This report has been prepared in accordance with the current EU Non-Financial Reporting Directive (NFRD), diversity information and in reference to the GRI (Global Reporting Initiative) Standards and to SASB (Sustainability Accounting Standards Board).

The **Corporate Sustainability Reporting Directive** (CSRD) will be applicable to Proximus Group in 2024. In preparation for the CSRD, we conducted our first double materiality assessment (DMA) (see page 16), which allows the identification of both actual and potential positive and negative impacts on both the value of the company and society & the environment. At present, we are in the process of integrating the outcome of this assessment – i.e., the list of material topics – into our strategy. Accordingly, we will disclose an integrated roadmap with related policies, actions plans and KPIs in the report for the 2024 financial year. Proximus also reports on the **EU Taxonomy Regulation**.

Since the Annual Report of 2021, Proximus has integrated the recommendations of the **TCFD** (Task Force on Climate-related Financial Disclosure) into its reporting, in order to emphasize its efforts in identifying and mitigating climate-related risks and opportunities. We will continue to integrate these TCFD recommendations in the coming years.

Each year, Proximus completes questionnaires from **ESG rating agencies** such as CDP, Sustainalytics, Ecovadis and S&P. These evaluations enable us to monitor our performance and define actions to further embed Environmental, Social, and Governance (ESG) criteria in our processes, policies, strategy and roadmaps.

Proximus Group at a glance

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A year of bold moves, in Belgium and globally

Dear reader,

2023 will be remembered as a pivotal year in Proximus' history, and that is no vain claim. It was a year that saw us resolutely gain the foothold necessary to become a top-tier international player, while further bolstering our position in Belgium. The decisive strategic choices we have made have put us in a better position than ever, with a view to becoming both the digital companion of all Belgians and one of the world leaders in digital communications and digital identity. Diversifying our growth drivers also gives us the means to forge ahead with our massive investment in our networks and in innovation.



Rapid roll-out of fiber and 5G networks

You may remember that at the end of 2022 we launched our new, three-year strategic plan, bold2025. There was clearly nothing arbitrary about the choice of the word "bold", as it underlines our ambition to "boldly build a connected world that people trust so society blooms". This is exactly what we are doing by continuing the rapid roll-out of our fiber and 5G networks in Belgium, keeping us well ahead of the competition.

2023 was also a milestone, as now as much as 29% of the Belgian homes and businesses are now connectable to fiber. Overall, including also the full contribution of our joint ventures, 34% of homes and businesses were covered with "Fiber in the street".[1] We can only make this boast thanks to the remarkable work of our teams in the field. And the pace is set to accelerate.

Both our employees and our joint venture partners give their best throughout the year to bring the benefits of fiber to as many homes and businesses as possible. In this regard, we welcome the recent announcement by the BIPT that it supports the idea of evaluating cooperation between the various operators in Belgium for the roll-out of fiber. This should make it easier for us to cover less densely populated areas, and also paves the way for more efficient deployment, in both economic and environmental terms. That is good news for Belgium's competitiveness in an ever-more-rapidly digitizing world.

'bold2025 underlines our ambition to "boldly build a connected world that people trust so society blooms".'

1 1.75 Mio Homes Passed + joint venture's fiber in the street funnel of 300,000 Living Units

When it comes to 5G, things are also moving in the right direction. Thanks to the current legislative framework, coverage continues to improve at a steady pace in the country's three regions, ensuring that we achieve our 100% indoor coverage target in the 2025-2026 timeframe. We have never been more determined to roll out our gigabit networks to all people and businesses in the country.

A very positive business momentum

Fiber can be hailed for giving us the best fixed network in Belgium, with download speeds set to rise to 100 Gbps in 2024. We also boast the best mobile network in Belgium. Furthermore, the fact that Proximus was able to acquire the largest spectrum share at the 2022 auction guarantees that we will continue to offer the best mobile experience for years to come. That being said, everything does not just come down to the networks. A big shout-out goes out to our teams, who have been able to leverage this technological lead to bring the best products and services to market for our customers. Technologies such as Wi-Fi 6 or digital services like Doktr will enable us to become the digital companion of all Belgians.

'Both our employees and our joint venture partners give their best to bring the benefits of fiber to as many homes and businesses as possible.'

This strategy is paying off, as our business momentum was extremely solid throughout 2023, thanks to both the superiority of our network and products, and to our multi-brand strategy in the residential market (Proximus, Scarlet, Mobile Vikings). This approach enables us to answer the needs of all consumers, including those with lower purchasing power. If we add to this the wholesale agreement signed in 2023 with the new operator expected in 2024, Proximus is ideally positioned to face the changing structure of the Belgian market and look to the future with confidence. We also took the unprecedented step, a few months ago, of repositioning our commercial offering for business customers. This now operates under a single, strong brand: Proximus NXT. Our goal is to ensure that our customers always stay one step ahead, continuously optimizing their business models, in a secure, sovereign and sustainable way. With Proximus NXT, we are gearing up to becoming the number one technology and ICT partner for business customers in the Benelux region.

For Proximus, innovation knows no bounds

At Proximus, innovation is deeply rooted in our corporate culture. In 2023, we were pioneers in bringing sovereign cloud solutions to market with Microsoft and Google. We were even the first operator in Europe to offer disconnected sovereign cloud solutions through our Clarence joint venture, in association with LuxConnect. This is an essential step forward in enabling companies to better protect their sensitive data, while guaranteeing compliance with European regulations. Thanks to Proximus, Belgium and Luxembourg are at the forefront of this crucial area for the future.

Innovation at Proximus extends not only to our technology but also to our people. In 2023, we further explored means of adjusting our ways of working to respond to an increasingly hybrid and agile world. For example, a secure chat based on generative artificial intelligence is now available to all our employees, complete with sessions to share ideas on how generative artificial intelligence can improve everyone's work. In parallel with our physical move, which saw 6,000 of our employees relocate, we have continued to adapt and revamp our corporate culture by encouraging our teams to take more initiative and dare to challenge our habits. At the same time, our up-skilling and re-skilling programs are designed to support our employees in preparing for the jobs of the future. This is a responsible, forward-looking policy that we have matured thanks to an ongoing, trust-based dialog with our social partners.

Another major innovation in 2023 was the launch of the Supplier Engagement Program, in collaboration with our 150 main suppliers. Thanks to this program, we help our suppliers set CO_2 reduction targets that are as ambitious as our own. These targets are even set out clearly in the contracts we have

with them. This approach positions us as a key player in the climate transition across our entire value chain.

One of the world's top 3 thanks to Route Mobile

Finally, the most significant event of 2023 was, without a doubt, our agreement to acquire a majority stake in Route Mobile.[1] This investment will represent a real turning point for our Group, parachuting us into the world's top 3 in digital communications and digital identity. This is a fast-growing market that sets out to make the digital space a safe place for everyone, a vision that is perfectly in line with our societal mission.

With BICS, Telesign and Route Mobile, Proximus Group will have strong and highly complementary competitive global assets, both from geographical and product expertise standpoints. This acquisition also means that, in three or four years' time, 50% of our turnover will come from activities that are not linked to our physical networks. Once the transaction with Route Mobile is signed and sealed, Proximus Group will gradually take the form of an international tech company, while ramping up its leadership in the domestic telecoms and ICT market. While challenges may lie ahead in 2024, we look forward to embracing them with serenity and confidence. As history has shown many times , diversifying and internationalizing our activities serve only to strengthen the resilience of Proximus Group.

Never before has the need for digitalization been so keenly felt. And never before have we been so prepared to meet this need in both Belgium and the rest of the world. #thinkpossible





Guillaume Boutin,
CEO

Stefaan De Clerck,
Chairman of the Board of Directors

1 The agreement remains conditional upon fulfilling the stipulated conditions, including obtaining regulatory and anti-trust approvals and completing the MTO (mandatory takeover offer).

About us

Proximus Group (Euronext Brussels: PROX) is a provider of future-proof connectivity and digital services, operating in the Benelux and on international markets.

As a major economic player in Belgium, we make the most of every opportunity to positively impact the world around us. The investments we make in our open fixed and mobile networks are critical for the growth of the Belgian economy and the development of new digital ecosystems and innovative solutions.

Through our affiliates BICS and Telesign – international frontrunners in communication platforms and digital identity – we provide reliable and secure communications experiences around the world.

In July 2023, Proximus Group signed a definitive agreement to acquire a majority stake in Route Mobile.[1] Thanks to this acquisition Proximus Group will become one of the worldwide leaders in digital communications (CPaaS) and digital identity (DI), building on the combined strengths of Route Mobile and Telesign.

Our international activities currently already represent 26% of Proximus Group's revenue and will further grow in significance in the years to come.

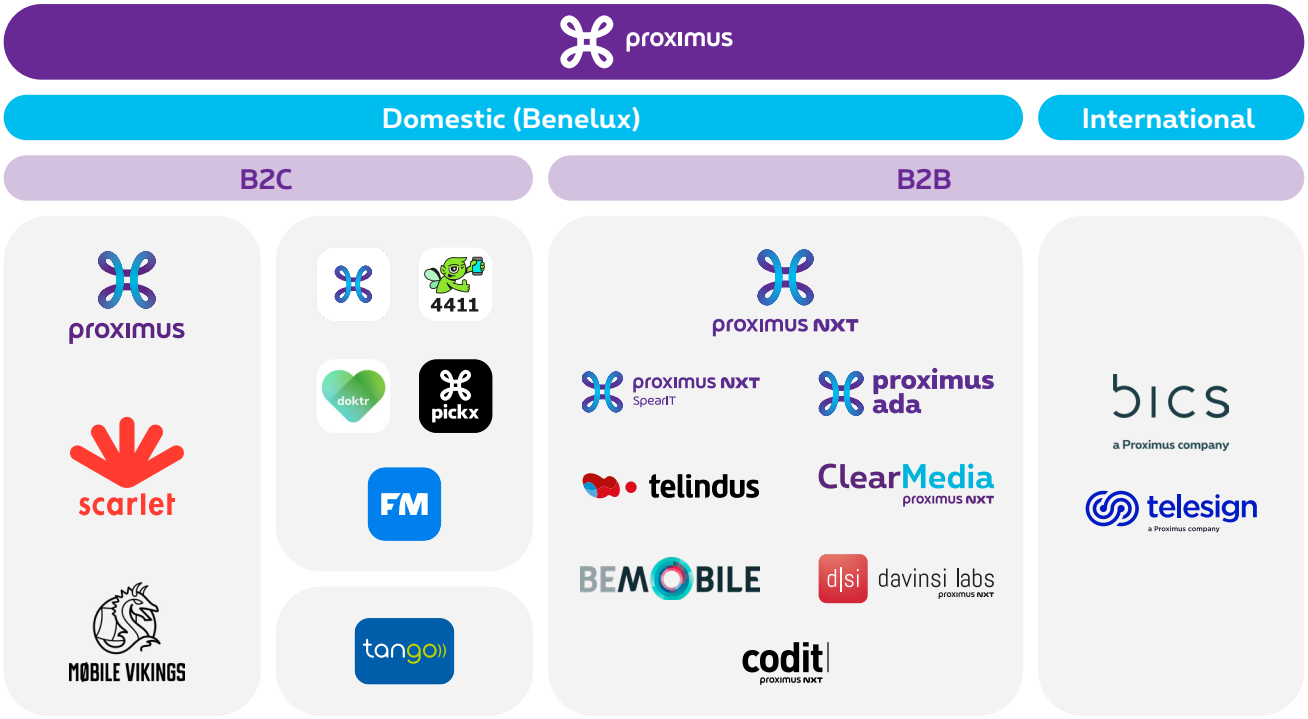
By means of our national and international activities, we are shaping a fair, trustworthy and inclusive digital world, whilst striving for sustainable growth to the benefit of all of our stakeholders.



1 The agreement remains conditional upon fulfilling the stipulated conditions, including obtaining regulatory and antitrust approvals and completing the MTO (mandatory takeover offer).

Our brands

Through our leading brands, we meet the demands of a wide range of customers in the residential, enterprise, public sector and wholesale markets.



Consumer market

Proximus is our reference brand in Belgium, and the leader in converged connectivity services. With Proximus, we help our customers get the most out of the digital world through our superior connectivity solutions, our innovative digital platforms, and a superior servicing approach.

Scarlet is a 'no-frills' brand for customers looking for simple solutions at the best prices. Scarlet makes quality home and mobile connectivity affordable for all.

Mobile Vikings is a 100% digital brand offering both mobile and Internet-at-home. Its high-performing and competitively priced solutions appeal to young (at heart) digital-savvy customers.

Tango is the leading alternative operator in Luxembourg, offering fixed and mobile telephony, Internet, and television services to residential customers and small businesses.

Doktr is a secure and user-friendly video consultation service for patients and healthcare professionals.

The **4411** mobility app and the **Flitsmeister** navigation app are two services that improve the daily mobility of travelers.

Enterprise market

Proximus NXT is Proximus' new ICT umbrella brand for the Benelux region. Together with its partners and affiliates, Proximus NXT helps companies to meet the new challenges of digitization, such as artificial intelligence, mixed reality and cloudification in a secure and sustainable manner, leveraging its unique expertise in next-gen IT services and advanced connectivity.

Proximus Ada, a fully-owned subsidiary of Proximus, is the first Belgian center of excellence combining artificial intelligence and cybersecurity. Proximus Ada's expertise is used to serve the Group's various entities, and therefore benefit their customers. Through collaborations and partnerships, it strives to develop a local ecosystem and boost the uptake of digital technology throughout society.

Davinsi Labs is one of the leading Digital Security & Intelligence Services players in the Benelux. It offers cybersecurity and intelligence solutions protecting enterprises against cyberattacks. In 2023, our affiliates Davinsi Labs and Umbrio joined forces to commercially operate under the name of Davinsi Labs.

Codit designs, builds and manages data-driven cloud solutions. Codit connects and aggregates the data derived from apps, objects and systems, and turns it into value for companies.

Proximus NXT SpearIT is an ICT integrator for mid-sized companies. It helps customers in their digital transformation of business processes with a focus on IT staffing, data centers and cloud management.

ClearMedia provides assets such as Infrastructure-as-a-Service (IaaS), cybersecurity services and digital workplace solutions tailored to the SME market.

Be-Mobile specializes in smart mobility solutions for public authorities, road operators, car manufacturers, or enterprises.

Telindus Netherlands guarantees a secure and reliable ICT infrastructure. Qualified experts in cybersecurity, hybrid cloud environments and networking ensure the continuity of organizations is upheld.

Telindus Luxembourg is a market leader in ICT and telecom services in Luxembourg. Its areas of expertise include ICT infrastructure, multicloud, fintech solutions, cybersecurity, enterprise applications, managed services, telecom services and training.

International

BICS is a communications platform company, offering solutions from global voice and messaging to CPaaS, fraud prevention, IoT, roaming and cloud communications. It is one of the key global voice carriers and the leading provider of mobile data services worldwide. BICS is headquartered in Brussels, with a strong presence throughout Europe, Africa, the Americas, Asia and the Middle East.

Telesign, based in the US, is a fast-growing leader in digital identity and programmable communications solutions serving nine of the world's ten largest digital enterprises. Telesign helps enterprises connect with their customers, protect online users, and defend them across the full customer journey. It provides services in more than 230 countries and territories.

Our strategy

The world around us

We exceeded our initial key financial objectives for 2023, while facing a complex socio-economic environment, including inflation levels that remained high compared to the previous decades. Furthermore, the geopolitical context continues to pose challenges while also underlining the growing importance of cybersecurity and data sovereignty.

The Belgian market is an evolving market with changing competitive dynamics. In Flanders, Telenet and Fluvius' joint venture Wyre began its fiber roll-out. In Wallonia, Orange Belgium has acquired a majority stake in VOO. Telecom operator Digi Communications Belgium announced its commercial start in 2024.

A new purpose, the compass of our ESG commitments

In 2023, we initiated our new strategic cycle **bold2025**. It was the right time to reflect on our sense of purpose and the bigger role we wish to play in society.

Our new purpose, **'Boldly building a connected world that people trust, so society blooms'**, captures the DNA of our company. It is built on 3 dimensions:

We are actively building a **connected world (1)** and have a unique role in ensuring the **trustworthiness (2)**, security and sovereignty of these digital societies. By investing in digital accessibility and inclusiveness, and by taking action in the battle against global warming, individuals, households, companies and governments will flourish, and **society (3)** will benefit.

After all, we will create the most value for society by being bold. We were bold in accelerating our fiber deployment. We were bold in acquiring full ownership of BICS and Telesign. And we want to continue to be bold. As a result, we have named our new strategic cycle for 2023-2025 'bold2025'.

bold 2025

'We will create the most value for society by being bold.'

As shown below, our purpose is also our compass, guiding us in all we do and defining our **nine commitments** in the areas of environment, society and governance (ESG):

Boldly building...

... a **connected** world... ... that people **trust**... ... so society **blooms**.

Building the best **gigabit network** for Belgium	Ensuring **cybersecurity** for our **customers**	Going all in in the **fight against global warming**
Developing **digital solutions** for everyday life	Supporting Europe in achieving **sovereignty**	Investing in **digital accessibility, inclusiveness and upskilling**
Connecting people and devices **worldwide**	Embedding highest **ethics and compliance** standards	Stimulating an **inspiring and inclusive work environment**

Contributing to the SDGs

The United Nations' Sustainable Development Goals (SDGs) define global sustainable development priorities for 2030, and seek to mobilize governments, businesses and society at large around a common set of objectives and targets.

As a provider of future-proof connectivity and digital services, we have a role to play in contributing to these goals. Our nine ESG commitments are directly linked to **seven of the UN's SDGs**, particularly to SDG 8 (Decent work and economic growth) and to SDG 9 (Industry, innovation and infrastructure). In addition, we believe that Proximus, through its operations, corporate governance, and strategic priorities, can also make an impact – positive or negative – on SDGs 4 (Quality education), 5 (Gender equality), 12 (Responsible consumption and production), 13 (Climate action) and 16 (Peace, justice and strong institutions). Details on our impact on the SDGs can be found in the 'Social statements'.



bold2025: a growth ambition creating sustainable value

Our bold2025 strategy further reinforces the path taken with our previous strategic cycle. Proximus Group set out on this three-year strategic journey in January 2023.

bold2025 relies on three exceptional strengths that form the foundation of everything we do: our people, our gigabit network and our technology assets. These strengths enable us to provide long-term sustainable value to our stakeholders: customers, society and shareholders.

We deliver **great value** for **our stakeholders**



Delight customers with unrivalled experience



Grow profitably, **locally** and **globally**, through strong brands



Act for an inclusive **society and be sustainable** in everything we do

through **exceptional strengths**



Rollout **#1 gigabit network** for Belgium



Engineer **technology assets** to enable digital ecosystems



Foster an engaging **culture** and empowering ways of **working**

Creating value for our stakeholders

Delight customers with unrivalled experience

We strive to lead in terms of customer experience, both in the consumer and enterprise markets, building on the superior quality and performance of fiber and 5G, the latest Wi-Fi technologies, and our investments in cybersecurity and cloud.

Grow profitably, locally and globally through strong brands

In the consumer market, our fiber commercialization, convergent strategy and premium content drive growth. Our ambition in the enterprise market is to grow our revenues, balancing lower margin IT revenue with higher margin Telecom revenue. The development of our international activities gives access to highly growing, adjacent digital communications markets. Those international activities are forecasted to be a source of growth in the coming years.

Act for an inclusive society and be sustainable in everything we do

We have committed ourselves more than ever to playing our part in society, aiming for green sustainability, digital inclusion, education and trust. Beyond our commitments to be circular by 2030 and reach net zero greenhouse gas emissions across our value chain by 2040, Proximus plays a crucial role in enabling other sectors to reach net zero. We are bridging the digital divide by bringing multigigabit connectivity to the Belgian population as quickly as possible, and building digital trust through cybersecurity, online fraud prevention and data protection.

Our strengths

Rollout #1 gigabit network for Belgium

Through our investment in fiber, we are acting on our ambition to extend our fiber footprint to 50% of Belgian premises by end of 2025. For 5G, our ambition is to cover all major Belgian cities by the end of 2024, and to cover 100% of the country in the timeframe 2025-2026.

Engineer technology assets to enable digital ecosystems

We are delivering a future-proof IT landscape and infrastructure. We are transforming our technology to develop new leading app ecosystems. These ecosystems are built on digital-native user experiences across our digital platforms, using data, artificial intelligence (AI) and Generative AI.

Foster an engaging culture and empowering ways of working

We continue to unlock the benefits of agile ways of working. We enable our people to develop skills by training and coaching them. We also grow our “Think possible” culture and improve the way we operate as a group.

Addressing stakeholder priorities

Engaging with our stakeholders

We actively engage with our stakeholders on a structured and regular basis. These interactions are guided by a solid governance framework and a clear ethical compass, ensuring that we act responsibly and respectfully.

Our stakeholders influence and shape our business activities. We seek and integrate **their feedback into our strategy** and operations, ensuring that their concerns and suggestions are appropriately addressed.

As shown below, Proximus Group engages with various stakeholder groups through a range of initiatives. This diverse group includes, but is not limited to, employees, enterprise and residential customers, suppliers, investors, public authorities and regulatory bodies, and society at large. Further information on our initiatives and achievements to the benefit of our stakeholders can be found in Chapter 2 of this report.

Additionally, we consider the interests of our stakeholders as part of the identification of material topics for Proximus Group, ensuring our strategies and practices align with their expectations, ultimately fostering a positive societal impact.

Stakeholder group	How we engage
Employees *Management, employees, unions*	· Annual survey · Regular communication with Leadership Squad and CEO · Internal events · Digital communication · Labor relations dialogue
Residential customers	· Direct points-of-contact (shops, technicians, contact centers) · Digital channels and self-service portals · Communication campaigns · Consumer surveys and focus groups
Enterprise customers	· Account and customer success managers · Indirect partner channels · Digital channels and self-service portals · Customer surveys and focus groups · Professional fairs and events
Public authorities & regulators *Local authorities, national government, European policymakers*	· Regular meetings · Industry and trade organizations
Investors	· Annual General Meeting · Quarterly results presentations · Regular meetings including roadshows, conferences and webinars
Suppliers	· On-site supplier audits through JAC (Joint Alliance for CSR) · Supplier Relationship Management and Supplier Engagement Program · EcoVadis
Society at large *Media, NGOs, community organizations, academic world, industry, general public*	· Digital channels · Memberships in associations · Dialog with NGOs · Press conferences · Consumer surveys and reputation tracker

Double materiality assessment

The Corporate Sustainability Reporting Directive (CSRD) will be applicable to Proximus Group in 2024. In preparation for the CSRD, we conducted our first **double materiality assessment** (DMA), in partnership with external consultants, in 2023. The assessment covered the main activities of Proximus Group, including the upstream and downstream value chains. Under the DMA, ESG-related topics and associated impacts, risks and opportunities were assessed based on two dimensions:

- **Impact materiality** (inside-out perspective): the impact of Proximus Group on people, society and the environment;
- **Financial materiality** (outside-in perspective): external evolutions (risks and opportunities) – both environmental & social – that affect the financial performance of Proximus Group.

This two-fold materiality perspective requested by the CSRD is the main difference with regard to our materiality matrix included in the annual report for the 2022 financial year, as per the assessment undertaken in 2021. Our previous matrix combined the impact of the material topics on Proximus' business success (horizontal axis) and their importance for stakeholders (vertical axis). Topics that are more related to Proximus' business strategy – such as 'delivering customers promises', 'customer value for money', 'support small and medium business development' – are not included in the DMA as they are already embedded in the regular company risk assessment through the ERM (Enterprise Risk Management) process. The topic 'address 5G concerns' is now embedded in two of the CSRD topics: 'Local communities' and 'Digital stress & safe products'. The topic 'CO_2 emissions and energy' is now split into three different topics 'Climate change mitigation', 'Climate change adaptation' and 'Energy' as per the CSRD requirements. 'Data privacy, data security and cybersecurity' remains the most material topic.

Approach

The full double materiality assessment process occurred in **five steps**:

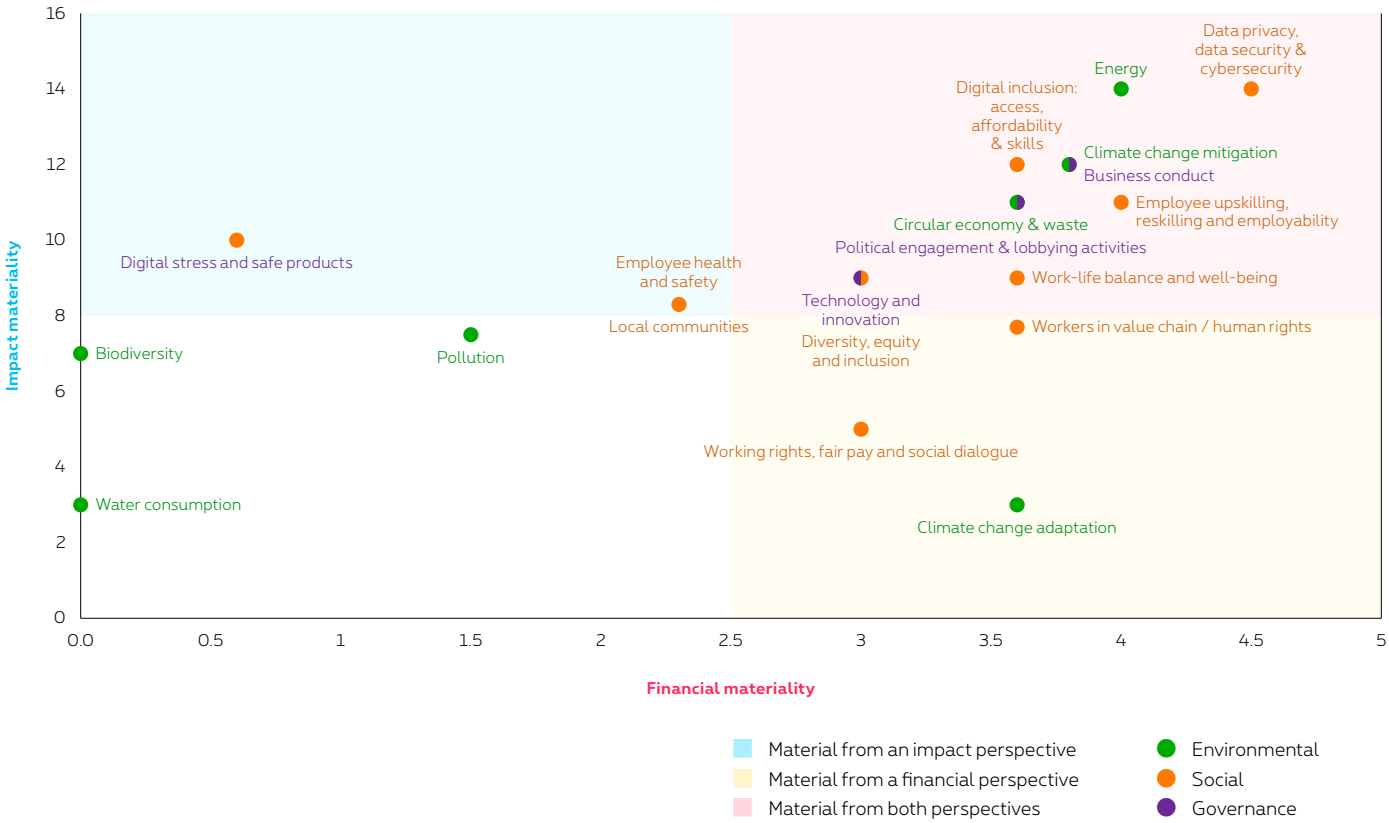
1. Definition of the scope of the assessment;
2. Identification of the topics and associated impacts, risks and opportunities;
3. Assessment of the impact (impact materiality) and the risks and opportunities (financial materiality);
4. Validation in cooperation with senior leadership and the Board of Directors;
5. Creation of appropriate documentation and internal engagement.

To identify the topics and related impacts, risks and opportunities, several external and internal stakeholders were consulted via direct (interviews, workshops and bilateral meetings) and indirect (desk-based research) engagement methods. The stakeholders were carefully selected on the basis of their knowledge and their role in Proximus Group's value chain.

To take the topic of "Energy" as an example, we identified the adaptation of energy-efficient technologies like cloud and fiber as a positive impact. In counter to this, the fact that Proximus Group is accountable for 57% of the energy consumed in the telecommunications market in Belgium was identified as a negative impact. A potential risk identified was the war in Ukraine and resulting geopolitical supply chain disruptions leading to potential energy shortages.

Qualitative input was gathered through stakeholder consultation and then translated to a quantitative ranking. The assessment of financial materiality was supported by ranking scores and rationale similar to the existing ERM process (Enterprise Risk Management). Topics are material if they are assessed to be so, from an impact perspective, from a financial perspective, or from both perspectives. Accordingly, **17 material ESG topics** were identified.

Materiality matrix outcome



The double materiality matrix was validated by the Proximus Leadership Squad and the Board of Directors in July 2023, and will be reviewed and updated at least every two years.

Currently, we are integrating the material topics, including related impacts, risks and opportunities, into our strategy. This entails performing a gap analysis and allocating resources effectively. Accordingly, we will disclose an integrated roadmap with related policies, action plans and KPIs in the report for the 2024 financial year, ensuring CSRD compliance.

Definition of ESG material topics

Material topics for Proximus Group

E	**Circular economy and waste**: The model of production and consumption, which involves sharing, leasing, reusing, repairing, refurbishing and recycling materials and products for as long as possible to extend their life cycle, reduce the environmental impact of their use, and minimize waste and the release of hazardous substances across all stages of their life cycle.
	Climate change adaptation: The process of adjusting and responding to actual and expected extreme weather events (i.e. heat waves, flooding, rises in sea level, droughts) and their associated impacts.
	Climate change mitigation: The process of reducing CO_2 and other greenhouse gas emissions and limiting the increase in the global average temperature to well below 2°C and pursuing efforts to limit it to 1.5°C above pre-industrial levels, as laid out by the Paris Agreement.
	Energy: The process of managing energy production and consumption along the value chain of the company, including shifting to renewable sources and implementing energy-efficient systems and products.
S	**Data privacy, data security and cybersecurity**: Ensuring and constantly reinforcing the security and privacy of customer data through Proximus products, services, cloud storage systems and innovation. Cybersecurity refers to the protection of electronic devices, networks and sensitive information from unauthorized access, theft or damage.
	Digital inclusion: access, affordability & skills: Provide high-performance affordable connectivity to all, with a particular focus on disadvantaged groups, incorporating methods for learning and supporting all citizens, young or old, in navigating the complexities of our digital world, including, but not limited to, customer service, public e-services and employment opportunities.
	Digital stress and safe products: Digital stress refers to the negative psychological and physiological effects that can result from excessive or prolonged use of digital technologies. Safe products are consumer products – including electronics and household goods – that are designed and manufactured with safety in mind.
	Diversity, equity and inclusion: Cultivate a diverse workforce, an inclusive and equitable company culture, and make minorities visible in our marketing.
	Employee health and safety: The anticipation, recognition, evaluation and control of hazards arising in or from the workplace that could impair the health and well-being of workers, taking into consideration the possible impact on the surrounding communities and the general environment.
	Employee upskilling, reskilling and employability: Appropriately invest in the workforce to ensure that the company continues to innovate, maintains talent attractiveness, and ensure that staff remain motivated.
	Local communities: The environmental and social effects of Proximus' business operations on local communities, and the opportunities and risks arising from these effects. This includes communities' economic, social and cultural rights.
	Technology and innovation: Developing or adopting technological solutions that help solve societal challenges, reduce the environmental impact of customers, or create new market prospects to remain competitive in the market, while also taking into consideration the "low-tech" trend evident in some customer segments.
	Work-life balance and well-being: A satisfactory equilibrium between an individual's work and private life, and ensuring the physical, social and mental health of our employees.
	Workers in value chain / human rights: Working conditions, equality/non-discrimination, and other rights of workers in the value chain.
	Working rights, fair pay and social dialogue: Secure employment, working time, adequate wages, collective bargaining, social dialogue, freedom of association, the existence of works councils and the information, consultation and participation rights of workers.
G	**Business conduct**: Corporate behaviors that support transparent and sustainable business practices to the benefit of all stakeholders along the company's value chain. This includes corporate culture, management of relationships with suppliers, protection of whistleblowers, and payment practices, specifically regarding overdue payments to SMEs.
	Political engagement and lobbying activities: Activities and commitments related to exerting its political influence with political contributions, including the types and purpose of lobbying activities.

Topics that are not deemed material for Proximus Group

Pollution: The direct or indirect introduction, as a result of human activity, of pollutants into the air, water or soil that may be harmful to human health and/or the environment.

Water consumption: Water in terms of how, where, and the quantities extracted, consumed, and discharged along the company's value chain. Water consumption includes both surface water and groundwater.

Biodiversity: The integrity of and potential changes to biodiversity and ecosystems along the company's value chain. This refers to terrestrial and freshwater ecosystems, and related populations of flora and fauna.

Summary table

		ESG commitments: Building the best gigabit network for Belgium	Developing digital solutions for everyday life	Connecting people and devices worldwide	Ensuring cybersecurity for our customers	Supporting Europe in achieving sovereignty	Embedding highest ethics and compliance standards	Going all in in the fight against global warming	Investing in digital accessibility, inclusiveness and upskilling	Stimulating an inspiring and inclusive work environment
Material topics	Technology & innovation	✔	✔	✔	✔	✔			✔	
	Digital stress & safe products	✔	✔	✔					✔	
	Data privacy, data security & cybersecurity	✔	✔	✔	✔	✔	✔			
	Workers in value chain, human rights	✔					✔			
	Business conduct						✔			
	Political engagement & lobbying activities						✔			
	Local communities	✔					✔			
	Climate change adaptation							✔		
	Climate change mitigation							✔		
	Energy	✔						✔		
	Circular economy & waste							✔		
	Digital inclusion: access, affordability & skills		✔	✔					✔	
	Work-life balance & well-being									✔
	Employee health & safety									✔
	Working rights, fair pay & social dialogue									✔
	Diversity, equity & inclusion									✔
	Employee up/re-skilling & employability									✔
	bold2025 strategic pillars									
	Contribution to SDGs									

Key figures and highlights

Key figures

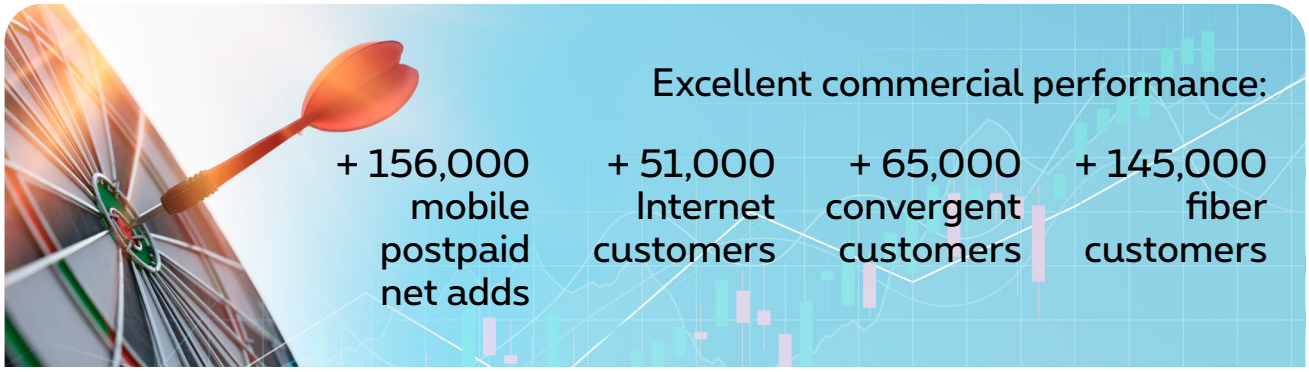
Group underlying revenue	Group underlying EBITDA	CapEx[1]	Free Cash Flow (adjusted[2])
€ 6,042 Mio	**€ 1,757 Mio**	**€ 1,325 Mio**	**€ 61 Mio**

Number of employees	Board of Directors	Leadership Squad
11,654	**50% women**	**22% women**

Total CO_2 emissions[3]	Avoided CO_2 emissions by customers
551.1 KTons	**769.6 KTons**

1 Excl. spectrum and football rights
2 Excl. M&A transactions and M&A related transaction costs
3 Scope 1, 2 and 3

Key highlights



29% homes and businesses in Belgium connectable to **fiber**[1]

Fiber Multigig technology deployed in Belgium



Launch of **Proximus NXT**

Proximus' new ICT umbrella brand

New joint venture Clarence offers Europe's first **disconnected sovereign cloud** solution

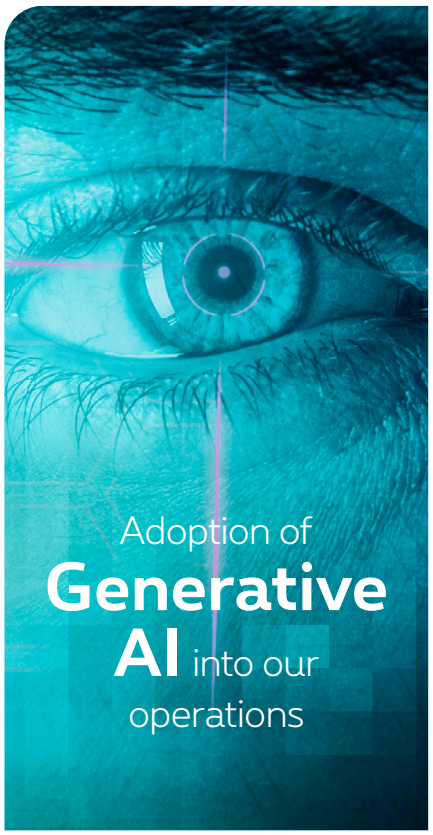
clarence



Wholesale agreement with DIGI Communications Belgium

1 Overall, also including the full contribution of our joint ventures, 34% of homes and businesses were covered with "Fiber in the street"

2 The agreement remains conditional upon fulfilling the stipulated conditions, including obtaining regulatory and antitrust approvals and completing the MTO (mandatory takeover offer).



128,002 **mobile phones** collected for **recycling**

799,432 fixed devices refurbished



6,000 employees relocated to new buildings in Brussels

bics
a Proximus company

BICS launched **5G Standalone Roaming Hub**

Telesign launched **Continuous Trust™ Authority**

telesign



Report on our activities

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Delight customers with an unrivalled experience 35

Grow profitably locally and globally through strong brands 39

Act for an inclusive society and be sustainable in everything we do 45



Overview of bold2025

3 year ambitions	Status 2023
Roll-out #1 gigabit network for Belgium	
50% fiber coverage by end 2025 (>3 Mio connectable)[1]	29% of the total Belgian premises connectable 34% "Fiber in the street"[2] coverage
100% 5G indoor coverage in 2025[1]	40% indoor coverage We anticipate to reach 100% indoor coverage in the 2025-2026 timeframe
Engineer technology assets to enable digital ecosystems	
~ € 70 Mio reduction in IT TCO (Total Cost of Ownership) by 2025[1]	Well on track
Maintain high cybersecurity resilience[3]	Cybersecurity resilience index[5]: 95.9%
Foster an engaging culture and empowering ways of working	
Reach employee engagement at > 75% by 2025[1]	Employee engagement: 77%
Increase % women in management functions[1]	24% of women holding a management function
By 2025, 95% of employees will have attended 5 training days or more/year[1]	63% of employees attended 5 training days or more
Delight customers with unrivalled experience	
Be number 1 in NPS in respective segments[3]	NPS residential convergent customers (Internet + TV + Postpaid): +11 NPS Scarlet: +17 NPS Mobile Viking: +42
Grow profitably, locally and globally, through strong brands	
More than 1 Mio fiber connections (residential & business)[1]	397,000 fiber connections
Grow domestic revenues[3]	4.2% year over year domestic revenues growth
Grow domestic EBITDA as of 2024 with 2025 EBITDA back to the 2022 level[3]	-1.7% year over year domestic EBITDA growth, better than expected
More than 35% of Enterprise revenues from IT[3]	33% Enterprise revenues from IT
Grow international direct margin at high single digit CAGR[4]	4.9% year over year international direct margin growth
Act for an inclusive society and be sustainable in everything we do	
Net zero by 2040[4]	-13% CO_2 emissions scope 1+2 +1% CO_2 emissions scope3
Truly circular by 2030[4]	799,432 refurbished fix devices 128,002 mobile devices collected
Contribute to digital inclusion in Belgium[1]	13,515 people trained through digital inclusion projects

1 Proximus SA
2 1.75 Mio Homes Passed + joint venture's fiber in the street funnel of 300,000 Living Units
3 Proximus Domestic
4 Proximus Group
5 The Cyber Security Resilience Index represents the ratio of: [the number of major incidents for which a visible business impact was prevented thanks to adequate security controls or for which the CSIRT was able to quickly mitigate the impact] on [the total number of major incidents]. This index is calculated at Group level, excl. BICS and Telesign.

Roll-out #1 gigabit network for Belgium

Rolling out the best gigabit network in Belgium is one of Proximus' main strategic priorities. We are committed to investing in a future-proof network that guarantees a secure connection for everyone at all times. This network plays a crucial role in supporting the digital acceleration of our society. Fiber and 5G are undisputed superior technologies in this regard.

We have the ambition of achieving a 50% fiber coverage of Belgium, equal to more than 3 million homes and businesses, by the end of 2025. Ultimately, we strive toward a 95% coverage, or around 6 million homes and businesses. To achieve this ambition and at the same time enable the efficient roll-out of fiber in Belgium, we firmly believe in new types of fiber partnerships. An initiative supported by the telecom regulator BIPT.

In terms of 5G, Proximus has the ambition to cover all major Belgian cities by the end of 2024, and to cover 100% of the country in the 2025-2026 timeframe.

We foster a level playing field for competitors, as our gigabit network is a fully open-access platform, on which all other service providers are welcome to offer their own services to their end customers.

Fiber network

In 2023, we continued to roll out our fiber network at a high pace, with one home or business being added every 15 seconds. At the end of the year, the fiber footprint reached 29% of the total Belgian premises, representing 1.75 million homes and businesses connectable to fiber. Overall, including also the full contribution of our joint ventures, we covered 34% of Belgian homes and businesses with "Fiber in the street".[1] Moreover, 64% of enterprises inside industrial zonings were connectable, and fiber works were being implemented in 147 cities and municipalities.

'We strive toward a 95% fiber coverage, or around 6 million homes and businesses.'

Gigabit network investments benefit the whole of Belgian society

Why is the roll-out of fiber and 5G in Belgium important? First of all, it is a real catalyst for the economy. It encourages innovation, boosts competitiveness, enables new business models, stimulates job creation and supports the digital transformation of the Belgian education system. This eventually translates into Belgium's improved Digital Economy and Society Index (DESI) score, a monitoring index created by the European Commission to track the digital progress of member states.

Yet digitalization also has a downside. Without a fast connection, people can find themselves excluded from government services, job interviews, school registrations, banking services, and more. Connectivity for all consumers, businesses of all sizes, public services and cities, wherever they may be, is therefore a priority for Proximus. This is why we make significant investments to improve connectivity in areas in Belgium where people lack access to a high-performance Internet connection, with such "white zones" being primarily located in rural areas in Wallonia.

Lastly, gigabit networks are part of our plan to reduce our CO_2 footprint (more information in: 'Act for an inclusive society and be sustainable in everything we do').

1 1.75 Mio Homes Passed + joint venture's fiber in the street funnel of 300,000 Living Units

Innovative technologies

Multigigabit

Proximus launched its Multigig technology across the entirety of Belgium in July 2023. This technology enables customers to benefit from the fastest Internet in Belgium in terms of uploads, downloads and latency, offering superior Internet speeds (up to 8.5 Gbps download/1 Gbps upload) everywhere that fiber coverage is available.

Technologies for rural areas

We continue to allocate more resources to offer high-speed Internet (speed above 30 Mbps) each and every day, even in those rural areas – so-called "white zones" – where the Internet speed currently lies below 30 Mbps. By combining fiber with other innovative technologies, Proximus wants to provide all Belgians with optimal access to digital services. To this end, we are trying out various techniques in rural areas where traditional cable laying is too expensive or not an option whatsoever, such as aerial fiber installation. And these efforts are paying off: at the end of 2023, 95.9% of inhabitants had access to high-speed Internet, compared to 95.3% in 2022.

'We work with partners who are co-investing in fiber and roll it out in less densely populated areas.'

In the case of aerial fiber installation, the fiber is laid on the poles of electricity suppliers, which reduces costs in comparison to cables being run through conventional trenches. In 2023, we signed an agreement with energy operator RESA. This complements the partnership we have already had in place since 2022 with ORES, a large electricity and gas distributor in Wallonia. We also initiated a proof-of-concept project in Flanders using the electric poles of Fluvius.

First demonstration of a quantum-safe network

In 2023, we successfully completed a field trial of a quantum-safe network with our partner Nokia (more information in: 'Engineer technology assets to enable digital ecosystems').

Partnering for fiber roll-out

For this huge endeavor – rolling out the #1 gigabit network for Belgium – we work with partners who are co-investing in fiber and roll it out in less densely populated areas. Our joint ventures **Fiberklaar** in Flanders and **Unifiber** in Wallonia are focused on deploying fiber to 2.1 million premises in medium-density population areas.

The joint venture **Glasfaser Ostbelgien** (GoFiber) – between the German-speaking Community of Belgium, Proximus and Ethias – is undertaking the roll-out of fiber throughout the region by 2026. Thanks to this public-private agreement, the first of its kind in Belgium, almost all of the 40,000 premises in the German-speaking municipalities will have access to the best broadband available.

Proximus is exploring other partnerships to bring fiber to rural areas throughout the country.

In October 2023, the BIPT announced its openness to collaboration agreements with operators for the deployment of fiber networks. Proximus welcomed this statement, as such collaborations could facilitate the rapid availability of fiber to all, benefiting families, businesses, and society as a whole.



Phasing-out of our copper network

Our fiber network is replacing the current copper network; deactivating our copper network enables operational and energy savings, as well as simpler infrastructural management. At the end of 2023, there were more than 300,000 homes and businesses where only fiber is available. The copper we are able to recover is sold for recycling or reuse.

Achievements in 2023

- **29%** of total Belgian premises connectable (vs. 21% at the end of 2022)
- **467,000** new homes and businesses are connectable to fiber, bringing the total to **1.75 million** (vs. 1.28 million at the end of 2022)
- **34%** of Belgian premises covered with "Fiber in the street"
- The fiber roll-out is ongoing in **147** cities and municipalities (vs. 93 at the end of 2022)

5G network

We have a strong track record in pioneering mobile communications to deliver the best possible mobile experience to our customers. We aim to build on this by further strengthening our mobile network. This is why 5G is so important: the faster speed – up to ten times faster than 4G – enables new applications and ways of working, such as decentralized clouds and the Internet of Things (IoT). Additionally, its ultra-low latency allows for the hyper-realistic rendering of virtual reality images.

Coverage

In 2022, Proximus has secured the largest spectrum share in the market for the next 20 years, enabling us to increase our mobile capacity and roll out 5G in an optimal way. This gives us a head start in terms of network quality and allows us to continue offering the best mobile experience in Belgium.

In 2023, 5G was mainly available in Flanders. Thanks to the positive evolution of the legal framework, we were also able to start our roll-out in Wallonia and the Brussels Region in the course of 2023. At the end of 2023, we reached 40% national 5G indoor coverage.

Partnerships

Our joint venture with Orange Belgium, **MWingz**, aims to develop a mobile access network by sharing telecom equipment. The frequency spectrums and our core networks remain discrete, however. This equipment sharing allows us to reduce each operator's number of mobile sites by 40% by 2026, while simultaneously improving the coverage of the shared network by 20%. The main benefits for end-users and society will be a better overall mobile experience thanks to a wider coverage, deeper indoor coverage, and a faster 5G roll-out while reducing the cumulative total number of sites of both operators.

Proximus is also partnering with **Nokia** and **Ericsson**, enabling us to build an efficient, reliable and sustainable mobile network. Through our partnership with Nokia, we are upgrading our

Mobile Radio Access Network (RAN) equipment, while our partnership with Ericsson aims at upgrading and modernizing our Mobile Data Core Network.

Together with Nokia and Ericsson we are also developing technological innovations that will lead to new opportunities for our customers. An example of this is **5G slicing**, which allows the network to be broken down into "slices" (or "virtual networks") and assigned to specific applications, such as emergency services in the event of a particular incident. In 2023 the first use case using 5G slicing was tested in our 5G innovation lab.

Additionally, Proximus is building an ecosystem of partners (including companies, universities and research centers) in order to identify and develop relevant and innovative 5G applications that address today's societal and business needs. In 2023, we further worked on several innovative 5G applications (more information in: 'Grow profitably locally and globally through strong brands').

Addressing health concerns

Proximus is aware of concerns regarding electromagnetic fields and health. We provide information on these topics and take precautionary measures against any potential negative health impacts. We comply with the legislation in force, both for networks and for devices, and closely follow developments in scientific research.

The potential health impact of radio waves, particularly those used in mobile telephony, has been the subject of scientific studies for over 30 years. The vast majority of (inter)national authorities and institutions – including the World Health Organization (WHO) – agree that when radio frequencies for mobile communication fall below internationally authorized thresholds, there is no evidence that they have any adverse health consequences. This will not change with 5G.

We provide information about the potential consequences of electromagnetic waves on health and the environment on our websites. There are also links to information made available by Belgian regional authorities and the WHO regarding scientific research in this field, as well as responses to concerns about the potential risks of exposure to electromagnetic waves from mobile phones.

Achievements in 2023

- 5G indoor coverage: **40%** (vs. 11% at the end of 2022)
- 5G available in **337** cities and municipalities (vs. 94 in 2022)
- **264** sites dismantled through MWingz (vs. 72 in 2022)

Engineer technology assets to enable digital ecosystems

We are transforming Proximus from a telco company into a tech company. This transformation requires the implementation of flexible, cloud-based IT systems capable of supporting advanced technologies. This is essential to meet the evolving needs of customers. The ongoing modernization of our IT systems encompasses data automation, advanced analytics, and the migration of our operations to the cloud, streamlining operations and reducing costs.

We also recognize our significant role in cybersecurity and artificial intelligence. This is why we invest in programs and expertise to protect our own infrastructure, and have created Proximus Ada, the first Belgian center of excellence in artificial intelligence and cybersecurity.

Infrastructure modernization

The process of virtualizing our networks is underway and progressing according to plan.

In 2023, Proximus introduced Oracle and Netaxis for the softwarization of its voice platform. This platform is used to interconnect the Proximus network with all voice telecom operators. With this project, all voice routing decisions will be centralized in an easily programmable engine.

Simplification and IT transformation

Our goal is to evolve towards a **modular, resilient and cost-effective IT** for a better service to our customers. This year we delivered a number of projects to achieve this goal. For instance, we implemented a new billing account management capability, allowing our customers to manage corrections and preferences themselves. We have also successfully onboarded fiber customers to a new servicing platform, marking a further step in streamlining our IT infrastructure and improving customer experience. Additionally, we dedicated special attention to improving the performance and stability of our digital tools and platforms. This is crucial to ensure a fully digitally supported sales and servicing journey for both our customers and customer-facing employees.

We also continued to enhance our digital channels to improve customer experience and enable an acceleration of e-sales and e-servicing. As part of this, we introduced a new tool for our call center agents to identify operational and automation opportunities, and support agent coaching.

Finally, Scarlet's IT transformation is well underway. Its IT systems have been integrated into Proximus' IT platforms, with benefits in terms of customer experience and operational synergies.

Cybersecurity and data protection

Security is one of our top priorities, this is specifically important when developing new infrastructure and digital services. In 2023, Proximus Group invested € 7.2 million in its **Corporate Cyber Security Program**. This program aims to make our company more cyber-resilient, while offering best-in-class secure services and networks to our customers. Moreover, the program focuses on protection against business disruption and the security of our critical infrastructure, such as API and our private and public clouds. It also boosts our cybersecurity capacity for coping with the acceleration of threats. To handle this final issue, in 2023 we continued to make additional investments in protecting our network against Distributed Denial of Service attacks, or **DDoS attacks.**

Artificial intelligence and machine learning capabilities are also increasingly used in our Corporate Cyber Security Program. As an example, with the support of the government, Proximus developed an AI-based solution for its anti-phishing and anti-fraud platforms (more information in: 'Act for an inclusive society and be sustainable in everything we do').

Additionally, we safeguard our company data and our customers' privacy by continuously modernizing our **Identity and Access Management (IAM) systems**. We are, for instance, launching a project that will make it easier to manage access to our applications based on user profiles, enabling us to better comply with data protection legislation.

Proximus holds a Trusted Introducer Certification and an **ISO 27001 certification** that now combines the certifications on housing and hosting in our data centers, our remote operations center and our Explore connectivity services offered to enterprise customers.

Investing in the future with quantum cryptography

To stay on top of our game, we are exploring the promising field of quantum communication. Simply put, in fiber networks, special "keys" called quantum keys can be generated and used to encrypt and decrypt messages. These new encryption techniques have the ability to make communication flows extremely secure. In a laboratory test conducted in 2023, we achieved quantum key distribution (QKD) over a distance of 150 km. We also successfully completed a field trial, testing quantum-safe communication using fibers between our data centers in Evere and Mechelen, achieving a distance of 63 km. In June 2023, together with Nokia, and utilizing QKD equipment from ID Quantique, we organized the first demonstration of a quantum-safe network on an operational fiber network in Belgium.

'Artificial intelligence and machine learning capabilities are increasingly used in our Corporate Cyber Security Program.'

Proximus Ada

Center of excellence for artificial intelligence and cybersecurity

Launched in March 2022, Proximus Ada, a wholly owned subsidiary of Proximus, is the first Belgian center of excellence dedicated to artificial intelligence (AI) and cybersecurity. It is designed to be a **pillar of innovation** and a **center of expertise** for all the companies in Proximus Group, enabling them to develop and launch new applications but also to create a more secure digital society and build trust in the digital economy. Proximus Ada employed 80 experts by the end of 2023.

Proximus Ada further strengthens the cyber-resilience of companies that are part of Proximus Group through the CSIRT (Cyber Security Incident Response Team). The CSIRT handled 1,453 security incidents and 22,464 alarms for Proximus in 2023. When we refer to incidents, this could be for instance phishing mails to customers or employees in our company's name. With the general increase in the number of phishing attacks, experts from the CSIRT have an important role to play in educating and raising the awareness of our employees. They hold information sessions on cybersecurity threats and trends that are detected within Proximus. They have also performed several simulation exercises to assess Proximus' ability to respond to cyberattacks and define actions for improvement. They closely monitor the Internet to block cybercriminals' attempts to abuse Proximus and its affiliate brands. Finally, the CSIRT offers its services to other enterprises. In 2023, it made three interventions against cyberattacks.

In the field of AI, Proximus Ada collaborates with Proximus NXT and Codit to offer solutions on the Benelux market, encompassing data foundations, AI algorithms and integration in a fully secured way. By the end of 2023, they were able to secure their first two deals. In parallel, Proximus Ada continued to develop and enhance its AI models to improve Proximus Group's operational efficiency and customer experience.

Proximus Ada collaborates with external stakeholders to boost local innovation. For example, in September 2023, Proximus Ada teamed up with Proximus NXT, ID2Move, Phoenix-Tech and Deltrian International to launch Wallonia's

first warehouse management project using a drone coupled with 5G and artificial intelligence. The aim is to use 5G and artificial intelligence to autonomously fly a drone into a covered storage warehouse to enable relevant, real-time information to be transmitted to the company's stock manager. This project represents a major step forward in meeting companies' needs for drone-based inventory control and management.

Generative AI

Triggered by the arrival of ChatGPT in early 2023, several Generative AI use cases are already being developed and assessed by Proximus Ada. For instance, one of the use cases will make it easier for customers to find the correct and latest information on all our products, promotions, methods and procedures through chatbots. With the help of a writing assistant or a text translation and correction tool, we can improve the quality of our chat responses. Generative AI also allows us to enhance the chat interface on our FAQs, providing a natural language interface for our customers.

Local ecosystem

The ambition of Proximus Ada extends beyond Proximus Group. It intends to develop a genuine local ecosystem by **collaborating** with universities, higher institutions of applied sciences, research institutions, public authorities and other companies. In 2023, one research project on the intersection of AI & cybersecurity, in cooperation with UCLouvain, was launched. Proximus Ada has also developed hands-on exercises in AI for students at the universities of Ghent and Mons to apply in concrete use cases.

A safer digital space

Proximus Ada wants to build a safer digital space for users and society. To achieve this, it launched **two concrete projects** in 2023. First, it established a partnership with Paradigm in Brussels (ex-CIRB). As of August 2023, Proximus Ada cybersecurity experts offer their skills and expertise free of charge to Brussels Digital Public Spaces (DPS). In these places, the most vulnerable and least digitally equipped citizens can use computer equipment and attend IT initiations and trainings. Proximus Ada experts provide information and advice on cybersecurity for DPS users and basic training to DPS employees. The experts also offer a full verification of the security of DPS infrastructures. By the end of 2023, 191 citizens had participated in these initiations. Second, Proximus Ada organized free inspiration sessions for secondary school students regarding AI and its potential.



Achievements in 2023

- Cyber Security Resilience index: **95.9%** of major cybersecurity incidents with a potential visible impact on the business, such as DDoS attacks, were prevented (vs. 98.3% in 2022).
- **1,453** incidents and **22,464** alarms handled by the CSIRT (vs. 764 incidents and 23,590 alarms in 2022)
- The CSIRT prevented **2,088,227** customers from accessing fraudulent websites (vs. 1,808,008 in 2022)

Foster an engaging culture & empowering ways of working

"Think possible" is not only our brand promise, it is also our company culture. It is a key success factor in further boosting our organizational performance and customer-centricity. We also actively encourage our employees to continuously grow and develop, which is crucial for constant adaptability to an ever-changing business context.

To continue retaining and attracting talents, we aim to position ourselves as a leader in the employer market, offering jobs of the future – such as artificial intelligence (AI) and cybersecurity – international development opportunities, and a modern work environment that promotes diversity, inclusion and well-being.

We are also transforming our workspaces to create a collaborative and digital campus.

Think possible culture

Our "Think possible" culture is a crucial factor in realizing our bold2025 strategy. It is the **mindset** that stimulates our employees to spot opportunities in every situation. It invites us to rethink things, to continuously improve, to simplify, and to challenge the status quo. In 2023 we focused on encouraging employees to adopt this mentality. We organized **"Think possible Days"**, internal communication campaigns, skill trainings, and a series of toolkits for team leaders. We have also set up a network of ambassadors and change managers to further share this culture throughout our company.

New ways of working

Agile way of working

Part of our culture is an agile way of working, which we started implementing on a large scale at the beginning of 2022. Embracing agility is not merely about adopting a methodology, it means cultivating a mindset where **adaptability** and continuous **improvement** become the cornerstones of innovation, driving Proximus toward customer-centricity, enhanced collaboration, and a resilient future in an ever-evolving market landscape.

> 'We embrace the new opportunities that come with Generative AI.'

Campus, our future workplace

The vision of the Campus project is to create an **inspiring digital campus** connected to a national network of spaces enabling us to work smarter, built to foster connections, collaboration and innovation. All of this is done by involving employees and other stakeholders in co-creation (more information in: 'The Campus project').



AI tools for employees

We are committed to providing our employees with the latest tools and technologies to enhance their work experience. We therefore embrace the new opportunities that come with **Generative AI** and the toolset that this makes available. A secure chat based on Generative AI is now available to all employees, with sessions organized to share ideas on how it can improve their work. We are also testing **GitHub Copilot** as a live-coding assistant for developers throughout the company. This tool automates repetitive and error-prone tasks, resulting in increased efficiency, quality and satisfaction. We have reached our deployment target of 30% by the end of 2023, with a full deployment for all developers in 2024, pending a positive evaluation. Lastly, we are also trialing the use of the personal AI assistant Office365 Copilot, which has been deployed to 300 employees in 2023.

Talent development and attraction

Keeping our employees motivated to grow is as important as ensuring that we recruit the best talents. Each year, we make significant investments in training programs to support employees' personal development.

Upskilling & reskilling our workforce

Our employees have access to a **wide range of courses** through our "learning@proximus" platform, which includes classroom trainings, digital modules or e-books. The subjects range from mastering the basics of digital working, to specific courses designed to help employees stay up to date with developments in their fields of expertise (such as network and connectivity, cybersecurity, data science and the cloud), or even take a new direction in their careers.

Moreover, we propose an extended catalog with trainings around topics that support individual development (creative thinking, well-being and communication, to name but a few) and an attractive offer of **leadership development programs** that support leaders in developing along their journey, whether they are just starting out or are already experienced leaders. Experts can also benefit from a specific program on self-leadership, communication and influencing skills.

Employees who are **50 or older**, have access to tailored development tracks, starting with an assessment of their skills, competences and aspirations. Furthermore, we regularly inform our 55+ employees about sustainable employability and provide those performing heavy work with options to accommodate their end of career.

We are committed to continuously improving the knowledge and skills of our engineers, technicians, splicers, and employees who have direct interactions with customers. This includes trainings in specific domains like fiber and other new technologies, as well as focusing on soft skills, such as "problem solving", "interacting with customers" and "resilience & stress".

Of course, we also pay attention to internal mobility possibilities, and promote candidates internally whenever possible.

Attracting talent

The competitive labor market makes the importance of talent attraction and recruitment an even greater challenge, and for this reason we invest in **targeted searches** in domains such as sales, technical field, data analysis, UX design, IT architecture and software development.

Other initiatives like the Graduate Program have offered 18 newly graduated talents the opportunity to benefit from an extensive learning path. Our IT activities also piqued the interest of new talent: Proximus Ada, our center of expertise in cybersecurity & AI, for instance, attracted 16 local talents to jobs of the future. Our Proximus NXT affiliates also welcomed 229 new IT talents.

Mobility benefits

Proximus invests in flexible mobility, not only to achieve its sustainability ambitions, but also to offer its employees a broader range of mobility benefits. This year, we took our goal a step further by restricting orders for new company

cars exclusively to electric ones as of July 2023. In order to stimulate alternatives to company cars, we also integrated the **federal mobility budget** into Vaigo, our platform that enables employees to manage their personal mobility budget, choosing from numerous modes of transport with full flexibility.

Diversity and Inclusion

Diversity and inclusion are fully **embedded in who we are** at Proximus. Promoting diversity and raising awareness about the importance of inclusion makes a vital contribution to well-being and creates the best conditions for our employees to develop both personally and professionally (more information in: 'Diversity and Inclusion statement').

Well-being at work

We are creating a positive work environment where people feel good and valued, where working conditions are adapted to personal needs, and where employees feel engaged and actively contribute to our company's ambitions. Our HR department is the driving force behind all well-being activities. It defines a common policy and offers support and advice on all problems surrounding this topic.

To safeguard our employees' well-being, we:

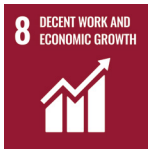
- Hold **"Speak-Up" surveys** – which we do twice a year – among our employees regarding their experiences at work. In these we assess all aspects that drive their engagement and well-being. They serve as a kind of "well-being barometer" and have helped us identify focus domains and actions that are required.
- Offer learning opportunities pertaining to **mental and physical health** (e.g. personal energy, a balanced workload, stress management, healthy food).
- Have established a community to **exchange** items and goods between employees, with the aim of boosting circularity and sustainability.
- Offer employees a **mental health app** with learning sessions, short tests as well as breathing and meditation exercises.
- Regularly call on our internal **social consultants and prevention advisors** to support our employees in different areas of well-being at work, such as their psychosocial and ergonomic needs or stress management.
- Offer a series of benefits to our employees and their families through our **Work-Life Community**. These range from sport and health initiatives to complementary services such as the Proximus Fun Day, school holiday activity camps organized for children and, through Proximus Affinity, discounts on various brands.

Finally, the new Collective Bargaining Agreement 2023-2024 for Proximus SA employees was approved in February 2023.

Achievements in 2023

- Employee engagement at **77%**
- **€ 40.83 million** invested in employee re-skilling and upskilling
- **63%** of employee have attended **5** training days or more
- **683** internal moves (Proximus SA)
- **424** new hires (Proximus SA)
- Detailed list of key indicators available in the 'Social statements' (S1-S4)

Delight customers with an unrivalled experience





Our customers are at the center of everything we do. Our ambition is to delight our residential and professional customers by leveraging the superiority of our networks, delivering user-friendly and personalized experiences, and integrating customer feedback into our operations.

We want to become the operator with the best brand recommendation (Net Promoter Score – NPS) for our Proximus, Proximus NXT, Scarlet and Mobile Vikings brands across all customer segments on the Belgian telecom market.

Superior connectivity and product experience

High-speed Internet

With our **Multigigabit technology**, we offer the fastest Internet via fiber, setting us apart from our competitors. This Multigig technology has been integrated into the fiber offerings for our residential, business and wholesale customers. Depending on their needs, customers can choose between three superior Internet speeds, up to 8.5 Gbps download/1 Gbps upload everywhere that fiber coverage is available. For business customers, the upload speed offering goes up to 1.5 Gbps.

Thanks to the combined use of Wi-Fi 6, the latest Wi-Fi technology, and our new Wi-Fi boosters, we continue to improve **Wi-Fi coverage** and to guarantee the best experience at home and in the office. Our Smart Wi-Fi solution monitors the Wi-Fi experience of our customers remotely and suggests, by means of the MyProximus app, proactive actions by which to improve it. In addition, Smart Wi-Fi manages all connections and automatically adapts to provide customers with the best Wi-Fi coverage.

Mobile network experience

Capitalizing on the spectrum acquired in 2022, Proximus is continuously optimizing its mobile network, to offer the best experience on the market. We are currently implementing a huge mobile network modernization project aimed at improving the mobile experience by increasing capacity through the roll-out of 5G.

Proximus Pickx

We aspire to position our entertainment platform, Pickx, as the leading streaming service on the market, providing customers with a great viewing experience. To establish Pickx as an all-in-one platform where everyone can easily find their favorite content and apps, we constantly innovate with new content and features.

In 2023, for Pickx customers with a Netflix subscription and using the most recent TV Box, we integrated their personalized **Netflix** suggestions on the Pickx homepage on their TV screen. We also renewed our partnership with the **UEFA Champions League**, enabling us to keep offering our customers the best of European soccer via Pickx.

To support the local advertising ecosystem, we launched together with DPG Media, a 60-second unskippable advertising break before any of their recorded programs on Pickx.

Net Promoter Score (NPS)

We measure our customers' brand recommendation with the NPS, a widely used market research metric. We ask customers how willing they are to recommend our brands to friends and family. Their responses give us insight into their brand loyalty. In the residential market, Mobile Vikings maintains the highest NPS score of the mobile market, while Scarlet holds the highest NPS score of the fixed market. Proximus' NPS for convergent customers remained largely positive but came under pressure due to the inflationary price increases.
In the enterprise market, customers with an account manager showed a positive evolution in the NPS, mainly thanks to the good customer service provided by our account teams.

Worry-free digital first and human contact

Proximus customers can interact with us in several physical and digital ways: shop visits, phone calls, email, websites, MyProximus or MyProximus Enterprise apps, Proximus Assistant, etc. By improving these customer touchpoints and offering hassle-free interactions, we are committing ourselves to exceeding expectations each time a customer contacts us. Our continuous efforts to optimize our digital tools – while maintaining a human approach – bring us closer to our customers, boost customer experience, and eventually drive our NPS.

Do-it-yourself activations

We want to stimulate customers to install the devices themselves. This improves the customer experience thanks to faster activation of their services and it frees up time for our technicians to help other customers with more complex installations and services. It also enables us to decrease the waiting times for new installations.

In 2023, we have launched a new process supporting a number of brand swaps in do-it-yourself mode between brands of Proximus Group (for instance a Proximus customer becoming a Scarlet customer or vice-versa). Where possible, we make this process even easier for the customer by re-using the same devices.

We see promising results in terms of customer experience. The **Customer Effort Score** (CES) for installations done by customers, which measures how easy it is for customers to install the devices by themselves, exceeded our ambitions for 2023 and was on par with the CES for installations done by technicians.

Servicing residential customers and SMEs

In 2023, we continued to focus on enhancing customer-centricity and operational efficiency across all customer segments. We achieved this, amongst others, by making increasing use of AI technology.

We further built on our **agile model** in customer service, enhancing the strategic shift from expertise-based to customer-based servicing teams, and improving the way in which our dynamic circles operate. These circles consist of multi-disciplinary teams centered around specific customer profiles, including amongst others SME customers. They are responsible for the end-to-end servicing experiences of our customers and have a very positive impact on our customer experience metrics.

Since August 2022, our **Proximus Assistant** has been available to our customers via chat (chatbot), and since March 2023 it has also been available by phone (voicebot). This automated support offers our customers even greater flexibility in managing their services and solving technical and administrative issues. It guarantees a 24/7 response, while maintaining interactivity and a personalized service.

The **Smart Technical Assistant**, accessible from our web pages, enables customers to conduct digital end-to-end diagnostics and resolve any technical issues in self-servicing mode prior to speaking with an agent and/or scheduling a technician appointment, if necessary.

The Proximus.be **webshop interface** has been further optimized. Website visitors can now see personalized suggestions based on their profile.

For customers who feel more comfortable with face-to-face interactions, our **store employees** play a crucial role. Customers can ask for their help in one of our 82 shops or via our partner shops.

For our **Business Flex customers**, we continued to offer our five business guarantees tailored to their specific needs such as 24/7 technical support and a same-day repair.

Servicing enterprise customers

Over the past three years, we substantially enhanced our **enterprise customer journeys**, making them as effortless as possible by offering dedicated support models and user-friendly digital interfaces, such as MyProximus Enterprise and ServiceNow.



For instance, we revamped the user management and registration journey enabling 90% of user onboardings on MyProximus Enterprise to occur automatically through self-service. Additionally, in 2023, we introduced more than 20 new functionalities on MyProximus Enterprise. As a result, more than 50% of all customer interactions for which our customers contact us, now have a digital alternative. These efforts have translated into positive results in terms of customer experience, significantly improving the NPS score for our professional customers.

A major project we have been working on over the last few years is the complete redesign of the "quote-to-bill" journey. This includes a set of IT tools used to quote, order and invoice mobile, fixed or ICT solutions to our customers. The first results of these efforts are expected to be visible as from 2024.

Transforming MyProximus into Proximus+

In 2024, Proximus plans to launch **Proximus+** for its residential and small enterprise customers, an enriched version of the MyProximus app. The app will include all features previously available in MyProximus to manage telco products, and will also offer services in domains like mobility, energy and healthcare. Small enterprises will be able to access both Proximus+ and MyProximus Enterprise. Medium-sized and large enterprises will continue to use MyProximus Enterprise.

'More than 50% of all enterprise customer interactions, now have a digital alternative.'

Anchoring continuous improvement on customer feedback

Proximus actively seeks valuable customer feedback and has multiple channels in place for gathering and analyzing it effectively.

Through "**Voice of the Customer**", our customer feedback platform, we collect and analyze residential and enterprise customer feedback. This allows us to act swiftly. In 2023, we further rolled out dashboards for all customer-facing employees and launched several surveys for our enterprise customers.

Together with some of our **key enterprise customers** we set up an executive advisory board to capture feedback on strategic topics and foster a closer customer relationship. We are also developing new capabilities by constantly measuring and capturing customer feedback through market research, digital surveys, data analytics, customer events, etc.

Additionally, we use the **customer experience dashboard** for residential and small enterprise customers, to map and track the drivers of customer satisfaction and dissatisfaction, enabling root cause analysis and the preparation of action plans. This allows us to greatly improve our customers' journeys, with a primary focus on fiber provisioning, administrative and technical assistance.

We organize dedicated **design thinking sessions** and focus groups to co-create or test solutions together with our customers. As an illustration, a beta version of Proximus+ was tested by 35,000 employees and customers in 2023.

Achievements in 2023

Net Promoter Scores (NPSs):

- Residential convergent customers (Internet + TV + postpaid): **+11**
- Scarlet: **+17**
- Mobile Vikings: **+42**

Grow profitably locally and globally through strong brands

Our bold2025 strategy is a growth plan in which we monetize our investments in our core business and explore new paths for growth at both local and international levels.

In the consumer market, our multi-brand strategy and our network and product superiority drive growth. In the enterprise market, we aim to become the leading Benelux technology player by leveraging our connectivity superiority and further building on our IT foundations. Growth will also come from wholesale, thanks to our open network strategy.

Internationally, BICS and Telesign provide a unique growth pathway for Proximus Group. With the agreement to buy a majority stake in Route Mobile[1] we aim to accelerate that growth and to become one of the worldwide leaders in digital communications.

Activities in Benelux

Despite challenging market conditions in 2023, we delivered an excellent commercial performance, driven by our multi-brand strategy and our network and product superiority.

Residential market

A multi-brand strategy

In Belgium, our multi-brand strategy (Proximus, Mobile Vikings and Scarlet) allows us to address all needs of the market, from value seekers to price-conscious consumers.

Proximus

The roll-out of the fiber Multigigabit technology across the whole of Belgium is one of our growth drivers. From July onward, it was integrated into the Flex Fiber packs. Existing Flex Fiber customers received an upgrade of their Internet speeds. In parallel, we launched several advertising campaigns focusing on fiber to build awareness and associate the Proximus brand with fiber.

In addition, we have continued to shift our residential customers towards flexible offers tailored to their needs, the so-called Flex packs, combining TV, Internet and mobile. The number of residential Flex packs had increased to 1.054 million by the end of 2023 (vs. 927,000 by the end of 2022).

Customers with a mobile subscription included in their Flex pack saw their data volume significantly increase. Mobile-only customers could also choose new mobile tariff plans with significantly more data volume and higher speeds thanks to the progressive roll-out of Proximus' 5G network.

The 3rd strongest brand in Belgium in 2023

According to the 2023 Kantar's Brand Z study, Proximus is the third strongest brand in Belgium, after Samsung and Google. This great result shows that we are succeeding in translating our purpose – Boldly building a connected world that people trust so society blooms – into reality.

Mobile Vikings

Mobile Vikings is a 100% digital brand offering both mobile and Internet-at-home, focused on delivering the best data offers. In 2023, Mobile Vikings started distributing an Internet Box integrating the latest Wi-Fi 6 technology for maximum coverage at home. On the mobile side, the operator launched the Global Data Pass. This enables mobile customers to activate a bundle of data for use when travelling in 28 countries outside the EU.

1 The agreement remains conditional upon fulfilling the stipulated conditions, including obtaining regulatory and anti-trust approvals and completing the MTO (mandatory takeover offer).

Furthermore, based on customer usage insights, Mobile Vikings increased the mobile data volume in some tariff plans without increasing prices. Customers with subscriptions starting at € 15 can also enjoy 5G at no extra costs. In October 2023, Mobile Vikings was recognized with a silver Effie Award for its Internet-at-home launch campaign.

Scarlet

Given the current economic context, Scarlet is more than ever committed to its mission to provide affordable telecoms to all Belgian households. In order to cope with evolving digital needs, Scarlet boosted the speed of its Internet products at the start of 2023, both in standalone and in packs. To protect its customers from bill shocks, Scarlet also blocked data roaming outside of Europe, unless the customer explicitly requests it. Since July 2023, new Scarlet customers are serviced on Proximus' IT systems. With this change, Scarlet products are now compatible with fiber technology, offering the same speed and price on both copper and fiber (for Internet Loco, Trio and Trio Mobile).

Existing Scarlet customers are gradually being moved to the Proximus IT environment. With this change, they will also benefit from fiber (upon migration), a new self-service app, and many other benefits.

Additionally, Scarlet launched a new ad campaign titled "There is no 'but' when choosing Scarlet", promoting its straightforward, competitive and transparent service in a humorous way.

Tango (Luxembourg)

In 2023, Tango put in place a set of actions that significantly contributed to their profitable growth. For instance, they revamped their broadband promotions, placing a greater focus on higher-end products to enhance their product mix and cater to the evolving demands of their customers. Likewise, they simplified their mobile portfolio and revamped their high-end offers to boost their competitiveness in the market and increase the share of their premium offerings.

Beyond telecom: premium content, sponsoring and apps

Entertainment & sports

Our premium content on our digital entertainment platform **Proximus Pickx** was another driver of growth this year



(more information in: 'Delight customers with an unrivalled experience'). At the end of 2023, we had 1.24 million monthly active users on our Pickx app & web platform (1.24 million monthly active users at the end of 2022).

Proximus not only broadcasts entertainment and sports events on Pickx, but also sponsors Belgian music and sports. In this respect, we have been a loyal partner of the largest Belgian summer festivals for many years. In 2023, we extended our deals with Graspop Metal Meeting, Rock Werchter, TW Classic, Werchter Boutique, Pukkelpop, Les Francofolies de Spa and Les Ardentes for at least three more years.

In addition to the festivals, Proximus is proud to support partners such as the opera house La Monnaie, BOZAR, AB, the Queen Elisabeth Music Chapel, the Queen Elisabeth Competition, Klarafestival (VRT), Festival Musiq3 (RTBF) and the MIA's (VRT).

In 2023, we also renewed our partnerships with cycling race organizer Flanders Classics and with the UEFA Champions League.

Apps

In 2023, we continued to enhance our digital solutions designed to make our customers' lives easier.

Our customers use the **MyProximus** app to check their telco usage, manage their products and bills, and get access to a

number of additional digital solutions. At the end of 2023, there were 1.119 million monthly active users of MyProximus (vs. 1.175 million at the end of 2022).

We expanded the ecosystem around our **Doktr** app. This is a secure and user-friendly video consultation service for patients and healthcare professionals implemented in close collaboration with key local healthcare ecosystem players. We partner with mutualities (CM-MC and Solidaris), private insurers (AG Insurance and Vanbreda), GP associations (Domus Medica) and occupational medicine (Cohezio). In collaboration with Solidaris Wallonie, Doktr also offers online consultations with registered psychologists. At the end of 2023, the Doktr app had 106,000 registered users (vs. 68,000 at the end of 2022).

Our **Banx** digital banking app, in partnership with Belfius, offers customers a complete digital banking experience while also encouraging them to make more conscious and sustainable choices.

'With the Microsoft and Google offer, Proximus has a unique Sovereign Cloud offering to bring to the market.'

Enterprise market

In the enterprise market, we aim to become the leading Benelux technology player by leveraging our connectivity superiority and further building on our IT capabilities with cloud, cybersecurity and data as key strategic domains. The combination of smart telco value management, IT growth and continuous innovation will drive our success in this market.

Launch of Proximus NXT

In 2023, Proximus Enterprise became Proximus NXT. This new name is synonymous with a strategy that highlights our IT expertise beyond our telecom DNA. It reflects our know-how in next generation technologies and embodies our desire to collaborate in an open ecosystem, built together with our customers and partners.

Proximus NXT offers a whole range of services, including cloud, data and cybersecurity, which together enable companies' digital development. For these services, we partner with big global tech companies including Google, Microsoft and Amazon, local IT partners, and our specialized subsidiaries: Proximus NXT SpearIT, Codit, ClearMedia, Davinsi Labs, Telindus Netherlands and Telindus Luxembourg.

Cloud and security

A few of the milestones with regard to cloud and security that we have reached this year include:

- Joining forces with **Google Cloud** in 2023 to be the first in Europe to deliver Google Distributed Cloud Hosted, a disconnected sovereign cloud solution. With this partnership and Clarence, the joint venture created with LuxConnect in October 2023, Proximus enables government bodies and regulated enterprises to benefit from the powerful capabilities and benefits of a public cloud whilst complying with data sovereignty regulations. We ensure full data sovereignty in Europe. In 2022, Proximus also entered into a unique partnership with Microsoft to offer Microsoft Encrypted Cloud. With the Microsoft and Google offer, Proximus has a unique Sovereign Cloud offering to bring to the market.
- Delivering state-of-the-art **SASE** (Secure Access Service Edge) solutions including Fortinet, Cisco, Netskope and Palo Alto to enterprise customers. SASE combines the network and security management of on-premise, private and public clouds. These solutions are increasingly gaining in importance, as traditional firewalls are unable to sufficiently protect cloud data.
- Rolling out **Managed Detection and Response (MDR) solutions** using technologies from leading providers, such as Microsoft, Fortinet and Palo Alto, while simultaneously expanding the use of our existing Splunk-based environment.
- Being selected by **VITO** (the Flemish Institute of Technological Research) as one of its preferred partners for network and security services. This is an important recognition of our expertise and experience and reinforces our ambition to claim an undisputed leadership position in the Benelux IT market. We are committed to providing optimal support to all interested public bodies and to creating an innovative, secure and future-proof IT environment.

Data and AI

We are strengthening our capabilities to design, build and run data-driven solutions using **Microsoft Azure**. These solutions support a wide range of data analytics usages, ranging from fully integrated Internet of Things (IoT) environments to customer-specific use cases. In 2023, we focused on building scalable solutions and including AI capabilities within our solutions, allowing data analysis and prediction with an unprecedented level of efficiency.

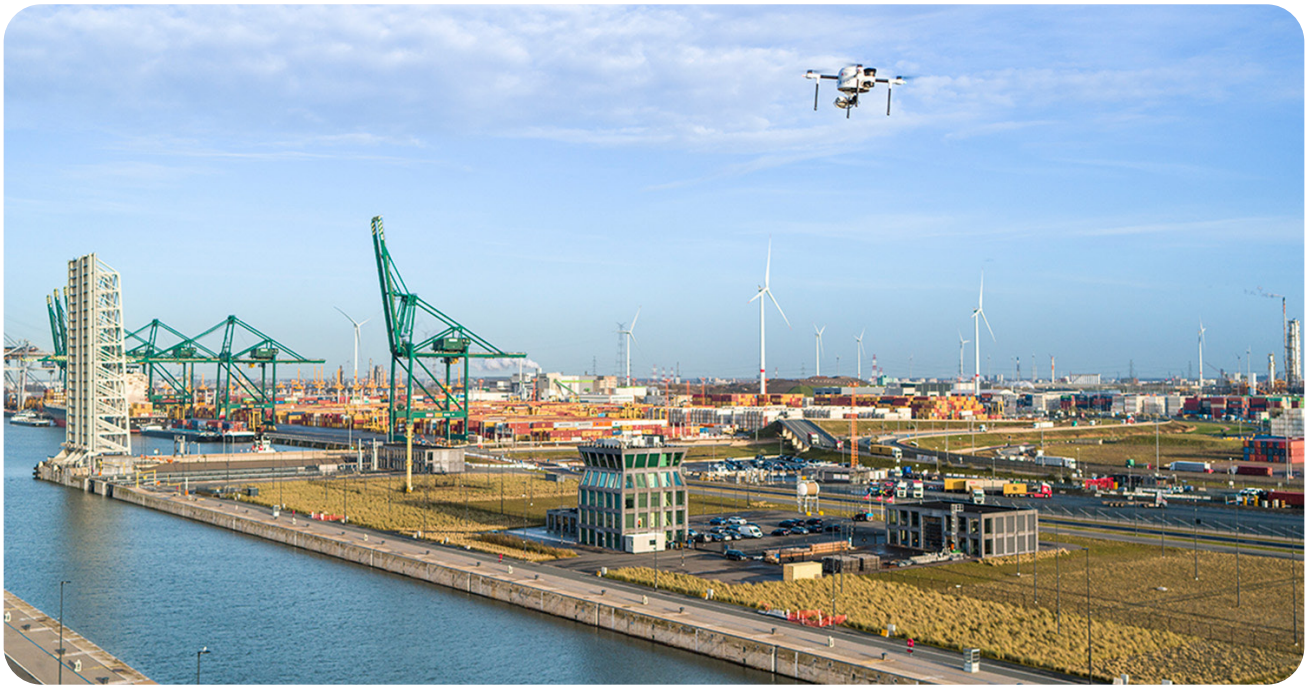
Proximus NXT is also collaborating with Proximus Ada. Our ambition is to become the reference for AI and Generative AI in Belgium and Luxembourg. (more information in: 'Engineer technology assets to enable digital ecosystems').

5G innovation

5G is widely considered to be a key enabler of digital transformation in almost every industry, making it a significant long-term growth driver for Proximus. We have several **5G innovation hubs** in partnership with A6K and Fabriek Logistiek, Howest University of Applied Sciences and VIVES University of Applied Sciences, where industry customers and partners develop innovative use cases and test their 5G projects. These use cases span multiple domains, and encompass industrial applications, construction, entertainment, transport & logistics, healthcare and agriculture, to name but a few areas.

In 2023, we explored 12 new 5G use cases, for example:

- With the **Port of Antwerp-Bruges**, DroneMatrix and SkeyDrone, we launched a network of autonomous drones that will provide extra pairs of eyes to help coordinate smooth, safe and sustainable operations in the Antwerp port area.
- With cashless payment provider EventPay we tested 5G slicing capabilities to ensure smooth mobile payment transactions during the **Wintermonde event** at Dendermonde. The network set-up included a dedicated slice on the 5G public network with a guaranteed capacity for payment and without the risk of network saturation.
- We supported **UZ Brussel** in creating high-tech ambulances for inter-hospital transport. The medical transport team is in direct contact with the hospitals via a Proximus 5G connection for monitoring patients during transfer. By using cameras and headsets for all occupants and "augmented reality" (AR) glasses, it provides an innovative way to connect patients, ambulance workers and remote medical experts in real time.
- For the broadcaster **RTBF** we deployed a private 5G network that guarantees very high performance and data security. This 5G private connection ensures the quality and stability of its live audio and video streams, whether it is for news broadcasts or for events like "Viva for Life".



Zoom on the SME market

Our new organizational model for the SME market, introduced in 2022, allows us to focus more on SMEs given their specific needs compared to those of large enterprises and residential customers. We offer them a range of relevant solutions, such as Business Flex, Business Booster and Enterprise Pack Together. Our affiliate ClearMedia offers IT solutions tailored to their needs. The Multigig technology was made available to SMEs. Since August 2023 it has been integrated into the Business Flex Fiber and Enterprise Pack Together packs. Also in 2023, we developed Secure Net in co-creation with our customers. Secure Net is a standardized security solution for SMEs to protect their business from cyberthreats.

Wholesale market

Proximus' open network welcomes wholesale partners in a non-discriminatory way, fostering a level playing field between competitors. Throughout the year, we gave our wholesale partners access to our Multigig fiber technology.

We also made an agreement with Digi Communications Belgium and Citymesh Connect to provide wholesale access to our mobile network at a national level. This agreement highlights our mobile excellence and proves the strength of our open network strategy, allowing us to capture value out of the capacity, coverage and performance of our gigabit networks.

At the end of 2023, over 40 fiber partners and around a dozen Mobile Virtual Network Operators (MVNO) use the Proximus network. We have over 600 active roaming agreements in place, including Voice over LTE (4G), 5G and IoT coverage.

Achievements in 2023

- Active residential and business fiber lines: **397,000** (vs. 252,000 at the end of 2022)
- Residential Flex pack subscriptions: **1.054 million** (vs. 927,000 by the end of 2022)
- Wholesale agreement with DIGI Communications Belgium and Citymesh Connect
- Detailed information on our excellent commercial performance in the 'Management discussion'

Worldwide activities

BICS

Our BICS subsidiary offers a wide range of services, from global voice and messaging to IoT, roaming and cloud communications, CPaaS (communications platforms as a service) and fraud prevention.

BICS continued to partner with leading global players in 2023. For instance, it renewed its MTN GlobalConnect partnership, a pan-African digital wholesale and infrastructure services company, through which it collaborates on international mobility and connectivity for Africa. BICS also partnered with the network software provider Mavenir to launch a new Voice over LTE (4G) solution that helps operators prepare for the phase-out of 2G and 3G services around the world. Another strategic partner is Microsoft: together they help enterprises avoid network "lock-ins" and enable devices to roam through private and public mobile networks around the world without the need for complex operator agreements.

Furthermore, BICS has strengthened its network with a new SDN (software-defined networking) controller developed by

Nokia. The new intelligence module automates optimal traffic routing on the network, improving overall performance for consumers while laying the groundwork for use cases such as 5G network slicing and bandwidth calendaring.

A range of innovations are being developed at BICS, including its **5G Standalone Roaming Hub**, which announced its first full-service 5G Standalone connection in October 2023. BICS's hub makes it easy for operators to allow data, texts and calls to be carried across a 5G mobile network. Moreover, they benefit from additional fraud and intelligence security, on top of the Secure Edge Protection Proxy (SEPP) standard requirements for 5G Standalone. Established on BICS's next generation data roaming network (IPX), the hub opens the door for operators to easily access the business opportunities and innovation offered by 5G Standalone.

Telesign

Our Telesign subsidiary offers digital identity and programmable communications solutions.

In 2023, Telesign launched the **Continuous Trust™ Authority**, a new global initiative that aims to provide a collection of resources, insights and experts working together to offer a deeper understanding of the critical role of trust in the digital economy (more information in: 'Act for an inclusive society and be sustainable in everything we do').

In 2023, Telesign has developed numerous product innovations:

- The "self-service" feature allows businesses of any size to connect, protect, and defend their customer relationships using the same services that Telesign already provides to the biggest, most sophisticated companies in the world.
- The launch of Breached Data enables businesses to determine at critical moments if and when a phone number and any associated data attributes have been subject to a data breach. The Telesign solution helps to detect vulnerabilities in account password resets, unauthorized purchases, account takeover attacks, and synthetic identity creation.
- The introduction of email into the Messaging API: The channel expansion supports programmatic email delivery and offers businesses the flexibility to seamlessly communicate across six channels – SMS, MMS, RCS, WhatsApp, Viber & email – using a single API.
- The incorporation of Automatic Speech Recognition (ASR) into the Voice API: With ASR, businesses users can deploy interactive voice response systems to enhance customer convenience, accessibility and operations.

Route Mobile

In July 2023, the Proximus Group signed an agreement to acquire a majority stake in Route Mobile, a strong player in the field of digital communications that is focused on emerging markets such as Africa, Asia-Pacific and Latin America.

Building on the combined strengths of Route Mobile and Telesign, the Group is paving the way to become one of the worldwide leaders in CPaaS (communications platforms as a service) and digital identity. On 31 December 2023, the agreement remained conditional upon fulfilling the stipulated conditions, including obtaining regulatory and antitrust approvals and completing the MTO (mandatory takeover offer). More information on our website: 'Investors call 17 July 2023'.

Achievements in 2023

- BICS introduced its 5G Standalone roaming hub
- Telesign launched Breached Data
- Agreement to acquire a majority stake in Route Mobile

Act for an inclusive society and be sustainable in everything we do

We act as an enabler for the digital society by building digital trust and promoting digital inclusion through Internet connectivity and digital skilling. That is why Proximus is a driving force behind DigitAll, which aims to create a prosperous and inclusive Belgium, where everyone has equal opportunities to enjoy the benefits of digitalization. We offer first-class cybersecurity services and local expertise, supporting European sovereignty with sovereign cloud solutions in Belgium and Luxembourg. Our goal is to reach net zero by 2040, while helping our customers reduce their emissions. Additionally, we strive to become truly circular by 2030 through transformative changes in our operations.

Contributing to a green transition

As a telco and tech company, Proximus has a dual role to play in the fight against climate change. We need to reduce greenhouse gas emissions and move toward a circular economy, while at the same time we are also developing technologies and solutions to support the transition to a greener society.

Status on Net Zero

In 2022, the **SBTi** (Science Based Targets initiative) validated our near-term and long-term greenhouse gas emission reduction targets. Concretely, we have committed to achieving net zero GHG emissions across our entire value chain by 2040, from a 2020 base year, ten years ahead of the 2050 ambitions pursued by Belgium. This target means an effective reduction of at least 90% of all our emissions (direct and indirect), and the use of carbon removal technology for the remaining emissions (less than 10%).

Near-term targets:

- Reduce absolute scope 1 and 2 GHG emissions by 95% by 2030 (from a 2020 base year);
- Continue to source 100% renewable electricity annually;
- Reduce absolute scope 3 GHG emissions by 60% by 2030 (from a 2020 base year).

Long-term targets:

- Maintain a minimum of 95% absolute scope 1 and 2 GHG emission reductions from 2030 through 2040 (from a 2020 base year);
- Reduce absolute scope 3 GHG emissions by 90% by 2040 (from a 2020 base year).

Reaching our net zero target means we need to work on all three scopes. However, for a telco and tech company like Proximus, most of the work lies in reducing scope 3 emissions.

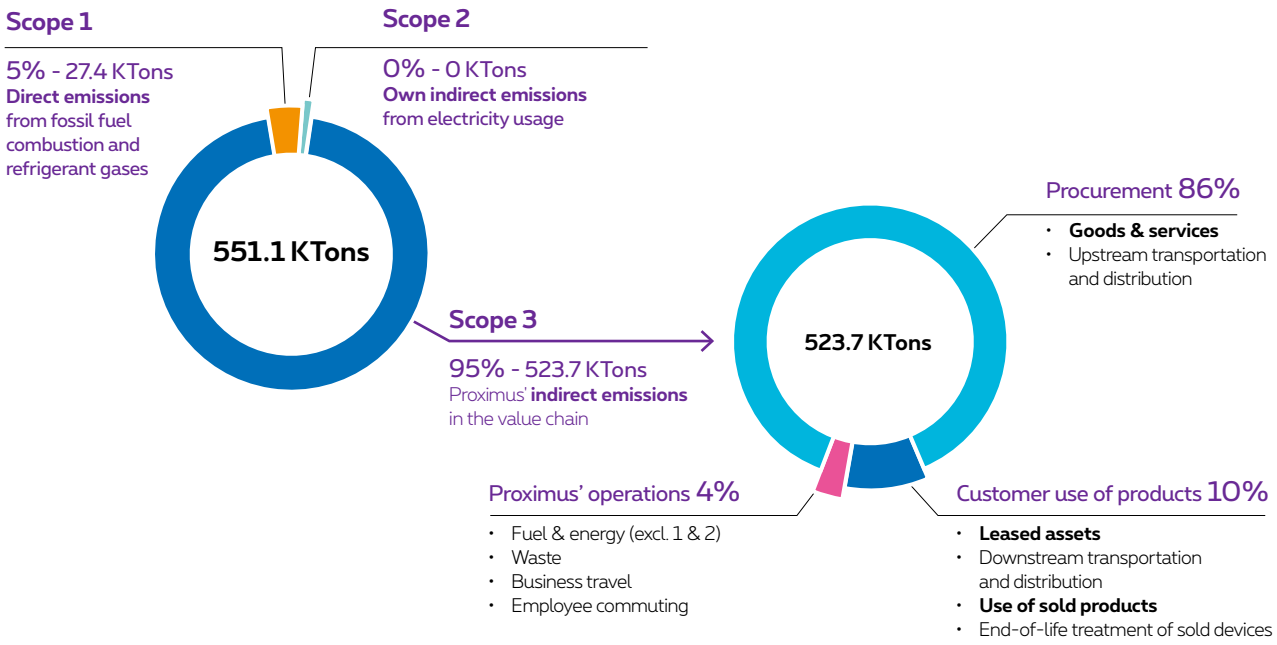
Scope 1 and 2: direct and indirect emissions

To achieve the targets related to scopes 1 and 2 – i.e. our own direct and indirect emissions linked to electricity and fossil fuels – we are acting on three fronts.

Firstly, we are continuing to source **green electricity** by maximizing self-production through solar panels and by gradually moving toward the right mix of Power Purchase Agreements (PPAs). This is in line with the global initiative RE100, led by the Climate Group, to accelerate change toward renewable energy. In this respect, we signed a PPA with Engie in October 2023 that will contribute to securing approximately 20% of Proximus' green electricity and reduce exposure to a volatile electricity market.

Secondly, we are closely monitoring our **electricity consumption**, and implementing measures to keep it under control, despite the increasing demand for bandwidth and data, and the resulting rise in electricity usage in our networks and data centers. For instance, when upgrading old network equipment like voice switches, we incorporate energy-efficient technologies. We are also simplifying our network by replacing buildings storing technical equipment with extremely compact and more electricity-efficient units. Through Mwingz, our

Breakdown of Proximus Group CO_2 footprint in 2023, scope 1, 2, 3



joint venture with Orange Belgium, we have continued the consolidation of our mobile sites, switching off 264 mobile sites in 2023. Furthermore, we maintained a consistent Power Usage Efficiency (PUE) of 1.47 in our data centers throughout 2023, indicating a 25% reduction in power usage over the past decade. Collectively, these initiatives resulted in a net saving of 10 GWh, representing an additional 3% net saving in 2023.

Thirdly, to become net zero, we are progressively **eradicating the use of fossil fuels** by replacing fossil fuel heating systems with alternative technologies. This represents an investment of € 17 million throughout the period 2021-2030. Additionally, we are intensifying the electrification of our management fleet. Since July 2023, employees have only been able to choose from a range of electric vehicles. However, the heavy-duty vans in our technical fleet remain a challenge, as no suitable alternatives are currently available on the market. Finally, bicycles are increasingly being used by our technicians and for store deliveries. Thanks to the CULT project (Collaborative Urban Logistics & Transport), deliveries in the center of Antwerp are now almost entirely emission-free. We have reduced our CO_2 emissions by 95% and our delivery driving kilometers by 25%. The CULT project was launched in Brussels in 2023.

Scope 3: indirect emissions resulting from our value chain

Our scope 3 emissions are highly concentrated in the "Purchased Goods and Services" activities and represent 19 times the amount generated by our own operations. These account for approximately 95% of our total CO_2 emissions in 2023. To reach our emission reduction targets, we are transitioning towards **sustainable sourcing** as a standard practice, which impacts the way we operate, as well as the ways we engage with our suppliers.

Internally, we are progressively transforming the way we operate to avoid carbon emissions by sourcing less, namely by shifting toward circular business models wherever possible. Furthermore, we aim to source in the "right" way, meaning we integrate environmental criteria into our procurement decisions.

Through our **Supplier Engagement Program**, we collaborate with our top 150 suppliers, which collectively represent 85% of our scope 3 emissions (category 1 "Purchased Goods and Services" and category 2 "Capital Goods") in 2023. We support them in establishing emission reduction targets that are just as ambitious as our own, and in disclosing their progress in this respect on an annual basis. These goals are integrated into contractual clauses. With these actions, we position ourselves

as a key enabler for climate action across our value chain. By 2025, our ambition is to have suppliers with validated emission reduction targets account for 35% of these scope 3 emission categories.

Truly circular by 2030

One of the biggest levers for reducing global emissions is the adoption of principles from the circular economy. According to a study by the OECD (Organization for Economic Co-operation and Development), roughly 50% of emissions can be linked to our usage of manufactured goods and raw materials. Our commitment to be truly circular by 2030 will drive internal change and contribute to achieving net zero emissions. Our ambition is to reuse or recycle up to 90% of waste by 2025, and to reach zero waste by 2030. In 2023, Proximus recycled or reused 84% of its waste, compared to 87% in 2022. More concretely, we can act in three main domains: devices, network & data centers, and buildings.

With regard to fixed devices, we rely on **eco-design**. For example, in 2022 we launched an Internet box with a casing entirely made of recycled plastics.

We also continue to encourage consumers to return their mobile devices to us. In 2023, we collected 128,002 mobile phones for **refurbishment or recycling**, representing a 24% return rate on the 528,000 devices sold, which is aligned with our commitment to the GSMA (organization representing the interests of mobile operators worldwide) pledge on mobile device recycling. We also refurbished 799,432 devices, such as modems, decoders, power supplies and Wi-Fi boosters in 2023.

With **repairs and updates**, more than 90% of our modems and decoders are perfectly reusable. We return these devices to the market up to four times before they are recycled by trusted partners. Lastly, we offer our equipment "as-a-service", meaning we lease it. We retain the ownership, collect it after use, and subsequently refurbish or recycle it.

Besides refurbishment of our devices, we reduce plastics and paper in our packaging, for example by using **less packaging** for smaller devices and opting for recycled cardboard and plant-based inks.



'We refurbished 799,432 devices, such as modems, decoders, power supplies and Wi-Fi boosters.'

We adhere as well to circular economy principles when modernizing our infrastructures. For instance, when we replaced our copper network with fiber, we were able to recover 590 tons of copper cable, subsequently selling it for recycling or reuse. We also share a mobile network with Orange, through the joint venture Mwingz, which, once fully operational, will enable us to reduce the number of base stations by 40% and the electricity consumption by 20%, compared to a standalone scenario (more information in: 'Roll-out #1 gigabit network for Belgium').

Finally, a good example of our commitment to the circular economy on the buildings side is the Campus project (more information in: 'The Campus project').

Transition to a greener society

As a telco and ICT provider, Proximus is well placed to enable its customers and society at large to reduce their greenhouse gas emissions.

On the consumer market, Proximus provides valuable information to its customers on its websites and engages in various initiatives to encourage sustainable practices:

- Proximus stimulates the adoption of eco-responsible behaviors through its **Use-Reuse-Recycle program**. We help our customers to make greener purchasing decisions (e.g. by opting for the Fairphone). To extend the life of a smartphone, we offer our customers the option of adding a screen protector or taking out insurance against broken screens. And we provide them with a temporary phone during the reparation.
- In September 2023, to accelerate the collection of smartphones and tablets, we launched a **trade-in project** where customers can recover the residual value of their devices when they return them to a Proximus shop.

On the enterprise market, Proximus, along with its partners and customers develops **innovative digital solutions** that optimize the use of resources and reduce CO_2 emissions. For example, we now connect more than 1.7 million smart meters to accurately measure and enhance energy consumption in households. Additionally, we are introducing new connectivity equipment that is highly efficient, offering more bandwidth, while consuming less power. Moreover, our cloud offerings give high priority to power efficiency and are coupled with cloud optimization services, enabling customers to move their applications to the cloud while simultaneously reducing energy consumption.

We also have a partnership with **GoodPlanet** to collect mobile phones in schools. In 2023, the collection day in Wallonia was combined with an awareness-raising workshop for children on "the life of my GSM". We plan to extend these workshops to schools in Flanders and Brussels.

In 2023, **emissions avoided** by customers through Proximus solutions reached 769.6 kilotons of CO_2. This figure is higher than Proximus' total carbon footprint (551.1 kilotons in 2023). (more information in: 'Environmental statements'.)

Biodiversity

Even if Proximus' effect on biodiversity is not very material due to the nature of our activities, we are committed to taking action to better **preserve biodiversity**. In collaboration with our consulting partner Beeodiversity, we have defined the key factors influencing biodiversity, along with their dependencies and impacts. In our direct operations, these factors include the location of sites in or near sensitive areas, network activities and material requirements.

'In 2023, emissions avoided by customers through Proximus solutions reached 769.6 kilotons of CO_2.'

However, our upstream supply chain clearly has the biggest impact with regards to our sector due to raw material extraction and carbon emissions. So including biodiversity in our Supplier Code of Conduct, engaging with our suppliers to reduce their carbon emissions, acting on the circular economy and the modernization of our network will therefore reduce the impact of our activities.

In 2024, we will work with our stakeholders and peers to develop a common standard, approach, strategy and mitigation plans.

Compliance & recognition

Achievements in 2023

- Electricity savings of **10 GWh**
- **128,002** smartphones collected for refurbishment or recycling
- **799,432** refurbished fixed devices
- **20%** of our electricity coming from wind power
- Detailed list of key indicators available in the 'Environmental statements S6'

Promoting digital inclusion

In a world that is becoming increasingly reliant on digital solutions, we have a responsibility to ensure that everyone can use and benefit from this digitalization. First and foremost, we do this by deploying a network for all Belgians and ensuring our digital services and products are safe, inclusive and accessible. Secondly, we do so by helping people to acquire the skills they need to seize digital opportunities. Digital inclusion is a complex and multi-faceted challenge that we cannot tackle alone. For this reason, we join forces with partners to achieve a greater impact.

Access to digital for all

Connectivity and equipment

Proximus has the ambition of offering 100% gigabit coverage across the country and is making significant investments to improve connectivity in rural zones (more information in: 'Rollout #1 gigabit network for Belgium').

Schools are an important target group in our fiber roll-out. By the end of 2025, we aim to connect nearly all secondary schools and large elementary schools in Belgium to fiber. We cover part of the connection costs and provide our expertise in Wi-Fi solutions and security to schools. This initiative is part of our partnership with Signpost to support the digital transformation of the Belgian education system. By the end of 2023, 292 schools had already been connected to Proximus' gigabit network.

Our partnership with **Bednet** and **ClassContact** allows over 1,000 children living with long-term illnesses to continue their education at home or in hospital through videoconferencing solutions. We support these organizations by providing Internet connections and financial aid.

Affordability

Thanks to the **wide range of products** in our portfolio, we are able to ensure that everyone can find a suitable solution. Scarlet Poco has the cheapest fixed Internet offer in Belgium, while Mobile Vikings offers unlimited Internet-at-home at competitive prices. We also grant **social tariffs** to 150,000+ persons in unfavorable economic situations.

During the 2023 earthquakes in Turkey, Syria and Morocco, we offered free calls and texts to facilitate communication with victims, families and friends.

Inclusiveness

Proximus works with partners to improve the **accessibility of its platforms**, products and services for people with disabilities. For instance, we test the accessibility of new smartphones and tablets in collaboration with the Passe Muraille association, active in the inclusion of persons with disabilities. Our online catalog features icons indicating devices that have been adapted for users with disabilities.

Our websites Proximus.be and Proximus.com, as well as our MyProximus and Pickx platforms, are accessible to people with hearing and visual impairments. We also offer adapted subtitles and audio descriptions on several channels on the Pickx TV platform and intend to further extend this functionality to other channels and programs in our video-on-demand catalog. By 2024, 25% of programs in this catalog should have audio descriptions, and 25% should also have adapted subtitles.

Empowering through education

Proximus has a long-term partnership with **MolenGeek**, **School19** and **Technobel**. MolenGeek is an organization that helps less privileged jobseekers with an entrepreneurial mindset to build their careers in the digital world, while School19 is the first free Belgian coding school. Technobel offers ICT training courses to those seeking employment, as well as information and awareness initiatives for citizens, schools and professionals. These collaborations are focused on enhancing the digital skills of jobseekers to improve their prospects on the labor market.

We also work with **research centers and universities** such as A6K (Charleroi), Howest University of Applied Sciences and VIVES University of Applied Sciences. Together we set up 5G innovation labs, which are also made available to students. These labs support various educational programs, and allow researchers and students to discover, test and build new use cases, with complementary technologies such as IoT, artificial intelligence, virtual reality, Edge computing, etc.



Supporting SMEs

SMEs do not always have the digital maturity to thrive in a digital and more globalized economy. Proximus supports entrepreneurs in their **digital transformation**, with training, coaching and solutions adapted to their needs. Business Booster encompasses a variety of digital and coaching solutions to assist SMEs' enhancement of their online presence and increasing of their visibility on digital platforms.

DigitAll

The digital divide is ever widening. Digital exclusion does not only affect vulnerable groups, but rather all strata of society. Proximus, together with BNP Paribas Fortis, is a driving force in DigitAll, an ecosystem of more than 100 companies, social organizations and governmental bodies dedicated to advancing digital inclusion in Belgium. By signing the Digital Inclusion Charter, they make a firm commitment to taking action to close the digital divide and create awareness. DigitAll re-launched its social media awareness campaign in the summer of 2023, with the aim of once again drawing attention to the digital divide and encouraging organizations and citizens to take action.

Achievements in 2023

- **292** schools connected to our network
- **24** devices tested for accessibility, **75%** of tested devices accessible for at least 5 disabilities
- **1,949** jobseekers trained via MolenGeek, School19 and Technobel
- **27** new signatories of DigitAll's Digital Inclusion Charter
- Detailed list of key indicators available in the 'Social statements S6'

Building digital trust

Our role as a major tech company is to build trust in digital by taking a lead in cybersecurity, (online) fraud prevention and data protection.

We are actively involved in developing a safer digital society, being acutely aware that the use of our networks and services may result in a risk to data security and privacy. Cybercrime has now become the fastest-growing form of criminal activity, with examples ranging from cyberbullying to identity and data theft.

Fraud prevention at international level

BICS

BICS's proactive fraud protection solutions blocked over 617 million fraudulent attempts in 2023, saving operators an estimated € 87 million in one year alone. Cumulatively, their services have saved the industry over € 2.3 billion in attempted telecoms fraud.

BICS actively participates in international industry bodies focused on fraud prevention, such as the i3Forum, GSMA, BEREC, MEF, etc., promoting **pan-industry collaboration** in the fight against fraud. In 2023, based on its expertise in telecoms fraud awareness and protection, BICS was elected as a board member of the i3Forum, an organization driving global collaboration and innovation between international service providers, voice carriers and technology partners.

In 2023, BICS was also re-confirmed as fully compliant with the **GLF Code of Conduct**, a strictly monitored industry initiative established to prevent fraudulent activities within the telecommunications sector.

Telesign

In May 2023, as part of Telesign's commitment to making the digital world a safer place, the organization launched the **Continuous Trust™ Authority**.

This initiative was developed by Telesign to help shape a new digital future that allows people to conduct business online safely and without fear of data or digital theft. The Continuous Trust™ Authority aims to provide a collection of resources, insights, and experts working together to offer a deeper understanding of the critical role of trust in the digital economy. It includes:

- Trust Index – An annual research report on trends in consumer trust and the impact on brands;
- Trust Certified Badge – Provides businesses with a visual way of reassuring their customers that they have complied with stringent fraud protection standards;
- Trust Alliance – A group of thought leaders sharing best practices on fraud detection and prevention to help brands develop more trusted digital platforms.

Cybersecurity and fraud prevention at national level

Proximus' own infrastructure is continuously protected by **350 experts** across the Group (more information in: 'Engineer technology assets to enable digital ecosystems'), who also offer cybersecurity and intelligence solutions that protect enterprises against cyberattacks (more information in: 'Grow profitably, locally and globally, through strong brands'). For instance, Proximus' Security Operations Center (SOC) monitored 3.5 billion remarkable logs for our enterprise customers in 2023, leading to 57,000 notable events of which 11,600 incidents needed a remediation.

In addition, Proximus is a driving force in Belgium's cybersecurity programs. We are heavily involved in the **"StopPhishing"** project, a government initiative that encourages telco operators to implement anti-phishing and anti-fraud platforms for SMS, email and voice calls. Since mid-October 2023, a co-investment in which we have participated has led to the development of an AI-based detection solution to protect our customers from fraudulent SMSs. Over a one-month period, we multiplied by 50 the number of fraudulent SMSs blocked. In 2024, we will extend this approach to email and calls.

Proximus also collaborates with the Centre for Cyber Security Belgium (CCB) on the Belgian Anti-Phishing Shield (BAPS) project. This engages all Belgian telecom operators in blocking malicious websites that have been identified and verified by the Centre for Cyber Security.

The **sharing of knowledge and experience** is fundamental to enhancing cyber resilience within organizations and the further protection of individuals. In 2023, Proximus handled 1,083 requests from law enforcement authorities to block access to websites. We cooperate closely with judicial authorities and help them in their investigations into criminal offenses, such as the possession and distribution of child pornography.

We grow and share our expertise via a series of collaborations:

- On a national level, we remain a committed partner of **BEAlert**, a 24/7 public warning system used by the Belgian authorities to broadcast news and information in the event of a crisis.
- The **Belgian Cyber Security Coalition**, of which we are co-founders, is a collaboration platform for cybersecurity experts from public authorities, the academic world and the private sector. Its objectives are to raise awareness, facilitate the exchange of expertise, and share policy recommendations.
- We cooperate closely with other European telecom operators through the **ETIS platform**, where we preside over the security working group. We also work together with the **European Network & Information Security Agency** (ENISA) to gain a better understanding of the regulatory environment and its evolutions.
- We also engage with **NATO, Europol** (Cyber Crime Centre) and **Interpol** (Global Cybercrime Expert Group) to stay up to date on new cyberthreats.

Cybersecurity awareness

Building awareness remains the best means by which to mitigate the risk of attack, and for this reason each year our Cyber Security Incident Response Team (CSIRT) experts conduct information sessions for our employees, sharing insights on the trends and threats that CSIRT monitors at Proximus. We noticed an increase in social engineering attacks against our employees, with 650 attempts in 2023 compared to 199 in 2022. As a response to phishing attacks, we have intensified employee training through more frequent and varied internal phishing simulations. Additionally, we encourage employees to report suspicious emails to our CSIRT. These reports allow the Centre for Cybersecurity Belgium to proactively prevent other organizations from becoming victims of phishing. The CSIRT posts warnings on social media whenever a new phishing campaign that impersonates Proximus is detected. We also advise people on how best to protect themselves against cyberthreats via this channel.

To raise awareness of Internet safety among young people, Proximus takes part in the **Internet Safe & Fun Days** twice a year. For 13 years our employees, trained by partner organization Child Focus, have been visiting primary schools with the aim of making children aware of safe and responsible Internet usage.

We also teamed up with the Centre for Cyber Security Belgium and the Cyber Security Coalition for the **9th National Cyber Security Awareness Campaign**. In 2023 the focus of the campaign was on phishing, one of the fastest growing digital menaces of our times.

Together with Paradigm (ex-CIRB), which manages the digital transformation of the Brussels Region, our Ada cybersecurity experts offer their skills and expertise to the **Brussels Digital Public Spaces** (DPS) free of charge. In these places, vulnerable citizens who have limited access to digital resources can use computer equipment and attend IT initiations and cybersecurity trainings (more information in: 'Engineer technology assets to enable digital ecosystems').

Achievements in 2023

- BICS reconfirmed as compliant with the GLF Code of Conduct
- Continuous Trust™ Authority initiative launched by Telesign
- StopPhishing: **50x** increase in blocking fraudulent SMS thanks to AI
- Internet Safe & Fun Days reached **5,512** children in **104** schools (vs. 4,600 children in 111 schools in 2022)

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Environment





Environmental statements

General note to the environmental statements

The environmental statements describe the key indicators, scoping, boundaries, calculation methodologies and reporting standards for all environment domains. The indicators with a tick mark are subject to external limited assurance by Deloitte.

Scope of the environmental statements

We measure all activities that are subject to operational control and material for Proximus Group. These include Proximus, Proximus Media House, BICS, Telesign Corporation, Connectimmo, Proximus ICT, Davinsi Labs, Codit, ClearMedia, Telindus - ISIT, Umbrio, Proximus Luxembourg, Mobile Vikings, Be-Mobile, Doktr and Proximus ADA. All figures reported are Proximus Group based except when mentioned differently.

E1: Energy

E1	Energy	Unit	2019	2020	2021	2022	2023	✔*
	Total energy consumption within the organization	**TJ**	**1,808**	**1,652**	**1,571**	**1,625**	**1,618**	✔
	Evolution total energy consumption (vs. previous year)	%	-4%	-9%	-5%	3%	0%	
	Evolution total energy consumption (vs. 2020)	%	-	-	-5%	-2%	-2%	
	Evolution total energy consumption (vs. 2007)	%	-29%	-35%	-38%	-36%	-36%	
	Total fuel consumption within the organization from non-renewable sources	**TJ**	**525**	**384**	**391**	**446**	**405**	✔
E1.1	Heating: natural gas	TJ	105	62	73	71	62	✔
E1.1	Heating: heating oil	TJ	35	46	25	38	28	✔
E1.2	Vehicle fleet: diesel	TJ	373	262	259	261	213	✔
E1.3	Vehicle fleet: petrol	TJ	12	15	30	69	97	✔
	Vehicle fleet: CNG	TJ	-	-	4	5	5	✔
	Total fuel consumption within the organization from renewable sources	**TJ**	**0**	**0**	**0**	**0**	**0**	
	Heating, cooling or steam consumption	**TJ**	**0**	**0**	**0**	**0**	**0**	
	Electricity, heating, cooling or steam sold	**TJ**	**0**	**0**	**0**	**0**	**0**	
	Electricity consumption within the organization	**TJ**	**1,283**	**1,267**	**1,180**	**1,180**	**1,213**	✔
	Electricity consumption within the organization in GWh	GWh	357	352	328	329	337	
	Evolution electricity consumption (vs. previous year)	%	-3%	-1%	-7%	0%	3%	
	Evolution total energy consumption (vs. 2020)	%	-	-	-7%	-7%	-4%	
	Evolution electricity consumption (vs. 2007)	%	-23%	-24%	-29%	-29%	-27%	
	Fixed and mobile network	GWh	268	272	251	253	255	
	Data Centers	GWh	53	51	53	49	53	
	Offices + Shops	GWh	36	28	24	27	29	
	% electricity consumed from renewable sources with GoO or own production (RE100 Belgium/Group)	%	100/100	100/100	100/100	100/100	100/100	
E1.4	**Energy efficiency ratio – Net Revenue based**	**TJ/€ Mio**	**0.321**	**0.304**	**0.284**	**0.278**	**0.270**	✔
	Energy efficiency ratio – FTE based	**TJ/FTE**	**0.140**	**0.140**	**0.136**	**0.140**	**0.139**	✔
E1.5	**Energy savings network**	**TJ**	**40**	**29**	**22**	**36**	**45**	
	PUE data centers	**Ratio**	**1.60**	**1.56**	**1.49**	**1.49**	**1.47**	

* In scope for limited assurance 2023

Definitions

- **TJ:** Terajoule is a unit of energy.
- **Heating:** natural gas: Calculation based on suppliers' billing data based on gas meter readings.
- **Heating oil:** Calculation based on suppliers' billing data based on oil tank refills.
- **Electricity consumption within the organization:** Calculation based on the Proximus energy management system GENY (Belgian activities) and the invoices of energy suppliers from 2023.
- **GoO:** A Guarantee of Origin is a tracking instrument and labels electricity from renewable sources to provide information to electricity customers on the source of their energy.
- **RE100:** RE100 is the global corporate renewable energy initiative bringing together hundreds of large and ambitious businesses committed to 100% renewable electricity.
- **FTE:** Number of Full-Time Equivalent employees.
- **Energy savings network:** Calculation based on actions undertaken during the reporting period calculated over a window of 12 months. The savings projects were implemented during the reporting year, hence the results only become material in the current and following reporting year, but the order of magnitude remains comparable on a year-by-year basis. The infrastructure savings are calculated based on the directly measured electricity consumption and an estimated indirect consumption such as for cooling before and after the savings.
- **PUE:** Power Usage Effectiveness, a ratio describing how efficiently a data center uses energy, focusing on how much the computing equipment uses compared to the cooling and other overhead that occurs.

Notes

- E1.1: The significant decrease in natural gas and heating oil consumption is due to the decision to lower the temperature in technical rooms to 16°C and the temporary measure to lower the temperature in the office buildings to 19°C during the energy crisis.
- E1.2: The shift towards Plug-in hybrid vehicles (PHEV) and electric vehicles (EV) causes a decrease of 18% in diesel related carbon emissions.
- E1.3: The number of PHEVs doubled in 2023 compared to 2022 with a 40% increase of petrol consumption as result.
- E1.4: Previous years were adjusted with net revenue as the basis
- E1.5: Significant increase mainly due to decommissioning of street cabinets (for copper distribution) after FTTH rollout and phasing out of legacy technology (SDH, Switching). Savings due to RAN sharing were not available at the time of publication and are therefore not included in these figures.

E2: Emissions

E2	Emissions	Unit	2019	2020	2021	2022	2023	✔*
	CO_2e emissions scope 1, 2 and 3	**KTons**	**779.3**	**554.6**	**536.0**	**551.4**	**551.1**	✔
	Evolution CO_2e emissions scope 1, 2 and 3 (vs. previous year)	**%**	**-8%**	**-29%**	**-3%**	**3%**	**0%**	
	Evolution CO_2e emissions scope 1, 2 and 3 (vs. 2020 baseline) - SBTi Net-Zero	**%**	**-**	**-**	**-3%**	**-1%**	**-1%**	
	CO_2e emissions scope 1 and scope 2 market based	KTons	36.9	27.4	26.6	31.5	27.4	✔
	Evolution CO_2e emissions scope 1 and 2 (vs. previous year)	%	-5%	-26%	-3%	18%	-13%	
	Evolution CO_2e emissions scope 1 and 2 (vs. 2020 baseline) - SBTi Net-Zero	%	-	-	-3%	15%	0%	
	Evolution CO_2e emissions scope 1 and 2 (vs. 2007 baseline)	%	-79%	-83%	-84%	-81%	-83%	
	CO_2e carbon credits obtained	KTons	40.1	27.4	26.6	5.9	6.7	
E2.1	Carbon intensity (scope 1 and 2) - Net Revenue based	Tons CO_2e/ € Mio	6.5	5.0	4.8	5.4	4.6	✔
E2.2	Carbon intensity (scope 1 and 2) - FTE based	Tons CO_2e/FTEs	2.9	2.4	2.3	2.7	2.4	✔
	CO_2e emissions scope 1 - heating, refrigerants and fleet fuel	KTons	36.0	26.6	26.6	31.5	27.4	✔
E2.3	CO_2e emissions scope 1 - heating	KTons	9.2	7.2	6.4	7.3	5.6	✔
E2.4	CO_2e emissions scope 1 - refrigerants	KTons	0.3	0.3	0.2	1.2	0.4	✔
	CO_2e emissions scope 1 - fleet fuel	KTons	26.5	19.1	20.1	22.9	21.5	✔
	CO_2e emissions scope 2 - electricity - market based method	KTons	0.9	0.8	0.0	0.0	0.0	✔
E2.5	CO_2e emissions scope 2 - electricity - location based method	KTons	62.5	70.4	52.2	53.9	45.4	
	CO_2e emissions scope 3 - 12 relevant categories	KTons	742.4	527.2	509.4	519.9	523.7	✔
	Evolution CO_2e emissions scope 3 (vs. 2020 baseline) - SBTi Net-Zero	%	-	-	-3.4%	-1.4%	-0.7%	
	Scope 3 - category 1 - purchased goods and services	KTons	460.4	440.6	421.7	437.3	449.5	
	Scope 3 - category 2 - capital goods	KTons	199.8	0.0	0.0	-	-	
	Scope 3 - category 3 - fuel and energy related activities (not in scope 1 and 2)	KTons	9.3	8.7	8.9	15.1	14.5	
	Scope 3 - category 4 - upstream transportation and distribution	KTons	2.9	3.4	4.0	4.1	4.2	
E2.6	Scope 3 - category 5 - waste disposal	KTons	1.0	0.7	0.5	0.6	0.6	
	Scope 3 - category 6 - business travel	KTons	1.8	1.6	0.4	1.4	1.3	
E2.7	Scope 3 - category 7 - employee commuting	KTons	5.4	2.8	1.3	2.5	3.1	
E2.8	Scope 3 – category 9 - downstream transportation and distribution	KTons	/	/	0.7	0.7	0.9	
E2.5	Scope 3 - category 11 - use of sold products	KTons	4.5	13.4	19.8	2.9	2.4	
	Scope 3 - category 12 - end of life treatment of sold products	KTons	/	/	0.01	0.01	0.01	
E2.5	Scope 3 - category 13 - downstream leased assets	KTons	57.4	55.9	52.1	55.4	47.1	
	Scope 3 - Category 15 - investments	KTons	N.A.	0.1	0.1	0.1	0.1	
	Scope 3 - category 8, 10, 14 - not applicable	KTons	N.A.	N.A.	N.A.	N.A.	N.A.	

* In scope for limited assurance 2023

Definitions

- **CO_2e emissions scope 1+2+3:** The CO_2e consumption represents a CO_2 equivalent emission figure of all greenhouse gases combined, i.e., CO_2, CH_4, N_2O, HFCs, PFCs, SF_6. The gases of primary interest for Proximus are CO_2 and HFCs, but CH_4 and N_2O are also included in the calculation as stipulated by the GHG Protocol. Since many years we adopt the principle of best available data quality.
- **Science Based Target:** Science-based targets provide a clearly defined pathway for companies to reduce greenhouse gas emissions, helping prevent the worst impacts of climate change and future-proof business growth. Targets are considered "science-based" if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement – limiting global warming. The Intergovernmental Panel on Climate Change warned that global warming must not exceed 1.5°C to avoid the catastrophic impacts of climate change and that GHG emissions must halve by 2030 and drop to zero by 2050.
  - The Science Based Targets initiative (SBTi) has validated that the corporate greenhouse gas emissions reduction targets submitted by Proximus have been deemed to be in conformance with the SBTi Criteria and Recommendations (version 5). The SBTi's Target Validation Team has classified Proximus' scope 1 and 2 target ambition and has determined that it is in line with a 1.5°C trajectory. Proximus commits to reduce absolute scope 1 GHG emissions by 95% by 2030 from a 2020 base year. Proximus also commits to continue sourcing 100% renewable electricity annually until 2030. Proximus further commits to reduce absolute scope 3 GHG emissions by 60% by 2030 from a 2020 base year.
  - The Science Based Targets initiative also assessed Proximus' near- and long-term targets against the SBTi net zero criteria (version 5) and approved our submitted targets.
    - Near-term targets
      Proximus commits to reduce absolute scope 1 GHG emissions by 95% by 2030 from a 2020 base year. Proximus also commits to continue sourcing 100% renewable electricity annually until 2030. Proximus further commits to reduce absolute scope 3 GHG emissions with 60% by 2030 from a 2020 base year.
    - Long-term targets
      Proximus commits to maintain a minimum of 95% absolute scope 1 and 2 GHG emission reductions by 2030 through 2040 from a 2020 base year. Proximus commits to reduce absolute scope 3 GHG emissions by 90% by 2040 from a 2020 base year.
- **Carbon credits:** Proximus is the main driving force behind the development of the multiannual "Gold Standard" certified climate project called the TEG Stove project (more info: www.tegstove.org).

Notes

- E2.1: The decrease of 15% is mainly due to the 13% decrease of our Scope 1 carbon emissions in 2023 compared to 2022. The net revenue increased by 2.4%. Previous years were adjusted with net revenue as the basis.
- E2.2: The decrease of 13% is due to the 13% decrease of our Scope 1 carbon emissions in 2023 compared to 2022. The number of FTEs increased by 0.2%.
- E2.3: The significant decrease is due to the decision to lower the temperature in technical rooms to 16°C and the temporary measure to lower the temperature in the office buildings to 19°C during the energy crisis.
- E2.4: The significant decrease is due to less decommissioning of installations, a less intense summer compared to 2022 and the implementation of various measures to reduce reliability problems.
- E2.5: The decrease is caused by a significant reduction in the Belgian electricity grid emission factor considered in 2023 vs. 2022.
- E2.6: A general reduction of waste is observed, with the highest contribution coming from the reduction of waste associated with excavation works (soil and rubble). This is the consequence of a reduced number of interventions on the copper network and an increase in outsourcing of these works via strategic partnerships.
- E2.7: The increase is caused by a change in the method of calculation for some affiliates.
- E2.8: The increase is driven by a higher number of downstream deliveries.

Notes

Overview of our Scope 1, 2 and 3 standards

Scope (GHG Protocol) + activity	Possible impact from Proximus	Scope/% vs. Group total	GWP	Source emission factors	External assurance level
Scope 1 – Direct emissions					
Car fleet fuel	High	Proximus Group/ 100%	AR5 IPCC	Base Carbone + Bilan Carbone	Limited
Heating of building installations	High	Proximus Group/ 100%	AR5 IPCC	Gas: GHG protocol heating fuel: Base Carbone + Bilan Carbone	Limited
Cooling of building installations-refrigerants	High	Proximus Group/ 100%	AR5 IPCC	Bilan Carbone	Limited
Scope 2 – Indirect emissions					
Emissions released during the generation of electricity that is purchased by the company. This includes also EV charging.	High	Proximus Group/ 100%	AR5 IPCC	IEA (CO_2 emissions from electricity – highlights) - 2022	Limited
Scope 3 – Cat. 1					
Resource extraction, transportation and production of purchased goods and services	Medium	Proximus Group/ 100%	AR5 IPCC	Supplier-delivered Life Cycle Assessments (Product-level), Bilan Carbone + Ademe, IEA, Carnegie Mellon EIO-LCA, CO_2 emissions on supplier-level	Limited
Scope 3 – Cat. 2					
Capital goods	Medium	Proximus Group/ 100%	AR5 IPCC	Integrated in Scope 3 – Cat. 1	Limited
Scope 3 – Cat. 3					
Extraction, production and transportation of direct fuels and electricity purchased by Proximus Group, non-reported in scopes 1 and 2. Network losses, among others, are included in transportation.	High	Proximus Group/ 100%	AR5 IPCC	Bilan Carbone, IEA	Limited
Scope 3 – Cat. 4					
Transportation of subcontractors for network operations, subcontracted warehousing	Low	Proximus Group/ 100%	AR5 IPCC	Bilan Carbone EEIO model (other subcontractors fall within Cat.1)	Limited
Scope 3 – Cat. 5					
Treatment of waste flows	Medium	Proximus Group/ 100%	AR5 IPCC	Bilan Carbone, Defra	Limited
Scope 3 – Cat. 6					
International travel by airplane or train	Low	Proximus in Belgium/ 100%	AR5 IPCC	Official figures of travel agency, Defra	Limited

Scope 3 – Cat. 7					
Employee commuting Company cars are accounted for in scope 1. Homeworking has been removed following SBTi Net Zero guidelines.	High	Proximus Group 100%	AR5 IPCC	Bilan Carbone	Limited
Scope 3 – Cat. 9					
Outbound transportation from the warehouse to customers and shops	Low	Proximus in Belgium/ 100%		Supplier-level emission factors, otherwise integrated in Scope 3 Cat. 1	Limited
Scope 3 – Cat. 11					
Energy consumption of customers' Proximus devices (sold mobile phones)	High	Proximus Group/ 100%	AR5 IPCC	Bilan Carbone, IEA	Limited
Scope 3 – Cat. 12					
End-of-life treatment of mobile phones	Low	Proximus Group/ 100%	AR5 IPCC	Bilan Carbone	Limited
Scope 3 – Cat. 13					
Energy consumption of customers' Proximus devices (leased modems, TV decoders, ONTs, and Wi-Fi boosters)	Medium	Proximus in Belgium/ 98%	AR5 IPCC	Bilan Carbone, IEA	Limited
Scope 3 – Cat. 15					
Activities from Joint Ventures Mwingz, Fiberklaar and Unifiber	N.A.	Proximus in Belgium/ 100%	AR5 IPCC	N.A.	Limited
Scope 3 – Cat. 8, 10, 14					
N.A.	N.A.	N.A.	AR5 IPCC	N.A.	N.A.

E3: Avoidance of Carbon Emissions through our products & services

E3	Carbon Abatement	Unit	2019	2020	2021	2022	2023	✔*
	Total	**KTon CO_2e**	**/**	**465.19**	**501.9**	**741.4**	**769.6**	
	Broadband enabled homeworking	KTon CO_2e	/	372.5	382.2	612.2	629.0	
	Dematerialisation & device leasing	KTon CO_2e	/	41.2	63.2	66.5	69.1	
E3.1	Online conferencing & collaboration	KTon CO_2e	/	32.9	36.6	34.4	39.7	
	Cloud & IP communication	KTon CO_2e	/	1.3	1.5	1.6	1.8	
	Proximus & public cloud	KTon CO_2e	/	3.9	4.0	1.6	1.8	
E3.2	Vehicle & traffic management	KTon CO_2e	/	7.4	8.7	9.1	7.5	
E3.3	Smart building & metering	KTon CO_2e	/	5.9	5.7	16.1	20.7	

* In scope for limited assurance 2023

Definitions

- **Carbon avoidance:** We chose to calculate the avoided emissions we can account for based on our products and solutions direct margin. The following elements have been considered in the calculation:
  - The volume of products and solutions sold;
  - The contribution of the solution or product to carbon avoidance;
  - The direct margin on the products or solutions (used to estimate Proximus' contribution to the avoidance).
- **Dematerialization:** suppressing the use of physical material by, for example,offering a digital alternative.
- **IP:** The Internet Protocol is a family of computer network communication protocols designed for use on the Internet.
- **Smart building & metering:** The IoT (Internet of Things) solution embody intelligence in buildings to consume energy and space more efficiently. IoT solutions will also help to monitor how rooms are used and to adjust their function whenever possible.

Notes

- E3.1: Online Conferencing increase is driven by a higher number of teleconferencing systems provided to our customers in 2023 vs. 2022.
- E3.2: Vehicle & traffic decrease is linked to a calculation methodology change (shorter yearly distance considered for heavy goods vehicles).
- E3.3: Emission avoidance increase associated to the Smart building & metering solution is mainly driven by the large-scale deployment of smart electricity and gas meters in Belgium.

E4: Circularity

E4	Circularity	Unit	2019	2020	2021	2022	2023	✔*
E4.1	**Total waste - Belgium**	**KTons**	**13.6**	**10.78**	**8.70**	**6.97**	**5.39**	✔
	% of hazardous waste - Belgium	%	8.7%	5.4%	3.5%	2.7%	4.1%	✔
E4.2	% waste reused/recycled - Belgium	%	87%	88%	89%	87%	84%	✔
E4.1	Non-hazardous waste - recycled or reused - Belgium	KTons	10.60	8.82	7.45	5.86	4.30	✔
E4.3	Recycled copper cables - Belgium	KTons	/	/	0.86	0.63	0.59	✔
	Non-hazardous waste - with energy recovery - Belgium	KTons	1.80	1.32	0.95	0.92	0.86	✔
E4.2	Hazardous waste - recycled or recovered - Belgium	KTons	1.20	0.57	0.30	0.19	0.22	✔
E4.4	**Paper consumption - Belgium**	**KTons**	**0.65**	**0.59**	**0.38**	**0.29**	**0.34**	
E4.5	**Water consumption - Belgium**	**'000L**	**109,392**	**87,551**	**77,823**	**62,919**	**78,812**	
	Total collected mobile phones & refurbished fix devices - Belgium and Proximus Luxembourg	**Number**	**/**	**/**	**907,194**	**776,914**	**927,434**	✔
E4.6	Total mobile phones collected - Belgium and Proximus Luxembourg	Number	31,475	72,764	80,406	121,042	128,002	✔
	Mobile phones collected in Proximus SA and Proximus Luxembourg for reuse and recycling	Number	19,255	64,941	70,830	103,435	109,279	✔
	Mobiles phones collected in schools with GoodPlanet Belgium for reuse and recycling	Number	12,220	7,823	9,576	17,607	18,723	✔
	Number of refurbished computers offered to schools as reward for mobile phone recycling - Belgium	Number	189	239	432	349	351	
E4.7	Total refurbished fix devices - Belgium	Number	336,000	409,476	826,788	655,872	799,432	✔
	Number of refurbished Internet Boxes - Belgium	Number	140,000	164,340	178,520	143,970	177,759	✔
	Number of refurbished Internet Boxes/number of new installed Internet Boxes - Belgium	%	26%	32%	28%	25%	31%	
	Number of refurbished TV Boxes - Belgium	Number	196,000	245,136	314,407	244,990	211,987	✔
	Number of refurbished TV Boxes/number of new installed TV Boxes - Belgium	%	39%	41%	51%	38%	53%	
	Number of refurbished remotes - Belgium	Number	/	/	8,348	31,789	17,120	✔
	Number of refurbished PSU's - Belgium	Number	/	/	231,357	173,385	329,139	✔
	Number of refurbished Wi-Fi boosters - Belgium	Number	/	/	78,400	46,460	39,775	✔
	Number of refurbished PABX - Belgium	Number	/	/	9,250	5,929	3,966	✔
	Number of refurbished network equipment - Belgium	Number	/	/	6,506	6,363	8,501	✔
	Number of refurbished ONT's - Belgium	Number	/	/	/	2,986	11,185	✔

* In scope for limited assurance 2023

Definitions

- **Waste calculation:** Monthly bills and certificates of waste processors are combined into a single annual report, which is then updated with additional information received from the waste processors. The weights of the subscriptions and the individually measured weights of the waste collections. Distinction between hazardous and non-hazardous waste. Processing methods such as composting, recycling, reprocessing, reuse or residual waste with energy recover.
- **Recycled copper cables:** Most copper cables come from our network operations. These are combined with other cables that are recuperated in our operations.
- **Water consumption:** Water consumption is measured based on periodic bills.
- **PSUs:** Power supply units are the power cables of the devices we recover.
- **PABX:** Private automatic branch exchange is a private telephone switchboard. This is a telephone switchboard used privately by a company.
- **ONT:** The Optical Network Terminal is a device that converts the optical signal coming through the fiber into separate signals for TV, voice and data.

Notes

- **E4.1**: A general reduction of waste is observed, with the highest contribution coming from the reduction of waste associated with excavation works (soil and rubble). This is the consequence of a reduced number of interventions on the copper network and an increase in outsourcing these works via strategic partnerships.
- **E4.2**: 97% of the hazardous waste is related to batteries. In 2023 there was a reduction of general waste quantities, whilst the quantities of hazardous waste slightly went up, resulting in a higher % of hazardous waste.
- **E4.3**: The copper cable numbers consist of 508 tons collected by our network department and 82 tons from other sources.
- **E4.4**: The increase in paper consumption is mainly driven by higher levels of occupancy at the offices.
- **E4.5**: The increase in water consumption is mainly driven by higher levels of occupancy at the offices.
- **E4.6**: The mobile phones collected consist of 125,724 devices by Proximus SA and 2,278 devices by Proximus Luxembourg.
- **E4.7**: Since this year, this KPI consist only of fix devices: as of this year, we don't include refurbished mobile phones anymore in this calculation. We have corrected the numbers of the previous years accordingly. This year, the focus was put on refurbishment of Internet Boxes and PSUs, which resulted in much higher volumes. That means some less focus was put on other categories, which explains the decreased volumes. Network equipment will vary year over year, as the inflow is hard to predict. ONTs were started up in October 2022, so this first full year gives a higher result compared to last year.

E5: Supply Chain

E5	Supply Chain	Unit	2019	2020	2021	2022	2023	✔*
E5.1	% of total spend at suppliers with an EcoVadis sustainability scorecards - Proximus SA	%	32%	55%	56%	68%	47%	✔
E5.2	Number of total on-site audit operations in collaboration with JAC since its inception	Number	661	741	812	910	1060	
	Number of annual on-site audit operations in collaboration with JAC	Number	84	80	71	98	150	✔
	% of total spend at Proximus suppliers submitted to on-site audit operations in collaboration with JAC - Proximus SA	%	/	/	/	/	19%	✔
	% of emissions represented by suppliers with 1,5°C science-aligned emission reduction targets - Proximus SA	%	/	/	16%	18%	29%	
E5.3	% of total spend at targeted suppliers with a completed Climate Maturity Assessment - Proximus SA	%	/	/	/	/	76%	
E5.3	% of total spend at targeted suppliers with Climate clauses within their contracts - Proximus SA	%	/	/	/	/	13%	
	% of buyers who have received training on sustainable procurement practices - Proximus SA	%	/	/	100%	100%	100%	

* In scope for limited assurance 2023

Definitions

- **JAC:** The Joint Alliance for CSR (JAC) is a non-profit association of 27 global telecom operators. The association aims to verify, develop, and assess the Corporate Social Responsibility (CSR) implementation across the manufacturing centers in the supply chain of suppliers in the Information Communication Technology (ICT) industry.
- **Ecovadis:** Ecovadis is an established, commercial platform for organizations to assess and distribute ESG (Environmental Social Government) evaluations. We consider those suppliers that have a valid scorecard on the EcoVadis platform, publicly share this scorecard, and when the scorecard does not date back further than 3 years.
- **1.5°C Science-aligned emission reduction targets** are targets that are either Science Based Target initiative validated targets aligned with 1.5°C climate science or publicly disclosed targets that are aligned with the SBTi technical criteria without being validated by the SBTi itself.
- **Climate Maturity Assessment:** The climate maturity assessment is an assessment methodology designed by Proximus NV that scores a supplier on its performance related to carbon accounting, carbon reduction targets and its renewable energy roadmap. This assessment results in a climate maturity level used by Proximus to engage a supplier based on its current performance.
- **Climate Clauses:** The climate clauses are custom clauses designed by Proximus NV requiring a formal commitment to taking action in establishing carbon accounting, carbon reduction targets and a renewable energy roadmap on a specified timeline.

Notes

- E5.1: The large year-over-year decrease in the percentage of spend at suppliers with a valid EcoVadis scorecard stems from a change in the definition of the metric. Proximus has become more stringent and also accepts EcoVadis scorecards as valid given the last available scorecard does not date back further than 3 years and it exceeds a minimum score of 45 out of 100. This resulted in a lower number of valid scorecards. A retro-active re-baselining of previous years' numbers was not possible.
- E5.2: The large year-over-year increase in number of on-site audit operations stems from a post-covid surge of audits executed. The large number of audits compared to pre-covid times stems for an increase in the number of members in the Joint Alliance for CSR (JAC).
- E5.3: With the operational launch of our Supplier Engagement Program we have for the first time sent out and followed up on a Proximus-launched Climate Maturity Assessment. Based on the Maturity Level resulting from that assessment we have started the amendment of Climate Clauses to lower-maturity suppliers' contracts.

E6: Environmental management system

Proximus' environmental management system is made up of different components. There are different parties involved and the system has a variety of tools and resources.

Stakeholders

- The Sustainability department, with a strong focus on environmental issues, circularity and climate change
- The Corporate Prevention & Protection department, including the Environmental department
- The Internal Audit department reports to the Board of Directors and carries out audits on all kinds of environmental aspects at the request of the Environment or Sustainability departments, the Board of Directors, or the Proximus Leadership Squad.
- Government-accredited independent external organizations, which audit our waste policy and procedures (packaging, WEEE, batteries).

Resources and activities

- Procedures, guidelines, plans and campaigns related to environmental issues (e.g. surveys and info sessions for employees to improve our mobility policy)
- New packaging waste prevention plan 2022-2025, approved by the Interregional Packaging Commission and awareness campaigns on waste recycling
- Anti-pollution plan in the event of severe air pollution in the Brussels Region
- Environmental policy updated
- Field visits concerning environmental issues such as hazardous products, waste and control of permit
- Communication channels: intranet news, toolboxes, internal reporting to the Proximus Leadership Squad
- Integrated management system, ISO9001 certificate and ISO14001 certificate for our Data center in Machelen and the activities of Telindus Netherlands
- Environmental and sustainability clauses in purchasing procedures
- Regional permits for 5G roll-out in Flanders, Brussels and Wallonia.
- Noise studies and control measurements to ensure compliance with noise standards and limit disturbance for neighbors
- Soil survey for high-risk installations
- E-learning module on the impact of mobile and wireless telephony on the health of employees
- Creation and communication towards concerned employees of a toolbox concerning PFAS matters and good sorting of waste in different waste streams (PMC, WEEE, residual waste ...).

EU Taxonomy

Introduction to EU Taxonomy

The EU Taxonomy is a classification system which establishes a list of that qualify as environmentally sustainable and that feeds into the Action Plan on Financing Sustainable Growth supporting the European Green Deal. By providing a common language for sustainable activities, the EU Taxonomy is meant to drive financial flows towards the transition to a low carbon, resilient and sustainable future society.

The ICT sector, defined as those industries that *intend to fulfil or enable the function of information processing and communication by electronic means* is partially covered in the Taxonomy Regulation because of the ICT industry's relative size in the economy and particularly the role data centers play given their significant energy consumption.

Being a critical player in enabling climate change mitigation, Proximus is ahead of the curve with regards to sustainable investments, notably with its fiber and 5G networks. Nevertheless, the current Taxonomy's narrow scope, which excludes the core activities of the telecom industry, doesn't allow us to highlight our most sustainable activities (more information in: 'Act for an inclusive society and be sustainable in everything we do').

Outcome of Taxonomy eligibility & alignment

Overall, and in line with its peers, Proximus has limited eligibility as the Taxonomy crucially leaves out telecom networks from the targeted activities. Amongst these eligible activities, most are not aligned with the Taxonomy as Proximus does not meet some of the Technical Screening Criteria defined at this stage.

EU Taxonomy KPIs	Total 2023 (€ M)*	Eligible (%)**	Aligned (%)***
Turnover	€ 6,042	0%	0%
CapEx	€ 1,325	0%	0%
OpEx	€ 2,091	0%	0%

* More information in: 'Consolidated financial statements', p. 160.
** Considering all six environmental objectives.
*** Considering climate change mitigation and climate change adaptation.

Given the lack of turnover, CapEx and OpEx linked to eligible activities within Proximus' overall business, the outcome of our EU Taxonomy alignment exercise shows that our eligibility and alignment are **immaterial for Proximus in 2023**. Nevertheless, Proximus is committed to continue progressing towards our sustainability ambitions through numerous initiatives such as the roll-out of energy-efficient and futureproof telecom networks which in turn will allow our customers to realize energy efficiency gains for their own activities.

Detailed assessment of relevant activities

Compared to its Annual Report 2022, Proximus has performed an updated assessment of the FY2022 exercise, including all six environmental objectives of the Taxonomy for FY2023.

Through this exercise, seven activities as defined in the EU Taxonomy have been identified as potentially eligible. The activities have been mapped based on the detailed descriptions in the regulation.

Out of the previously mentioned activities, **EV charging stations** and the smart building & metering **IoT services** have been assessed as eligible.

Taxonomy activity	Proximus Activity	Climate Change Mitigation	Climate Change Adaptation	Water and marine resources	Circular economy	Pollution prevention	Bio-diversity
6.15 Infrastructure enabling road transport and public transport	EV Charging Stations	✔	✔				
8.1 Data processing, hosting and related activities	Data Centres	✔	✔				
8.2 Data-driven solutions for GHG emissions reductions	IoT Activities	✔					
8.2 Computer programming, consultancy and related activities	ICT Consulting		✔				
8.3 Programming and broadcasting activities	Proximus Media House		✔				
1.2 Manufacture of electrical and electronic equipment	Internet Box, TV Box, etc.				✔		
5.1 Repair, refurbishment and remanufacturing	Refurbished devices				✔		

Detailed assumptions for retained eligible activities:

- Activity 6.15 focuses on infrastructure that will enable zero emissions road transport which is fully in line with Proximus' **EV charging stations activities**. Although the development of EV charging stations is currently a pilot project, this activity is part of Proximus' strategic ambition which is expected to grow in the coming years.
- Activity 8.2 focuses on solutions that are predominantly aimed at the provision of data and analytics enabling GHG emission reductions which is the case of Proximus' **smart building & metering** activities. Similarly, to EV charging stations, these activities are still relatively small but are also part of Proximus' strategic ambition and are expected to grow in the coming years.

These eligible activities represent very small amounts of turnover, CapEx and OpEx, thus resulting in 0% eligibility after rounding off. We cannot refer to the financial statements for the eligible activities, as we do not have that level of granularity available in the financial statements.

Data center activities, ICT consulting services, Proximus Media House, manufacture of electrical and electronic equipment and repair, refurbishment and related activities, have not been assessed as eligible for Proximus because of the following interpretations of the EU Taxonomy Regulation:

- Eligible activities are only those for which Proximus has direct ownership of: a lot of the above-mentioned activities are outsourced via strategic partnerships.
- Eligible activities should be directly aimed at adapting society to a changing climate (for activities falling under the "Climate Change Adaptation" environmental objective), at leakage reduction (for activities falling under the "Sustainable Use of Water and Marine Resources" environmental objective) or at transitioning towards a circular economy (for activities falling under the "Circular Economy" environmental objective). For those specific activities, our impact is assessed as crucial yet indirect, as a key communication enabler for the specific solutions.

Proximus' core business, the development and management of telecommunication networks, is excluded from the current Taxonomy Regulation's scope[1].

The eligible activities have then been assessed against the Technical Screening Criteria (Substantial Contribution, Do No Significant Harm (DNSH) to the other objectives and Minimum Safeguards) and they are considered as not aligned:

1 Paragraph 159 of "Commission Notice on the interpretation and implementation of certain legal provisions of the EU Taxonomy Climate Delegated Act establishing technical screening criteria for economic activities that contribute substantially to climate change mitigation or climate change adaptation and do no significant harm to other environmental objective" https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:C_202300267

- Still a pilot, EV Charging stations activity cannot yet be fully assessed.
- As for the IoT activities, no full life-cycle GHG emission analysis is formally completed for the moment.
- Finally, Proximus as a Group is partially aligned with the minimum safeguards as the criteria on human rights and corruption, bribe solicitation and extortion are met. Yet a few publications efforts need to be addressed for Proximus to be fully aligned with the other minimum safeguards conditions.

Looking forward

Sustainable change is one of the key pillars at Proximus. We are undertaking strong actions to support the transition towards a sustainable society. Proximus will be able to showcase its sustainability credentials and engagement in a broader sense as part of the upcoming Corporate Sustainability Reporting Directive (CSRD), that will require large companies to report on their environmental and social impacts from FY 2024 onwards.

Regardless of the limited eligibility for the of Proximus under the EU Taxonomy Regulation and the absence of its core activities within the framework, we believe that the telecom industry and its network infrastructure is a critical enabler for climate mitigation solutions, both for our customers and for society.

Nuclear energy related activities

The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	**NO**
The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	**NO**
The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	**NO**

Fossil gas related activities

The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	**NO**
The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	**NO**
The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	**NO**

Proportion of turnover from products or services associated with Taxonomy-aligned - disclosure covering year 2023

Financial year 2023		Year		Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')(h)								
Economic Activities (1)	Code (a) (2)	Turnover (3)	Proportion of Turnover, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Text		Currency	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**€ 0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**N**	**N**	**N**	**N**	**N**	**N**	**N**	**0%**		
Of which Enabling		€ 0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%	E	
Of which Transitional		€ 0	0%	0%						N	N	N	N	N	N	N	0%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
6.15 Infrastructure enabling road transport and public transport	CCM 6.15	€ 0	0%	EL	EL			EL									0%		
8.2 Data-driven solutions for GHG emissions reductions	CCM 8.2	€ 0	0%	EL	EL			EL									0%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		€ 0	0%	0%	0%	0%	0%	0%	0%								0%		
A. Turnover of Taxonomy eligible activities *(A.1+A.2)*		€ 0	0%	0%	0%	0%	0%	0%	0%										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		€ 6,042 M	100%																
TOTAL*			**100%**																

* While we refer to the financial statement for the total amounts (see 'Consolidated financial statements', p. 160), we cannot refer to the financial statements for the eligible activities, as we do not have that level of granularity available in the financial statements.

Proportion of CapEx from products or services associated with Taxonomy-aligned - disclosure covering year 2023

Financial year 2023		Year		Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')(h)								
Economic Activities (1)	Code (a) (2)	CapEx (3)	Proportion of CapEx, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Text		Currency	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**€ 0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**N**	**N**	**N**	**N**	**N**	**N**	**N**	**0%**		
Of which Enabling		€ 0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%	E	
Of which Transitional		€ 0	0%	0%						N	N	N	N	N	N	N	0%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
6.15 Infrastructure enabling road transport and public transport	CCM 6.15	€ 0	0%	EL	EL			EL									0%		
8.2 Data-driven solutions for GHG emissions reductions	CCM 8.2	€ 0	0%	EL	EL			EL									0%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		€ 0	0%	0%	0%	0%	0%	0%	0%								0%		
A. CapEx of Taxonomy eligible activities *(A.1+A.2)*		€ 0	0%	0%	0%	0%	0%	0%	0%										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		€ 1,325 M	100%																
TOTAL*			**100%**																

* While we refer to the financial statement for the total amounts (see 'Consolidated financial statements', p. 160), we cannot refer to the financial statements for the eligible activities, as we do not have that level of granularity available in the financial statements.

Proportion of OpEx from products or services associated with Taxonomy-aligned - disclosure covering year 2023

Financial year 2023		Year		Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')(h)								
Economic Activities (1)	Code (a) (2)	OpEx (3)	Proportion of OpEx, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Text		Currency	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**€ 0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**N**	**N**	**N**	**N**	**N**	**N**	**N**	**0%**		
Of which Enabling		€ 0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%	E	
Of which Transitional		€ 0	0%	0%						N	N	N	N	N	N	N	0%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
6.15 Infrastructure enabling road transport and public transport	CCM 6.15	€ 0	0%	EL	EL			EL									0%		
8.2 Data-driven solutions for GHG emissions reductions	CCM 8.2	€ 0	0%	EL	EL			EL									0%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		€ 0	0%	0%	0%	0%	0%	0%	0%								0%		
A. OpEx of Taxonomy eligible activities *(A.1+A.2)*		€ 0	0%	0%	0%	0%	0%	0%	0%										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		€ 2,091 M	100%																
TOTAL*			**100%**																

* While we refer to the financial statement for the total amounts (see 'Consolidated financial statements', p. 160), we cannot refer to the financial statements for the eligible activities, as we do not have that level of granularity available in the financial statements.

Table of Task Force on Climate-Related Financial Disclosures (TCFD)

As climate change stays highly important, in 2023, we continued the implementation of the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), an international framework to financially assess climate risk and opportunities. Proximus is an official supporter of the TCFD recommendations.

Governance

Disclose the company's governance around climate-related risks and opportunities.

Recommendations	References
a Describe the Board's oversight of climate-related risks and opportunities.	• Corporate governance statement, p. 92 • Sustainability governance, p. 98 • Risk management report, p. 300 • Risk Management & Compliance Committee, p. 311 • CDP Climate Change responses 2023: C1.1a, C1.1b, C1.2
b Describe management's role in assessing and managing climate-related risks and opportunities.	• Sustainability governance, p. 98 • Remuneration report: short-term and long-term variable remuneration, p. 122 • Environmental management system, p. 67 • CDP Climate Change responses 2023: C1.2

Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the company's businesses, strategy, and financial planning where such information is material.

Recommendations	References
a Describe the climate-related risks and opportunities the company has identified over the short, medium, and long term.	• Applying high ethical standards, p. 112 • Environmental risk and climate change, p. 306 • Sourcing & supply chain, p. 311 • CDP Climate Change responses 2023: C2.1a, C2.3, C2.3a, C2.4, C2.4a
b Describe the impact of climate-related risks and opportunities on the company's businesses, strategy, and financial planning.	• Contributing to the UN Sustainable Development Goals, p. 12 • Act for an inclusive society and be sustainable in everything we do, p. 45 • Addressing stakeholder priorities, p. 15 • EU taxonomy, p. 68 • CDP Climate Change responses 2023 : C3.1, C3.3, C3.4
c Describe the resilience of the company's strategy, taking into consideration different climate-related scenarios.	• Environmental risk and climate change, p. 306 • Operational risk, p. 309 • CDP Climate Change responses 2023: C2.3a, C2.4a, C3.1, C3.2, C3.2a, C3.2b

Risk Management

Disclose how the company identifies, assesses, and manages climate-related risks.

Recommendations	References
a Describe the company's processes for identifying and assessing climate-related risks.	• Risk management report, p. 300 • Environmental risk and climate change, p. 306 • CDP Climate Change responses 2023: C2.2, C2.2a, C3.1, C3.2
b Describe the company's processes for managing climate-related risks.	• Act for an inclusive society and be sustainable in everything we do, p. 45 • Risk management report, p. 300 • CDP Climate Change responses 2023: C2.2, C2.2a, C3.1, C3.2
c Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the company's overall risk management.	• Risk management report, p. 300 • CDP Climate Change responses 2023: C2.2

Metrics and targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Recommendations	References
a Disclose the metrics used by the company to assess climate-related risks and opportunities.	• Act for an inclusive society and be sustainable in everything we do, including a status on our net zero and truly circular ambitions, p. 45 • Environmental statements, p. 55 • CDP Climate Change responses 2023: C4.1a, C4.1b, C9.1
b Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	• Status on our net zero and truly circular ambitions, p. 45 • Emissions, p. 58 • Abatement of carbon emissions through our products & services, p. 62 • CDP Climate Change responses 2023: C6.1, C6.3, C6.5, C6.5a
c Describe the targets used by the company to manage climate-related risks and opportunities and performance against targets.	• Environmental statements, p. 55 • CDP Climate Change responses 2023: C4.1, C4.1a, C4.1b, C4.2a, C4.2c, C4.3a, C4.3c, C4.5a

Social







Social statements

General note to the social statements

The social statements describe the key indicators, scoping, boundaries, calculation methodologies and reporting standards for all social domains.

The indicators marked with a tick mark are subject to a limited external assurance audit by Deloitte.

Scope of the social statements

The scope of these statements is limited to the activity of Proximus SA, unless stated otherwise. It does not include activities linked to our Belgian affiliates. The numbers are expressed in FTE unless stated otherwise. Full-year data are reported.

S1: Workforce

S1	Workforce	Unit	2019	2020	2021	2022	2023	✔*
	Total number of employees (FTE) for the Proximus Group	**Number**	**12,931**	**11,423**	**11,532**	**11,634**	**11,654**	
	BICS	Number	467	468	450	503	514	
	Telesign	Number	322	425	504	704	782	
	Proximus Group excl.BICS and TeleSign	Number	12,143	10,530	10,577	10,427	10,358	
	Total number of employees and workers (FTE)	**Number**	**10,556.2**	**8,824.0**	**8,796.2**	**8,615.70**	**8,484.50**	
	Employees	Number	9,651.6	8,180.3	8,796.2	8,615.70	8,484.50	
	Workers	Number	904.6	643.7	0.0	0.0	0.0	
	Total number of employees (FTE) by gender	**Number**	**10,556.2**	**8,824.0**	**8,796.2**	**8,615.7**	**8,484.5**	
	Female	Number	3,232.7	2,629.5	2,633.5	2,627.6	2,581.6	
	Male	Number	7,323.5	6,194.5	6,162.7	5,988.1	5,902.9	
	Total number of employees (FTE) per level	**Number**	**10,556.2**	**8,824.0**	**8,796.2**	**8,615.7**	**8,484.5**	
	Top management	Number	153.5	164.0	167.0	166.0	156.5	
	Female	Number	35.5	39.0	37.0	37.0	37.0	
	Male	Number	118.0	125.0	130.0	129.0	119.5	
	Senior management	Number	914.8	899.4	953.0	1,059.4	1,074.9	
	Female	Number	234.0	239.4	268.6	313.5	316.8	
	Male	Number	680.8	660.0	684.4	745.9	758.1	
	Middle management	Number	2,171.7	2,060.9	2,155.2	2,109.6	2,094.9	
	Female	Number	577.2	571.1	614.9	615.7	620.4	
	Male	Number	1,594.5	1,489.8	1,540.3	1,493.9	1,474.5	
	Lower management	Number	605.7	539.2	524.5	520.4	489.8	
	Female	Number	235.2	209.2	199.2	207.8	191.5	
	Male	Number	370.5	330.0	325.3	312.6	298.3	
	Sales	Number	1,516.6	1,123.1	1,087.8	1,049.1	1,077	
	Female	Number	643.0	435.0	403.9	377.6	381.2	
	Male	Number	873.6	688.1	683.9	671.5	695.8	
	Employees	Number	5,194.0	4,037.5	3,908.7	3,711.2	3,591.35	
	Female	Number	1,507.8	1,135.9	1,109.9	1,076.0	1,034.65	
	Male	Number	3,686.1	2,901.6	2,798.8	2,635.2	2,556.7	
S1.1	**Total number of employees (FTE) by employment contract. by gender and by region**	**Number**	**10,556.2**	**8,824.0**	**8,796.2**	**8,615.7**	**8,484.5**	
	Defined duration	Number	164.8	131.8	99.0	118.0	131.0	
	Female	Number	58.8	65.8	33.0	43.0	52.0	
	Male	Number	106.0	66.0	66.0	75.0	79.0	
	Brussels	Number	37.8	28.8	27.0	26.0	21.0	
	Flanders	Number	68.0	77.0	42.0	56.0	86.0	
	Wallonia	Number	59.0	26.0	30.0	36.0	24.0	
	Replacement contract	Number	0.0	0.0	1.0	2.0	1.0	
	Female	Number	0.0	0.0	0.0	1.0	0.0	
	Male	Number	0.0	0.0	1.0	1.0	1.0	
	Brussels	Number	0.0	0.0	0.0	0.0	0.0	
	Flanders	Number	0.0	0.0	0.0	1.0	0.0	
	Wallonia	Number	0.0	0.0	1.0	1.0	1.0	
	Statutory	Number	2,768.8	1,879.1	1,737.6	1,544.8	1,401.5	
	Female	Number	512.6	336.6	318.3	290.6	265.4	
	Male	Number	2,256.6	1,542.5	1,419.3	1,254.2	1,136.1	

Brussels	Number	1,226.1	955.3	897.1	843.3	788.2
Flanders	Number	779.3	424.5	384.2	316.1	279.6
Wallonia	Number	763.4	499.3	456.3	385.4	333.7
Undefined duration	Number	7,622.6	6,813.1	6,958.6	6,950.9	6,947.0
Female	Number	2,661.5	2,227.1	2,282.2	2,293.0	2,263.2
Male	Number	4,961.1	4,586.0	4,676.4	4,657.9	4,683.8
Brussels	Number	4,956.8	4,551.2	4,645.2	4,674.0	4,661.4
Flanders	Number	1,312.1	1,127.4	1,180.0	1,150.1	1,149.7
Wallonia	Number	1,353.7	1,134.6	1,133.4	1,126.8	1,135.8
Total number of employees (FTE) by language	**Number**	**10,556.2**	**8,824.0**	**8,796.2**	**8,615.7**	**8,484.5**
Dutch	Number	5,625.4	4,717.5	4,700.3	4,593.2	4,543.1
French	Number	4,900.4	4,088.7	4,078.6	4,006.9	3,926
German	Number	30.4	17.8	17.3	15.5	15.3
Total number of employees (FTE) by age group	**Number**	**10,556.2**	**8,824.0**	**8,796.2**	**8,615.7**	**8,484.5**
Under 30	Number	861.3	838.9	758.2	695.1	689.4
30-50	Number	5,917.9	5,038.4	4,869	4,683.20	4,084.5
Over 50	Number	3,777.1	2,946.8	3,169	3,237.30	3,710.6
Total number of employees (FTE) by employment type. by gender	**Number**	**10,556.2**	**8,824.0**	**8,796.2**	**8,615.70**	**8,484.5**
Full time	Number	9,125.9	8,093.7	8,063.9	7,894.00	7,728.8
Female	Number	2,499.6	2,202.3	2,224.7	2,234.30	2,186
Male	Number	6,626.3	5,891.4	5,839.2	5,659.70	5,542.8
Brussels	Number	5,623.3	5,224.4	5,245.5	5,203.60	5,105.4
Flanders	Number	1,701.1	1,423.3	1,413.8	1,343.10	1,334.6
Wallonia	Number	1,801.5	1,446.0	1,404.6	1,347.30	1,288.8
Part time	Number	1,430.3	730.3	732.3	721.7	755.7
Female	Number	733.1	427.2	408.8	393.3	395.6
Male	Number	697.2	303.1	323.5	328.4	360.1
Brussels	Number	597.4	310.9	323.8	339.7	368.2
Flanders	Number	458.3	205.6	192.4	180.1	181.7
Wallonia	Number	374.6	213.9	216.1	201.9	205.7
Percentage of total employees covered by collective bargaining agreements	**%**	**98.5%**	**98.1%**	**98.1%**	**98.1%**	**98.1%**

* In scope for limited assurance 2023

Definitions

- **Workforce:** number of active employees on Proximus SA payroll at the end of the period. Those numbers include part-time and defined duration/replacement contract employees, but exclude employees with a dormant contract, a long-term illness, students and sub-contractors.
- **Proximus Group:** Proximus SA and its subsidiaries that constitute Proximus Group.
- **Employees:** any member of staff not belonging to the "statutory employee" category.
- **Statutory employee:** any employee who is permanently appointed to a grade by the appointing authority of Proximus.
- **Full-time equivalent:** the FTE of an employee is calculated by dividing the actual working hours of this employee by the total working hours of a full-time employee at the end of the reporting period.
- **Collective bargaining agreements:** the Collective Agreement (CA) refers to an agreement between Proximus and its social partners (the three Representative Union Organizations). A CA consists of various topics, divided into four main pillars for the active employees: generic, well-being, employment (working conditions) and quantitative (compensation & benefits). The measures applicable to the non-active population are classified into a fifth main pillar. Some measures are strictly limited to the duration of the CA period, while some cover a longer period and others have a recurring effect. Negotiations about a CA are driven by a list of requirements drafted by the representative unions. All employees are covered by the collective bargaining agreements except the executive and the senior management. Proximus' collective bargaining agreements cover systematically two years: 2017-2018, 2019-2020, 2021-2022 and 2023-2024.

Notes

- S1.1: the increase of the number of employees having a defined duration contract is mainly due to a recruitment campaign in Sales.
- The number of statutory employees (FTEs) is decreasing each year because in 1996 Proximus stopped recruiting people with a statutory contract. Since the statutory members belong to the older age groups and naturally evolving towards retirement.

S2: Well-being, satisfaction and retention

S2	Well-being, satisfaction and retention	Unit	2019	2020	2021	2022	2023	✔*
S2.1	**Results from employee engagement survey**	**Average score**	**56%**	**71.5%**	**70%**	**71%**	**77%**	
	% total workforce who received reviews							
S2.2	**Total number and rate of employee turnover (FTE) during the reporting period, by gender and age group**	**% (Number)**	**7.6% (807)**	**24.7% (2,179.7)**	**4.4% (388.7)**	**5.9% (506.2)**	**5.1% (432.6)**	
	Female	% (Number)	6.5% (208.5)	30.5% (803.3)	3.8% (100.7)	4.4% (116.5)	4.5% (116.5)	
	Male	% (Number)	8.2% (598.5)	22.2% (1,376.4)	4.7% (288)	6.5% (389.7)	5.4% (316.1)	
	Under 30	% (Number)	14.8% (128.1)	20.1% (168.9)	13.4% (101.6)	14.7% (102.0)	16.8% (115.6)	
	30-50	% (Number)	3.2% (189.1)	16.1% (810.7)	2.8% (135.6)	4.2% (194.5)	3.8% (156.3)	
	Over 50	% (Number)	13% (489.8)	40.7% (1,200)	4.8 % (151.5)	6.5% (209.7)	4.3% (160.7)	
	Total number and rate of new employee hires (FTE) during the reporting period, by gender and age group	**% (Number)**	**2.9% (308.8)**	**5.2% (458.9)**	**5.0% (442.5)**	**5.3% (455.3)**	**5% (424.3)**	
	Female	% (Number)	3.1% (101.8)	6.2% (161.9)	5.5% (146.0)	5.7% (150.5)	4.8% (123.8)	
	Male	% (Number)	2.8% (207.0)	4.8% (297.0)	4.8% (296.5)	5.1% (304.8)	5.1% (300.5)	
	Under 30	% (Number)	18.8% (162.00)	32.9% (276.0)	28.1% (213.0)	29.2% (202.8)	36.7% (253)	
	30-50	% (Number)	2.3% (133.5)	3.5% (175.9)	4.5% (217.5)	4.9% (228.5)	3.8% (156)	
	Over 50	% (Number)	0.4% (13.3)	0.2% (7.0)	0.4% (12.0)	0.7% (24.0)	0.4% (15.3)	
S2.3	**Total number of employees that returned to work in the reporting period after parental leave ended, by gender**	**Number**	**340**	**537**	**231**	**276**	**277**	
	Female	Number	181	261	119	126	126	
	Male	Number	159	276	112	150	151	
S2.4	**Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender**	**Number**	**342**	**274**	**525**	**220**	**271**	
	Female	Number	180	136	259	112	124	
	Male	Number	162	138	266	108	147	
	Return to work and retention rates of employees that took parental leave, by gender	**%**						
	Return to work	%	95.2%	88.6%	96.7%	96.5%	91.1%	
	Female	%	95.8%	85.6%	96.0%	98.4%	96.9%	
	Male	%	94.6%	91.7%	97.4%	94.9%	91.9%	
	Retention rates	%	95.5%	76.8%	87.2%	92.1%	94.1%	
	Female	%	95.7%	72.0%	85.2%	90.3%	90.6%	
	Male	%	95.3%	82.1%	89.3%	93.9%	91.5%	
S2.5	**Work-life balance**	**%**						
	Working from home	%	N.A.	55.0%	76.0%	N.A.		
	Good physical and mental well-being	%	N.A.	55.0%	56.0%	78.0%	81.0%	
	Good work-life balance	%	69.0%	68.0%	73.0%	79.0%	82.0%	

S2.6	Gender pay quality assessment	%					
	Management	Fixed Remuneration in €	N.A.	N.A.	€ 146,617.7	€ 162,841.0	€ 171,908
	Male	%	N.A.	N.A.	100.1%	100.11%	100.17%
	Female	%	N.A.	N.A.	99.8%	99.61%	99.46%
	Employees	Fixed Remuneration in €	N.A.	N.A.	€ 55,765.3	€ 62,348	€ 63,495
	Male	%	N.A.	N.A.	101.4%	101.08%	101%
	Female	%	N.A.	N.A.	97.1%	97.72%	97.88%

* In scope for limited assurance 2023

Definitions

- **Turnover:** the number of employees (FTEs) who left the company during the reporting period. This number includes all kinds of leaves (voluntary or not, end of contract, pension). The rate is calculated by dividing the number of leavers (FTEs) during the reporting period by the number of employees (FTEs) at the end of the reporting period.
- **New hires:** number of employees (FTEs) hired during the reporting period. The rate is calculated by dividing the number of hired employees (FTEs) during the reporting period by the number of employees (FTEs) at the end of the reporting period. It is the number of new entries over the reporting period, divided by the total number of employees working in that category at the end of the reporting period. E.g.: (Number of new female hires within the reporting period/Number of women working at Proximus SA by end of the reporting period)*100.
- **Return to work rate: calculation:** Total number of employees that did return to work after parental leave/Total number of employees due to return to work after taking parental leave*100. Expressed in headcount, not in FTE.
- **Retention rate:** calculation: Total number of employees retained 12 months after returning to work following a period of parental leave/Total number of employees returning from parental leave in the prior reporting period(s)*100.
- **Working from home:** percentage of the total work duration performed from home.
- **Good physical and mental well-being.** We calculate the average score of all well-being questions in Speak Up. Speak Up is an internal employee engagement survey.
- **Good work-life balance** (the percentage of employees giving a "good" score in the Speak Up Survey): "I can manage my job responsibilities in a way that enables a healthy work-life balance" Scale of 1-5, Good= 4 or 5.
- **Gender pay:** is an analysis of the remuneration structure by level. This KPI is about percentage and fixed remuneration. Percentage (%): 100% is equal to the average Proximus wage by level (management or employees) with which the wages per gender are compared.
- **Fixed remuneration consists of a fixed salary** earned by the employee for the reported year. This remuneration is defined by the nature and the specificities of the function and by the level of individual skills and experience, considering market practices.

Notes

- S2.1: for the first time, the survey was sent to all colleagues in the 16 companies of the Proximus group in Belgium and internationally. Eight out of ten colleagues took part. We see a general increase for all business units on the complete engagement pillar vs. 2022.
- S2.2: 2020 was an exceptional year due to the transformation plan. Since 2021, we notice that the normal turnover figures for the years prior to 2020 are returning.
- S2.3: in 2023, 277 employees came back out of parental leave. All parental leaves in the year were taken into account, whether the person left at the end of the year or not.
- S2.4: in line with previous KPI
- S2.5: three days of homeworking are authorized per week for employees whose function allows it. Following the introduction of a new mobility management system, we are unable to calculate the percentage of homeworking days for 2023.
- The question on mental-physical well-being is no longer asked as such in our annual employee's survey, we now calculate the average score of all well-being questions. We look at well-being from a more holistic perspective, including having trusting relationships at work, receiving appreciation, feeling energized, having fun at work besides work-life balance & being supported to remain resilient. New items have been added to reflect this broader view and we see that our employees overall feel well at Proximus.
- S2.6: in 2023, female managers received 0.54% less than the average salary for their status, while female employees received 2.28% less than the average for their status. This difference is due to the fact that women working at Proximus work more part-time than full-time compared with their male colleagues. The difference is therefore not due to a different pay policy for men and women.

S3: Training and development

S3	Training and development	Unit	2019	2020	2021	2022	2023	✔*
S3.1	**Total number of internal moves (function changes) during the reporting period**	**Number**	**621**	**1,385**	**887**	**1,342**	**683**	
S3.2	**Average hours of training that the organization's employees (FTEs) have undertaken during the reporting period, by gender and employee category**	**Hours**	**39**	**39.5**	**41.3**	**42.3**	**53.4**	
	Female	Hours	30	34.5	30.8	36.3	53.5	
	Male	Hours	42	41.7	45.8	44.9	53.4	
	Executive	Hours	37	26.1	26.3	47.7	39.4	
	Senior management	Hours	38	32.3	30.3	42.4	51.7	
	Middle management	Hours	38	30.3	32.2	41.6	54.7	
	Lower management	Hours	41	30.8	30.7	40.8	51.3	
	Employees	Hours	39	46.5	50.6	42.6	53.8	
S3.3	**% total workforce who received trainings on diversity, discrimination & harassment**	**%**					**7.4%**	
S3.3	**% total workforce who received career/skills training**	**%**					**99.52%**	

* In scope for limited assurance 2023

Definitions

- **Internal moves:** all moves that were introduced via a selection procedure. The following moves are considered internal moves: lateral move, promotions, mobility Board lateral move, mobility Board promotion, mutation, demotion, securisation (change for a sale employee from fixed-term contract to a permanent contract) & securisation + promotion.
- **Training hours:** average hours of training that the organization's employees (FTEs) have undertaken during the reporting period.
- **% total workforce who received career/skills trainings:** the number of employees with at least 1 training (formal or informal) divided by the number of employees.

Notes

- S3.1: the method of calculating moves has been revised (see definition) and the figures have been recalculated since 2018.
- S3.2: the increase is a direct consequence of the rise in learning hours. This is due to the introduction of a KPI, which encouraged the business, the team leaders and the learning partners to focus much more than previous on training every employee. Which clearly had the desired result.

S4: Health and Safety

S4	Training and development	Unit	2019	2020	2021	2022	2023	✔*
S4.1	**Safety figures by gender (Proximus Group)**							
	Injury rate (IR)	Rate	0.000007	0.000008	0.000004	0.00001	0.000009	
	Female	Rate	0.000008	0.000002	0.000001	0.000008	0.000005	
	Male	Rate	0.00001	0.00001	0.000005	0.00001	0.00001	
	Occupational disease rate (ODR)	Rate	0.0000007	0.0000005	0.0000003	0.00000007	0.00000007	
	Female	Rate	0	0.0000002	0	0.0000002	0	
	Male	Rate	0.000001	0.0000006	0.0000005	0	0.0000001	
	Lost day rate (LDR)	Rate	0.0001	0.0002	0.0001	0.0001	0.0001	
	Female	Rate	0.0001	0.000004	0.000009	0.000010	0.00002	
	Male	Rate	0.0001	0.0002	0.0002	0.00015	0.0002	
	Absentee rate (AR)	Percentage	7.9%	6.3%	6.3%	7.1%	7.3%	
	Female	Percentage	11.6%	8.2%	8.2%	9.4%	9.9%	
	Male	Percentage	6.2%	5.5%	5.4%	6.1%	6.1%	
	Work-related fatalities	Number	0	0	0	1	1	
	Female	Number	0	0	0	0	0	
	Male	Number	0	0	0	1	1	
S4.2	**Injury rate (IR) and work-related fatalities for all workers (excluding employees) whose work. or workplace. is controlled by Proximus Group**	**Number**						
	Injury rate	Number	28	15	10	10	12	
	Work-related fatalities	Number	0	0	0	0	0	
	% sites with health & safety risk assessment	**%**						

* In scope for limited assurance 2023

Definitions

- **Injury rate (IR):** frequency of injuries, relative to the total time worked by all workers during the reporting period. Calculation: number of injuries in Proximus Group/total number of hours scheduled to be worked by Proximus Group employees.
- **Occupational disease rate (ODR):** frequency of occupational diseases (disease arising from a work situation or activity, or from a work-related injury) relative to the total time worked by all workers during the reporting period. Calculation: number of occupational diseases/total number of hours scheduled to be worked by Proximus Group employees.
- **Lost-day rate (LDR):** impact of occupational diseases and accidents as reflected in time off work taken by the affected workers. A lost day is defined as time ("days") that cannot be worked (and are thus "lost") because of a worker or workers being unable to perform their usual tasks due of an occupational disease or accident. Calculation: total number of lost days (due to occupational disease or accident)/total number of hours scheduled to be worked by Proximus Group employees.
- **Absentee rate (AR):** measure of actual absentee days lost, expressed as the number of sick days divided by the number of theoretical working days, considering, by definition, the scheduled working hours of the person. An absentee is an employee who is absent from work because of taking a sick day (with or without attestation), excluding work accidents and pregnancy. Calculation example for female employees: (sum of all sick days registered amongst female employees/ sum of all the theoretical working days amongst female employees)*100.

Notes S4.1 and S4.2

- The department for Prevention and Protection (CPP) is the driving force behind Proximus' well-being activities. It defines a common well-being policy and gives advice on all issues surrounding this topic. All products, goods and services at Proximus need to meet the "well-being at work" standards. The Well-being Committee deals with the elaboration and follow-up of the prevention and protection plans and handles aspects such as risk analysis of workplaces, medical surveillance, personal protective equipment, fire safety measures to protect workers and the evaluation and resolution of psychological risks and issues.
- Additionally, local well-being committees discuss topics such as accidents at work, local prevention matters or respect of safety instructions and other topics such as psychosocial risks.
- In 2023, we were involved in setting up Campus. We prepared the new Boréal building to accommodate staff in a safe and comfortable environment during the move.
- We have an occupational medical surveillance program for workers who are exposed to occupational risks. Together with our affiliate DOKTR and our medical partner Cohezio we launched the program in 2023 to do the occupational medical surveillance on a digital way, using a special smartphone App so that doctor and employee can talk to and see each other via digital way. In 2023, we implemented a new Yearly ActionPlan by conducting risk analysis, taking the necessary prevention and protection measures to reduce work-related accidents, as well as communicating safety instructions to employees and the VCO/VCA rules for operational departments. We also conducted a risk analysis on for our on-site technicians, facilities handyman and warehouse employees and for our technicians who travel by cargo bike. We put in place e-learnings with VIAS on road safety (danger of electric cars, electric bikes, scooters, etc.), we also carried out e-learning "Are you sitting comfortably?" at office/at home/ in the car, psychosocial risk analysis in different departments, introducing an App to support mental well-being, defining preventive measures for third-party aggression for customer facing employees, and we organized training on firefighting and BA4/BA5 training for working safely on electrical installations.
- We will also continue to implement the VCA/VCO policies and continue to review our policy on ergonomics and analyse the risks related to the use of different equipment such as our new (digital) working equipment and telecom installations and determine appropriate prevention and protection measures. In addition, we will continue to organize safety trainings using digital technology.

S5: Responsible Marketing

S5	Training and development	Unit	2019	2020	2021	2022	2023	✔*
S5.1	Number of # complaints from JEP (# of which justified)	Number (Number)	2 (1)	1 (0)	2 (0)	1 (1)	1 (1)	

* In scope for limited assurance 2023

Definitions

- **Responsible marketing:** applying responsible & ethical methods in marketing campaigns. These include transparency about promo costs and conditions, respect for the customer's debt profile/credit situation, proactive guidance towards the best offer for the customer, commitment to a better environment and striving for more digital versions to reduce the use of natural resources.
- **JEP:** the Jury on Ethical Practices in Advertising is an independent self-regulatory body for advertising in Belgium, responsible for ensuring fair, truthful and socially responsible advertising. Any consumer can submit a complaint to JEP.

Notes

Proximus pays particular attention to responsible marketing practices and complies with the rules prohibiting the advertising of mobile phones to children under 7.

Proximus actively protects their mobile post-paid customers from bill shocks. With Mobilus Full Control, customers can control their budget. With our new Flex packs with mobile, customers can surf out of bundle at no extra cost, only with a reduced speed. On the MyProximus app, mobile post-paid customers can keep track of their usage on calls, text messages and data. We also send them alerts about their current in-bundle and out- of bundle usage, and we inform them of the possibility to buy additional one shot data bundles or a data boost when reaching the end of the bundle. In addition, we proactively contact customers with regular out-of-bundle usage to suggest better tailored plans.

- **S5.1:** we received only 1 complaint from the Jury on Ethical Practices which was justified, which remains notably low, as it has been for the past years. The referenced complaint concerns only Proximus SA advertisements.

S6: Digital inclusion

S6	Digital inclusion	Unit	2019	2020	2021	2022	2023	✔*
	Community investment							
S6.1	Community investment	€	N.A.	N.A.	436,191	469,332	374,391	
S6.2	Community investment	Hours	N.A.	N.A.	2,961	2,295	2,453	
	Access to digital	**Numbers**						
	Donated laptops	Numbers	N.A.	N.A.	445	259	351	
	Donated Wi-Fi codes	Numbers	N.A.	24,693	2,581	N.A.	N.A.	
	Digital education	**Numbers**						
	Total number of people trained through digital inclusion projects	Numbers	12,524	10,400	14,144	8,594	15,515	
S6.3	**Digital accessibility**	**%**						
	Tested devices accessible for at least 5 disability categories (percentage of devices)	%	44%	73%	55%	52%	75%	✔
	Percentage of accessible tested devices (at least for 5 disability category)	%	N.A.	N.A.	61%	86%	96%	✔

* In scope for limited assurance 2023

Definitions

- **Community investment – in monetary value:** monetary investment we make in social organizations with a focus on digital inclusion.
- **Community investment – in employee/volunteer hours:** hours of employee volunteering in digital inclusion initiatives.
- **Donated laptops:** number of computers offered to schools collecting old smartphones.
- **Digital inclusion projects (# persons reached):** number of people (students, teachers, seniors) trained by the initiatives we support (MolenGeek, School19, Technobel, Internet Safe & Fun).
- **Tested devices accessible for at least 5 categories of disability:** percentage of tested smartphones and tablets that are accessible for at least 5 categories of disability (6 categories of disability in total are tested by Proximus).
- **Percentage of devices tested for accessibility for at least for 5 disability categories):** % of tested devices during the reporting year compared to all devices added to the offering during the reporting year.

Notes

- **S6.1:** we invest € 374,391 in digital inclusion projects for job seekers (MolenGeek, 19 and Technobel), children (Internet Safe & Fun together with Child Focus), long-term sick children (Bednet and ClassContact), disabled people (Passe Muraille), and in the Digital Inclusion Alliance, DigitAll.
- **S6.2:** our employees spent 2,453 hours in digital inclusion initiatives as volunteers in the Internet Safe & Fun project, as General Manager of Technobel and to install internet lines for long-term sick children.
- **S6.3:** we aim to test all the new devices that we integrate into our offer. This increase of the percentage of accessible tested devices (at least for 5 disability categories) shows that we are on the right track.

Diversity and inclusion statement

In accordance with Article 3 of the law of 3 September 2017 on the disclosure of non-financial and diversity information by certain large companies and groups, Proximus' diversity policy as well as its purpose and results are described below.

Strategic orientation regarding diversity & inclusion

Proximus believes that a diverse workforce, through its employees' unique talents, experiences and all other characteristics unrelated to someone's abilities, will help it reach a more diverse marketplace while fostering business sustainability.

Therefore, Proximus has a Policy on Diversity and Equal Opportunities, which is part of the Code of Conduct and thus applies to all employees.

With this policy, Proximus wants to stimulate a positive and safe work environment where each individual's authenticity is respected and valued and where all employees are treated on a fair and equal basis, regardless of their background, which for Proximus means:

- Treating all applicants and employees equally, based solely on relevant competencies and objective criteria;
- Promoting a mindset of respect and openness throughout all levels of the organization;
- Demonstrating behavior free from any form of racism, intolerance, discrimination, harassment or other attitude likely to negatively affect the dignity of men, women and x at the workplace;
- Incorporating diversity in all aspects of the way it runs business, without any form of intolerance.

Within Proximus, specific teams are in charge of monitoring compliance with the Policy and of taking the correct measures in case of non-compliance.

diversity & inclusion

Diversity & inclusion in our leadership and employee communities

Proximus is particularly conscious of the importance of diversity at all levels of the organization. To reinforce its commitment to recruiting employees with an inclusion and growth mindset and displaying behavior in line with its "Think possible" culture, Proximus has put in place a **non-discrimination clause** for each new application. When new employees join the company, Proximus takes measures to ensure that they become ambassadors of its corporate culture. For example, elements of its inclusion program are integrated into the employee onboarding tool, presented on welcome days and in all relevant training sessions for team leaders, experts, trainees, etc.

Proximus also developed a new **training on unconscious bias** and will push a mandatory training module to all employees in 2024 to create awareness about the importance of diversity & inclusion within its community.

While putting in place well-balanced and talented mixed teams, Proximus reinforces its capacity for innovation and fosters its learning and feedback culture, the engagement of its employees and their creativity towards the future challenges of a digital world.

Gender mainstreaming

Proximus is committed to a gender-neutral and non-discriminatory policy, which is reflected in all types of communication.

We are an inclusive company and equal opportunities is a basic principle of our mission statement that applies to everyone, regardless of gender or sexual orientation.

Inclusion puts into practice the concept of a gender-neutral and non-discriminatory policy by creating an environment of involvement, respect and connection.

The strength of the company lies in the richness of the talents of all employees, which creates added value.

Proximus has also decided to extend its gender strategy through the following actions:

- International days celebrations (International day of Women and Girls in Science on 11/02, International Women day on 08/03, International day of Transgender visibility on 31/03);
- Parity of the members of the Proximus Board of Directors after new appointments in 2023;
- Celebrations organized during diversity month (May) via various blog posts on the intranet and social networking sites;
- Actions in the frame of the International day against homophobia, transphobia and biphobia on 17 May;
- Continued collaboration with Open@Work on the development of an LGBTQIA+ policy;
- Review of the training offer related to D&I and addition of metadata to facilitate searches;
- Review of our recruitment approach to make recruiters more aware of "unconscious biases" during the recruitment process and help them set them aside;
- Analysis of the remuneration structure by level (pay equity check);
- Launch of and promotion around the new MS Office 365 functionality enabling employees to make their pronouns visible on their profile cards to make the workplace more inclusive and comfortable for everyone;
- Organization of a Top Women Tech event to attract international female profiles and promote digital ("STEM") functions within Proximus;
- Official launch of our new corporate visual identity.

Proximus has extended its ambition of being the most active company in the promotion of women in the digital world and reached its target of recruiting 30% of women with a university degree in technical areas by the end of 2023.

Within the framework of its Collective Agreement 2023-2024, Proximus commits to keep on taking initiatives in this domain and to remain open and non-restrictive in its communication, marketing and recruitment campaigns. Proximus has also taken additional initiatives to communicate its diversity and inclusion vision, strategy and actions via a live keynote by an international speaker who was introduced to our Proximus Leadership Team and to all employees, a video made by 3 members of our Proximus Leadership Squad to raise the awareness around D&I, internal CEO communications to all employees, different social media and posts on the corporate website of Proximus.

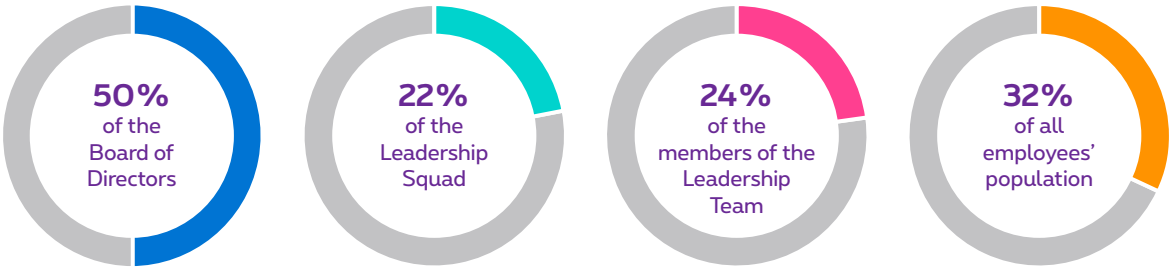
We also completely reviewed and redesigned the diversity & inclusion pages on our corporate website and on our intranet. They provide information regarding events, celebrations and more on the topic of diversity and inclusion at Proximus and worldwide.

In 2023, we also launched an inspiring internal and external employer branding campaign with a focus on raising awareness about our relevant strategy and actions and strengthening Proximus' position on diversity & inclusion. The campaign was an unprecedented success, with over 8,400 video views by our employees and millions of views on social networks.

We have continued to strengthen our partnership with Google, extending our #IamRemarkable community through the organization of new sessions all year long. The #IamRemarkable initiative centers around a 90-minute workshop empowering participants to openly discuss and enhance their personal and professional achievements, offering tools for skill development and encouraging them to challenge biases related to self-promotion.

We will continue to set up supportive networking groups so that everyone can feel a sense of belonging within our community.

With regards to gender diversity, this approach is also reflected in female representation at different levels of our company:



Proximus Group also has a very diverse workforce in terms of culture with 70 nationalities.

A culture allowing everyone to reconcile activities during different phases of life

Proximus wants to create conditions that allow its employees to reconcile various aspects of their professional and private lives with different phases of life by offering opportunities for internal job change and development opportunities, work-from-home, part-time schedules, home childcare … These measures enable our employees to work in a safe, inspiring and inclusive workplace, with equal opportunities for everyone, allowing them to combine their personal and professional lives in order to be optimally present and feel supported, motivated and engaged at work.

Proximus is a founding partner of "Experience@Work". Thanks to this project, experienced talents from some organizations can be made available to other organizations that are looking for specific experience and/or talent.

We offer support to employees who are 50 or older in their personal development by offering skill assessments through a personal scan, allowing them to evaluate and act on the results if desired. Furthermore, we regularly inform our 55+ employees about sustainable employability and provide those performing heavy work with options to accommodate their career goals.

Promoting a culture of inclusivity and respect in the workplace

Our superior ethical business practices are set out in the Code of Conduct. Through this document we want to enable conditions in which differences are recognized and respected, and where all employees are given equal opportunities. This document is applicable to every member of our diverse community and exemplified by all managers, team leaders and employees.

Working conditions

Proximus is committed to creating working conditions that promote fair employment practices in which ethical conduct is recognized and valued. We maintain a professional workplace with an inclusive working environment, and we are committed to respecting Belgian legislation and the International Labor Organization's (ILO) fundamental conventions.

Proximus recognizes and respects the right to freedom of association and the right to collective bargaining within national laws and regulations. We will not contract child labor or any form of forced or compulsory labor as defined by the ILO's fundamental conventions. Moreover, we are opposed to discriminatory practices and do our utmost to promote equality, diversity and inclusion in all employment practices.

Our working environment standards apply to every member of our diverse community and are exemplified by all managers, team leaders and employees, who are expected to act as role models in that context.

The Campus project

The vision of the Campus project is to create an inspiring digital campus connected to a national network of spaces enabling us to work smarter, and built to foster connections, collaboration and innovation. And this is all done through the involvement of employees, partners and other stakeholders in co-creation.

Campus became a reality in 2023

Our Campus journey began in 2021 and became a concrete reality in 2023, with the **relocation from the Proximus headquarters** in the center of Brussels to an adjacent building, Boreal, and to our building in Evere. This move impacted more than 8,000 employees and contractors.

With the goal of ensuring an optimal employee experience throughout the moving process, change management practices, such as co-creation sessions, briefing sessions and guided tours of Boreal were applied as of the beginning of 2023. The feedback of employees was continuously measured and improvement actions put in place.

The **Proximus Art Collection**, displayed across all floors of Proximus' headquarters, also needed to be relocated. Each artwork received meticulous handling and was transported with great care to an art warehouse. Consisting of more than 500 artworks by national and international artists, the Proximus Art Collection is one of the largest corporate collections in Belgium.

A sustainable workspace

The Campus project helps us to **achieve our green ambitions** and the aim of being sustainable in everything that we do. For instance, by optimizing our use of office space, we reduce energy consumption and costs. We also opted to use a combination of new, old and refurbished furniture, services and technology.

In 2022, Proximus and Immobel have reached binding agreements regarding the redevelopment of Proximus' headquarters in Brussels. In December 2023, they agreed to extend the initially foreseen closing period by nine months, whereby Immobel has the sole right to call the transaction in Q3 2024.

Reshaping the way we work

Campus is not merely a story about buildings, but rather one about transforming our culture. We are completely **reshaping how we work to** be more efficient and effective, while at the same time ensuring the well-being of our employees.

To welcome everyone in the best environment, the Boreal building and our building in Evere have been renovated with a particular emphasis on their needs. Focus groups provided us with a better understanding of the ways in which different groups work, their needs and workspace preferences, plus the balance between home and office tasks.

This also led to the launch of new tools, such as Microsoft Teams Rooms, improving the employee experience for hybrid meetings.

And Campus is not just limited to Brussels. At the beginning of 2024, a pilot was launched in two of our **regional Campus offices**, where we have rolled-out, tested and measured the success of new workspaces aligned with the Campus vision. Continued deployment will happen in the remaining Campus regional offices by the end of 2024.

Governance



Corporate governance statement

Corporate governance aims to define a set of rules and behaviors according to which companies are properly managed and controlled, with the objective of increasing transparency. It is a system of checks and balances between the shareholders, the Board of Directors, the Chief Executive Officer and the Leadership Squad. Proximus is committed to comply with legal and regulatory obligations and best practices.

We not only follow the law but want to ensure every one of our collaborators is aware of the behaviors to follow and to avoid. Therefore, Proximus adopted a Code of Conduct, applicable to all employees. Proximus employees must follow a mandatory training on the application of the principles of the Code of Conduct. On top of this, we have various internal policies to make sure our employees act ethically.

Proximus governance model

At Proximus, we know that doing business the right way is our license to operate. We put the right measures in place to ensure our business is conducted ethically. This first of all means having a clear governance model, which for us, as a limited liability company under public law, is imposed by the Law of 21 March 1991 on the reform of certain autonomous economic public companies ("the 1991 Law"). For matters not explicitly regulated by the 1991 Law, Proximus is governed by the Belgian Code of Companies and Associations of 23 March 2019 ("the Belgian Code of Companies and Associations") and the Belgian Corporate Governance Code of 2020.

The key features of Proximus' governance model are:

- a Board of Directors, which defines Proximus' general policy & strategy and supervises operational management;
- an Audit & Compliance Committee, a Nomination & Remuneration Committee and a Transformation & Innovation Committee, created by the Board within its structure;
- a Chief Executive Officer (CEO) who takes primary responsibility for operational management including, but not limited to, day-to-day management;
- a Leadership Squad which assists the CEO in the exercise of his duties.

Board of Directors

The Board of Directors is composed of no more than fourteen members, including the person appointed as Chief Executive Officer. The CEO is the only executive member of the Board. All other members are non-executive directors.

Directors are appointed for a renewable term of up to four years. Proximus does not apply an age limit for its directors, but according to the limits for independent directors, defined in article 7:87 of the Belgian Code of Companies and Associations and the 2020 Corporate Governance Code, the maximum term for independent directors is limited to twelve years. The Board of Directors decided in 2021 that this maximum term also applies for the non-independent directors.

The directors are appointed at the general meeting by the shareholders. The Board of Directors exclusively recommends candidates who have been proposed by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee takes the principle of reasonable representation of significant stable shareholders into account and any shareholder who holds at least 25% of the shares has the right to nominate directors for appointment pro rata to his shareholding. Based on this rule, the Belgian State today has the right to nominate seven directors. All other directors must be independent within the meaning of article 7:87 of the Belgian Code of Companies and Associations and of the 2020 Corporate Governance Code and

at any time the Board needs to have at least three independent directors.

Proximus is proud to have a gender parity between male and female within its Board of Directors. This composition and the complementary expertise and skills of all directors create a dynamic which benefits the good management of the company.

Composition of the Board of Directors

Members of the Board of Directors appointed by the General Shareholders' Meeting upon proposal of the Belgian State

Name	Gender*	Age	Position	Term
Stefaan De Clerck	M	72	Chairman	2013 - 2025
Guillaume Boutin	M	49	Chief Executive Officer	2019 - 2024
Karel De Gucht	M	70	Director	2015 - 2025
Béatrice de Mahieu	F	51	Director	2022 - 2026
Audrey Hanard	F	38	Director	2022 - 2026
Ibrahim Ouassari	M	45	Director	2021 - 2025
Claire Tillekaerts	F	67	Director	2022 - 2026

Members of the Board of Directors appointed by the General Shareholders' Meeting

Name	Gender*	Age	Position	Term
Pierre Demuelenaere[1]	M	65	Independent Director	2011 - 2023
Cécile Coune[2]	F	61	Independent Director	2023 - 2027
Martin De Prycker[3]	M	69	Independent Director	2015 - 2027
Catherine Rutten[3]	F	55	Independent Director	2019 - 2027
Joachim Sonne	M	49	Independent Director	2019 - 2024
Agnès Touraine[4]	F	69	Independent Director	2014 - 2023
Catherine Vandenborre	F	53	Independent Director	2014 - 2026
Luc Van den hove	M	64	Independent Director	2016 - 2024

* F: Female / M: Male

1. The mandate of Mr. Pierre Demuelenaere ended at the AGM of 19 April 2023.
2. By decision of the AGM of 19 April 2023, Mrs. Cécile Coune was appointed until the AGM of 2027.
3. By decision of the AGM of 19 April 2023, the mandates of Mr. Martin De Prycker and Mrs. Catherine Rutten were extended until the AGM of 2027.
4. Mrs. Agnès Touraine resigned on 1 December 2023.

Attendance Board of Directors and Committee meetings

In 2023 fourteen meetings of the Board of Directors were held, six meetings of the Audit & Compliance Committee, five of the Nomination & Remuneration Committee and two of the Transformation & Innovation Committee.

Members of the Board of Directors appointed by the General Shareholders' Meeting

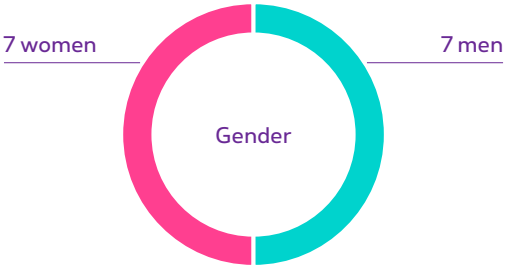
Name	Board (total 14)	ACC (total 6)	NRC (total 5)	TIC (total 2)
Stefaan De Clerck	14/14	6/6	5/5	2/2
Guillaume Boutin	13/14			
Cécile Coune[1]	10/10		3/3	
Karel De Gucht	13/14	5/6		
Béatrice de Mahieu	14/14			2/2
Pierre Demuelenaere[2]	4/4		1/1	
Martin De Prycker	14/14		5/5	2/2
Audrey Hanard	11/14			
Ibrahim Ouassari	14/14			2/2
Catherine Rutten	14/14	6/6		
Joachim Sonne	14/14	6/6		
Claire Tillekaerts	14/14		5/5	
Agnès Touraine[3]	10/12			2/2
Catherine Vandenborre	13/14	6/6		
Luc Van den hove	11/14		4/5	2/2

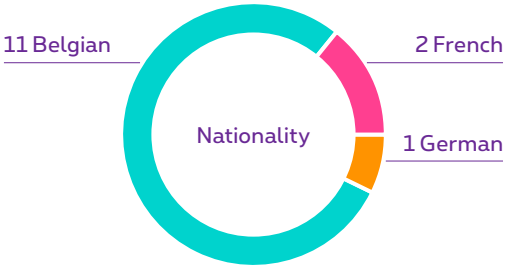
ACC: Audit & Compliance Committee; NRC: Nomination & Remuneration Committee; TIC: Transformation & Innovation Committee

1. Appointed on 19 April 2023
2. Mandate ended on 19 April 2023
3. Resignation on 1 December 2023

Diversity at the Board of Directors

The Board of Directors takes into account how it will enhance diversity of the Board of Directors with respect to gender, age and nationality when replacements and appointments are considered. The diversity characteristics for the Board of Directors can be visualized as follows:





Functioning of the Board of Directors

The Board of Directors meets whenever the interests of the company so require or at the request of at least two Directors.

In principle, the Board of Directors holds five regularly scheduled meetings annually, plus one meeting dedicated to the affiliates.

The Board of Directors also yearly discusses and evaluates the strategic long-term plan in an extra meeting.

In general, the Board's decisions are made by simple majority of the Directors present or represented, although for certain issues a qualified majority is required.

The Board of Directors has adopted a Charter which, together with the Charters of the Board Committees, reflects the principles by which the Board of Directors and its Committees operate. This charter is published on the corporate website.

The Board Charter stipulates, among other things, that important decisions should have broad support, understood as a qualitative concept indicating effective decision-making within the Board of Directors following a constructive dialogue between Directors.

Files on important decisions are prepared by standing or ad hoc Board Committees, with significant representation of non-executive, independent Directors within the provisions of article 7:87 of the Belgian Code of Companies and Associations.

Committees of the Board of Directors

Proximus has an Audit & Compliance Committee, a Nomination & Remuneration Committee and a Transformation & Innovation Committee.

The members of the committees are appointed by the Board of Directors, after consultation with the Nomination and Remuneration Committee, for a renewable term of, in principle, three years (Bylaws & Charters | Proximus Group).

Given the strong evolution of the international pillar of Proximus, the Board of Directors decided at its meeting of 14 December 2023 to create an International Committee.

Audit & Compliance Committee

The Audit & Compliance Committee (ACC) consists of five non-executive directors, the majority of whom are independent. In line with its Charter, the Committee is chaired by an independent director.

The Audit & Compliance Committee's role is to assist and advise the Board of Directors in its oversight of:

- The financial and non-financial reporting processes;
- Efficiency of the systems for internal control and risk management of the company;
- The company's internal audit function and its efficiency;
- The quality, integrity and legal control of the statutory and the consolidated annual accounts and the financial and non-financial statements of the company, including the follow-up of questions and recommendations made by the auditors;
- The relationship with the company's auditors and the assessment & monitoring of the independence of the auditors;
- The company's compliance with legal and regulatory requirements;
- Compliance within the company with the company's Code of Conduct and the Dealing Code.

Critical concerns are communicated to the Board via the Audit & Compliance Committee. External audit reports comprise financial & IT security risks. Internal audit reports cover financial, compliance, IT and network security risks. The Audit & Compliance Committee is informed of all discussions and decisions taken by the management in the Risk Management Committee.

The Audit & Compliance Committee meets at least once every quarter.

The members of the Audit & Compliance Committee (composed of non-executive members of which two are female and three are male), are: Mrs. Catherine Vandenborre (Chairwoman),

Messrs. Stefaan De Clerck, Karel De Gucht, Joachim Sonne and Mrs. Catherine Rutten.

A majority of the members of the Audit & Compliance Committee have extensive expertise in accounting and audit. The Chairwoman of the Audit & Compliance Committee, Mrs. Catherine Vandenborre, holds a degree in Business Economics as well as degrees in Tax and Financial Risk Management. The Chairwoman and the majority of the members exercised several Board or executive mandates in large Belgian or international companies.

Nomination & Remuneration Committee

The Nomination & Remuneration Committee (NRC) consists of five directors, the majority of whom are independent. In line with its Charter, this Committee is chaired by the Chairman of the Board of Directors, who is an ex-officio member.

The Nomination & Remuneration Committee's role is to assist and advise the Board of Directors regarding:

- The nomination of candidates for appointment to the Board of Directors and the Board Committees;
- The appointment of the CEO and of the members of the Leadership Squad on proposal of the CEO;
- The appointment of the Secretary General;
- The remuneration of the members of the Board of Directors and the Board Committees;
- The remuneration of the CEO and members of the Leadership Squad;
- The annual review of the remuneration concept and strategy for all personnel, and specifically the compensation packages of the Leadership Team;
- The oversight of the decisions of the CEO with respect to the appointment, the dismissal and the compensation of Management;
- The preparation of the remuneration report and the presentation of that report at the Annual General Shareholders' Meeting;
- Corporate governance matters.

The Nomination & Remuneration Committee meets at least four times per year.

At the beginning of each year, the Committee reviews the performance, budgets for pay-out of bonuses and merits and long-term and short-term incentive plans. At that meeting, the concept and strategy of the remuneration policy is also discussed. The Committee determines the performance measurement targets of the CEO and the members of the Leadership Squad through Key Performance Indicators.

The members of the Nomination & Remuneration Committee (composed of non-executive members of which two are female and three are male) are: Messrs. Stefaan De Clerck (Chairman), Pierre Demuelenaere (until 19 April 2023), Martin De Prycker, Luc Van den hove, Mrs. Claire Tillekaerts and Mrs. Cécile Coune (as of 20 April 2023).

Transformation & Innovation Committee

The Transformation & Innovation Committee (TIC) consists of a maximum of six directors. In line with its Charter, the Chairman of the Board of Directors is ex-officio member, and the Committee is chaired by the Chairman of the Board of Directors. Three members are appointed among the independent directors.

The Transformation and Innovation Committee is a permanent committee of the Board, discussing those selected files that need preparatory reflection and need to mature before being brought to the Board for decision. The topics discussed at the Transformation and Innovation Committee may be of diverse nature and will evolve over time depending on the company's needs and could deal with matters concerning a.o. technology, network, branding/marketing, sustainability, transformation, HR skills, digitalization. If appropriate, the Board of Directors can decide on establishing a special ad hoc Committee, dealing with a specific subject and composed of members with the appropriate experience.

The members of the Transformation & Innovation Committee (composed of non-executive members of which two are female and four are male) are: Messrs. Stefaan De Clerck (Chairman), Martin De Prycker, Ibrahim Ouassari, Luc Van den hove, Mrs. Agnès Touraine (until 1 December 2023) and Mrs. Béatrice de Mahieu.

Deviation from the 2020 Corporate Governance Code

Proximus complies with the 2020 Corporate Governance Code except for two deviations.

Provision 7.6 stipulates that a non-executive Board member should receive part of their remuneration in the form of shares in the company. Because of its specific shareholdership, having the Belgian State as majority shareholder, the company opts not to introduce share-related remuneration at this stage.

For the same reason Proximus is not compliant with provision 7.9 that stipulates that the Board should set a minimum threshold of shares to be held by the executives.

Relationship Agreement

In accordance with article 8.7. of the 2020 Corporate Governance Code, Proximus concluded in December 2022 a Relationship Agreement with its majority shareholder, the Belgian State. This agreement, that does not impact the autonomy of Proximus, nor the competences of its corporate bodies, has the aim to create a framework for the exchange of information, in full respect with the European and Belgian financial legislation. This Relationship Agreement is published on the company's website.

Conflict of interest

A general policy on conflict of interest applies within the company. It prohibits the possession of financial interests that may affect personal judgment or professional tasks to the detriment of Proximus Group.

On 24 February 2011, the Board adopted a "related party transactions policy" which was updated in September 2016, which governs all transactions or other contractual relationships between the company and its Board members.

The Board and each individual director must respect all the rules relating to conflicts of interest between the company and a director. In case of conflict of interest, the meeting in which the conflict of interest is reported and the matter which gave rise to the conflict is published in the annual report of the relating financial year.

In accordance with article 7:96 of the Belgian Code of Companies and Associations, the CEO, Mr. Guillaume Boutin, declared during the Board of Directors of 16 February 2023 to have a conflict of interest in connection with his performance evaluation for 2022, item on the agenda of that Board meeting.

Proximus has contractual relationships and provides also telephony, Internet, digital and/or ICT services to many of the companies in which Board members have an executive or non-executive mandate. These transactions take place in the ordinary course of business and at arm's length.

Insider trading and market manipulation (market abuse)

In order to comply with legislation on insider trading and market manipulation, Proximus adopted a Dealing Code prior to the Initial Public Offering. This Code aims to create awareness about possible improper conduct by employees, officers and directors and possible sanctions. This Dealing Code has been widely communicated and is available to all employees. A list of key persons is kept, and all members of the Board and key employees were requested to sign an affidavit that they had read, understood and agreed to comply with the requirements of the related legislation. Closed periods are defined and communicated by the Group Compliance Office to those concerned.

Sustainability governance

The commitment of embedding sustainability in everything we do is achieved by integrating it in operational management under the supervision of the Board of Directors and under the responsibility of the CEO and the Leadership Squad in the capacity of the Corporate Affairs Lead as Sustainability Champion.

By regularly introducing a variety of sustainability topics at the Board and its committees we ensure that Board members acquire the right skills and experience and keep up to date with environmental, social & governance matters. While sustainability is an integral part of our strategy and treated as such in all strategic reviews with the Board, more specifically, the sustainability ambitions, goals and roadmaps are equally discussed and defined at Board level. Through the CEO Activity Report, achievements are reported bi-monthly to the Board who also reviews progress on a quarterly basis as part of the strategic review. Sustainability related risks, including but not limited to climate-change risks, are part of the Audit & Compliance Committee's oversight of risk management.

Next to the Board reporting lines, sustainability roadmaps are assessed on a quarterly basis within the Leadership Squad allowing fact-based discussions and prioritization. These roadmaps have been translated into key sustainability initiatives and are managed jointly by the business units and the sustainability team. A monthly status is made to a steering committee, while KPIs and budget are reported quarterly to the strategic management team.

The sustainability impact is integrated into every file or initiative that comes on the agenda of the Leadership Squad meetings. Our sustainability ambitions are reflected in the management incentives (more information in: 'Remuneration report').

In preparation of the Corporate Sustainability Reporting Directive, an analysis of current sustainability governance and processes is being undertaken and improvements will be implemented throughout 2024.

Further corporate governance, compliance and risk management information related to sustainability can be found in the Compliance & Ethical standards section of this Governance Report, the Risk Management Report, the Diversity & Inclusion Statement and the Non-Financial Statements.

Detailed non-financial figures can be found in the 'Environmental statements' and 'Social statements'.

The progress towards assessing EU Taxonomy alignment and implementing the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) is explained in the non-financial Statements.

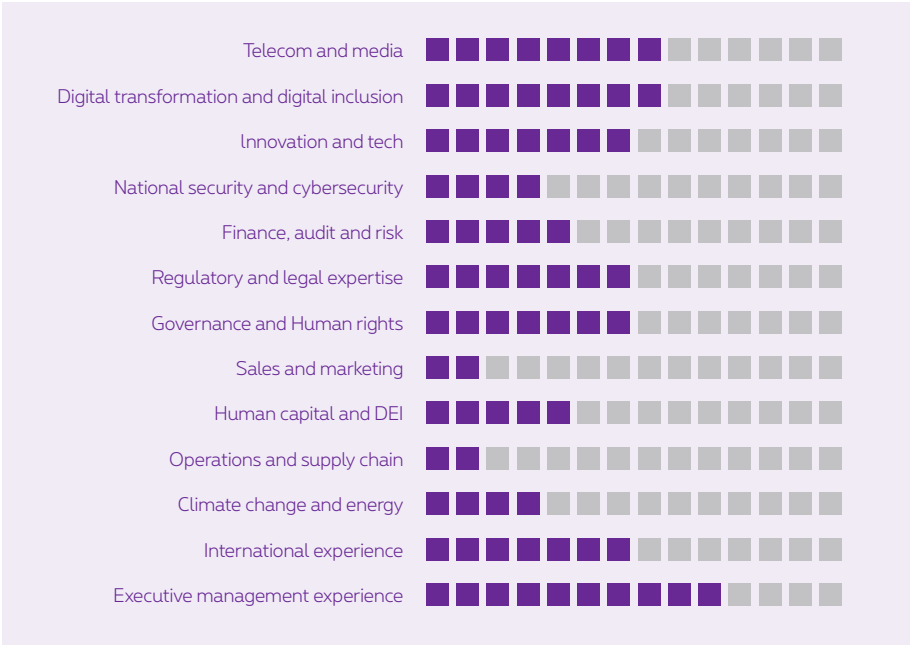
The bold2025 strategy ambitions and 2023 achievements can be found in 'Report on our activities'.

Evaluation of the Board

The Board evaluates its performance and interaction with the executive management at least every three years. The latest evaluation took place at the end of 2021 together with external partner Guberna. The Board members were invited to answer an extensive questionnaire, followed by an interview between Guberna and each individual Board member. The Board members were asked their opinion on corporate governance at Proximus, the functioning of the Board and of the committees. Guberna concluded in 2022 that the assessment was overall positive and identified as main strengths a well-balanced composition of the Board, the high quality of information flow to the Board, a Board culture stimulating the decision-making in the interest of the company and an excellent leadership by the Board's Chair. As a result of the evaluation, the Board approved and implemented an action plan. The first element is to increase the visibility for the Board on the governance of the affiliates. To this end an additional yearly board is dedicated to this topic. The Board further decided to include in the management reporting to the Board a step-back of important investment files, comparing the business case with the results achieved. The Board also organized a benchmark on board and executive compensation and organized special onboarding sessions for the new members after the AGM of April 2022 and April 2023. Starting from the need for new competences, the Board did develop a competence dashboard, taking potential gaps into account when deciding on profiles for new directors.

Non-executive directors regularly evaluate their interaction with the executive management and meet at least once a year without the CEO. At the beginning of every year, the committee chairs submit their annual reports to the Board.

Competences of the Board of Directors



Leadership Squad

Chief Executive Officer

In its meeting of 27 November 2019, the Board appointed Mr. Guillaume Boutin as new CEO. The CEO is entrusted with day-to-day management and reports to the Board of Directors. Moreover, the Board has delegated broad powers to the CEO.

The contract of Mr. Guillaume Boutin is a renewable six-year fixed-term contract that started on 1 December 2019.

The AGM of 15 April 2020 extended his mandate as Board member until the AGM to be held in 2024.

Leadership Squad members

The members of the Leadership Squad are appointed and dismissed by the Board of Directors at the proposal of the CEO, after consultation of the Nomination & Remuneration Committee.

The powers of the Leadership Squad are determined by the CEO. The Leadership Squad's role is to assist the CEO in the exercise of his duties.

The Leadership Squad aims to decide by consensus, but in the event of disagreement, the view of the CEO will prevail.

The Leadership Squad generally meets on a weekly basis.

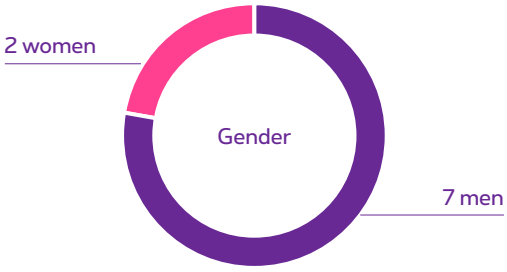
In 2023, the Leadership Squad, in addition to the CEO, was composed of the following members:

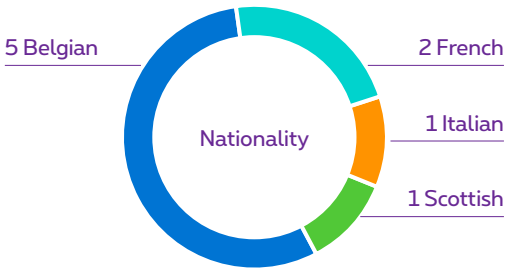
Name	Gender	Age	Position
Jim Casteele	M	52	Consumer Market Lead
Anne-Sophie Lotgering	F	49	Enterprise Market Lead
Ben Appel[1]	M	49	Corporate Affairs Lead
Dirk Lybaert[2]	M	63	Corporate Affairs Lead and Secretary General
Antonietta Mastroianni	F	50	Digital & IT Lead
Mark Reid	M	52	Finance Lead
Geert Standaert	M	53	Network & Wholesale Lead
Renaud Tilmans	M	55	Customer Operations Lead
Jan Van Acoleyen	M	61	Human Capital Lead

1 Ben Appel joined Proximus on 16 August 2023
2 Dirk Lybaert left the Proximus Leadership Squad on 1 September 2023, he remains the Secretary General of Proximus

Diversity at the Leadership Squad

The diversity characteristics for the Leadership Squad can be visualized as follows:





Board of Auditors

Composition

The Board of Auditors of the company is composed as follows:

- Deloitte Auditors SRL, represented by Mr. Koen Neijens, also Chairman of the Board of Auditors;
- Mr. Jan Debucquoy, Member of the Court of Auditors;
- Mr. Dominique Guide, Member of the Court of Auditors;
- Luc Callaert SRL, represented by Mr. Luc Callaert.

Deloitte Auditors SRL, represented by Mr. Koen Neijens and Luc Callaert SRL, represented by Mr. Luc Callaert are responsible for the audit of the consolidated financial statements of Proximus and its subsidiaries. Deloitte Auditors SRL is also responsible for the review of non-financial performance indicators.

The other members of the Board of Auditors are, together with Deloitte, entrusted with the audit of the non-consolidated financial statements of Proximus as parent company.

The mandates of Deloitte Auditors SRL and Luc Callaert SRL for the audit of the consolidated financial statements will expire at the annual General Shareholders' Meeting in 2025.

Additional fees paid to the auditors

In accordance with the provisions of article 3:65 §3 of the Belgian Code of Companies and Associations, Proximus declares the supplementary fees that it granted during the 2023 financial year to two auditors, members of the Joint Auditors: Deloitte Auditors SRL and Luc Callaert SRL.

The Group spent an amount of € 856,896 during the year 2023 for non-mandate fees for Deloitte Auditors SRL, the Group's auditors. This amount is detailed as follows:

Amount spent by the Group for non-mandate fees for Deloitte Auditors SRL

(in €)	Auditor	Network of auditor
Other mandatory audit missions	151,838	578,008
Tax advice		
Other missions	113,460	13,590
Total	265,298	591,598

In 2023 the Group did not spend an amount for non-mandate fees to Luc Callaert SRL.

Amount spent by the Group for non-mandate fees for Luc Callaert SRL

(in €)	Auditor
Other mandatory audit missions	0.00
Tax advice	
Other missions	
Total	0.00

Members of the Board of Directors



Guillaume Boutin

Mr. Guillaume Boutin has been Chief Executive Officer since 1 December 2019 and presides over the Leadership Squad of Proximus. He is Chairman of the Board of Directors of BICS and Telesign, as well as member of the Proximus Art Board.

Previously, Mr. Boutin joined the Proximus Leadership Squad as Chief Consumer Market Officer in August 2017.

Mr. Boutin started his career joining a web start-up. He then joined SFR where he successively held various positions in strategy, finance and marketing until he joined Canal+ Group in 2015 as Chief Marketing Officer.

He holds a "baccalauréat scientifique", followed by a degree in Telecommunications Engineering (Telecom Sud Paris "Programme Grande Ecole", 1997) and a degree from HEC Paris, "Programme Grande Ecole", obtained in 1999.



Stefaan De Clerck

Mr. Stefaan De Clerck is Chairman of the Proximus Board of Directors since 20 September 2013.

He chairs the Proximus Joint Committee, the Proximus Pension Fund and the Proximus Art ASBL/VZW. He is a Board member of Connectimmo.

He is also a member of the Orientation Council of Euronext and of the Bureau of Eurometropole Lille-Kortrijk-Tournai.

Before Proximus, he served as a Member of the Belgian Parliament from October 1990 until October 2013. From June 1995 until April 1998 and from December 2008 until December 2011 he was the Belgian Minister of Justice. From 1999 until 2003 he was President of CD&V, the Flemish Christian-Democratic Party.

He was the mayor of the city of Kortrijk (Belgium) from January 2001 until end-December 2012. Mr. De Clerck holds a Master of Law from the Catholic University of Leuven.



Cécile Coune

Mrs. Cécile Coune has led a dual executive career, operating as a CEO for more than 15 years in the financial sector while working as a partner in a leading law firm.

From 2012 to 2018, Cécile Coune was at the helm of Aviabel, a Belgian company specialized in aviation insurance and reinsurance, until its takeover by international player AXIS Capital Ltd. A lawyer by training, she was also an associate and then partner at Liedekerke law firm from 2004 to 2012. Prior to that, she spent almost 17 years in the insurance industry, most of which was spent at Chubb, an American multinational company, where she became Managing Director for Belgium

and Luxembourg at a very young age and an executive member of the Board of Directors of Chubb Europe. She also headed AXA Art (Benelux), a subsidiary of the AXA Group specialized in art insurance.

She is currently an independent director, serving on the board and committees of several major companies, including QBE Europe and Credendo GSR.

As a member of various business associations and networks both on international and national level, Cécile Coune is also socially committed to diversity and inclusion. She is the co-founder and member of Women on Board since 2009, and the co-founder, member and honorary chairwoman of European Women on Boards since 2013. She is a mentor at Duo for a Job, an association that promotes the integration of young people with an immigrant background into the labor market, and an independent director of OFC, the French-speaking branch of Broeders van Liefde, an organization that is mainly active in the field of mental health.

She is a strong believer in ESG requirements and has recently obtained a certification in Sustainable Finance from the Cambridge Institute for Sustainability Leadership.

Cécile Coune has won several awards and honors. She was honored to be decorated in 2017 with the rank of Commander of the Order of the Crown by His Majesty Philippe, King of the Belgians, for her contribution to Belgian society.

Karel De Gucht



Mr. Karel De Gucht, State Minister, was the European Commissioner for Trade from February 2010 until 31 October 2014, where he was pivotal in negotiating, concluding and managing several European Free Trade and Investment Agreements worldwide.

Previously he served as Belgium's Minister of Foreign Affairs from 2004 to 2009, Deputy Prime Minister from 2008 to 2009, and as European Commissioner for International Cooperation, Humanitarian Aid and Crisis Response from 2009 to 2010.

Currently he is the President of the Brussels School of Governance at the Vrije Universiteit Brussel (VUB) – his alma mater (Master of Laws, 1976) – where he teaches European Law. He serves as a Director on the Boards of ArcelorMittal SA, EnergyVision, Youston (Chair), Sprimoglass and is a Member of the Advisory Board of CVC Capital Partners.

He is also the manager of La Macinaia, a family-run wine producing company in the Chianti region (Italy).



Béatrice de Mahieu

Béatrice de Mahieu is an expert in innovation, digitalization and transformation.

Since starting her career in 1999, Béatrice de Mahieu has worked successively for major telecommunications, technology and media companies (Telenet, Microsoft, Lagardère, etc.), where she has contributed to growth strategies and digital transformation.

In 2011, Béatrice de Mahieu started working as a mentor and investor for technology and digital start-ups, guiding them in their search for investors, strategy development and growth.

Today, she is the CEO of BeCode, a social impact coding school in Belgium that teaches tech and digital skills to motivated individuals in vulnerable professional situations. From 2019 to September 2021, she was the CEO of Co.Station Belgium (a coworking space for tech start-ups and innovation hubs), where she created and developed several open innovation ecosystems.

Béatrice de Mahieu is currently a member of the Board of Directors of Proximus, FinTech Belgium, Slimme Regio Vlaanderen, BeeFounders, a member of the Investment Committee of Miles Ahead (start-up studio in artificial intelligence and deep tech) and a member of the Advisory bBoard of Veolia Belux.

She has a strong social commitment to digital inclusion, regularly supports initiatives in this field within the King Baudouin Foundation and is a member of the Board of Directors of Les Petits Riens and United Fund for Belgium.

Béatrice de Mahieu holds a degree in Applied Communication from the "Institut des Hautes Etudes et des Communications Sociales" (IHECS) and is co-author of "Pimento Map: assessing the strength of your business plan" (2014) and "Shiftmakers: l'art du (self) leadership dans les années 2020" (2022).

Passionate about healthy food and sustainable wine, she also graduated from the Institute for Integrative Nutrition in New York and is a co-founder of Chill Living Wines, a project promoting organic, biodynamic and natural wines.

Martin De Prycker



Mr. Martin De Prycker is a partner of the Qbic Fund, an inter-university fund, supporting university spin-off companies in Belgium.

Mr. De Prycker was CEO of Barco between 2002 and 2009. Under his leadership he focused on – and made the company grow in – markets using displays such as the medical, digital cinema, control and airline industry, and spinning off the non-core product lines such as graphics, textile and subcontracting.

Prior to that, he was CTO and member of the Executive Committee of Alcatel-Lucent. Before becoming CTO of Alcatel-Lucent, Mr. De Prycker was responsible for establishing the company's worldwide market leadership in the broadband access market. Under his leadership, ADSL was transformed from a research project into a multibillion dollar business for Alcatel-Lucent.

Between 2009 and 2013 Mr. De Prycker was CEO of Caliopa, a startup of UGent/imec in silicon photonics, allowing the transport of hundreds of Gbps on optical fiber. Caliopa was acquired by Huawei in 2013.

He is currently a member of the Board of Directors of several companies, including EVS, Arkite, Faktion and Fraudbuster/Calltic.

Mr. De Prycker holds a Ph.D. in Computer Sciences, a Master of Science in Electronics from the University of Ghent, as well as an MBA from the University of Antwerp.



Audrey Hanard

Mrs. Audrey Hanard is a Partner at Dalberg Global Advisors, a mission-driven strategy advisory firm focusing on sustainable impact. She works with her clients, who are NGOs, UN agencies, governments and foundations to improve educational and employment outcomes globally by developing, implementing and measuring impactful strategies in support of inclusive development. In doing so she leverages 10+ years of experience advising corporate, government and philanthropic clients on those topics as a manager with McKinsey & Co, and with Telos Impact.

Audrey Hanard is currently the Chair of the Board of Directors of bpost, the leading Belgian postal and e-commerce operator employing 36,000 staff worldwide. She is also Board member and was the President of Be education, an organization supporting initiatives that contribute to improving the quality of education in Belgium. She previously was the President of the Friday Group, a think tank of young Belgian talents from different professional backgrounds determined to inspire Belgian policy through diversity.

Audrey Hanard holds a MSc in Business Engineering from the Université Libre de Bruxelles (Solvay Brussels School, ULB) and a Master of Public Administration from Columbia University (School of International and Public Affairs).

Ibrahim Ouassari



Mr. Ibrahim Ouassari is the founder and CEO of MolenGeek. After an atypical and self-taught career in technology, Ibrahim has established himself as an accomplished consultant in the sector since 1999. He then left the consulting industry to launch his entrepreneurial career with several companies and worked with clients from some of the largest and most renowned companies.

It was his experience that led him to launch MolenGeek in May 2015, an inclusive international technological ecosystem that makes the "TechWorld" accessible. It is at that moment that Ibrahim took up one of his greatest challenges: to merge two worlds that do not meet. On the one hand, unsuspected talents from working-class neighborhoods and on the other hand, the world of technology.

MolenGeek is an international solution that brings new perspectives to thousands of young people. Ibrahim combined his entrepreneurial tech experience and his knowledge of the field to reveal talents by introducing them to new technologies. He is supported by the greatest names in the tech industry, cited in Davos by Sundar Pichai, CEO of Google, after his visit to MolenGeek, and was also selected by the latter in WIRED UK as "innovator who is building a better future for 2021". Google, Meta, Microsoft, Salesforce, Amazon, PwC and Proximus are investing in MolenGeek.

In 2018 Ibrahim was an expert of Horizon 2020 NMBP Advisory Group for DG Research & Innovation of the European Commission, whose mission is to help us in particular to ensure the impact of the R&I investments 2021-2027 in the fields of industrial technologies and improve societal involvement.



Catherine Rutten

Mrs. Catherine Rutten is Vice-President International, Government Affairs & Public Policy at Vertex Pharmaceuticals since 1 July 2020. From September 2013 until end of June 2020 she was the CEO of pharma.be, the association of innovative biopharmaceutical companies in Belgium. From 2003 to 2013 she was a member of the Council of the Belgian Institute for Postal Services and Telecommunications, the Belgian regulator for electronic communications, for the postal market, the electromagnetic spectrum of radio frequencies, and media regulator in the Brussels-Capital Region. Prior to that, she worked as Director Regulatory Affairs at the Belgian branch of BT. She started her career as a lawyer, member of the Brussels Bar, in 1994.

She is a member of the board of Women on Board. Mrs. Rutten holds a degree in Law from the University of Leuven and the University of Namur, a LL.M. in Intellectual Property Law from the London School of Economics and Political Science and a LL.M. in European Law from the College of Europe.



Joachim Sonne

Mr. Joachim Sonne has over 20 years of experience in investment banking. He is currently a senior advisor to AustralianSuper and Board advisor to a number of technology companies. Until September 2019, Mr. Sonne served as the Managing Director and Co-Head of the EMEA Telecom, Media and Technology Advisory Group at J.P. Morgan in London. He joined J.P. Morgan in 1998, worked from 2006 until 2010 in the Communications Group in New York and between 2010 to 2011 for the German mergers and acquisitions practice of J.P. Morgan in Frankfurt.

Mr. Sonne graduated with distinction from the European School of Management–EAP, Paris-Oxford-Berlin and holds a European Master of Management, a Diplom-Kaufmann and a Diplôme de Grande Ecole.



Claire Tillekaerts

From October 2006 until June 2022, Mrs. Claire Tillekaerts has been the general manager of Flanders Investment & Trade, the government agency supporting Flemish companies in their effort to deploy business internationally abroad and assisting foreign companies seeking to set up business or expand operations in Flanders, the northernmost region of Belgium. From 1 May 2012 on, she was appointed CEO of FIT by the government of Flanders until 30 June 2022. Claire Tillekaerts has been an independent barrister at the Ghent Court of Law for 2 decades, along with a six-year academic teaching commission at the University of Ghent.

In 2001, she was commissioned to establish the law department at the Hogeschool Gent, in a bid to bring about the merger with other centers of higher education, an assignment combined a.o. with that of advisor at the creation of the Ghent University Association and with establishing international research fundings.

Claire Tillekaerts holds a Master of Law and a postgraduate degree in Management Studies.

She is member of the Board of Directors of imec, ORSI Academy and the Belgian National Orchestra and is President of the Board of Directors of the Flanders International Film Festival (Ghent), President of the Belgian National Bank Council of Regency and member of the Belgian National Bank Remuneration and Appointments Committee.

Agnès Touraine (member until 1 December 2023)



Mrs. Agnès Touraine is CEO of Act III Consultants, a management consulting firm dedicated to digital transformation.

Previously, Mrs. Touraine served as the Chairman and CEO of Vivendi-Universal Publishing (video games and publishing), a $4.7 billion company, after having spent 10 years with the Lagardère Group as the head of strategy and CEO of the mass-market division and five years with McKinsey.

She graduated from Sciences-Po Paris and Columbia University (MBA). She sits on the Boards of Rexel SA, GBL, SNCF and previously Darty Plc as well as Neopost SA. She is also a member of non-profit organizations boards such as The French-American Foundation and IDATE. Until July 2019 she was the Chairwoman of the Board of Directors of IFA (French Governance Institute).



Catherine Vandenborre

Mrs. Catherine Vandenborre is the Chief Financial Officer at Elia Group. Previously, she was a member of the Executive Committee of APX-ENDEX, the Anglo-Dutch gas and electricity exchange based in Amsterdam, and CEO of Belpex. She began her career at Coopers & Lybrand as an auditor. Since 6 September 2023, Catherine has taken on the role of ad interim CEO of Elia Group.

Catherine holds a degree in Business Economics from UCL as well as degrees in Tax Law and Financial Risk Management.

Luc Van den hove



Mr. Luc Van den hove is President and Chief Executive Officer (CEO) of imec since 1 July 2009. He spent his entire career in the domain of chip technology and digital technologies, enabled by semiconductors. He joined imec when it was founded in 1984, as part of the starting team.

Under his guidance imec has become the world-leading R&D center on nanoelectronics, an organization with a staff of more than 5,500 people, operating with an annual budget of around € 845 million (2023) and with offices in Belgium, the Netherlands, the US, Japan and India. Imec is the world's leading research center in the field of chip technology and digital applications such as healthcare, automotive, artificial intelligence, cybersecurity and 5G/6G connectivity.

Currently, Mr. Van den hove is also a professor of Electrical Engineering at the University of Leuven. He is a member of the Board of Proximus and a member of the Technology Board Committee of ASML. He is a member of the US Academy of Engineering.

He has authored or co-authored more than 150 publications and conference contributions. He is a frequently solicited speaker on technology trends and applications for nanoelectronics at major top conferences. He has presented more than 50 keynote presentations.

Mr. Van den hove received his Ph. D. in Electrical Engineering from the University of Leuven, Belgium.

Members of the Leadership Squad



Guillaume Boutin

Mr. Guillaume Boutin has been Chief Executive Officer since 1 December 2019 and presides over the Leadership Squad of Proximus. He is Chairman of the Board of Directors of BICS and Telesign, as well as member of the Proximus Art Board.

Previously, Mr. Boutin joined the Proximus Leadership Squad as Chief Consumer Market Officer in August 2017.

Mr. Boutin started his career joining a web start-up. He then joined SFR where he successively held various positions in strategy, finance and marketing until he joined Canal+ Group in 2015 as Chief Marketing Officer.

He holds a "baccalauréat scientifique", followed by a degree in Telecommunications Engineering (Telecom Sud Paris "Programme Grande Ecole", 1997) and a degree from HEC Paris, "Programme Grande Ecole", obtained in 1999.



Ben Appel

Mr. Ben Appel holds the position of Proximus' Group Corporate Affairs Lead since mid-August 2023 and has the following responsibilities: Legal, Regulatory, Public Affairs, Group Communications, Internal Audit and Risk Management, Security Governance & Investigations, Sustainability and Data Protection.

He is a member of the Board of Directors of BICS, Telesign and MWingz.

After starting his career as a lawyer Ben joined the Vlaamse Media Maatschappij (later renamed Medialaan and DPG Media) in 2004. Between 2011 and 2023, he was the Director of Public & Legal Affairs at DPG Media. In addition, he is a much sought-after speaker as well as a guest lecturer on topics such as telco & media regulation, competition law, regulators, legal management, etc. Mr. Appel holds a Master of Law by the University of Antwerp (1998) and a management course on innovation at the University of Antwerp.



Jim Casteele

Mr. Jim Casteele is the Consumer Market Lead of Proximus since 1 March 2020. He already assumed this post ad interim on 2 December 2019.

He started his career at Siemens Atea and joined the former Belgacom Group in 1997. Before being appointed as Director Consumer Products & Solutions and Innovation in January 2017, he held several management and director positions within Proximus Group in various disciplines such as strategy & innovation, product management, partnerships and pricing.

He is a Board member of Proximus Luxembourg, Be-Mobile and the Chairman of the Boards of Proximus Media House and Mobile Vikings.

Mr. Casteele holds a degree as a Civil Engineer in Electronics (University of Ghent) as well as a degree in General Management (Vlerick Leuven Ghent Management School).



Anne-Sophie Lotgering

Mrs. Anne-Sophie Lotgering is Proximus' Enterprise Market Lead since July 2020.

Previously, she was the Chief Marketing and Digital Officer, Customer Marketing and Innovation at Orange Business Services. During her career with the Orange Group, Anne-Sophie held various senior positions in business-to-business sales, marketing and strategy for more than 15 years. She was also the General Manager for Central & Eastern Europe at Microsoft Services.

She is a Board member of Proximus Luxembourg, Belgian Mobile ID, Conscia and Chairwoman of Proximus ICT. Mrs. Lotgering is a graduate of the Sorbonne in Paris.



Antonietta Mastroianni

Mrs. Antonietta Mastroianni has been a distinguished member of the Proximus Leadership Squad since April 2021, serving as the Chief Digital & IT Officer. Prior to her tenure at Proximus, she held pivotal roles across various organizations: Group CIO and CDIO at the Danish TDC, Head of IT, Digital, and Business Partner at Swiss Sunrise, and assumed several roles at Swisscom and H3G Italy.

An influential IT leader, Mrs. Mastroianni has two decades of international telecom experience, utilizing technology to spearhead organizational growth, performance, and profitability. Her focus encompasses digital and agile transformation, exploring the impact of leading-edge technology on business, technology, and product innovation, as well as IT and telco transformation. Her expertise has been cultivated across multiple European countries, including Italy, Switzerland, Denmark, and Belgium, and she is also a council member of ETIS.

Currently, Mrs. Mastroianni also holds the VC Finance seat on the Board of Directors of Gaia-X and is a Board Observer at Lumine Group. She additionally serves as the Chairwoman of the Board of Directors at Proximus Ada.

Mrs. Mastroianni pursued her studies in Computer and Automation Engineering at the University of Siena and is a member of the Order of Engineers of the province of Caserta. In 2022, she was honored with the Telco Women of the Year Award by NetworkX, and in 2021, she was recognized as the Telco CxO of the Year by 5G World.



Mark Reid

Mr. Mark Reid is the Proximus' Finance Lead since May 2021. Before joining Proximus, Mr. Reid served as the Chief Financial Officer of the Central European Region of Liberty Global, based in Zurich, for five years. Prior to that role he was Deputy CFO at Virgin Media in London, also part of the Liberty Global family. He has held senior financial roles in international telecom, digital media & travel companies for over 20 years and has worked in Switzerland, the UK & the US. He is a Board member of BICS, Telesign, MWingz and the Proximus Pension Fund.

Mr. Reid holds an honors degree in Aeronautical Engineering from Glasgow University. He is a chartered accountant with certification from the Chartered Institute of Management Accountants (CIMA).



Geert Standaert

Geert Standaert joined Proximus in 1994 and has held various key functions in the organization since. He currently serves as the Network & Wholesale Lead, a position he has held since March 2012. As a member of the Leadership Squad, he leads the Network Business Unit and oversees all Network & Telco Platform activities, including Carrier & Wholesale operations.

In addition to his role within the company, Mr. Standaert is also a member of the Board of Directors for Fiberklaar, Unifiber, and OLV Hospital Aalst. His educational background comprises a Master in Civil Engineering, which he obtained from the University of Ghent.



Renaud Tilmans

Mr. Renaud Tilmans is the Customer Operations Lead. He joined the Leadership Squad of Proximus in May 2014. In this function, he works with his teams to align procedures and create synergies between the operational after-sales activities of the different Business Units. Mr. Tilmans is also in charge of transversal growth opportunities in the field of eHealth and eEducation.

Mr. Tilmans joined Belgacom in 1993. He held various director positions in the field of ICT and networks before becoming Vice-President Customer Operations of the Business Unit Service Delivery Engine & Wholesale in 2012.

Within Proximus Group, Mr. Tilmans is since 26 September 2019 Chairman of the Board of Directors of Proximus Luxembourg. He is also a member of the Board of Fiberklaar.

Mr. Tilmans is a civil engineer, a degree obtained from the UCL (Louvain-la-Neuve) and holds degrees in IT and management.



Jan Van Acoleyen

Mr. Jan Van Acoleyen is the Human Capital Lead of Proximus. He joined Proximus in May 2016, after a long career in various international HR management roles, mainly in high-tech companies such as Alcatel, Agfa-Gevaert and Barco. As an HR leader, he acquired extensive experience in organizational and cultural transformations.

Mr. Van Acoleyen has a Master in Educational Studies from the University of Leuven and an Executive MBA from the Antwerp Management School (University of Antwerp).

He is an independent member of the Board of Directors of SD Worx, independent member of the Board of Vlaeynatie, independent member of the Board of BeCode, and member of the Board of Experience@Work. Within Proximus Group he is a Board member of BICS, MWingz, Proximus Pension Fund and is the Chairman of the Remuneration Committee of BICS as well as Chairman of the Board of Be-Mobile.

Chief Executive Officers of BICS and Telesign



BICS

Matteo Gatta

Mr. Matteo Gatta was appointed as CEO of BICS in 2021 and has spearheaded the company's transformation from a traditional wholesale carrier to a global leader in digital communications, cloud communication services, mobility and IoT. He aims to make BICS a true communications platform company and a reference partner for mobile operators and enterprises, globally.

He has acquired over 20 years of experience in mobile and internet access services and software development, having held various positions in Italy, the UK and Belgium.

Matteo has served as the CEO of telecom provider Scarlet, Director of Network Strategy, Innovation & Partnerships at Proximus, and as a Board member of Proximus Luxembourg, previously Tango – Telindus, and Tessares.

He was also a founding director of the IoT technology alliance, LoRa Alliance. As the CEO of BICS, he is accelerating the company's growth and diversification strategy.

Telesign



Christophe Van de Weyer

Before joining Telesign, Christophe held senior leadership positions at Proximus Group, serving as Managing Director of its ICT subsidiaries across Belgium, Luxembourg, and The Netherlands, as well as Chief Operating Officer of Proximus Enterprise Business Unit. He also led numerous strategic projects at the Proximus Group level, including sovereign cloud strategy and roadmap, and strategic partnerships with hyperscalers.

Prior to Proximus, Christophe Van de Weyer spent almost 20 years at the global management consulting firm Bain & Company. During his tenure, he served as a partner for nine years and held various leadership roles within Bain's telecom and tech practice.

He completed the Stanford Executive Program at Stanford Graduate School of Business and holds a Master in Commercial Engineering from University of Leuven.

Compliance & Ethical standards

Role of compliance at Proximus

The Group Compliance Office is responsible for coordinating compliance activities within Proximus Group, and aims to promote, at all levels, ethical conduct in line with best-in-class standards and business practices, respect of values and compliance with laws, internal and external rules, and policies. The Group Compliance Office also prevents unlawful or unethical behavior and ensures an appropriate response in case such behavior occurs.

Our culture of ethics and compliance is led and driven by the highest level of our company with a firm commitment to zero-tolerance of corruption and bribery, and to other best business practices.

Our compliance program is a key building block for our Environmental, Social and Governance strategy.

The Proximus Code of Conduct was approved by the Proximus Board of Directors. All employees are expected to perform their daily activities and achieve their business objectives in accordance with the strictest ethical standards and principles, using the Proximus Code of Conduct, which is reflected in multiple group and company policies and procedures, as their guide. The Code of Conduct and other compliance policies can be found in the Compliance section of our corporate website.

The top and middle management promotes the right culture regarding compliance and ethics. Proximus takes a strong stance against corruption, Code of conduct and privacy rules violations and runs a zero-tolerance policy. Our employees attend mandatory training on the application of the principles of the Code of Conduct, Anti-corruption & Conflict of interest and GDPR. In 2022, these e-learnings respectively achieved a completion rate of 92%, 93% and 93%. An update is planned for 2024.

We communicate our values and the behavior we expect to external employees and business partners through our Suppliers Code of Conduct.

Organization of compliance activities

The Group Compliance Office is managed by the Audit, Risk and Reputation Lead, who reports to the Chairperson of the Audit and Compliance Committee (ACC).

The ACC Charter (available on our corporate website) determines the ACC's responsibility in helping and advising the Board of Directors with respect to monitoring Proximus' compliance with the legal and regulatory requirements, as well as internal compliance with the Code of Conduct and the Group's policies and procedures.

The Compliance Program

The Proximus Code of Conduct reflects the fundamental principles and rules that form the basis of our commitment to being a responsible company and to contribute to the economic, social and environmental development of our society. The Code of Conduct applies to all Group employees. Proximus employees follow mandatory training on the application of the principles of the Code of Conduct and use it as a reference in their daily work.

Proximus has also developed a set of Policies that formally compile the behavioral guidelines that Proximus employees are expected to follow as well as the existing restrictions on key topics such as Insider Trading, Anti-Bribery and Corruption, Economic Sanctions and Human Rights.

Proximus is an autonomous public enterprise with the Belgian state as a majority shareholder, resulting in regular interactions with policymakers. We actively engage with decision makers on every political level and support activities which foster public debate about the consequences of a rapidly changing and increasingly digital world. Through our membership of various (business) associations, we also engage with politicians at the Belgian and European level. Proximus refrains from any funding of political parties, political individuals or government institutions. Our management upholds strict standards on ethical and transparent behavior. Proximus has a Public Affairs policy defining how to engage with public authorities.

In a joint effort, Group Legal and the Compliance Office have prepared a Corporate Handbook for Proximus affiliates, detailing governance, and compliance principles. In addition, affiliates ensure appropriate compliance programs are established to comply with their local and sectoral laws and regulations.

Proximus has established reliable reporting channels for internal and external stakeholders that guarantee the protection of internal whistleblowers from sanctions and help ensure possible misconduct is reported, thoroughly investigated, and clarified. The whistleblowing cases handled in 2023 were thoroughly analyzed by the Compliance Office and the Investigations Department, and appropriate action has been taken.

Regarding insider trading, Proximus uses a tool (InsiderLog) that allows lists of insiders to be dealt with automatically.

To ensure compliance with the constantly evolving sanctions and embargoes the Proximus Compliance Office has implemented a new tool to screen third parties for sanctions (Dow Jones – Risk Center).

Proximus has asked its suppliers and business partners to subscribe to a Code of Conduct. This code is based on the Ten Principles of the UN Global Compact. It covers compliance with the law in general and our anti-bribery/corruption policies, including provisions against anti-competitive practices and conflicts of interest.

Controls are carried out by the Group Compliance Office and/or by policies owners to verify their correct application. The Group Compliance Office supports policy owners with the creation, review and implementation of their compliance control plan. Non-compliant business behavior is addressed immediately and reported to the Audit and Compliance Committee (joint reporting of Security Governance & Investigations, Corporate Protection & Prevention and the Group Compliance Office). Red flags identified during our third-party business relationships due diligence processes are escalated to the right stakeholders to ensure they are addressed in a timely and appropriate manner. Negative results and related actions are also reported to the Audit & Compliance Committee.

Incidents and policy improvements are integrated in an action plan which is part of the Compliance oversight.

KPIs	Results 2022	Results 2023
Number of cases investigated by the Investigations Department for violation of policies/Code of Conduct	38	51*
Number of whistleblowing cases	8	10
Number of dismissals resulting from investigations	6	8
Number of warnings resulting from investigations	16	18

* The increase is notably linked to new cases of internal fraud detected and to an audit carried out on the activation of Proximus TV packages.

Achievements in 2023

- Adoption of integrated tool for policy management used by all policy owners
- Implementation of second line controls with policies owners
- Update of the whistleblowing policy to comply with EU and Belgian regulation
- Implementation of a new channel for whistleblowing, with a tool and external filtering
- Adoption of the corporate handbook by new affiliates
- Compliance management successfully audited for ISAE3000 and ISO9001/ISO27001
- Development of a new and more comprehensive Suppliers Code of Conduct
- Ongoing communication campaigns via the intranet for our employees, on topics related to compliance, such as conduct, anti-bribery and human rights

Private customer data

We apply strict rules and policies within our company, complying with the GDPR and e-privacy directives.

Proximus adapted its Privacy Ambassador network to the new 'Agile ways of working' organization across different business units to ensure the highest level of awareness and accountability for privacy compliance. These Ambassadors follow a comprehensive training program about privacy and data protection.

We are constantly improving our Privacy Review Process to address all privacy matters at the highest level of management through dedicated Privacy Governance. The process has been carefully embedded into our corporate policy, making data privacy an absolute priority.

Substantial resources are available to support the Legal Privacy team and the Data Protection Officer in the performance of data protection reviews. The Legal Privacy Team and Data Protection Officer share valuable tools and content about privacy regulations, increasing awareness across the company.

In 2022, a new mandatory e-learning focusing on putting GDPR into practice was introduced to all employees of Proximus Group. It achieved a completion rate of 93%. The e-learning modules remain available within the learning library accessible for each employee.

Proximus offers individuals the possibility to launch their data subject requests via email, letter and a dedicated web form. Our customers can continue to indicate their privacy preferences within the privacy settings of the MyProximus app and website. By end of 2023, Proximus had handled approximately 13,300 data subject requests.

For certain processing activities, Proximus collects prior consent from its customers before processing their data for other purposes such as targeted advertisement. Proximus processes its customers' personal data according to the opt-in method after obtaining their prior consent. Here is the evolution of the numbers of consents recorded by Proximus for some of these purposes in 2023:

- Decrease in consents for targeted advertising on TV: approx. 15,000;
- Decrease in consents for use of web traffic data for marketing purposes: approx. 63,000.

In addition, in 2023, Proximus registered a few hundred general opt-outs for processing of personal data for direct marketing.

Human Rights

Respecting human rights is a fundamental value for Proximus. People are entitled to be treated with respect, care and dignity. Our Code of Conduct, policies and procedures are inspired by fundamental principles such as those of the Universal Declaration of Human Rights, the European Convention on Human Rights, and the United Nations Convention on the Rights of the Child.

Proximus is committed to creating working conditions which promote fair employment practices and where ethical conduct is recognized and valued. We maintain a professional workplace with an inclusive working environment, and we are committed to respecting Belgian legislation and the International Labor Organization's (ILO) fundamental conventions. Proximus recognizes and respects the right to freedom of association and the right to collective bargaining within national laws and regulations.

Sustainable supply chain

Next to ensuring compliance inside of the company, Proximus also pays attention to sustainability and ethics throughout its supply chain. We, therefore, have developed a new and more comprehensive Supplier Code of Conduct, which is in line with national and international legislation and follows the standard set by the Responsible Business Alliance (RBA).

Proximus is an active member of the JAC (Joint Alliance for CSR) initiative. The JAC is a global alliance of telecom operators, who monitor, assess, share and develop sustainability practices for their suppliers and tiers through risk audits, assessments and

surveys. Currently, JAC, encompasses a total of 27 telecom operators, together representing more than 50% of worldwide telecom turnover. Audits are performed by recognized third parties on the premises of suppliers' and supplier tiers' manufacturing centers in the Information Communication Technology (ICT) industry.

We integrate ESG criteria into our supplier selection process and in our contracts. We monitor our key suppliers on these ESG criteria by obliging them to undergo a validated evaluation by third-party assessment organizations. We accomplish this by inviting them to deliver an EcoVadis self-assessment and by publishing their emission reduction roadmap publicly.

Within the JAC, an on-going human rights due diligence exercise is undertaken with major supply chain partners to monitor potential occurrence and/or impact of non-respect of UN Guiding Principles on Business and Human Rights. We recognize our corporate responsibility to respect these principles. We commit to "know and show" to mitigate potential human rights impacts beyond our direct control and influence the behavior of suppliers and their stakeholders.

Remuneration report

The remuneration policies of the Directors and of the Leadership Squad are inspired by current legislation, and by the Belgian Corporate Governance Code 2020 ("the 2020 Corporate Governance Code") as well as by the market practices and trends, but also according to the Proximus context, its specific strategies and its ambition to participate in an inclusive, secure, sustainable and prosperous digital Belgium.

Our company is taking particular care to provide relevant and transparent information on the general principles governing its remuneration policy and the level of remuneration of the members of the Board of Directors and of the Leadership Squad. A slightly adapted version of the Proximus Remuneration Policy has been approved during the General Meeting of Shareholders of Proximus on 19 April 2023 and is available on the corporate website of Proximus (Remuneration policy | Proximus Group).

Unless otherwise stated, all amounts in this remuneration report are presented as gross amounts. For employees this is the gross salary (excl. employer's social contribution) and for self-employed employees this is the gross remuneration (excluding VAT).

Remuneration of the members of the Board of Directors

Structure of the remuneration of the members of the Board of Directors

The principle of continuity with the past has been maintained. The remuneration adopted by the General Assembly of 2004 has remained applicable in 2023 and no substantial change of the policy is expected for the coming years.

The Board of Directors is composed of no more than fourteen members, including the Chief Executive Officer ("the CEO"). The CEO is the only executive member at the Board, all other members are non-executive Directors.

The CEO is not remunerated for the exercise of his mandate as member of the Board of Directors and of the Committees, nor for any other mandate within the Group subsidiaries Boards of Directors with the exception of his mandate as Chairman of the Board of Directors of TeleSign US, as per American market practices.

	Chairman of the Board of Directors	Non-executive Director
Annual fixed compensation	€ 50,000	€ 25,000
Attendance fee to meetings		
Board of Directors	€ 10,000	€ 5,000
Committee as Chairman of the Committee	€ 5,000	€ 5,000
Committee as member of the Committee	€ 2,500	€ 2,500
Allowance for communication costs	€ 4,000	€ 2,000

The non-executive Directors are thus remunerated as follows:

- For the Chairman of the Board of Directors:
  - An annual fixed compensation of € 50,000 granted *pro rata temporis* of the duration of the mandate.
  - An attendance fee of € 10,000 per attended meeting of the Board of Directors.
  - An attendance fee of € 2,500 per attended meeting as a member of an advisory committee of the Board of Directors. This fee is doubled per attended meeting as chairman of this advisory committee.
  - An annual fixed allowance of € 4,000 for communication costs.
  - The use of a company car.
- For the other members of the Board of Directors:
  - An annual fixed compensation of € 25,000 granted *pro rata temporis* of the duration of the mandate.
  - An attendance fee of € 5,000 per attended meeting of the Board of Directors.
  - An attendance fee of € 2,500 per attended meeting as a member of an advisory committee of the Board of Directors. This fee is doubled per attended meeting as chairman of this advisory committee.

- An annual fixed allowance of € 2,000 for communication costs.

These amounts are paid semi-annually and are not subject to indexation.

For the performance of their Board mandates, the non-executive Directors do not receive any variable performance-based remuneration, nor do they receive benefits linked to complementary pension plans or any other group insurance.

Although the 2020 Corporate Governance Code recommends that non-executive board members should receive part of their remuneration in the form of shares in the company, the company has decided not to comply with this provision taking into account its specific shareholdership, having the Belgian State as majority shareholder.

The Chairman of the Board of Directors is also Chairman of the Joint Committee, the Pension Fund and Proximus ART. He is member of the Board of ConnectImmo, our immo-affiliate. He does not receive any fees for these mandates.

Remuneration granted to the members of the Board of Directors in 2023

The total amount of the remunerations granted in 2023 to all the members of the Board of Directors, Chairman included, is amounting to gross € 1,491,432.

Given the strong evolution of the international pillar of Proximus, the Board of Directors decided at its meeting of 19 December 2023 to create an International Committee as of 2024 with the purpose to ensure Board oversight on all international activities of the Group.

The overview of the individual gross amounts paid out to the Directors in 2023, based on their activities and attendance to Board and Committee meetings, is presented in the table on the following page.

Board of Directors

Meetings	Attendance rate
14	94%

Audit & Compliance Committee

Meetings	Attendance rate
6	97%

Transformation & Innovation Committee

Meetings	Attendance rate
2	100%

Nomination & Remuneration Committee

Meetings	Attendance rate
5	96%

Remuneration granted to the members of the Board of Directors in 2023

Directors	Annual fix compensation	Attendance fees[1]	Allowance[2]	TOTAL 2023
Cécile Coune[3]	€ 17,603	€ 57,500	€ 1,403	€ 76,505
Stefaan De Clerck	€ 50,000	€ 190,000	€ 7,163	€ 247,163
Guillaume Boutin	-	-	-	-
Karel De Gucht	€ 25,000	€ 77,500	€ 2,000	€ 104,500
Béatrice de Mahieu	€ 25,000	€ 75,000	€ 2,000	€ 102,000
Pierre Demuelenaere[4]	€ 7,466	€ 22,500	€ 592	€ 30,558
Martin De Prycker	€ 25,000	€ 87,500	€ 2,000	€ 114,500
Audrey Hanard	€ 25,000	€ 55,000	€ 2,000	€ 82,000
Ibrahim Ouassari	€ 25,000	€ 75,000	€ 2,000	€ 102,000
Catherine Rutten	€ 25,000	€ 85,000	€ 2,000	€ 112,000
Joachim Sonne	€ 25,000	€ 85,000	€ 2,000	€ 112,000
Claire Tillekaerts	€ 25,000	€ 82,500	€ 2,000	€ 109,500
Agnès Touraine[5]	€ 22,877	€ 55,000	€ 1,830	€ 79,707
Catherine Vandenborre	€ 25,000	€ 95,000	€ 2,000	€ 122,000
Luc Van den hove	€ 25,000	€ 70,000	€ 2,000	€ 97,000
TOTAL	**€ 347,945**	**€ 1,112,500**	**€ 30,987**	**€ 1,491,432**

1 Extraordinary remunerated Board meetings on 9 February, 13 March, 27 June, 13 July, 16 July and 8 December 2023
2 Annual fixed telecom allowance. For the Chairman, this amount also includes the benefit in kind related to the use of company car, which amounted to 3,163 € in 2023.
3 Appointed on 19 April 2023
4 Mandate ended on 19 April 2023
5 Resigned on 1 December 2023

Remuneration granted to the members of the Board of Directors over 5 years

Total 2019	Total 2020	Total 2021	Total 2022	TOTAL 2023
€ 1,243,509	€ 1,231,116 €	€ 1,192,366	€ 987,723	€ 1,491,432
year-over-year variance	**-1.0%**	**-3.1%**	**-17.2%**	**+51.0%**

The table above gives an overview of the remuneration granted over the last 5 years to members of the Board of Directors, Chairman included. The year-over-year variance is solely due to the number of board and committee meetings held per calendar year and the attendance or absence of members at these meetings.

Global Rewards Program – general vision

As provider of digital services and communication solutions, our company is operating in a complex, dynamic and constantly changing environment, on a highly competitive and rapidly evolving Belgian and international telecom market.

To achieve our transformation, ambitions and objectives, and so ensure the long-term sustainability of our Group, we need qualified, talented and highly committed employees and managers, working in close cooperation, building resilience and promoting our culture and values. We indeed consider the promotion of our Think possible culture as key to realize our strategy. Think possible is first and foremost a mindset that makes us see opportunities everywhere. It is also a set of principles and behaviours that guide us in finding the best solutions for our customers.

It is therefore critical to have a competitive and market attractive Global Rewards Program for both the Leadership Squad members and all other members of the Top Management, as well as for the entire workforce. The competitiveness of our Global Rewards Program is regularly assessed by using the services of a human capital and employee benefits consulting company.

Our company has innovative, competitive and market attractive remuneration policies and practices that are regularly assessed and updated through close cooperation with universities, salary benchmark reports from specialized companies and external human resources fora. The practices used for the remuneration of our employees – wages and working conditions included – are based on the principles of non-discrimination and fairness and are defined in a process of dialogue with the Board of Directors and with the social partners.

In view of its history as a company under public law, our company presents certain differences, in its dynamics and structure, compared to the private sector. These differences have had a considerable influence on the evolution of its remuneration policy. Our human resources department has thus developed creative and modular programs to meet our obligations related to the statutory nature of the employment of certain staff members and has introduced new elements that have made it possible to harmonize policies between statutory and contractual staff members.

The main objectives of our Global Rewards Program are as follows:

- To drive performance that generates long-term profitable growth and create long-term value for our Group as a reference operator;
- To stimulate empowerment to meet our commitment to participate in the creation of an inclusive, safe, sustainable and prosperous digital Belgium;
- To offer a fair and equitable remuneration to our staff (both to civil servants and to the contractual employees), and competitive on the market;
- To recognize and reward high performance in line with our company values and our culture “Think possible”;
- To link pay to both individual performance and the overall success of our company in order to reinforce the alignment with the business strategy and successful execution;
- To enable our company to attract and retain market’s talents at all levels, offering them to live intuitive and meaningful experiences, to create a place of work where these talents can be the best version of themselves and to get them ready to win our company’s challenges of today and tomorrow;
- To combine the needs and responsibilities of employees and their families with those of the company and society at large.

Our company also maintains – and modernises – additional motivational instruments, such as work- life benefits (e.g. hospitalisation and homeworking facilities), social assistance and well-being initiatives offered to all employees, Leadership Squad members included.

Our priority is to work on the basis of remuneration practices that prepare the future and support the promise made to our employees to empower them to take accountability, to achieve our company’s ambition and strategic objectives and to make them proud of the successes we achieve together.

Remuneration of the members of the Leadership Squad

Decision-making process

The remuneration program of the Leadership Squad and the individual remuneration packages are set by the Board of Directors upon recommendations from the Nomination & Remuneration Committee. The individual remuneration packages are defined according to the individual responsibilities, sustained performance, critical skills and market practices.

Competitiveness of the remuneration of the Leadership Squad

The remuneration policies and practices applicable to the Leadership Squad are aimed to reward the executives competitively and at rates that are attractive in the market, align the interests of management and shareholders and comply with the governance rules applicable in Belgium. Although the 2020 Belgian Corporate Governance Code recommends that the Board should set a minimum threshold of shares to be held by the members of the Leadership Squad, the company did decide in the past not to comply with this provision taking into account its specific shareholdership, having the Belgian State as majority shareholder. Nevertheless, in view of our Group's increasing internationalization, our company is considering introducing share-based compensation in the future, which would also enable a better compliance with the Belgian Corporate Governance Code.

To achieve its transformation, ambitions and objectives, and thus ensure the long-term sustainability of the Group, our company intends to attract and retain qualified, talented and committed leaders for its Leadership Squad. We want to recognize clear role models, who deliver a high level of performance and promote our culture and values.

Like the rest of the top management of our company, the members of the Leadership Squad benefit from dedicated reward programs which focus on the principles of our strategy to consistently reward high performance of individuals and of the company. A significant part of their total remuneration is variable, based on stringent quantitative and qualitative performance criteria, and is driven by our company's objectives in terms of performance and growth and by our company's commitment to contribute to an inclusive, safe, sustainable and prosperous digital Belgium. This way, our company wants to encourage them to deliver a long-term, sustainable profitable growth, in line with our Group's strategy and the expectations of our shareholders.

The market positioning of these remuneration packages is reviewed on a regular basis by benchmarking the remuneration of the members of our Leadership Squad against both the BEL 20 companies (financial sector excluded) and a set of peer companies in the European Telecommunications and ICT sector. This analysis – carried out by specialized and independent external consultants – aims to ensure that the global remuneration of each member of the Leadership Squad remains adequate, fair and in line with market practices and consistent with the evolution of both his/her responsibilities and the market situation of the Proximus Group in terms of size, scope of activities and financial results. As a company, we ambition to position ourselves on the market median, which is our reference.

To distinguish ourselves from other employers, our company seeks to differentiate in the total package offered, by providing not only a cash remuneration but also other benefits. A limited degree of freedom is also left to the top management, the CEO and the other members of the Leadership Squad included, with regard to the choice of the pay-out means of their variable compensation.

Unless otherwise stated, all the amounts mentioned in this report are gross amounts before employer's social contribution.

Remuneration structure of the Leadership Squad

The remuneration of the members of the Leadership Squad is built upon the following components:

- Fixed remuneration
- Short-term variable remuneration
- Long-term variable remuneration
- Group insurance premiums
- Other benefits
- One-off and exceptional bonuses

Current variable remuneration policy is aligned for all Leadership Squad members, CEO included. The target percentage of both the short-term and the long-term variable remuneration amounts to 40% of the fixed remuneration.

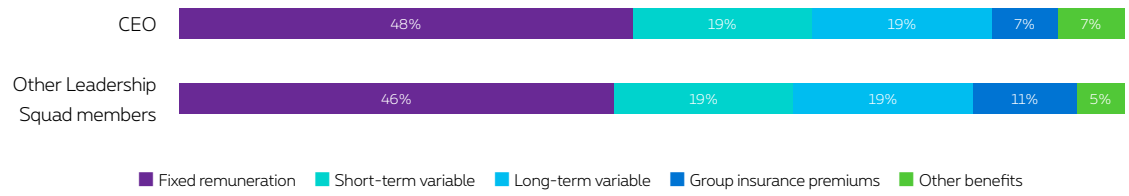
The CEO and the other members of the Leadership Squad do not receive any remuneration in the form of Proximus shares or Proximus stock options. But in view of our Group's increasing internationalization, our company is considering introducing share-based compensation in the future, which would also enable a better compliance with the Belgian Corporate Governance Code.

Fixed remuneration

The fixed remuneration consists of a fixed salary earned by the CEO and by the other members of the Leadership Squad for the reported year in such respective roles. This remuneration is defined by the nature and the specificities of the function and by the level of individual skills and experience, considering market practices. This remuneration is allocated regardless of the results and is contractually subject to the consumer price index.[1]

The fixed remuneration of the CEO is set by the Board of Directors at the beginning of his six-year mandate for the duration of his mandate. The fixed remuneration of the Leadership Squad members others than the CEO is regularly assessed by the Nomination & Remuneration Committee, based on an extensive review of sustained performance and assessment of potential of each member provided by the CEO, as well as on external benchmarking data on market practices. Thereby, the evolution of the fixed remuneration depends on the competency level of the Leadership Squad member, of his or her sustained performance level, of the evolution of his or her responsibilities, as well as of the evolution of the market. Possible adjustments are always submitted to the Board of Directors for approval.

Relative importance of the various components of the on-target remuneration before employer's social contribution (end 2023)



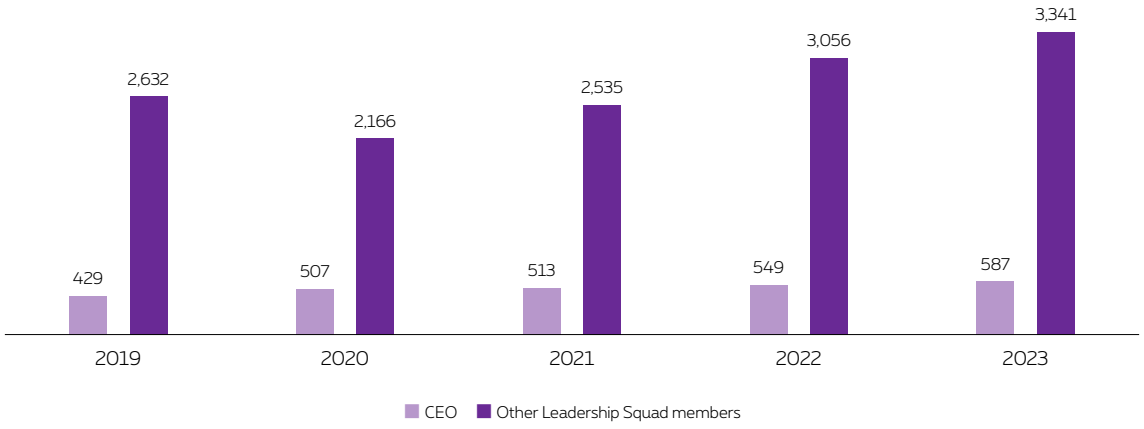
1 In accordance with the rules laid down by the Law of 1 March 1977 organising a system of linking certain public sector expenditure to the State consumer price index, as amended by Royal Decree No 178 of 30 December 1982.

Fixed remuneration in k€ before employer's social contribution over 5 years

As for the CEO, the amounts reported for most of 2019 (€ 385 k) were paid to the former CEO, Mrs. Leroy, while one month in 2019 (€ 44 k) and the amounts reported since 2020 were paid to the current CEO, Mr. Boutin. The increase from 2022 to 2023 is due to the five indexes which had to be applied in 2022 and the two indexes in 2023. Indeed, Proximus follows the public sector indexation system. In practice, this means that as soon as the pivot index is exceeded, salaries are automatically increased by 2% two months after the index is exceeded.

As for the other members of the Leadership Squad, the increase from 2022 to 2023 is also mainly due to the five indexes of 2022 and the two indexes in 2023 but is also resulting from the changes in the composition of the Leadership Squad. Following the retirement of Mr. Dirk Lybaert in September 2023 (resulting in an early payment of vacation pay), a new member has joined the Leadership Squad in August 2023, Mr. Ben Appel.

Since 2022, fees are paid by TeleSign US to Guillaume Boutin for his mandate as Chairman of the Board of Directors of TeleSign US, amounting to 75,000 USD, as is common practice in the United States. These fees are not included in the fixed remuneration reported in this document, which focuses on the compensation items related to Proximus S.A.



The roles acted ad interim as CEO or as other member of the Leadership Squad are not taken into consideration for current report.

Short-term variable remuneration

Purpose and components of the short-term variable remuneration

The members of the Leadership Squad, CEO included, receive a target short-term variable remuneration expressed as a percentage of the annual fixed remuneration. This target percentage is identical for all Leadership Squad members, CEO included, and amounts to 40% of the fixed remuneration.

Our short-term variable remuneration system has been designed to support the strategy and the values of our Group and to enhance a performance-based management culture.

Our company indeed considers close collaboration of all employees to be imperative. All efforts need to be focused and aligned towards the Group's ambition to be successful and ensure its sustainability.

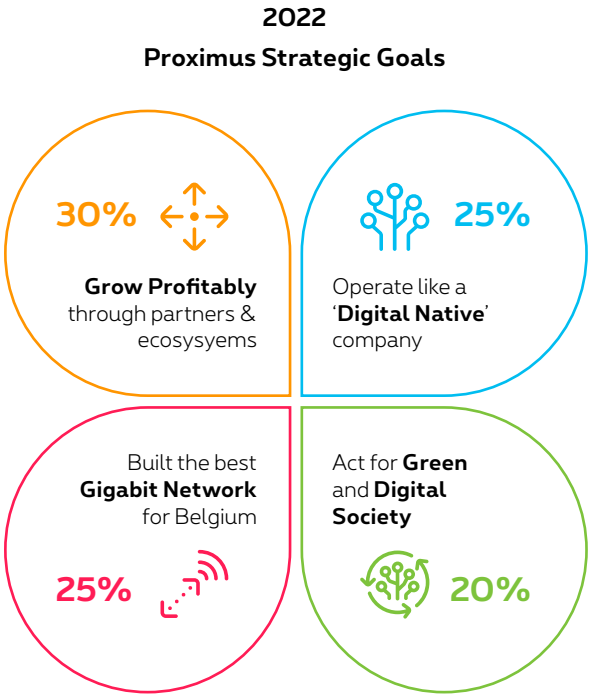
The Group results are therefore highly impacting (for 60%) the short-term variable remuneration of the members of the Leadership Squad, on top of the individual performance (for 40%), and this in line with our company values.

Group performance – Key Performance Indicators (KPIs)

The short-term annual variable remuneration is for 60% based on the Group's performance against a set of Key Performance Indicators (KPIs), that are, on a yearly basis, defined by the Board of Directors upon recommendation from the Nomination & Remuneration Committee. These KPIs are the so called STI KPIs (Short Term Incentives KPIs). They focus on our domestic market (Belgium, The Netherlands and Luxemburg).

The amounts of short-term variable remuneration mentioned in the current report are the ones paid out to the Leadership Squad members in the course of 2023 and are thus related to the results of the Group KPIs of the 2022 performance year.

The Remuneration Committee recommended the following set of Strategic Goals to the Board of Directors for the 2022 performance year:



Each Strategic Goal has a weight in the overall STI KPI framework, in line with its relative importance for the Group. Each Strategic Goal has a number of clearly identified, specific, measurable and actionable KPIs associated to it. These KPIs are either of a financial, a non-financial or a mixed nature.

For the sake of confidentiality, the STI KPIs are only reported a posteriori in this report.

The high ESG (Environmental, Social and Governance) ambitions of our Group are reflected in our STI KPIs. The chosen KPIs show our company's commitment to contribute to a more green, circular and safe society. In the 2022 framework, dedicated metrics on CO_2 emissions reduction have been added. The weight of the ESG-related KPIs in the overall STI framework has increased from 15% in 2021 to 20% in 2022, in line with the increased importance of climate change and digital inclusion on the societal agenda.

A detailed definition for each of the STI KPIs can be found in the table on the following page.

Strategic Goal 2022	KPI nature	STI KPI 2022	Weight	KPI Definition
Sustainable Growth 	Financial	**EBITDA**	15%	Underlying EBITDA generated by the business domestic operations.
	Mixed	**Net Acquisition Value**	10%	Annualized value generated/destroyed by gains and losses of customers in the mass- and professional markets.
	Financial	**Indirect OpEx**	5%	Indirect OpEx spent in the observed year. Defined as the Total domestic OpEx minus the Direct domestic OpEx.
Digital company 	Non-Financial	**NPS**	5%	Net Promoter Score, computed as the weighted average of NPS results per customer segment.
	Non-Financial	**Customer Excellence**	10%	This KPI consists of 3 sub-KPIs. They only relate to the Proximus brand, excluding Scarlet and Mobile Vikings. 1. Customer Effort Score Fiber (incl. migrations from copper to fiber and new fiber customers). 2. Customer Effort Score Technical Assistance. 3. Contact Centre Volumes (calls, mails, chats): the increasing volume of digital-first interactions is expected to deflate Contact Centre Volumes and to have a positive impact on customer experience.
	Non-Financial	**Digital Company**	10%	This KPI consists of 4 sub-KPIs: 1. E-share of Sales: digital penetration of our sales volumes. 2. MyProximus Usage: monthly number of users of the MyProximus App. 3. Pickx Usage: monthly number of Proximus Pickx users (App + Web). 4. Major Incidents: number of major IT/Telco incidents occurred in Proximus networks.
Gigabit network 	Non-Financial	**Fiber Construction**	10%	Deployment of our new Fiber network: incremental number of Fiber Homes Passed realised in the observed year. Including deployment from Proximus itself and its Joint Ventures partners.
	Non-Financial	**Fiber Filling Rate**	10%	Ratio between the Park of Activate Fiber Homes and the Park of Homes Passed that are eligible for Fiber Activation.
	Non-Financial	**5G Deployment**	5%	Growth of new vendor Nokia 5G macro sites park realised in the observed year.
Green & Digital Society 	Non-Financial	**Green**	5%	This KPI consists of 2 sub-KPIs: 1. CO_2 Emissions: Direct and Up- & Downstream CO_2 emissions related to Proximus' business activities. 2. Returned devices: number of mobile and fixed devices collected for refurbishment or recycling.
	Non-Financial	**Digital Society**	5%	This KPI consists of 2 sub-KPIs: 1. Cyber Security Resilience: a measure of our business resilience against cyber security threats/attacks. 2. Fiber Connectable High School Sites: Percentage of High School sites connected or connectable within 12 months to the Proximus fiber network in Belgium.
	Non-Financial	**Employees**	10%	Measure of our employees' engagement, agility, empowerment, accountability and strategic alignment with respect to our company.
		Total	**100%**	

Measuring methodology: we all go the extra smile!

For each performance indicator, an end-of-year target has been defined, as well as a pay-out interval with a minimum (Min) and a maximum (Max) threshold. The targets and thresholds have been defined in such a way that they stimulate the teams to go the extra (s)mile whilst remaining realistic and achievable. For a KPI that meets its end-of-year target, the short-term variable remuneration pay-out ("Multiplier") is at 100% of its target level. In case of overperformance versus target at year end, the Multiplier linearly grows to a maximum of 200% beyond which it is capped, whilst it linearly decreases to 0% in case of underperformance versus target at year end.

The EBITDA and the Indirect OpEx are determined based on audited financial figures, adjusted to obtain underlying financial figures after exclusion of incidentals. Non-financial and mixed indicators are measured by internal experts and external agencies specialized in market and customer intelligence.

The achievements of these KPIs are regularly followed-up at the Leadership Squad and are discussed at the Remuneration Committee and at the Board of Directors.

Individual performance

The individual performance is taken into account for 40% in the short-term variable remuneration.

On top of the Group results, the individual performance is annually evaluated in the course of the first quarter following the end of the financial year by the Board of Directors. This evaluation is based on the recommendations made by the Chairman of the Board of Directors for the CEO performance and by the CEO for the other members of the Leadership Squad.

Throughout each performance period, the achievements of the on-going year are regularly measured and discussed. The final evaluation takes into account the realizations versus predefined measurable individual objectives as well as the achievements of the Leadership Squad members in their leadership role and their active role in the promotion of our company culture and values.

These individual objectives are set every year in line with the specific role and responsibilities of each Leadership Squad member and need to reflect our long-term corporate strategy which is cascaded within the company and included in the individual objectives as to enable our Group to fulfil its ambitions.

ESG-related metrics are part of the individual annual targets, such as climate change KPIs (aiming to reduce our environmental footprint, that of our customers and that of our suppliers), a positive influence on (digital) society, governance KPIs or parameters with a social responsibility dimension. Our company wants to encourage permanent awareness and climate-friendly behaviour and management.

We are committed to stimulate high and sustainable levels of performance in a spirit of innovation, collaboration, agility and personal development.

Upon final evaluation, the Board of Directors will not only take into consideration the individual differentiation between the members of the Leadership Squad in terms of performance and talent but will also ensure that the total amount allocated for individual performance is in line with the results at Group level, in order to consolidate the interdependence between the individual contribution and the company's performance.

Short-term variable remuneration allocation

As mentioned above, the amount effectively paid to the CEO and to the other members of the Leadership Squad varies according to the Group results (for 60%) and to the evaluation of the individual performances (for 40%) by the Board of Directors.

In case of objectives realization at 100%, the CEO or the other members of the Leadership Squad gets 100% of his or her short-term variable remuneration target amount. In case of excellent performance at Group and individual level, the short-term variable remuneration can go above the 100% of the target amount, with a cap at 200%, according to a linear allocation curve. Conversely, this percentage can drop down to 0% in case of severe underperformance.

The Board of Directors ensures that the amount allocated for individual performance is consistent with the company's performance. However, since 2023 (performance year 2022), there is no longer an overall ceiling directly linked to the Group KPI results for the total individual short-term variable remuneration allocated to the Leadership Squad members

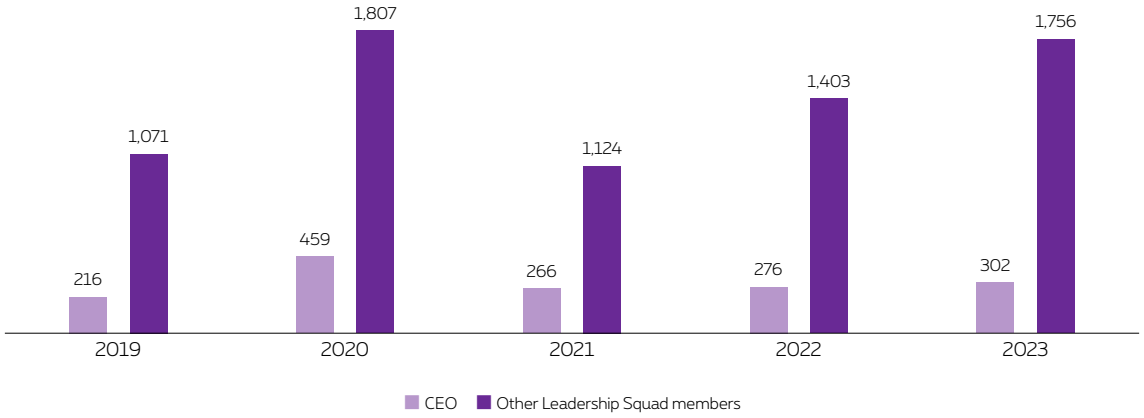
2022 performance year	Objectives of the Short-term variable remuneration		weight	% weight
CEO and other members of the Leadership Squad	Group KPI	Sustainable Growth	18%	30%
		Digital company	15%	25%
		Gigabit network	15%	25%
		Green & Digital Society	12%	20%
	Personal objectives		40%	
	Total target		100%	100%

others than the CEO. Allocations are made individually on the basis of actual performance against individual targets, which is more in line with market practice for this level of responsibility.

Short-term variable remuneration in k€ before employer's social contribution over 5 years

In 2023, a short-term variable remuneration has been allocated to the CEO for a total amount of gross € 301,633. The increase noticed in 2023 is mainly due to the indexation applied on the fixed remuneration in 2022. The amounts reported for 2019 were paid to the former CEO, Mrs. Leroy. The amount reported for 2020 included the amount paid to the current CEO, Mr. Boutin (€ 18,833 gross) but also included the amount (€ 440,000 gross) paid out to former CEO, Mrs. Leroy, for her performance years 2017 to 2019.

The total short-term variable remuneration effectively allocated in 2023 to the other members of the Leadership Squad (2022 performance year) amounts to gross € 1,756,326. As for the CEO, the increase noticed in 2023 is mainly due to the indexation applied on the fixed remuneration in 2022 but is also resulting from the changes in the composition of the Leadership Squad in 2021 (the short-term variable remuneration effectively paid in 2022 was not related to a full performance year for two members) and from the fact that there is no longer an overall ceiling directly linked to the Group KPI results for the total individual short-term variable remuneration (as explained above). The other year-to-year variations are mainly resulting from (i) the variations in the Group KPI results, from (ii) the changes in the composition of the Leadership Squad, including possible hiring bonuses, and from (iii) the exceptional bonus paid in 2020 to our former Chief Financial Officer, Mrs. Dufour, rewarding her excellent performance in the course of 2019 in her ad interim CEO role. The reported amount for 2020 also included the amount paid to the current CEO, Mr. Boutin, for his performances in 2019 as member of the Leadership Squad (before his nomination as CEO).



One of the principles of our company's remuneration policy is the degree of freedom for the top management, the CEO and the other members of the Leadership Squad included, with regard to the choice of pay out means of their variable remuneration. They therefore get the opportunity to invest part of their short-term variable remuneration in a bonus pension plan, i.e. an additional supplementary pension plan, and to receive part of their short-term variable remuneration in cash bonuses, in non-recurring benefit or in (non-Proximus) warrants or fund options, always within the limits of the relevant regulations.

Long-term variable remuneration

Purpose and components of the long-term variable remuneration

Our company wants to encourage its Leadership Squad, as well as the other members of its top management, to generate sustainable and profitable performance and growth over the long term, in line with our strategy at Group level, our societal ambitions and the expectations of our shareholders and all our other stakeholders.

To achieve this ambition, the remuneration policy of our Leadership Squad, CEO included, significantly links their variable remuneration to our Group's long-term financial and non-financial strategic objectives through a long-term variable remuneration.

Long-term variable remuneration allocation

The members of the Leadership Squad, CEO included, receive a target long-term variable remuneration expressed in a percentage of the fixed remuneration. This target percentage is the same as the percentage of their target short-term variable remuneration, i.e. 40% of the annual fixed remuneration.

The long-term variable remuneration is allocated to the members of the Leadership Squad by the Board of Directors upon recommendations made by the Nomination & Remuneration Committee. The long-term incentives plan currently in place is a long-term Performance Value Plan, which has been adopted by our company in 2013 and has been reviewed in 2019, 2022 and 2023.

Long-term Performance Value Plan

The long-term incentive plan offered by our company to its executives is currently set up as a Performance Value Plan. Under this Performance Value Plan, targets are defined and fixed for the next 3 years and as a result, the awards granted are blocked for a period of 3 years. The amount actually paid after vesting, will depend on a final multiplier as described below.

This plan has been designed to keep the long-term variable remuneration of the executives balanced and attractive while maximizing Proximus Group's long-term value by aligning the interests of Proximus Group's executives with Proximus Group's shareholders and stakeholders. It aims to ensure that the actions and initiatives taken by the executives are guided by long-term and sustainable interests. Therefore, this remuneration clearly constitutes a long-term incentive.

Leadership Squad members who would put an end to their employment relationship with our company before the end of the blocking period would lose the awards granted. This rule also applies in case the company puts an end to an employment relationship for serious cause on the part of a member of the Leadership Squad.

Long-term Incentive Key Performance Indicators

Just like the STI KPIs, the Key Performance Indicators used in the frame of the Long-term Performance Value Plan – the so called LTI KPIs – are also related to the strategic goals of our Group and enable us to assess the progresses of our Group towards our societal ambitions, strategy and sustainability on the long term.

We keep the future in mind

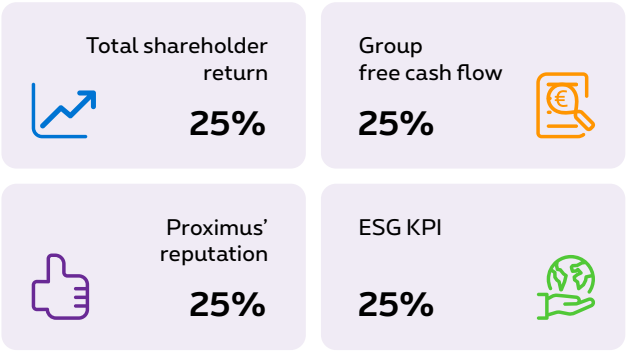
In order to reflect the high ESG (Environmental, Social and Governance) ambitions of our Group in our LTI KPIs as well, a fourth KPI, specifically related to ESG matters, has been added to the original ones since 2022. This way, encouraging ESG innovation, we want to increase the focus on our efforts to evolve towards a more sustainable society. This ESG KPI will be reviewed over the years in line with our ESG concerns and long-term commitment to contribute to the necessary changes.

Therefore, in 2023, 4 KPIs have been defined which enhance the sense of long-term and sustainable business vision among Proximus Group's senior management and support Proximus in delivering sustainable Free Cash Flow and improving our brand perception and reputation:

- 2 financial KPIs: the Total Shareholder Return of Proximus and the Group Free Cash Flow;
- 2 non-financial KPIs: the Reputation index of Proximus and an ESG (Environmental, Social and Governance) KPI.

2023

Long-term variable remuneration Key Performance Indicators



The KPIs have been given different weights in the overall Long-term Performance Value Plan framework, in line with their relative importance in terms of long-term sustainability of the Group. The weight of each KPI has been reviewed with the introduction of the ESG KPI as 4th KPI. A detailed definition for each of the KPIs, as well as their weight factors, can be found in the following table.

LTI KPI	Weight	KPI definition and measurement
Total shareholder return	25%[1]	This criterium reflects Proximus' long-term competitivity on the European telecom market by measuring its position against a representative basket of comparable European companies with respect to their Total Shareholder Return. The Total Shareholder Return being defined as the combination of share price appreciation and the dividends paid to show the total return to the shareholder. Current basket of European companies is the following: Deutsche Telekom, Orange, KPN, BT, Swisscom, Telefonica, Telecom Italia, Telenor, TeliaSonera and OTE. This KPI is measured annually, per calendar year, and the annual result is expressed as a percentage between 0 and 175, depending on the ranking of Proximus within the peer group.
Group free cash flow	25%[1]	The Group Free Cash Flow KPI will measure Proximus' healthy financial evolution over the years. Group Free Cash Flow targets are defined by Proximus' Board of Directors in line with the 3-year plan. This KPI is assessed annually against the objectives set and the annual result is expressed as a percentage between 0 and 175.
Reputation index	25%[2]	The Reputation Index is a holistic, measurable and actionable KPI enabling Proximus to fully integrate the concept of reputation into its long-term strategy. It measures the perception about "the company behind the brand" among a representative sample of the general public, (co-) responsible for telecom decisions in their household. A third-party company reports the annual results which are expressed as a percentage between 0 and 175.
ESG KPI	25%	This ESG KPI reflects the high ambitions of Proximus to evolve towards a more sustainable society. The KPI currently covers the companywide CO_2 emissions reduction as well as a gender balance metric, but additional ESG metrics could be considered to enrich the ESG KPI, in line with Proximus societal ambitions, strategy and sustainability on the long term.

1 40% for the Tranche 2020 and 2021, 25% as from the Tranche 2022
2 20% for the Tranche 2020 and 2021, 25% as from the Tranche 2022

For the Reputation Index, the ESG KPI and the Group Free Cash Flow, targets and thresholds are defined in such a way that they stimulate the teams to go the extra (s)mile whilst remaining realistic and achievable on the long-term.

Each year, an annual result is calculated on the basis of the weighted average of the 4 above-mentioned performance criteria. After the blocking period of 3 years, the Performance Values vest and the Performance Values are then paid to the beneficiaries according to the final multiplier, being the average of the three yearly multipliers.

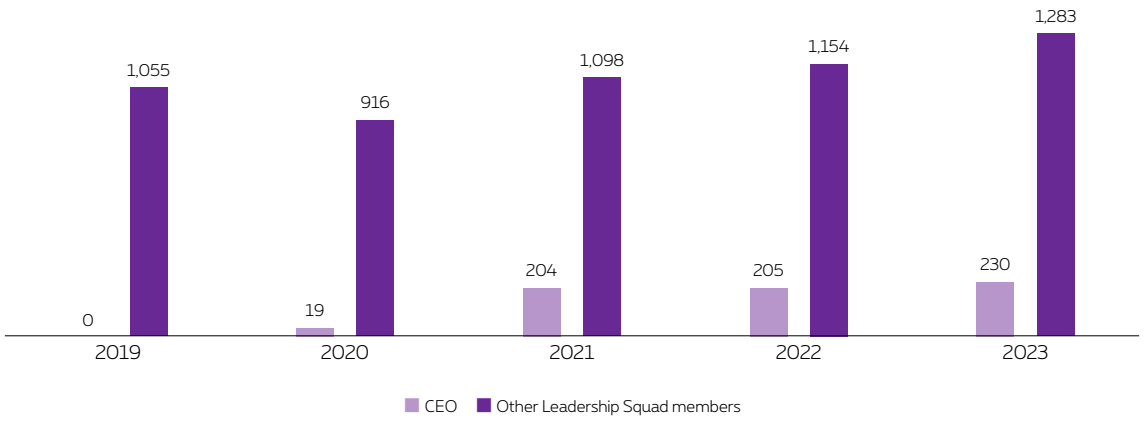
In case of final multiplier at 100%, the executives get 100% of the long -term variable remuneration originally granted to them. In case of sustained excellent Group performance over this 3-year period, the final multiplier for the long-term variable remuneration can go above the 100%, with a cap at 175%. Conversely, this percentage can drop down to 0% in case of severe underperformance.

The payment of the Performance Values is made through a cash bonus.

The CEO and the other members of the Leadership Squad did not receive any Proximus shares nor Proximus stock options over the last 5 years. But in view of our Group's increasing internationalization, our company is considering introducing share-based compensation in the future, which would also enable a better compliance with the Belgian Corporate Governance Code.

Long-term variable remuneration granted in k€ before employer's social contribution over 5 years

Given Mr. Boutin started his CEO mandate in December 2019, only the long-term variable remuneration allocated to him in the course of 2020 for one month performance in his CEO role is included in the reported granted amount for 2020. Since 2021, the amount allocated refers to full-year performances. The former CEO, Mrs. Leroy, was not eligible to long-term variable remuneration. In 2023, a long-term variable remuneration has been granted to the CEO for a total amount of gross € 229,903, which will vest in May 2026, therefore cannot be paid before May 2026.
The total long-term variable remuneration effectively granted to the members of the Leadership Squad others than the CEO was amounting to gross € 1,154,000 in 2022 and to gross € 1,282,784 in 2023.
The year-to-year variations for the CEO and the other members of the Leadership Squad are mainly resulting from the indexation applied on the fixed remuneration in 2022.



Group insurance premiums

Complementary pension

The CEO participates in a complementary pension scheme entirely financed by Proximus which foresees an annual defined contribution calculated as a percentage of the fixed remuneration. This percentage amounts to 10%.

Formula for complementary pension of the CEO = 10% * W

W = reference salary = monthly salary multiplied by 12

The other members of the Leadership Squad participate in a complementary pension scheme entirely financed by Proximus which consists of a "Defined Benefit Plan" offering pension rights which are in line with market practices. This scheme therefore corresponds to a promise made by the company of a certain amount at retirement age based on the plan rules, an amount that does not depend on an investment return.

Formula for complementary pension of the other members of the Leadership Squad
= N/60 * W - N/45 * ELP

N = number of service years expressed in months and years
W = reference salary = monthly salary multiplied by 12
ELP = Estimated Legal Pension = the legal pension ceiling

Other group insurances

The CEO and the other members of the Leadership Squad also benefit from other group insurances in line with market practices, such as life and invalidity insurances.

As for the life insurance, the beneficiaries of the CEO or of another member of the Leadership Squad will receive, in the event of death during the term of his or her contract, a gross capital lump equal to the monthly salary multiplied by 60.

In the event of work incapacity due to illness or private accident, the professional income of the CEO or another member of the Leadership Squad is 100% guaranteed for the first three months of the incapacity. As from the fourth month, the disability insurance covers the payment of a disability annuity by the insurance company on top of the ceiling of the legal sickness-disability insurance provided by the Belgian social security.

Average premiums for the company

The average premiums paid by our company for the group insurances of the CEO in 2023 is estimated to 15% of his fixed remuneration.

As for the other members of the Leadership Squad, the average premiums paid by our company for their group insurances in 2023 amounted to about 25% of their fixed remuneration if we do not consider the exceptional payment which had to be made in September 2023 upon retirement of Mr. Dirk Lybaert (cfr the note hereafter mentioned).

Other benefits

Our Group wants to stimulate its executives by offering a portfolio of benefits and advantages that are competitive in the marketplace and consistent with the Group's culture. The CEO and the other members of the Leadership Squad receive benefits on top of their remuneration, including medical insurance, the use of a company car, welfare benefits and other benefits in kind. Comparative assessments are regularly made on these benefits which are adapted according to the common market practices.

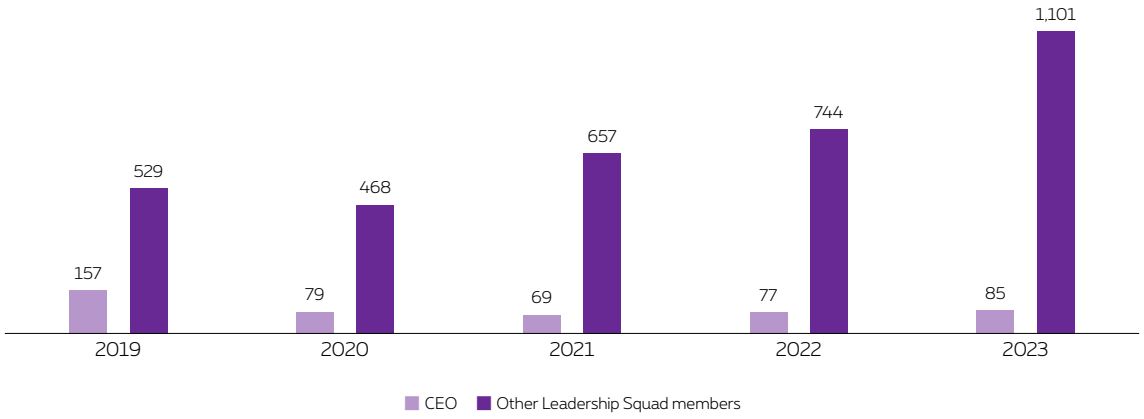
Where feasible, our portfolio of benefits and advantages is tailored and updated in line with our company's ambition to act for a green and digital society. For instance, our mobility program is now focused on clear objectives of a greener fleet and of a wide offer of green alternatives to car use for our employees, members of the Leadership Squad included.

Non-recurring costs – like relocation costs upon recruitment of new members residing abroad, for instance – are impacting the evolution from year to year of the total cost for our company for these benefits and advantages. The ratio versus the fix remuneration can therefore significantly evolve from a year to another. For 2023, this ratio is estimated to 15% for the CEO and to 19% for the other members of the Leadership Squad.

Group insurance premiums in k€ before employer's taxes over 5 years

The amounts reported for 2019 for the CEO were paid to the former CEO, Mrs. Leroy. The amounts reported since 2020 were paid to the current CEO, Mr. Boutin. The decrease is due to the change of complementary pension plan features with the nomination of current CEO, Mr. Boutin.

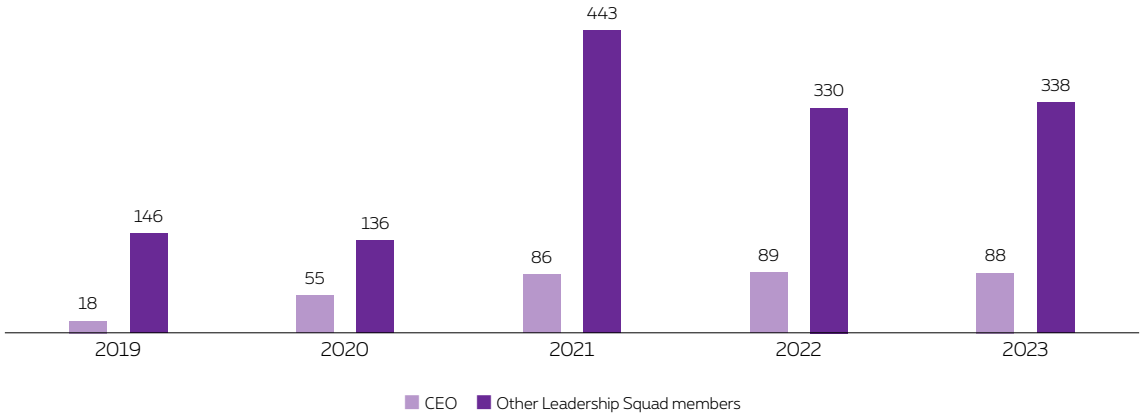
The year-to-year variations for the other members of the Leadership Squad are mainly resulting from the changes in the composition of the Leadership Squad. The increase noticed in 2023 is mainly due to a very specific situation: even though Mr Lybaert retired in September 2023 after a full career, he retired before the age stipulated in the general contract signed with our insurer, implying an additional payment (€ 266 k) by the company in his complementary pension plan. The increase noticed in 2023 is also the consequence of the multiple indexes of 2022 and 2023.



Other benefits in k€ before employer's taxes over 5 years

The amounts reported for the CEO for 2019 were paid to the former CEO, Mrs. Leroy. The amounts reported since 2020 were paid to the current CEO, Mr. Boutin. The increase since 2020 is mainly due to specific advantages related to the foreign executive status of current CEO.

The significant increase in other benefits for members of the Leadership Squad in 2021 was mainly due to specific advantages related to the foreign executive status of several members, including the specific costs related to the recruitment of two members from abroad, like the relocation costs.



One-off and exceptional bonuses

The Board of Directors may, in exceptional circumstances and upon recommendations made by the Nomination & Remuneration Committee, grant one-off bonuses to one or more members of the Leadership Squad.

This may be necessary, for example, in the case of additional responsibilities exceptionally assumed by a member of the Leadership Squad when a Leadership Squad position is vacant, or in the event that a sign-on or a special retention bonus would be necessary due to market circumstances.

At Leadership Squad level, offering a hiring bonus is common practice in order to attract talented people and convince them to join us. In the "war for talent", hiring bonuses are increasingly common on the market, and are becoming part of employment contracts. In addition to their attraction function, exceptional one-shot variable remuneration is also often granted as financial compensation for the potential loss of variable remuneration (short- and long-term) when the related people resign from their current job.

If granted, such bonuses are reported together with the variable remuneration and are included in the total variable remuneration allocated to the other Leadership Squad members at the time these possible exceptional bonuses are earned. Consequently, if contractual promises for the future exist at the time of publication of this report, they will only be taken into account at the time these will be earned.

Recovery of undue variable remuneration

A claw back stipulation is part of the contract of the CEO enabling our company to recover the paid short-term and long-term variable remuneration or to withhold the payment of this variable remuneration in the case of established fraud.

As for the other members of the Leadership Squad, the employment contracts of those members appointed as from 1 January 2020 include a specific claw back stipulation regarding the recovery in favour of our company of the short-term and long-term variable remuneration that would have been attributed to them on the basis of erroneous financial information. The employment contracts of those members appointed prior to January 1, 2020, however, do not include such a stipulation.

These stipulations do not mention the way undue variable remuneration would be recovered. If the case were to arise, which seems unlikely in view of the multiple controls and audits carried out before publication of the results, the recovery would be analysed, both in terms of the amounts to be recovered and the way to do it.

Main provisions of the contractual relationships

Proximus' contractual relations with the CEO and the other members of the Leadership Squad are in line with current market practice.

Contractual arrangement with the CEO

The CEO has a contract as self-employed executive with a fixed six-year term.

The CEO is bound by a non-competition clause, prohibiting him during 12 months after leaving the Group from working for any company of the telecommunication industry that is active in Belgium, in Luxemburg or in The Netherlands. If activated by our company, the CEO would receive an amount equal to one year's fixed remuneration as compensation.

The CEO is also bound by exclusivity and confidentiality obligations and is liable for respecting the company codes and policies, like the Code of Conduct and the Dealing Code.

If the CEO mandate is revoked by our company before the end of the six-year term, except if the mandate is ended for reason of material breach, our company will pay the CEO a contractual termination indemnity equal to one year's fixed salary and target short-term variable remuneration.

Main contractual terms of the other Leadership Squad members

Our company and the other members of the Leadership Squad are bound by employment agreements for an indefinite period that comply with Belgian corporate governance legislation and are all subject to Belgian jurisdiction.

All members of the Leadership Squad other than the CEO are bound by a non-competition clause prohibiting them during 12 months after leaving the Group from working for any other mobile or fixed licensed operator active on the Belgian market. If activated by our company, he/she would receive an amount equal to six months' fixed remuneration as compensation.

Just like the CEO, the other members of the Leadership Squad are also bound by exclusivity and confidentiality obligations and are liable for respecting the company codes and policies, like the Code of Conduct and the Dealing Code.

They have a contractual termination clause which foresees an indemnity of one year's remuneration. Nevertheless, we will apply the Belgian mandatory employment law if it provides for a longer notice period (or a corresponding higher termination indemnity).

General overview

The charts below reflect the remuneration allocated to the members of the Leadership Squad over the last 5 years by our company or any other undertaking belonging to the Group (benefit based on gross or net remuneration, depending on the type of benefit).

All amounts reported for 2019 were paid to the former CEO, Mrs. Leroy. The short-term variable remuneration amount reported for 2020 includes the amount of a deferred short-

Remuneration overview of the CEO

Please note that for 2020, the current CEO, Guillaume Boutin, received 1/12 of the short- (€ 18,833 gross) and long-term variable remuneration (€ 18,833 gross). Since 2021, he is entitled to 12 months short- and long-term variable remuneration (in 2023, respectively € 301,633 gross STI and € 229,903 gross LTI).

CEO	2019		2020		2021		2022		2023	
Fixed remuneration	€ 429,498	52%	€ 507,492	45%	€ 512,537	45%	€ 549,015	46%	€ 587,226	45%
Short-term variable remuneration	€ 215,661	26%	€ 458,833	41%	€ 265,614	23%	€ 276,019	23%	€ 301,633	23%
Long-term variable remuneration	€ 0	0%	€ 18,833	2%	€ 203,996	18%	€ 208,073	17%	€ 229,903	18%
Group insurance premiums	€ 157,433	19%	€ 78,550	7%	€ 69,007	6%	€ 76,962	6%	€ 85,470	7%
Other benefits	€ 17,619	2%	€ 55,083	5%	€ 86,402	8%	€ 88,660	7%	€ 87,823	7%
SUBTOTAL (excl. employer's social contribution)	**€ 820,211**		**€ 1,118,791**		**€ 1,137,556**		**€ 1,198,729**		**€ 1,292,055**	
Termination benefits	€ 0	0%	€ 0	0%	€ 0	0%	€ 0	0%	€ 0	0%
TOTAL (excl. employer's social contribution)	**€ 820,211**		**€ 1,118,791**		**€ 1,137,556**		**€ 1,198,729**		**€ 1,292,055**	

Remuneration overview of the other members of the Leadership Squad

Please note that an additional role has been created at Leadership Squad level in 2021 in order to support our digital transformation and ambitions.

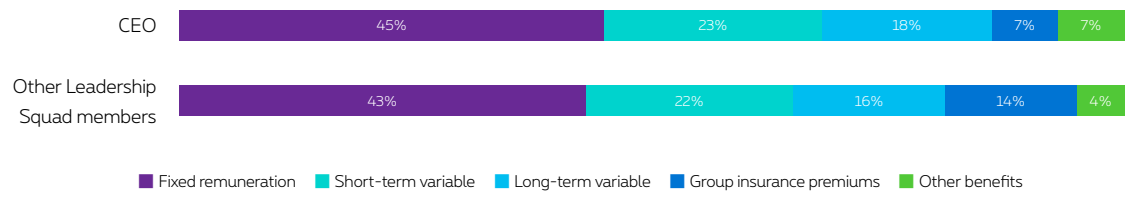
Other members of the Leadership Squad	2019		2020		2021		2022		2023	
Fixed remuneration	€ 2,632,038	48%	€ 2,166,045	39%	€ 2,534,773	43%	€ 3,055,941	46%	€ 3,340,675	43%
Short-term variable remuneration	€ 1,070,733	20%	€ 1,807,390	33%	€ 1,123,605	19%	€ 1,402,844	21%	€ 1,756,326	22%
Long-Term variable remuneration	€ 1,055,000	19%	€ 916,375	17%	€ 1,097,703	19%	€ 1,154,000	17%	€ 1,282,784	16%
Group insurance premiums	€ 529,369	10%	€ 468,275	9%	€ 657,319	11%	€ 743,750	11%	€ 1,101,269	14%
Other benefits	€ 145,588	3%	€ 135,648	2%	€ 442,935	8%	€ 329,817	5%	€ 337,828	4%
SUBTOTAL (excl. employer's social contribution)	**€ 5,432,728**		**€ 5,493,733**		**€ 5,856,335**		**€ 6,686,352**		**€ 7,818,882**	
Termination benefits	€ 0	0%	€ 0	0%	€ 0	0%	€ 0	0%	€ 0	0%
TOTAL (excl. employer's social contribution)	**€ 5,432,728**		**€ 5,493,733**		**€ 5,856,335**		**€ 6,686,352**		**€ 7,818,882**	

term variable remuneration (€ 440,000 gross) paid out to former CEO, Mrs. Leroy, for her performance years 2017 to 2019. The contract of current CEO foresees a short-term variable remuneration target amounting to 40% of the fixed remuneration. The decrease in 2020 of the Group insurance premiums is due to the change of complementary pension plan features with the nomination of current CEO. The increase since 2020 of the Other benefits is mainly due to specific advantages related to the foreign executive status of current CEO. The increase in fixed remuneration in 2022 and 2023 is due to the multiple indexes which had to be applied in 2022 (five) and in 2023 (two). The reported fixed remuneration of 2023 does not include the fees paid by TeleSign US for his Chairman mandate (amounting to 75,000 USD).

All these amounts are gross amounts before employer's social contribution.

The increase of fixed remuneration in 2022 and 2023 is mainly due to the multiple indexes which had to be applied in 2022 (five) and in 2023 (two) but is also resulting from the changes in the composition of the Leadership Squad. Following the retirement of Mr. Dirk Lybaert in September 2023 (resulting in an early payment of vacation pay), a new member has joined the Leadership Squad in August 2023, Mr. Ben Appel. The amount reported in 2023 for the Group insurance premiums includes the additional payment made by our company upon retirement of Mr. Lybaert due to his specific situation. The increase since 2021 of the Other benefits is mainly due to specific advantages

Relative importance of the various components of the remuneration effectively allocated in 2023 before employer's social contribution



related to the foreign executive status of several members and the recruitment of two of them.

The roles acted ad interim as CEO or as other member of the Leadership Squad are not taken into consideration for current report. All these amounts are gross amounts before employer's social contribution.

Wages and working conditions: internal comparisons, and company performance

The global working conditions of our senior management, CEO and members of our Leadership Squad included, are highly similar to the working conditions of all other employees.

Besides being limited, the few differences in benefits that exist between top management and Leadership Squad members on the one hand and the rest of the workforce on the other are usually related to general market practices or individual needs. For instance, while medical coverage is the same for the vast majority of our employees, senior managers included, this medical coverage is extended for employees whose taxable family income is below a certain ceiling - extension for dentures, hearing aids and other medical prostheses – and is also extended for the members of the Leadership Squad as to offer market conform conditions. The differences in benefits between the members of the Leadership Squad and the rest of the employees are generally more related to the status of foreign executive of several members of the Leadership Squad than to the function level or role.

In terms of remuneration, we ensure consistency between the remuneration and the business results as well as consistency between the remuneration policy of our executives and the remuneration policy of all other employees, for instance by aligning the ratio of the short-term variable remuneration actually allocated versus the target.

Our reward approach has always been designed to deliver long term sustainability, to reflect an excellent asset management risk model and to support the long-term business interests of our shareholders. It takes into account our responsibility towards our customers, our shareholders, the Belgian society and other stakeholders. This approach is also consistently applied to each subsidiary entity of our Group.

We want to recognize and fairly reward all employees' contributions. Our Group is committed to providing fair, gender neutral and consistent wages and working conditions to all employees, regardless of their level of responsibility or role. It is critical to have a competitive and market attractive Global Rewards Program for our entire workforce as to propel our company, all together, towards the future and to progress together in our ambition to participate in the construction of a green and digital Belgium we want to live in.

Pay ratio and pay evolution

The Pay ratio portraying the gap between highest and lowest paid remuneration in the company (Proximus SA) on a full-time basis is equal to 29.1 in 2023. This ratio is measured by comparing the highest (the CEO one) and lowest remuneration,[1] taking into account the total target remuneration package (including base pay, premiums, variable pay, group insurances and benefits), excluding employer's social contributions. Taking the fees paid by TeleSign US to the CEO for his Chairman mandate into consideration would bring this ratio to 30.7.

Considering the scope of our organization, where everyone has a role to play but with very different levels of strategic responsibility, such a ratio is consistent and below market practices.

The table on the following page aims at portraying the evolution of the average remuneration on a full-time equivalent basis of the company's employees (other than members of the Board of Directors and of the Leadership Squad) between 2019 and 2023.

1 Defined-duration contracts have been excluded from the scope due to the difficulty in accurately calculating the annual remuneration package for such contracts. It is however important to note that these contracts adhere to the same remuneration policy as the undefined-duration contracts, represent a minority among our workforce and are not in the lowest pay range, what ensures consistency and integrity in the ratio calculation.

Average remuneration of the company's employees over years, including the year-over-year evolution

	2019	2020	2021	2022	2023
Average remuneration*	€ 81,802	€ 86,677	€ 87,400	€ 93,471	€ 96,833
Year-over-year evolution		+6%	+1%	+7%	+4%

* The average remuneration is measured by comparing the personnel costs – as published in the Social Balance sheet (code 1023) of the Annual Accounts of Proximus SA of the involved year – with the number of full time equivalents employees (Leadership Squad excluded) of Proximus SA at the closing date of the period (for 2019, 2020, 2021 and 2022) and with the average number of full time equivalents employees (Leadership Squad excluded) of Proximus SA of the involved year (for 2023).

The year-over-year evolution (2023 vs. 2022) of the CEO total target remuneration and the average remuneration of the company's employees is +4%. This increase is due to the two indexes which had to be applied in 2023.

The Pay ratio portraying the gap between the CEO's remuneration and the average remuneration of the company's employees is equal to 13 in 2023. This ratio is measured by comparing the total target remuneration package (including base pay, premiums, variable pay, group insurances, benefits and employer's social contributions) of the CEO with the average remuneration of the company's employees. Taking the fees paid by TeleSign US to the CEO for his Chairman mandate into consideration would bring this ratio to 13.7.

The Pay ratio portraying the gap between the CEO's remuneration and the median remuneration[1] of the company's employees is equal to 14.9 in 2023. This ratio is measured by comparing the CEO and median remuneration, taking into account the total target remuneration package (including base pay, premiums, variable pay, group insurances and benefits), excluding employer's social contributions. Taking the fees paid by TeleSign US to the CEO for his Chairman mandate into consideration would bring this ratio to 15.7.

Evolution of the pay ratios over the last 3 years

	2021	2022	2023
Pay ratio CEO vs. lowest remuneration	27.3	27.9	29.1
Pay ratio CEO vs. average remuneration	12.6	12.9	13.0
Pay ratio CEO vs. median remuneration	16.0	14.9	14.9

Company performance

The table below shows the company's performance between 2019 and 2023.

Company performance over years, including the year-over-year evolution

(€ million)	Underlying revenue		Underlying EBITDA	
2023	6,042	+2.2%	1,757	-1.6%
2022	5,909	+5.9%	1,786	+0.8%
2021	5,578	+1.8%	1,772	-3.5%
2020	5,479	-3.6%	1,836	-1.8%
2019	5,686		1,870	

For more information, please see the Proximus Financial Report.

1 Defined-duration contracts have been excluded from the scope due to the difficulty in accurately calculating the annual remuneration package for such contracts. It is however important to note that these contracts adhere to the same remuneration policy as the undefined-duration contracts, represent a minority among our workforce and are not in the lowest pay range, what ensures consistency and integrity in the ratio calculation.

Application of the Remuneration Policy and votes on previous Remuneration Report

Application of the Remuneration Policy and derogations

Proximus undertakes to remunerate the members of the Board of Directors, the CEO and the other members of the Leadership Squad only in accordance with its Remuneration Policy, approved by the General Meeting of Shareholders of Proximus for the first time on 21 April 2021 and slightly adapted in 2023.

However, the Board of Directors may, in exceptional circumstances and upon proposal of the Nomination and Remuneration Committee, temporarily derogate from all elements of the Remuneration Policy. Exceptional circumstances shall only cover situations in which the derogation from the Remuneration Policy is necessary to serve the long-term interests and sustainability of Proximus as a whole.

When resolving on derogations from the Remuneration Policy, the Board of Directors must comply with the decision-making procedure set out in the Remuneration Policy.

Any derogation will be communicated at the first General Meeting of Shareholders following the derogation and will be explained in the Remuneration Report for the related year.

Shareholders votes on previous Remuneration Report

A slightly adapted version of the Remuneration Policy document detailing the general principles governing our company remuneration policy applicable to the members of its Board of Directors and its Leadership Squad has been submitted to the votes of our shareholders at the General Assembly of 19 April 2023. The shareholders have shown their support and confidence in our Remuneration Policy by a substantial majority (85.4%), which strengthens the choices we have made in this domain for the future.

The Remuneration Report of 2022, also submitted to the votes of our shareholders at the General Assembly of 19 April 2023, has been approved by 83.8%. This excellent result reinforces our beliefs that we are right to adopt an open and transparent dialogue with our shareholders on remuneration matters and governance in general. Since the 2022 report, we have adopted even more transparency and gone even further in the preparation and level of details of the disclosed information, as the opinion and trust of our shareholders are essential to us.

Regulatory framework

Cable & broadband regulation

The Belgian regulators' decision of 29 June 2018 on the broadband and TV market analysis outlined the regulation of Proximus' FTTH fiber and DSL network and of the cable networks. In terms of pricing, the regulators have imposed a "fair pricing" model for the FTTH monthly rental fees.

Concerning the Proximus wholesale fiber pricing, BIPT concluded on 9 March 2021 that the rates that Proximus applies for FTTH wholesale monthly rental fees are fair and are in line with the regulation it set in 2018. These are the access prices other operators pay for using Proximus' FTTH fiber optic network.

The European regulatory framework foresees that the regulators must review markets that are susceptible to ex-ante regulation on a regular basis (every five years). Technical and competitive developments as well as the evolution of needs and consumption habits must be considered. On 10 October 2023, BIPT adopted a communication in which it explained to postpone its ongoing review process until mid-May 2024, possibly extendable, to take into account possible new FTTH cooperation agreements that could be concluded by that time.

Cooperation agreement roll-out FTTH networks

In its communication of 10 October 2023, BIPT acknowledged the need for further collaboration between operators to roll out FTTH in Belgium since duplicating FTTH infrastructures may have a significant economic cost. BIPT is prepared to assess any agreement or draft agreement the operators would intend to conclude. BIPT will pay particular attention to the fact that these agreements are designed in such a way as to ensure effective and sustainable competition for the benefit of end-users.

Radio spectrum

Belgium

The multi-band spectrum auction that was closed in July 2022 has enabled Proximus to secure 285 MHz for € 600 million in the 700 MHz, 900 MHz, 1400 MHz, 1800 MHz, 2100 MHz and 3600 MHz bands.

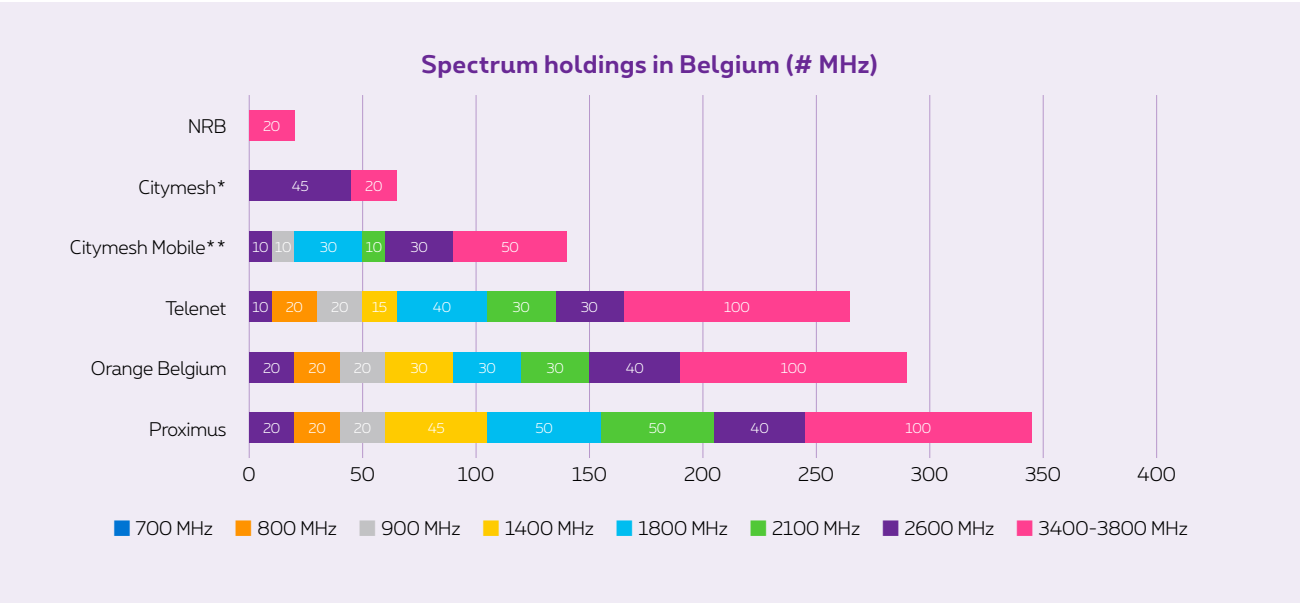
All these licenses are valid for 20 years, except the 3600 MHz band which will expire earlier by 6 May 2040. Most of these licenses have started in the course of 2023.

Altogether Proximus currently owns a total of 345 MHz, which includes also (in addition to the spectrum listed above) spectrum in the 800 MHz and 2600 MHz bands.

Spectrum bands	Start date	End date
700 MHz	01/09/2022	31/08/2042
800 MHz	30/11/2013	29/11/2033
900 MHz	01/01/2023	31/12/2042
1400 MHz	01/07/2023	30/06/2043
1800 MHz	01/01/2023	31/12/2042
2100 MHz	01/01/2023	31/12/2042
2600 MHz	01/07/2012	30/06/2027
3600 MHz	01/09/2022	06/05/2040

For the years to come, Proximus has secured a spectrum amount that ensures excellent network quality and will allow us to continue providing the best customer experience.

On the next page a full overview of the sector spectrum allocation in Belgium.



* The 2600 MHz frequencies are owned by Citymesh Air and the 3600 MHz frequencies by Citymesh Safety Drones and Citymesh Integrator (valid until 6/5/2025)

** Citymesh Mobile SA/NV is the legal entity that has been co-created by Citymesh SA/NV and DIGI for the acquisition of spectrum during the multiband auction in 2022. In 2023, Citymesh SA/NV has also transferred 2x15MHz in the 2600 MHz band to Citymesh Mobile SA/NV.

On 19 December 2023, BIPT announced that the spectrum cap of the 3400-3800MHz band will be raised to 120Mhz. This will allow all operators to bid for the 3410-3430MHz band (20MHz) that will become available at the latest in May 2025 and will be valid until 6 May 2040. The auction is expected to take place in 2024.

International roaming

On 4 April 2022, the European Council adopted a new legislative act to extend the existing roaming regulation until 30 June 2032.

In addition, the wholesale roaming charges (the prices that operators charge each other when their customers use other networks when roaming in the EU), are capped at € 2 per Gigabyte (Gb) from 2022 progressively down to € 1 in 2027. Furthermore, wholesale caps for voice and SMS are lowered based on a two-step glide path in 2022 and 2025. The Commission has been tasked with reviewing the regulation and its first report is scheduled for 30 June 2025.

€ excl. VAT	2023	2024	2025	2026	2027-2032
Voice call/min	0.022	0.022	0.019	0.019	0.019
SMS	0.004	0.004	0.003	0.003	0.003
Data/GB	1.8	1.55	1.3	1.1	1

2025 tariffs and beyond subject to Commission review by 30 June 2025

Coverage and quality of mobile networks

Through its "Atlas" project, BIPT publishes detailed information on the coverage of mobile and fixed networks in Belgium and the quality of the user experience on these networks.

Atlas indicates the coverage of each of the three mobile operators (Telenet/Base, Orange and Proximus) individually on the map of Belgium. It shows different coverage levels (very good/deep indoor, good/indoor, satisfactory/outdoor). For 4G, Proximus has the most extensive coverage for all coverage levels, both in terms of territory and population. BIPT is preparing an update of the mobile Atlas in early 2024.

At the beginning of 2023 BIPT published a "drive test and train test study" on the quality of mobile user experience offered by the three mobile operators. The study concludes that, compared to the previous year, the performance of mobile networks in Belgium, the first signs of saturation of the 4G mobile networks. This is mostly related to the increase in 4G capable connected devices. Operators are trying to mitigate the impact by modernizing existing technologies and investing in new 5G technology. It highlights that, based on international experience, Belgian mobile operators offer very good quality. For example, in drive tests, Proximus shows excellent results for call setup success rates, call setup times, video streaming success rates and web browsing times and, in train tests, Proximus achieved the highest score for 17 of the 21 indicators measured. BIPT prepares an update for early 2024.

Net neutrality

On 30 June 2023, BIPT adopted its report on net neutrality monitoring in Belgium, covering the period from 1 May 2022 to 30 April 2023. BIPT's opinion is that there are no major reasons of concern in Belgium regarding open internet access.

Universal service – social tariffs

The law providing a legal basis for the new social tariff regime was published on 4 October 2023 and will enter into force on 1 March 2024. The current regime will gradually be replaced by a basic Internet plan (30Mbps/4Mbps, 150GB) available for the beneficiaries at a maximum price of € 19/month, with an option to have a bundle with TV at maximum total price of € 40/month. Eligibility requirements have been aligned to those applicable in the energy sector.

The system is mandatory for operators that have their own broadband network and a turnover of minimum € 50 million. Proximus, Telenet and Orange will be obliged to offer this basic Internet plan to new social subscribers. Other operators may choose to offer this new social tariff.

The current system remains applicable for existing users unless they switch operators or request for the new system (grandfathering).

EU Digital Market Act and Digital Services Act

The EU's Digital Markets Act (DMA) became applicable on 2 May 2023. The new law is aimed at large online marketplaces, app stores, search engines, social networks and cloud platforms, which will have until March 2024 to implement the new restrictions.

The DMA prohibits various unfair practices identified in a number of earlier competition cases by the EU against Internet giants. These include, among others, not favoring their own services over third parties using their online platforms, not re-using data obtained from competing sellers on the platforms and allowing alternative payment services and app installations for access to their platforms.

In addition, the so-called gatekeepers must notify the European Commission of all acquisitions, regardless of size. If it identifies competition concerns, the Commission has the additional power to impose remedies. Violations of the DMA can result in fines of up to 10% of turnover and 20% for repeat offences. On 6 September 2023 the European Commission designated, for the first time, six gatekeepers – Alphabet, Amazon, Apple, ByteDance, Meta, Microsoft – under the Digital Markets Act. In total, 22 core platform services provided by gatekeepers have been designated. The six gatekeepers had six months to ensure full compliance with the DMA obligations for each of their designated core platform services.

On 4 October 2022, the Council of the EU gave its formal approval to the new Digital Services Act (DSA). The Digital Services Act sets a new level of accountability for online platforms to remove illegal and harmful content, while also increasing transparency on how algorithms are used and introducing protection for minors from personalized ads. It will cover a range of online intermediary services, including ISPs, hosting companies and large search engines and online marketplaces. Very large providers will also face extra regulatory requirements.

The Proximus share

Share listing

Stock Market	First Market of Euronext Brussels
Ticker	PROX
ISIN code	BE0003810273
Bloomberg code	PROX BB
Nasdaq code	PROX-EB
Reuters code	PROX.BR

Proximus share performance in 2023

Proximus closed 2023 at € 8.51, or 5.4% lower than the last closing price of 2022.

The Proximus share had a good start to the year following the release of the new strategic plan bold2025 on 16 January, including the disclosure of Proximus' mid-term guidance.

Despite its strong results for the full-year 2022, and first half of 2023, the Proximus share suffered in that period due to the overhang of uncertainties around the potential disruption of the announced new entrant and fiber overbuild risks. The announcement of Proximus rebasing its dividend (effective from cash perspective in 2025) also had a negative impact on Proximus' share price. On top of this, in the heavy investment cycle Proximus is going through, FCF generation remains central to the debates around the Proximus' investment case.

Since mid-July 2023, the Proximus share price has been following a positive trend with several catalysts at play.

In July, Proximus announced the agreement to acquire a majority stake in Route Mobile. This acquisition enables Proximus to become a leading global communication platform by joining capabilities with Telesign.

At the end of August, Proximus signed a mobile roaming agreement with DIGI and Citymesh.

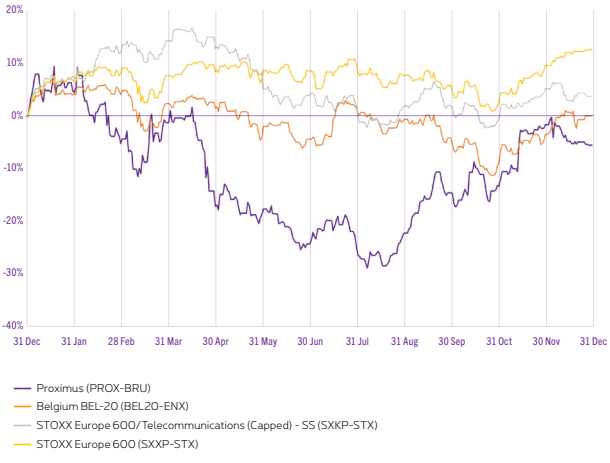
Early October, the BIPT confirmed that it will assess any agreement between operators for a fiber framework, opening the path towards a more efficient Fiber roll-out in Belgium.

Mid-November, Xavier Niel, through his investment vehicle Carraun, announced the acquisition of a 6% interest in Proximus, with the related press release validating Proximus' strategy, both domestically and internationally.

In parallel, Proximus delivered strong operational results in the second half of 2023 while using its pricing power to reflect the inflationary environment it operates in.

These catalysts enabled the Proximus share price to rebound from its summer low of € 6.42 to € 8.51 at the end of 2023, marking a 32.5% increase. Additionally, Proximus distributed a dividend of € 1.20 per share over the course of 2023.

Proximus share price evolution 2023 vs. 3 indices (in %- rebased)



(Source: Nasdaq)

Key figures on the Proximus share

Share information	2014	2015	2016	2017	2018 IFRS15	2019 IFRS16	2020	2021	2022	2023
Share price high	32.29	35.67	31.74	32.81	28.10	28.17	27.12	19.16	18.65	9.85
Share price low	20.78	27.93	25.31	26.42	19.31	21.96	15.01	15.95	8.474	6.42
Share price at 31 December	30.10	30.00	27.36	27.35	23.62	25.52	16.21	17.14	8.996	8.51
Annual trading volume (number of shares)	178,802,905	179,825,076	157,368,090	147,754,799	169,849,252	168,509,614	206,692,812	199,060,570	259,157,567	225,296,344
Average trading volume per day (number of shares)	701,188	702,442	612,327	579,431	650,763	660,822	804,252	774,555	1,008,395	883,515
Number of outstanding shares	321,230,597	322,003,751	322,637,103	322,638,989	322,703,817	322,982,509	322,690,026	322,741,364	322,392,507	322,623,702
Weighted average number of outstanding shares	320,119,106	321,767,821	322,317,201	322,777,440	322,649,917	322,918,006	322,752,015	322,751,990	322,552,465	322,442,197
Market capitalization at 31 December (billion €)[1]	9.67	9.66	8.83	8.82	7.62	8.24	5.23	5.53	2.90	2.75
Key data per share - on reported basis										
EBITDA	5.48	5.12	5.38	5.49	5.56	5.19	5.95	5.66	5.66	5.54
Earnings[2]	2.04	1.50	1.62	1.62	1.58	1.16	1.75	1.37	1.40	1.11
Price/earnings at 31 December[3]	14.73	20.03	16.86	16.90	15.00	22.09	9.27	12.48	6.43	7.67
Ordinary dividend (gross)[4]	1.00	1.00	1.00	1.00	1.00	1.00	0.70	0.70	0.70	0.70
Interim-dividend (gross)	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Gross dividend yield[3]	4.98%	5.00%	5.48%	5.48%	6.35%	5.88%	7.40%	7.00%	13.34%	14.10%
Key data per share - on underlying basis										
EBITDA	5.15	5.38	5.57	5.65	5.78	5.79	5.69	5.49	5.54	5.45
Earnings	1.85	1.68	1.71	1.72	1.71	1.76	1.75	1.38	1.50	1.26
Price/earnings at 31 December	16.28	17.87	15.96	15.92	13.78	14.51	9.25	12.44	6.00	6.75

[1] Calculation based on number of outstanding shares & last closing price of the respective year
[2] Corresponds to the Net Income (Group Share) / weighted average number of outstanding shares
[3] Based on the last closing price of the respective year
[4] Accounting view (not cash view)

Our shareholders

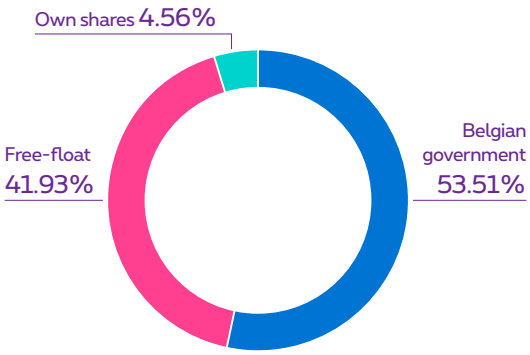
Proximus' main shareholder is the Belgian Government, owning 53.51% of the company's shares. Proximus held 4.56% of its own shares end-2023. The free float represented 41.93% or nearly 142 million shares, about 53% of which was held by institutional shareholders.

Proximus' main institutional shareholders are located in the United States and Benelux, followed by Nordics and UK.

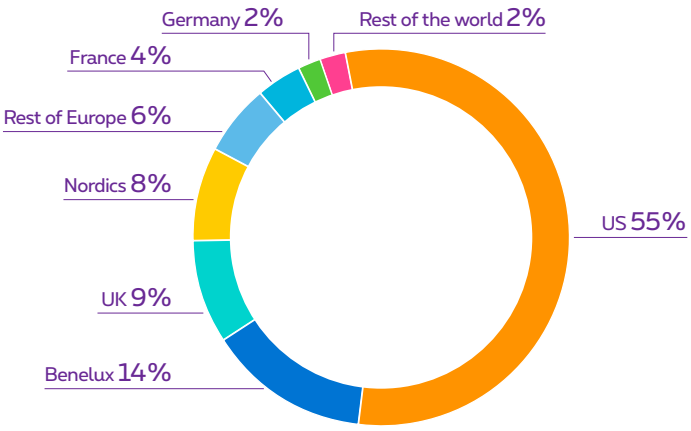
Proximus share ownership – 31 December 2023

	Number of shares	% shares	% Voting rights	% Dividend rights	Number of shares with voting rights	Number of shares with dividend rights
Belgian state	180,887,569	53.51%	56.07%	55.95%	180,887,569	180,887,569
Proximus own shares	15,401,433	4.56%	0.00%	0.21%	0	693,702
Free-float	141,736,133	41.93%	43.93%	43.84%	141,736,133	141,736,133
Total	338,025,135	100.00%	100.00%	100.00%	322,623,702	323,317,404

Proximus shares ownership



Institutional shares per geography



Source: Shareholder analysis November 2023
% of identified institutional shareholders - Nasdaq

Evolution of treasury shares

End of period 2022	**15,632,628**
Changes through liquidity contract	228,449
Discount Purchase Plan employee	2,746
End of period 2023	**15,401,433**

End-2023, Proximus held 15,401,433 treasury shares, representing 4.56% of the total number of shares. In the course of 2023, 2,746 treasury shares were used in a Discounted Share Purchase Plan, and no options were exercised.[1]

The voting rights of all treasury shares are suspended by law. Proximus has 14,707,731 treasury shares that are not entitled to dividend rights and 693,702 treasury shares that are entitled to dividend rights.

Under Belgian law, companies are prohibited from owning more than 20% of their outstanding share capital.

Transparency declarations

According to Proximus' bylaws, the thresholds as from which a shareholding needs to be disclosed have been set at 3% and 7.5%, in addition to the legal thresholds of 5% and each multiple of 5%.

In 2023, Blackrock Inc, Carraun Telecom Holdings Limited and The Goldman Sachs Group, Inc notified the changes in their Proximus shareholding as listed below.

To Proximus' knowledge, no other shareholder owned 3% or more of Proximus' outstanding shares as of 31 December 2023.

Notifications of important shareholdings to be made according to the Law of 2 May 2007 or Proximus' bylaws should be sent to

- FSMA at trp.fin@fsma.be
- Proximus at investor.relations@proximus.com

1 For more information, please see 'Remuneration Report'.

				Voting rights		Total incl. equivalent financial instruments	
Date on which threshold was crossed	Notified on	Notifier	Reason for notification	# voting rights after the notified transaction	% voting rights in total of 338,025,135 voting rights	# voting rights after the notified transaction	% voting rights in total of 338,025,135 voting rights
22/12/2023	28/12/2023	The Goldman Sachs Group, Inc.	>7.5%	1,316,420	0.39%	26,438,011	7.82%
21/12/2023	28/12/2023	The Goldman Sachs Group, Inc.	>7.5%	1,319,287	0.39%	26,682,604	7.89%
19/12/2023	27/12/2023	The Goldman Sachs Group, Inc.	>7.5%	1,764,364	0.52%	26,626,708	7.88%
8/12/2023	15/12/2023	The Goldman Sachs Group, Inc.	>7.5	1,271,520	0.38%	28,977,900	8.57%
7/12/2023	14/12/2023	The Goldman Sachs Group, Inc.	<3%	9,842,934	2.91%	30,507,389	9.03%
5/12/2023	11/12/2023	The Goldman Sachs Group, Inc.	>7.5%	10,585,822	3.13%	31,281,707	9.25%
4/12/2023	8/12/2023	The Goldman Sachs Group, Inc.	>7.5%	3,109,203	0.92%	31,259,904	9.25%
30/11/2023	8/12/2023	The Goldman Sachs Group, Inc.	>7.5%	5,678,811	1.63%	29,235,692	8.65%
16/11/2023	23/11/2023	Carraun Telecom Holdings Limited	>5%	0	0.00%	20,300,000	6.01%
16/11/2023	22/11/2023	The Goldman Sachs Group, Inc.	>7.5%	1,282,014	0.38%	25,913,762	7.67%
10/11/2023	14/11/2023	Carraun Telecom Holdings Limited	>5%	20,300,000	6.01%	20,300,000	6.01%
9/11/2023	15/11/2023	The Goldman Sachs Group, Inc.	<7.5%	2,893,505	0.86%	25,324,231	7.49%
8/11/2023	14/11/2023	The Goldman Sachs Group, Inc.	>7.5%	11,426,479	3.38%	32,121,799	9.50%
25/09/2023	27/09/2023	Blackrock Inc.	<3%	8,589,294	2.54%	9,318,926	2.76%
21/09/2023	25/09/2023	Blackrock Inc.	<3%	9,520,561	2.82%	10,275,190	3.04%
4/09/2023	6/09/2023	Blackrock Inc.	<3%	8,522,781	2.52%	9,329,372	2.76%
1/09/2023	4/09/2023	Blackrock Inc.	<3%	9,339,884	2.76%	10,146,475	3.00%
6/07/2023	7/07/2023	Blackrock Inc.	<3%	8,490,205	2.51%	9,109,478	2.69%
4/07/2023	6/07/2023	Blackrock Inc.	<3%	9,923,178	2.94%	10,548,541	3.12%
29/06/2023	30/06/2023	Blackrock Inc.	>3%	10,186,052	3.01%	10,818,600	3.20%
28/06/2023	29/06/2023	Blackrock Inc.	<3%	9,842,087	2.91%	10,474,635	3.10%
26/06/2023	27/07/2023	Blackrock Inc.	>3%	11,335,188	3.35%	12,089,818	3.58%
22/06/2023	26/06/2023	Blackrock Inc.	<3%	8,979,597	2.66%	9,642,457	2.85%
20/06/2023	21/06/2023	Blackrock Inc.	>3%	11,124,291	3.29%	11,818,669	3.50%
19/06/2023	21/06/2023	Blackrock Inc.	<3%	10,006,609	2.96%	10,599,100	3.14%
16/06/2023	20/06/2023	Blackrock Inc.	>3%	10,739,524	3.18%	11,330,915	3.35%
13/06/2023	14/06/2023	Blackrock Inc.	<3%	8,102,858	2.40%	9,046,600	2.68%
12/06/2023	13/06/2023	Blackrock Inc.	>3%	10,743,991	3.18%	11,664,332	3.45%

9/06/2023	13/06/2023	Blackrock Inc.	<3%	10,085,590	2.98%	10,981,929	3.25%
7/06/2023	9/06/2023	Blackrock Inc.	>3%	11,268,812	3.33%	12,107,215	3.58%
6/06/2023	8/06/2023	Blackrock Inc.	<3%	8,440,664	2.50%	8,938,410	2.64%
24/05/2023	25/05/2023	Blackrock Inc.	>3%	12,636,348	3.74%	13,194,641	3.90%
23/05/2023	24/05/2023	Blackrock Inc.	>3%	9,731,707	2.88%	10,284,980	3.04%
19/05/2023	22/05/2023	Blackrock Inc.	<3%	8,932,034	2.64%	9,773,604	2.89%
18/05/2023	22/05/2023	Blackrock Inc.	<3%	9,274,705	2.74%	10,157,606	3.00%
15/05/2023	16/05/2023	Blackrock Inc.	>3%	10,675,436	3.16%	11,282,487	3.34%
12/05/2023	15/05/2023	Blackrock Inc.	<3%	10,135,710	3.00%	10,768,829	3.19%
28/04/2023	2/05/2023	Blackrock Inc.	>3%	11,579,232	3.43%	12,436,579	3.68%
25/04/2023	27/04/2023	Blackrock Inc.	<3%	9,300,947	2.75%	10,080,954	2.98%
4/04/2023	6/04/2023	Blackrock Inc.	<5%	13,849,060	4.10%	14,781,651	4.37%
31/03/2023	3/04/2023	Blackrock Inc.	<5%	16,726,980	4.95%	17,690,185	5.23%
29/03/2023	31/03/2023	Blackrock Inc.	>5%	17,385,368	5.14%	18,454,770	5.46%
17/03/2023	20/03/2023	Blackrock Inc.	<5%	13,702,480	4.05%	15,409,240	4.56%
3/02/2023	6/02/2023	Blackrock Inc.	<5%	15,629,000	4.62%	17,059,359	5.05%
2/02/2023	3/02/2023	Blackrock Inc.	<5%	15,525,107	4.59%	16,606,330	4.91%
1/02/2023	3/02/2023	Blackrock Inc.	<5%	16,050,142	4.75%	17,006,776	5.03%
27/01/2023	30/01/2023	Blackrock Inc.	>5%	17,332,013	5.13%	18.272.503	5.41%
13/01/2023	17/01/2023	Blackrock Inc.	<5%	13,697,117	4.05%	17,097,227	5.06%
12/01/2023	13/01/2023	Blackrock Inc.	<5%	15,295,266	4.52%	16,612,554	4.91%
9/01/2023	11/01/2023	Blackrock Inc.	<5%	15,930,325	4.71%	17,281,751	5.11%

Shareholder remuneration

Dividend policy

With 2023, Proximus closed its first year of bold2025, a strategy setting out an ambitious path for future growth and value creation for Proximus Group, continued investment in the #1 gigabit network for Belgium, enhanced customer experience, next-generation products and services, and further international development, whilst balancing the need to keep a sound financial position.

In line with the announced shareholder return policy at its Capital Markets Day of 16 January 2023, Proximus intends to return a stable gross 2023 dividend of € 1.20 per share. Over the results of 2024 and 2025, Proximus will rebase its dividend level to € 0.60 per share. The rebased sustainable dividend level incorporates all currently known macro and inflationary headwinds, as well as expected changes in market structure.

On an annual basis, the proposed dividend is reviewed and submitted to the Board of Directors, in order to keep strategic financial flexibility for future growth, organically or via selective M&A, with a clear focus on value creation. This also includes confirming appropriate levels of distributable reserves.

The shareholder remuneration policy is based on a number of assumptions regarding future business and market evolutions and may be subject to change in case of unforeseen risks or events outside the company's control.

Dividend on the 2023 result

On 22 February 2024, the Board of Directors approved the decision to propose to the Annual General Shareholders' Meeting of 17 April 2024 a gross dividend on the 2023 result of € 1.20 per share, of which € 0.50 interim dividend per share was paid in December 2023.

After approval by the Annual Shareholders' Meeting, the normal dividend of € 0.70 per share will be paid on 26 April 2024, with record date on 25 April 2024 and ex-dividend date on 24 April 2024.

This brings the total declared dividend over the 2023 result to € 388 million.

Investor Relations

Proximus Investor Relations (IR) aims at ensuring open communication with the Belgian and international investment world on a regular basis. Through transparent, consistent dialog with investors and financial analysts, the Group strives for a fair share value based on high-quality financial information.

To keep Proximus' current and potential shareholders informed, Proximus' management speaks to the financial community on a regular basis. Each quarterly results announcement is followed by a conference call and investor/analyst presentation during which maximum time is reserved for a "question & answer" session.

Throughout 2023, Proximus has organized several roadshows with top management. Furthermore, Proximus has participated in several major international investment conferences.

In all these activities, management is supported by the Investor Relations team (IR).

The Proximus IR team offers daily support to the retail and institutional shareholders as well as to the sell-side analysts.

A strict quiet period is observed before the communication of the quarterly results. The start of the quiet period is published on the Proximus Investor Relations website: proximus.com/investors.

Financial calendar[1]

10 April 2024	Start of quiet period ahead of Q1 2024 results
17 April 2024	Annual General Shareholders' Meeting (AGM)
26 April 2024	Dividend payment (to be approved by the AGM)
26 April 2024	Announcement Q1 2024 results
10 July 2024	Start of quiet period ahead of Q2 2024 results
26 July 2024	Announcement Q2 2024 results
9 October 2024	Start of quiet period ahead of Q3 2024 results
25 October 2024	Announcement Q3 2024 results

1 Note that these dates may be subject to change.

Contribution to the SDGs

Proximus supports the 10 principles of the UN Global Compact and has been working towards advancing the Sustainable Development Goals (SDGs) for several years.

In 2022, we performed a more precise mapping of our business model and sustainability strategy to the SDGs with the goal of creating greater focus and clarity. In 2023, with the launch of our new strategy bold2025, we reviewed the analysis and added SDG 16 (Peace, justice and strong institutions).

SDG description	SDG sub-target	Proximus actions	Level of contribution	Sense of contribution	Link to material topics
 **Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all**	**4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship**	**Employee development:** Wide range of training programs and courses at our Proximus Academy Attractive offer of leadership development programs Specific support to 50+ staff, Experience@work program, ... Continuous up-skilling of field and customer-facing employees € 40.83 million invested in employee re- and up-skilling 63% of employees have attended 5 training days or more	Medium	Enhancing positive impact	Employee up-skilling, re-skilling & employability
		Capacity building: Supporting Bednet and ClassContact, two associations that allow children living with long-term illnesses to continue their education at home or in the hospital Academic Connect: end 2023, 292 schools connected to Proximus gigabit network Proximus Ada experts providing cybersecurity initiations to Brussels residents and inspiration sessions on AI to secondary school students	Medium	Enhancing positive impact	Digital inclusion: Access & Skilling
		Employment: 18 recent Master's graduates hired for our Proximus Graduate Program and around 68 internships Founding partner of Technobel and partnerships with MolenGeek and School19 resulting in 1,949 jobseekers trained via MolenGeek, School19 and Technobel	Medium	Enhancing positive impact	Employee up-skilling, re-skilling & employability Digital inclusion: Skilling
 **Achieve gender equality and empower all women and girls**	**5.1 End all forms of discrimination against all women and girls everywhere**	**Equal remuneration for women and men:** Proximus respects the equal pay principle. Since 2021, a gender pay equality assessment is performed, showing that the difference between female and male workers is not due to a different pay policy but to the fact that women work more part-time than full-time compared to men	Medium	Enhancing positive impact	Diversity, equity & Inclusion Working rights, fair pay and social dialogue
		Parental leave and child care: Proximus offers conditions that allow its employees to reconcile the different aspects of their professional and private lives during their different life phases: parental leave, home working, part-time schedules, sick childcare, childcare cost intervention, transition allowance, scholarship, children's holidays offer, kids' days, support of social consultants in case of difficult personal situation.	Medium	Enhancing positive impact	Diversity, equity & Inclusion Work-life balance and well-being Working rights, fair pay and social dialogue
		Workplace harassment: Proximus has a policy on diversity and equal rights which applies to all employees of Proximus Group. Diversity & Inclusion is also part of the Code of Conduct which is applicable to all employees and part of mandatory training. Within Proximus, specific teams are in charge of monitoring compliance with the Charter and of taking approriate actions in case of violations. Specific training is given to front-line employees on how to deal with and report aggressive customers. Incidents, including violence or harassment from thirds (e.g. customers in shops) and any corrective action, are reported quarterly to the Audit & Compliance Committee.	Medium	Enhancing positive impact	Diversity, equity & Inclusion Business conduct

		Non-discrimination: Proximus has the ambition of being the most active company in promoting the employment of women in the digital world and reached its target of recruiting 30% of women with a university degree in technical areas by the end of 2023.	Medium	Enhancing positive impact	Diversity, equity & Inclusion
		Inclusive supply chain: Our Supplier Code of Conduct requires suppliers to respect and support the protection of the human rights of workers (including non-discrimination), as well as individuals and communities affected by their activities.	Medium	Enhancing positive impact	Workers in value chain / human rights
	5.5 **Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life**	Female representation at the different levels of our company: 50% of the Board of Directors 24% of the Leadership Team 24% of women holding a management function 32% of all employee population	Medium	Enhancing positive impact	Diversity, equity & Inclusion
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	**8.2** **Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors**	As the major provider of connectivity services, digital services and ICT solutions in Belgium, Proximus contributes to Belgium's sustainable economic growth by: - Building the gigabit network for Belgium with fiber & 5G; - Enabling the digital transformation of its enterprise customers; - Supporting the development of new ecosystems, new business models and job creation (e.g. co-founder of Flanders Technology & Innovation); - Pioneering sovereign cloud solutions; - Supporting the development of artificial intelligence and cybersecurity expertise in Belgium with Proximus Ada.	High	Enhancing positive impact	Digital inclusion: Access Technology & innovation Data privacy, data security & cybersecurity
	8.5 **By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value**	Proximus Group employs 11,654 employees. Proximus SA welcomed 424 new hires, including 233 in shops and contact centers. For our employees, we are committed to fair pay, equal opportunities and training & development opportunities. We ensure a safe and secure working environment and promote well-being at work. By signing our Supplier Code of Conduct, our suppliers agree to adhere to the same level of commitment as ours. Proximus collaborates with several adapted work companies, offering the possibility to approximately 200 people with disabilities to carry out activities related to device refurbishing.	High	Enhancing positive impact	Working rights, fair pay and social dialogue Workers in value chain / human rights
Build resilient infrastructure, promote inclusive and sustainable industriali-zation and foster innovation	**9.1** **Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all**	With its gigabit network, Proximus builds the future-proof and sustainable digital infrastructure of Belgium and commits to offer a high-performance internet to all Belgians. Through to its various brands and social tariffs, Proximus offers products and services that are affordable for everyone. Proximus collaborates with academia, partners, and customers to foster the development of innovative products and services (e.g. 5G use cases), while also creating smart solutions that help industries to become more sustainable. Proximus invests to ensure its cybersecurity resilience, and protects and secures personal data for its own operations and those of its customers. At the same time, Proximus is aware of the public's concerns about the network rollout and is doing its best to address them: - Health concerns linked to radiation & electromagnetic fields: compliance with the legislation, follow-up of scientific research, info on website; - Digital stress linked to digital addiction: advices on website; - Visual pollution of the landscape: 40% fewer antennas thanks to Mwingz; - Works in the street: agreements with utilities companies to optimize road works; aerial fiber deployment.	High	Enhancing positive impact Minimizing negative impact	Digital inclusion: access, affordability Technology & innovation Data rivacy, data security and cybersecurity Digital stress and safe products Local communities

 **Ensure sustainable consumption and production patterns**	**12.2 By 2030, achieve sustainable management and efficient use of natural resources**	Between 2007 and 2023, we reduced our electricity consumption by 27%, through: - efficiencies on fixed networks and buildings; - sharing the mobile access network with Orange Belgium. Since 2019, Proximus has been only sourcing renewable electricity and is increasingly buying its electricity from local sources. By 2030, Proximus will have completely banned the use of fossil fuels in its operations (e.g. fossil free building heating systems, bike deliveries). Since July 2023, only electric company cars are available in the management fleet. Through eco-design, refurbishment, reuse and recycling, we extend our devices' lifecycle. F.i. our newest Internet Box has a casing made entirely of recycled plastics. Compared to the previous model, it uses 24% less electricity and has a 30% lower environmental footprint. We also enable our customers to reduce their environmental impact. In 2023, emissions avoided by customers through Proximus solutions reached 769.6 kilotons of CO_2.	High	Enhancing positive impact	Energy Climate change mitigation
	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse	Proximus aims to be truly circular by 2030: - We collect old mobile phones for refurbishing and recycling; - Proximus and Orange Belgium share a part of their mobile access networks; - Old copper network is recycled; - We propose leasing business models to our enterprise customers. On the residential market, this leasing model is applied to our modems and decoders, 90% of which are refurbished and put back in circulation up to four times. However, consumers are not yet ready to lease their smartphones. The challenge lies in motivating them to bring back the phones they don't use anymore. Proximus is working towards 90% re-used or recycled waste by 2025 and zero waste by 2030. In 2023, Proximus recycled or re-used 84% of its waste.	High	Enhancing positive impact	Circular economy & waste
 **Take urgent action to combat climate change and its impacts**	**13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries**	Proximus implements TCFD recommendations. In 2022, for the first year, we used scenario analysis in our disclosure of climate-related risk and opportunities which we started to integrate into the Enterprise Risk Management (ERM) process. In 2023, in preparation to the Corporate Sustainability Reporting Directive (CSRD) we performed a double materiality assessment including climate change adaptation. Also, Proximus developed business continuity plans at corporate level for threats like power interruptions or natural disasters linked to climate change.	High	Enhancing positive impact	Climate change adaptation
	13.2 Integrate climate change measures into national policies, strategies and planning	Proximus committed to achieve net zero GHG emissions by 2040. In 2022, Proximus was the first large company in Belgium and third telco worldwide to have its net zero targets validated by the SBTi (overall target, near-term and long-term targets). Through its Supplier Engagement Program, Proximus is also acting on its value chain by actively engaging with its suppliers to commit themselves to reducing their carbon footprint.	High	Minimizing negative impacts	Climate change mitigation
 **Promote just, peaceful and inclusive societies**	**16.3 Promote the rule of law at the national and international levels and ensure equal access to justice for all**	Proximus has a strong governance model, embedding the highest ethics and compliance standards. To further reduce any risk of Belgian labor law violation in the context of the large-scale fiber deployment, Proximus and its joint venture partners adopted a specific social responsibility charter. Proximus cooperates closely with the judicial authorities and helps them in their investigations in the context of criminal offences such as the possession and distribution of images related to child pornography.	Medium	Enhancing positive impact	Business conduct
	16.5 Substantially reduce corruption and bribery in all their forms	A relationship agreement with the Belgian state and a public affairs policy ensure that the rules of engagement with the majority shareholder and with public authorities are clear. Proximus takes a strong stance against corruption, Code of conduct violations and privacy and runs a zero tolerance policy. Employees attend mandatory training on those topics. Suppliers and business partners are asked to subscribe to Proximus Supplier Code of Conduct, based on the 10 principles of the United Nations Global Compact.	Medium	Enhancing positive impact	Business conduct Political engagement & lobbying activities
	16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels	Proximus actively engages with its stakeholders on a structured and regular basis. Their feedback is integrated into Proximus strategy and operations, ensuring that their concerns and suggestions are appropriately addressed.	Medium	Enhancing positive impact	Business conduct

GRI and SASB

GRI content index

GRI content index

Statement of use	Proximus has reported the information cited in this GRI content index for the period 1 January 2023 - 31 December 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	#	DISCLOSURE	REFERENCE
General disclosures			
GRI 2: General Disclosures 2021	2-1	Organizational details	About us (p. 8) Consolidated financial statements (p. 160)
	2-2	Entities included in the organization's sustainability reporting	Integrated reporting approach 2023 (p. 3)
	2-3	Reporting period, frequency and contact point	Consolidated financial statements (p. 160) The report is published in March 2024 The contact point is Corporate Affairs Proximus, Boulevard du Roi Albert II, 27 B - 1210 Brussels
	2-4	Restatements of information	Consolidated financial statements (p. 160) Environmental statements (p. 55) Social statements (p. 76)
	2-5	External assurance	Audit & Compliance Committee (p. 95) Board of Auditors (p. 101) Auditor's reports (p. 320)
	2-6	Activities, value chain and other business relationships	Proximus Group at a glance (p. 4) Addressing stakeholder's priorities (p. 15) Sustainable Supply Chain (p. 114) Grow profitably locally and globally through strong brands (p. 39) Key highlights (p. 20)
	2-7	Employees	Social statements (p. 76)
	2-8	Workers who are not employees	Social statements (p. 76)
	2-9	Governance structure and composition	Proximus governance model (p. 92) Committees of the Board of Directors (p. 95) Board of Directors (p. 92) Composition of the Board of Directors (p. 93) Members of the Board of Directors (p. 102) Members of the Leadership Squad (p. 108) Competences of the Board of Directors (p. 99)
	2-10	Nomination and selection of the highest governance body	Board of Directors (p. 92) Committees of the Board of Directors (p. 95) Competences of the Board of Directors (p. 99)
	2-11	Chair of the highest governance body	Board of Directors (p. 92)
	2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Governance (p. 97)

	2-13	Delegation of responsibility for managing impacts	Sustainability Governance (p. 97)
	2-14	Role of the highest governance body in sustainability reporting	Sustainability Governance (p. 97) Double materiality assessment (p. 16)
	2-15	Conflicts of interest	Conflict of interest (p. 97)
	2-16	Communication of critical concerns	Audit & Compliance Committee (p. 95) The Compliance Program (p. 112)
	2-17	Collective knowledge of the highest governance body	Sustainability Governance (p. 97)
	2-18	Evaluation of the performance of the highest governance body	Evaluation of the Board (p. 98)
	2-19	Remuneration policies	Remuneration report (p. 116)
	2-20	Process to determine remuneration	Nomination and Remuneration Committee (p. 96) Remuneration report (p. 116)
	2-21	Annual total compensation ratio	Remuneration report (p. 116)
	2-22	Statement on sustainable development strategy	Foreword by our CEO and our Chairman (p. 5) Act for an inclusive society and be sustainable in everything we do (p. 45)
	2-23	Policy commitments	Compliance & Ethical standards (p. 112) Sustainable supply chain (p. 114) The Compliance Program (p. 112) Human Rights (p. 114) Proximus governance model (p. 92) Role of compliance at Proximus (p. 112)
	2-24	Embedding policy commitments	Proximus governance model (p. 92) Sustainable supply chain (p. 114) Compliance & Ethical standards (p. 112)
	2-25	Processes to remediate negative impacts	Report on our activities (p. 23) Addressing stakeholder priorities (p. 15) Compliance and ethical standards (p. 112) Risk management report (p. 300)
	2-26	Mechanisms for seeking advice and raising concerns	The Compliance program (p. 112)
	2-27	Compliance with laws and regulations	Risk management report (p. 300) Consolidated financial statements (p. 160)
	2-28	Membership associations	VBO/FEB, VOKA, ETNO, Agoria, BECI, UWE, GSMA, ETIS, FITCE, Cyber Security Coalition, Guberna, Center on Regulation in Europe, #embrace difference, Open@work, Women on board, #iamremarkable, Belgian Association of Marketing, JAC (Non-exhaustive list)
	2-29	Approach to stakeholder engagement	Addressing stakeholder priorities (p. 15)
	2-30	Collective bargaining agreements	Social statements: S1 (p. 76)
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Double materiality assessment (p. 16)
	3-2	List of material topics	Double materiality assessment (p. 16)

Material topic: Technology & innovation			
	3-3	Management of material topics	Engaging with our stakeholders (p. 15) Report on our activities (p. 23) Sustainability governance (p. 98) Risk management report (p. 300) Evolution in R&D activities (p. 316)
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Overview of bold2025 (p. 24) Roll-out #1 gigabit network for Belgium (p. 25) Grow profitably, locally and globally, through strong brands (p. 39)
Material topic: Business conduct			
	3-3	Management of material topics	Engaging with our stakeholders (p. 15) Role of compliance at Proximus (p. 112) The Compliance Program (p. 112) Proximus governance model (p. 92) Sustainability governance (p. 98)
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	The Compliance Program (p. 112)
	Own indicator	Number of cases investigated by the Investigations Department for violation of policies/code of conduct	The Compliance Program (p. 112)
	Own indicator	Number of whistleblowing cases	The Compliance Program (p. 112)
	Own indicator	Number of dismissals resulting from investigations	The Compliance Program (p. 112)
	Own indicator	Number of warnings resulting from investigations	The Compliance Program (p. 112)
Material topic: Circular economy & waste			
	3-3	Management of material topics	Act for an inclusive society and be sustainable in everything we do (p. 45) Sustainability governance (p. 98) Overview of bold2025 (p. 24) Environmental statements: E4 (p. 63) Engaging with our stakeholders (p. 15)
GRI 301: Materials 2016	301-2	Recycled input materials used	Environmental statements: E4 (p. 63)
	Own indicator	Number of refurbished fix devices	Environmental statements: E4 (p. 63)
	Own indicator	Number of mobile devices collected	Environmental statements: E4 (p. 63)
	Own indicator	Number of refurbished computers offered to schools as reward for mobile phone recycling - Belgium	Environmental statements: E4 (p. 63)
Material topic: Energy			
	3-3	Management of material topics	Act for an inclusive society and be sustainable in everything we do (p. 45) Contributing to a green transition (p. 45) Sustainability governance (p. 98) Environmental statements: E1 (p. 55) Engaging with our stakeholders (p. 15) Risk management report (p. 300)
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Environmental statements: E1 (p. 55)
	302-3	Energy intensity	Environmental statements: E1 (p. 55)
	302-4	Reduction of energy consumption	Environmental statements: E1 (p. 55)
	302-5	Reductions in energy requirements of products and services	Environmental statements: E1 (p. 55)

Material topic: Climate change mitigation			
	3-3	Management of material topics	Act for an inclusive society and be sustainable in everything we do (p. 45) Contributing to a green transition (p. 45) Sustainability governance (p. 98) Environmental statements: E2 (p. 58); E3 (p. 62) Engaging with our stakeholders (p. 15) Risk management report (p. 300)
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Environmental statements: E2 (p. 58)
	305-2	Energy indirect (Scope 2) GHG emissions	Environmental statements: E2 (p. 58)
	305-3	Other indirect (Scope 3) GHG emissions	Environmental statements: E2 (p. 58)
	305-4	GHG emissions intensity	Environmental statements: E2 (p. 58)
	305-5	Reduction of GHG emissions	Environmental statements: E2 (p. 58); E3 (p. 62)
Material topic: Circular economy & waste			
	3-3	Management of material topics	Truly circular by 2030 (p. 47) Sustainability governance (p. 98) Environmental statements: E4 (p. 63); E5 (p. 65) Engaging with our stakeholders (p. 15)
GRI 306: Waste 2020	306-3	Waste generated	Environmental statements: E4 (p. 63)
	306-4	Waste diverted from disposal	Environmental statements: E4 (p. 63)
Material topic: Work-life balance and well-being			
	3-3	Management of material topics	Foster an engaging culture & empowering ways of working (p. 32) Well-being at work (p. 34) Proximus governance model (p. 92) Sustainability governance (p. 98) The Compliance Program (p. 112) Social statements: S2 (p. 80) Engaging with our stakeholders (p. 15)
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Social statements: S2 (p. 80)
	401-3	Parental leave	Social statements: S2 (p. 80)
Material topic: Employee upskilling, reskilling & employability			
	3-3	Management of material topics	Foster an engaging culture & empowering ways of working (p. 32) Upskilling & reskilling our workforce (p. 33) Sustainability governance (p. 98) Social statements: S3 (p. 83) Engaging with our stakeholders (p. 15)
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Social statements: S3 (p. 83)
	404-2	Programs for upgrading employee skills and transition assistance programs	Foster an engaging culture & empowering ways of working (p. 32)
	404-3	Percentage of employees receiving regular performance and career development reviews	Performance review, development and career coaching are closely linked to our culture. Our performance review process focuses on the strengths of employees to sharpen them further, through continuous coaching and feedback. We are convinced that this approach is beneficial for the employee himself. Indeed, an employee who evolves and develops, will perform all the better. It is also beneficial for Proximus because it helps it, in the end, to return to growth. At least 2 times a year each active employee receives a performance/career review.
	Own indicator	(€) million invested in employee re- and up-skilling in 2023	Foster an engaging culture & empowering ways of working (p. 32)

Material topic: Diversity, equity & inclusion			
	3-3	Management of material topics	Diversity and inclusion statement (p. 88) Proximus governance model (p. 92) Sustainability governance (p. 98) The Compliance Program (p. 112) Social statements: S2 (p. 80) Engaging with our stakeholders (p. 15)
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Corporate governance statement (p. 92) Social statements: S1 (p. 77)
	405-2	Ratio of basic salary and remuneration of women to men	Social statements: S2 (p. 77)
Material topics: 'Digital inclusion: access, affordability & skills' and 'Local communities'			
	3-3	Management of material topics	Act for an inclusive society and be sustainable in everything we do (p. 45) Promoting digital inclusion (p. 49) Sustainability governance (p. 98) Social statements: S6 (p. 87) Engaging with our stakeholders (p. 15) Risk management report (p. 300)
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Promoting digital inclusion (p. 49) Social statements: S6 (p. 87)
	413-2	Operations with significant actual and potential negative impacts on local communities	Roll-out #1 gigabit network for Belgium (p. 25)
Material topic: Digital stress & safe products			
	3-3	Management of material topics	Roll-out #1 gigabit network for Belgium (p. 25) Sustainability governance (p. 98) Engaging with our stakeholders (p. 15)
Material topic: Data privacy, data security & cybersecurity			
	3-3	Management of material topics	Act for an inclusive society and be sustainable in everything we do (p. 45) Building digital trust (p. 51) Sustainability governance (p. 98) Engaging with our stakeholders (p. 15) Private customer data (p. 114) Operational risks (p. 309)
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Proximus reported 3 personal data incidents to the Belgian Data Protection Authority.
	Own indicator	Number of data subject requests handled	Private customer data (p. 114)
Material topic: Workers in value chain, human rights			
	3-3	Management of material topics	Act for an inclusive society and be sustainable in everything we do (p. 45) The Compliance Program (p. 112) Sustainable supply chain (p. 114) Sustainability governance (p. 98) Engaging with our stakeholders (p. 15)
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	The Compliance Program (p. 112) Sustainable supply chain (p. 114)
	414-2	Negative social impacts in the supply chain and actions taken	Proximus societal responsibility charter for fiber roll-out (website)
	Own indicator	Number of on-site audits in collaboration with JAC	Environmental statements: E5 (p. 65)

Material topic: Political engagement & lobbying activities			
	3-3	Management of material topics	The Compliance Program (p. 112) Sustainability governance (p. 98) Engaging with our stakeholders (p. 15)
Material topic: Climate change adaptation			
	3-3	Management of material topics	Environmental risk and climate change (p. 306) Sustainability governance (p. 98) Engaging with our stakeholders (p. 15)
Material topic: Employee health & safety			
	3-3	Management of material topics	Foster an engaging culture & empowering ways of working (p. 32) Well-being at work (p. 34) Sustainability governance (p. 98) Social statements: S4 (p. 84) Engaging with our stakeholders (p. 15)
Material topic: Working rights, fair pay & social dialogue			
	3-3	Management of material topics	Foster an engaging culture & empowering ways of working (p. 32) Diversity & Inclusion statement (p. 88) Human rights (p. 114) Sustainability governance (p. 98) Engaging with our stakeholders (p. 15)

SASB index

To ensure our identified priorities are aligned with the SASB sector-specific topics we linked our material topics to the SASB relevant topics for the Telecommunication Services industry.
See table below:

SASB topics	Proximus Material topics	Reference/Comments
Energy Management	Energy Climate change mitigation	Act for an inclusive society and be sustainable in everything we do (p. 45) Environmental statements (p. 55) Environmental risk and climate change (p. 306)
Customer privacy	Data privacy, data security & cybersecurity	Act for an inclusive society and be sustainable in everything we do (p. 45) Building digital trust (p. 51) Private customer data (p. 114) Operational risks (p. 309)
Data Security	Data privacy, data security & cybersecurity	Engineer technology assets to enable digital ecosystems (p. 29) Act for an inclusive society and be sustainable in everything we do (p. 45) Building digital trust (p. 51) Cyber Security Incident Response Team - CSIRT
Materials Sourcing & Efficiency	Circular economy & waste	Act for an inclusive society and be sustainable in everything we do (p. 45) Environmental statements (p. 55)
Competitive Behaviour	Business conduct	Role of compliance at Proximus (p. 112) The Compliance Program (p. 112) Consolidated financial statements (p. 160) Risk management report (p. 300)
Systemic Risk Management	Technology and innovation Digital incluson: access Local communities	Roll-out #1 gigabit network for Belgium (p. 25) Operational risks (p. 309)

Consolidated financial statements



Consolidated Financial Statements

Prepared under International Financial Reporting Standards for each of the two years ended 31 December 2023 and 2022.

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Consolidated Balance Sheet

(EUR million)		As at 31 December	
ASSETS	Note	2022	2023
NON-CURRENT ASSETS		**8,589**	**8,932**
Goodwill	3	2,595	2,592
Intangible assets with finite useful life	4	1,779	1,702
Property, plant and equipment	5	3,531	3,834
Right-of-use assets	6	277	307
Lease receivable		7	10
Contract costs	7	111	111
Investments in associates and joint ventures	8	43	90
Deferred income tax assets	10	5	4
Equity investments measured at fair value	9	1	3
Pension assets	11	140	187
Other non-current assets	12	99	92
CURRENT ASSETS		**1,952**	**2,220**
Inventories	13	187	159
Trade receivables	14	938	866
Contract assets	14	137	167
Current tax assets		24	12
Other current assets	15	269	202
Cash and cash equivalents	17	299	716
Non-current assets held for sale	16	99	99
TOTAL ASSETS		**10,541**	**11,153**

LIABILITIES AND EQUITY	Note		
EQUITY	18	**3,308**	**3,300**
Shareholders' equity attributable to the parent	18	3,307	3,300
Non-Controlling interests	18	1	0
NON-CURRENT LIABILITIES		**4,231**	**4,794**
Interest-bearing liabilities	19	2,676	3,308
Lease liabilities	6	199	210
Liability for pensions, other post-employment benefits and termination benefits	11	361	337
Provisions	20	136	137
Deferred income tax liabilities	10	181	197
Other non-current payables non-interest-bearing	21 (*)	86	45
Other non-current payables interest-bearing	21 (*)	592	559
CURRENT LIABILITIES		**3,002**	**3,059**
Interest-bearing liabilities	19	588	611
Lease liabilities	6	73	88
Liability for pensions, other post-employment benefits and termination benefits	11	52	40
Trade payables	(**)	1,483	1,433
Contract liabilities	22	127	126
Tax payables		16	58
Other current payables non-interest-bearing	22 (*)	638	666
Other current payables interest-bearing	22 (*) (**)	25	37
TOTAL LIABILITIES AND EQUITY		**10,541**	**11,153**

(*) "Other non-current payables" have been split into "Other non-current payables non-interest-bearing and interest-bearing"; "Other current payables" have been split into "Other current payables non-interest-bearing and interest-bearing"

(**) The "Trade payables" that are interest-bearing payables have been reclassified into "Other current payables Interest-bearing"

Consolidated Income Statement

(EUR million)	Note	2022	2023
Net revenue	23	5,853	5,993
Other operating income	24	60	56
Total income		**5,914**	**6,048**
Costs of materials and services related to revenue	25	-2,186	-2,198
Workforce expenses	26	-1,301	-1,343
Non-workforce expenses	27	-601	-722
Total operating expenses before depreciation and amortization		**-4,088**	**-4,262**
Operating income before depreciation and amortization		**1,826**	**1,786**
Depreciation and amortization	28	-1,179	-1,185
Operating income		**647**	**601**
Finance income		4	10
Finance costs		-53	-119
Net finance costs	29	-49	-110
Share of loss on associates	8.3	-20	-30
Income before taxes		**578**	**461**
Tax expense	10	-128	-104
Net income		**450**	**357**
Attributable to:	18		
Equity holders of the parent (Group share)		450	357
Basic earnings per share (in EUR)	30	1.40	1.11
Diluted earnings per share (in EUR)	30	1.40	1.11
Weighted average nb of outstanding ordinary shares	30	322,552,465	322,442,197
Weighted average nb of outstanding ordinary shares for diluted earnings per share	30	322,552,465	322,442,197

Consolidated Statement of Comprehensive Income

(EUR million)	Note	2022	2023
Net income		**450**	**357**
Other comprehensive income:			
Items that may be reclassified to profit and loss			
Exchange differences on translation of foreign operations		10	-5
Cash flow hedges:			
Gain/(Loss) taken to equity		204	-14
Transfer to profit or loss for the period		0	-4
Total before related tax effects		**215**	**-22**
Cash flow hedges:			
Gain/(Loss) taken to equity		-51	3
Transfer to profit or loss for the period		0	1
Income tax relating to items that may be reclassified		**-51**	**4**
Total of items that may be reclassified to profit and loss - net of related tax effects		**163**	**-18**
Items that will not be reclassified to profit and loss			
Remeasurement of net defined benefit obligations	11	125	50
Total of items that will not be reclassified to profit and loss		**125**	**50**
Total before related tax effects		**125**	**50**
Related tax effects			
Remeasurement of net defined benefit obligations		-19	-12
Income tax relating to items that will not be reclassified		**-19**	**-12**
Total of items that will not be reclassified to profit and loss, net of related tax effects		**106**	**38**
Total comprehensive income		**719**	**377**
Attributable to:			
Equity holders of the parent		719	378

Consolidated Cash Flow Statement

(EUR million)	Note	As at 31 December 2022	2023
Cash flow from operating activities			
Net income		450	357
Adjustments for:			
Depreciation and amortization	4/5/6	1,179	1,185
Increase / (decrease) of provisions	20	-19	2
Deferred tax expense/ (income)	10	-24	8
Loss / (gain) from investments accounted for using the equity method	8.3	20	30
Fair value adjustments on financial instruments	29	1	-2
Adjustments for finance cost and (income)	29	0	-1
Loss / (gain) on disposal of other participating interests and enterprises accounted for using the equity method		0	9
Loss / (gain) on disposal of property, plant and equipment	24	-4	-6
Operating cash flow before working capital changes		**1,602**	**1,581**
Change in:			
Inventories		-55	28
Trade receivables		-62	74
Other assets		120	-78
Trade payables		52	10
Other liabilities		92	37
Net liability for pensions, other post-employment benefits and termination benefits	11	-31	-32
Decrease/(increase) in working capital, net of acquisitions and disposals of subsidiaries		**116**	**39**
Net cash flow provided by operating activities		**1,717**	**1,620**
Cash flow from investing activities			
Cash paid for acquisitions of intangible assets and property, plant and equipment	4/5	-1,441	-1,453
Cash paid for acquisitions of, and loan granted to other participating interests	8.4	-30	-90
Cash paid for acquisition of consolidated companies, net of cash acquired	8.4	-3	0
Net Cash received from sales of property, plant and equipment and other non-current assets		13	33
Net cash used in investing activities		**-1,461**	**-1,510**
Cash flow before financing activities		**256**	**110**
Lease payments excluding interest paid	6	-89	-92
Free cash flow		**167**	**18**
Cash flow from financing activities other than lease payments			
Dividends paid to shareholders	31	-387	-387
Dividends to and transactions with non-controlling interests	18.2	2	0
Net Sale/ (purchase) of treasury shares		-5	2

Asset financing arrangement issuance	19.3	65	0
Asset financing arrangement repayment	19.3	-18	-10
Cash received for matured cash flow hedge instrument related to long term debt		0	132
Debt issuance (2)	19.3	477	1,239
Debt repayment (2)	19.3	-252	-577
Cash flows used in financing activities other than lease payments		**-119**	**399**
Exchange rate impact		1	-1
Net change of cash and cash equivalents		**50**	**417**
Cash and cash equivalents at 1 January		249	299
Cash and cash equivalents at the end of the period	17	299	716

Additional information			
(A) Net cash flow from operating activities includes the following cash movements :			
Interest paid		-51	-101
Interest received		2	8
Income taxes paid		-4	-49
(B) Free cash flow: cash flow before financing activities and after lease payments			

(1) The recycling of gains and losses on interest rate swaps from OCI to P&L is reported as non-cash movement
(2) Debt includes non-current and current debts

Consolidated Statement of Changes in Equity

(EUR million)	Issued capital	Treasury shares	Restric'd reserve	Equity instruments and hedge reserve	Other remeasur-ement reserve	Foreign currency trans- lation	Stock Compen-sation	Retained Earnings	Share'rs' Equity	Non-control. interests	Total Equity
Balance as at 1 January 2022	**1,000**	**-422**	**100**	**-7**	**-102**	**7**	**0**	**2,403**	**2,978**	**0**	**2,978**
Total comprehensive income and expense	**0**	**0**	**0**	**154**	**106**	**10**	**0**	**450**	**719**	**0**	**719**
Dividends to shareholders (relating to 2021)	0	0	0	0	0	0	0	-226	-226	0	-226
Interim dividends to shareholders (relating to 2022)	0	0	0	0	0	0	0	-161	-161	0	-161
Acquisition of Non-Controlling interests	0	0	0	0	0	0	0	2	2	1	3
Treasury shares											
Sale of treasury shares	0	-3	0	0	0	0	0	-2	-5	0	-5
Stock options											
Stock forfeited	0	0	0	0	0	0	0	0	0	0	0
Total transactions with equity holders	**0**	**-3**	**0**	**0**	**0**	**0**	**0**	**-388**	**-390**	**1**	**-390**
Balance as at 31 December 2022	**1,000**	**-425**	**100**	**147**	**4**	**16**	**0**	**2,465**	**3,307**	**1**	**3,308**
Total comprehensive income	**0**	**0**	**0**	**-13**	**38**	**-5**	**0**	**357**	**378**	**0**	**377**
Dividends to shareholders (relating to 2022)	0	0	0	0	0	0	0	-226	-226	0	-226
Interim dividends to shareholders (relating to 2023)	0	0	0	0	0	0	0	-161	-161	0	-161
Treasury shares											
Sale of treasury shares	0	6	0	0	0	0	0	-4	2	0	2
Total transactions with equity holders	**0**	**6**	**0**	**0**	**0**	**0**	**0**	**-391**	**-385**	**0**	**-385**
Balance as at 31 December 2023	**1,000**	**-419**	**100**	**134**	**42**	**11**	**0**	**2,432**	**3,300**	**0**	**3,300**

Notes to the consolidated financial statements

Note 1. Corporate information

The consolidated financial statements at 31 December 2023 were authorized for issue by the Board of Directors on 22th February 2024. They comprise the financial statements of Proximus SA, its subsidiaries, as well as the Group's interest in associates and joint ventures accounted for under the equity method and joint operations (hereafter "the Group").

Proximus SA is a "Limited Liability Company of Public Law" registered in Belgium. The transformation of Proximus SA from "Autonomous State Company" into a "Limited Liability Company of Public Law" was implemented by the Royal Decree of 16 December 1994. Proximus SA headquarters are located at Boulevard du Roi Albert II, 27 1030 Brussels, Belgium. Proximus' shares are listed on Euronext Brussels.

Proximus Group (Euronext Brussels: PROX) is a provider of digital services and communication solutions operating in the Belgian and international markets. Delivering communication and entertainment experiences for residential consumers and enabling digital transformation for enterprises, we open up a world of digital opportunities, so people live better and work smarter. Thanks to advanced interconnected fixed and mobile networks, the Group provides access anywhere and anytime to digital services and data, as well as to a broad offering of multimedia content. The Group is a pioneer in ICT innovation, with integrated solutions based on IoT, Data analytics, cloud and security. The Group has the ambition to become the reference operator in Europe through next generation networks, a truly digital mindset and a spirit of openness towards partnerships and ecosystems, while contributing to a safe, sustainable, inclusive and prosperous digital Belgium. In Belgium, the core products and services of the Group are offered under the Proximus, Scarlet and Mobile Vikings brands. The Group is also active in Luxembourg as, under the brand names Tango and Telindus Luxembourg, and in the Netherlands through Telindus Netherlands. The Group's international carrier activities are managed by BICS, a leading international communications enabler, one of the key global voice carriers and the leading provider of mobile data services worldwide. With TeleSign, the Group also encompasses a fast-growing leader in digital identity services, serving the world's largest internet brands, digital champions and cloud native businesses.

The number of employees of the Group (in full time equivalents) amounted to 11,654 at 31 December 2023 and 11,634 at 31 December 2022. For the year 2023, the average headcount of the Group was 160 management personnel and 11,490 employees; for the year 2022 the average headcount of the Group was 168 management personnel and 11,361 employees.

Note 2. Material accounting policy information

Note 2.1. Basis of preparation

The accompanying consolidated financial statements as of 31 December 2023 and for the year then ended have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted for use in the European Union. The Group did not early adopt any IASB standards or interpretations.

Note 2.2. Changes in accounting policies

The Group does not anticipate the change in the application of standards and interpretations. The accounting policies applied are consistently with those of the previous financial years and applied the new or revised IFRS standards and interpretations as adopted by the European Union that became mandatory on 1 January 2023 and that are detailed as follows.

New standards and Amendments to standards:

- IFRS 17 - Insurance Contracts (and related amendments such as Amendments to IFRS 4 Insurance contracts)
- Extension of the Temporary Exemption from Applying IFRS 9)
- Amendments to IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies
- Amendments to IAS 8 - Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
- Amendments to IAS 12 - Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 12 – International tax reform - Pillar Two Model Rules

The adoption of these new and amended standards has limited impact on the financial statements of the Group.

The Group has adopted the amendments to IAS 1 with regard to disclosures of accounting policies with material accounting policy information. The amendments replace significant accounting policies by material accounting policy information. The amended standard considers that an accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not to be disclosed.

According to IFRS 17, the Group is mainly self-insurer except for the handsets insured that meet the criteria of fixed fee contracts for which IFRS 15 is applied.

Pillar Two

The Pillar Two Model Rules released on 20 December 2021 are part of the Two-Pillar Solution to address the tax challenges of the digitalisation of the economy that were agreed by 137 member jurisdictions of the OECD/G20 Inclusive Framework on BEPS and endorsed by the G20 Finance Ministers and Leaders in October 2021. The Pillar Two Model Rules are designed to ensure large multinational enterprises (MNEs) pay a minimum level of tax on the income arising in each jurisdiction where they operate.

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions where the Group is active, including in Belgium where the Group is headquartered. The legislation will be effective for the Group's financial year beginning 1 January 2024.

IAS 12 has been amended and now includes a temporary exception to recognising and disclosing information about deferred tax assets and liabilities that are related to tax law that is enacted or substantively enacted to implement the Pillar Two legislation. The Group applies this temporary exception.

The Group assessed the Group's potential exposure to Pillar Two income taxes using the most recent tax filings, Country-by-Country Reporting and financial statements for the constituent entities in the Group. Considering final FY23 data was not yet available at the moment of the assessment, the Group made an assessment of the Group's potential exposure to Pillar Two using the FY22 tax filings, Country-by-Country Reporting and financial statements for the constituent entities in the Group excluding future acquisitions, including the potential Route Mobile transaction. This potential transaction, which would bring new jurisdictions into the Group with potential impacts, is not part of the current assessment.

The Group's assessment indicates that:

- The Group is in scope of the enacted or substantively enacted legislation, given its consolidated revenues.
- In most of the jurisdictions, the Simplified Pillar Two effective tax rate is above 15% and/or at least one of the other Transitional CbCR Safe Harbour tests is met (Routine Profits test and/or the Simplified De-Minimis test).
- There are only a limited number of jurisdictions where the Transitional CbCR Safe Harbour relief does not apply. However, the Group does not expect a material Pillar Two top-up tax exposure in those jurisdictions.

Note 2.3. Operating segments

The Group's operating segments are the Group's components whose operating results are regularly reviewed by its Leadership Squad, the Group's chief operating decision makers (CODM), to make decisions about resources to be allocated to the segments and assess the performance.

The internal profitability reports, that are regularly reviewed by the CODM to allocate resources to segments and assess performance, are organised based on the nature of products and services provided and geographical area. As a result, the Group operating segments are defined as follow:

- Domestic: segment providing communication and ICT services to residential, business and telecom wholesale markets in Belgium / BeNeLux. This operating segment regroups a.o. the former business units CBU, EBU and CWS.
- International Carrier Services (BICS) is responsible for international carrier activities on the international communications market.
- TeleSign: is specialized in international delivery authentication and digital identity services to the world's largest internet brands, digital champions and cloud native businesses.

Note 2.4. Alternative Performance Measures

The Group uses so called "Alternative Performance Measures" ("APM") in the financial statements and notes. An APM is a financial measure of historical or future financial performance, financial position or cash flows, other than a financial measure defined in the applicable financial reporting framework (IFRS). A glossary describing these is included in the section "Management Discussion" of the Consolidated Management Report. They are consistently used over time and when a change is needed, comparable information is restated.

Note 2.5. Basis of consolidation

Note 8 lists the Group's subsidiaries, joint operations, joint ventures and associates. Subsidiaries are those entities controlled by the Group. Control exists when the Group has the power over the investee, is exposed or has rights to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

Consolidation of a subsidiary begins from the date on which the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary. Intercompany balances and transactions and resulting unrealized profits or losses between Group companies are eliminated in full in consolidation. When subsidiaries accounting policies are not aligned with the Group ones, the Group performs the necessary adjustments to ensure that the consolidated financial statements are prepared using uniform accounting policies.

Changes in Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transaction. Any difference between the amount by which non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company. Transaction costs associated with the purchase or sale of a non- controlling interest in a subsidiary, when control is maintained, is recognized as a deduction from equity only if they are incremental costs directly attributable to the equity transaction.

Joint ventures are joint arrangements whereby the parties that have joint control of the arrangements have rights to the net assets of the joint arrangements. Joint control is the contractually agreed sharing of control over an arrangement, which exists only when decisions about relevant activities require unanimous consent of the parties sharing control. Joint ventures are incorporated in these consolidated financial statements using the equity method.

Joint operations are joint arrangements whereby the parties that have joint control of the arrangements have rights to the assets, and obligations for the liabilities, relating to the arrangements. Arrangements of which the design and purpose is such that the parties are substantially the only source of cash flows contributing to the continuity of the operations of the arrangement are recognized as joint operations.

When the Group undertakes its activities under joint operations, the Group recognizes based on its ownership interest, net off intercompany eliminations, its share in the assets and liabilities and its share in the costs and revenue. Revenue is only recognized when the joint operation sells its output to third parties.

Associated companies are companies in which the Group has a significant influence, defined as an investee in which the group has the power to participate in its financial and operating policy decisions (but not to control the investee). These investments are also accounted for using the equity method.

Under the equity method, the investments held in associates or joint ventures are initially recognized at cost and the carrying amount is subsequently adjusted to recognize the Group's share in the profit or losses or other comprehensive income of the associate or joint venture as from the date of acquisition. These investments and the equity share of results for the period are shown in the balance sheet and income statement as respectively, investments in associates and joint ventures, and share in the result of the associates and joint ventures. Unrealised profits and losses are eliminated to the extent of Proximus interest in the entity.

Note 2.6. Business Combinations

Acquisitions of businesses are accounted using the acquisition method. The consideration transferred is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree, and the equity interests issued in exchange for control of the acquiree. Acquisition related costs are accounted for as expenses in the periods in which the costs are incurred.

At acquisition date, the identifiable assets acquired, and the liabilities assumed are recognized at their fair value at that date. This includes fair valuing the unrecognized assets and liabilities in the balance sheet of the acquiree, which concerns mainly customer bases and trade names.

Non-controlling interests are initially measured at the proportionate share of the recognized amounts of the acquiree' s identifiable net assets.

Note 2.7. Judgments and estimates

In preparing the consolidated financial statements, management is required to make judgments and estimates that affect amounts included in the financial statements.

Judgments and estimates that are made at each reporting date reflect conditions that existed at those dates (e.g. market prices, interest rates and foreign exchange rates, as well as existing accounting rules and guidance in domains where there is limited authoritative literature). Although these estimates are based on management's best knowledge of current events and actions that the Group may undertake, actual results may differ from those estimates.

The potential risks and opportunities associated with climate change to which the Group is exposed, as well as broader sustainability considerations, are presented in the Group's non-financial statements. Based on the information currently available to it, management has exercised its judgment in concluding that the main areas potentially affected by climate change, i.e. the useful life of the Group's assets and provisions, are currently and in the short term not significantly affected. These judgments are monitored on an ongoing basis as part of the Group's risk management process, given that the future impacts of climate change depend on environmental, regulatory, and other factors beyond the Group's control, not all of which are currently known.

Note 2.8. Critical judgments in applying the Group accounting policies

The following are the critical judgments, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in financial statements.

- Assessment of control on entities incorporated in the context of fiber network deployment

In the context of its ultimate objective of connecting Belgium through an open, future-proof network that brings high or very high-speed connectivity to every home and business, including those in less densely populated areas, Proximus co-created three separate companies, Fiberklaar, Unifiber and Glasfaser Ostbelgien, to help it accelerating the fiber roll-out in respectively Flanders, Wallonia and in the German-speaking Community.

These three companies have for business to engineer, design, build, maintain, upgrade, own, deploy, run and market a passive wholesale Point-to-Point Fiber-To-The-Home network in the Footprint (the "FTTH Network"), with a minimum rollout speed, a coverage ambition for the defined footprint, certain technical qualities (speed, capacity…). The networks to be built will be open and neutral, i.e. available to all Service Providers under non-exclusive and non-discriminatory terms to allow Service Providers (Proximus for instance) to compete on downstream markets.

In its assessment of the type of control its exercises on these companies (control alone, joint control or significant influence), Proximus identified what the companies' relevant activities were, how the decisions about these activities were taken and whether it obtained variable return from its interaction with them, via, among others, the exercise of its voting rights. Other facts and circumstances were also considered in the assessment, such as the companies' social purposes, the nature of the companies' other shareholders, the existence of pre-agreed and negotiated contexts and the companies' dependency to their shareholders as sources of cash flows contributing to the continuity of their operations.

Proximus concluded that it was not controlling alone those three entities as the decisions about the activities identified as relevant within the context of the arrangements signed with the co-investors are not taken alone by Proximus. These decisions were about essentially the approval of the budget, the appointment and dismissal of senior management, the commercialization of the offer, the building of the network. Furthermore, Proximus expected, based on the information available to it when it concluded that it was not controlling these entities, that it would not substantially be the only source of cash flows contributing to the continuity of the operations of the arrangements by these entities.

On that basis, the Group concluded that the investments in Fiberklaar, Unifiber and Glasfaser Ostbelgien, qualify currently and respectively as associate, joint venture and associate. These conclusions are monitored periodically to the light of those criteria, underlying facts, governance and existing agreements between shareholders or with the companies.

Note 2.9. Key sources of estimation uncertainty

- Claims and contingent liabilities and assets (see note 34)

Related to claims and contingencies, judgment is necessary in assessing the existence of an obligation resulting from a past event, in assessing the probability of an economic outflow, and in quantifying the probable outflow of economic resources. This judgment is reviewed when new information becomes available and with support of outside experts advises.

- Recoverable amount of cash generating units including goodwill

In the context of the impairment test, the key assumptions that are used for estimating the recoverable amounts of cash generating units to which goodwill is allocated are discussed in note 3 (Goodwill).

- Actuarial assumptions related to the measurement of employee benefit obligations and plan assets

The Group holds several employee benefit plans such as pension plans, other post-employment plans and termination plans. In the context of the determination of the obligation, the plan asset and the net periodic cost, the key assumptions that are used are discussed in note 11 (Assets and liabilities for pensions, other post-employment benefits and termination benefits).

- Estimation of useful life

Items of Property, Plant and Equipment are depreciated using a straight-line method to allocate their depreciable amount on a systematic basis over their useful life. The depreciable amount is the cost less its estimated residual value. Useful life of an asset is estimated on a realistic basis based on the experience of the Group with similar assets and reviewed at least annually. The Group considers that estimating useful life is a major source of uncertainty, particularly for tangible and intangible assets whose useful life is particularly sensitive to technological evolution and the Group's strategic decisions. The Group regularly monitors economic, strategic and technological indicators in order to adjust useful lives where necessary. The effect of changes in useful life are recognized prospectively.

Note 2.10. Foreign currency translation

The individual financial statements of each subsidiary are prepared in the currency of the primary economic environment in which the entity operates. When the factors set out by IAS 21 to determine the functional currency are mixed and the functional currency is not obvious, management judgment is used to determine which functional currency most faithfully represents the economic effects of its underlying transactions, events and conditions.

Foreign currency transactions are recognized in functional currency on initial recognition, at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency of the entity at the balance sheet date using the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies are not remeasured. Net exchange differences on the translation of monetary assets and liabilities are classified in "non-workforce expenses" in the income statement in the period in which they arise.

Note 2.11. Foreign operations

The Group determines the functional currency (i.e. the currency of the primary economic environment in which the subsidiary operators) of each individual subsidiary included in its consolidated figures. An operation that is integral to the parent (Proximus SA) i.e. carries on business as if it were an extension of the parent's operation, has Euro as functional currency

Results and financial position of entities with a functional currency other than Euro are included in the Proximus Group accounts as follows:

- Assets and liabilities (including comparatives) are translated at the closing rate at the reporting date.
- Income and expenses are translated at exchange rates at the date of the transaction.
- Non-controlling interests are translated at exchange rates at the date of the transaction.
- All resulting exchange differences are recognized in other comprehensive income. On disposal of such entity, the deferred cumulative amount recognized in other comprehensive income relating to that foreign operation is recognized in profit or loss.

Note 2.12. Goodwill

Goodwill represents the excess of the sum of the consideration transferred, the amount of non-controlling interests, if any, and the fair value of the previously held interest, if any, over the net fair value of identifiable assets, liabilities and contingent liabilities acquired in business combination. When the Group obtains control, the previously held interest in the acquiree, if any, is re-measured to fair value through profit or loss.

Goodwill is stated at cost and not amortized but subject to an annual impairment test at the level of the cash generating unit to which it is allocated and whenever there is an indicator that the cash generating unit to which the goodwill has been allocated may be impaired. The Group monitors the goodwill at the level of the operating segments as this reflects the way the Group manages its operations.

Changes in a contingent consideration included in the consideration transferred are adjusted against goodwill when they arise during the provisional purchase price allocation period and when they relate to facts and circumstances existing at acquisition date. In other cases, depending if the contingent consideration is classified as equity or not, changes are taken into equity or in profit or loss.

Acquisition costs are expensed, and non-controlling interests are measured at acquisition date at their proportionate interest in the identifiable assets and liabilities of the acquiree, on a transaction-by-transaction basis.

Note 2.13. Intangible assets with finite useful life

Intangible assets consist primarily of the Global System for Mobile communication ("GSM") license, the Universal Mobile Telecommunication System ("UMTS") license, 4G and 5G spectrum licenses, customer bases, patents and trade names acquired in business combinations, internally and externally developed software and other intangible assets such as football rights and broadcasting rights.

Intangible assets with finite life acquired separately are measured on initial recognition at cost and subsequently stated at cost less accumulated amortization and impairment losses. Only the fixed portion of the consideration is capitalized. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

The residual value of such intangible assets is assumed to be zero.

The Group capitalizes:

- The football broadcasting rights, and all other multi-seasonal sport broadcasting rights, for the full contract duration together with the recognition of the corresponding liability (for the full contract duration)
- For contracts with other TV channels, the costs for the total contract duration, as the content is deemed to be sufficiently identifiable (a major part of the content is already produced) for the non-cancellable duration of the contract (generally 18 months-3 years)

- Certain costs incurred in connection with developing or purchasing software for internal use and certain media production costs when they are identifiable, when the Group controls the asset and when future economic benefits from the asset are probable
- The unique licence fee (fixed amount) due in connection with the spectrum licences granted to Proximus.

The Group considers the annual fees due in connection with the spectrum licences granted to Proximus to be variable (contingent) payments and therefore expenses them as incurred. The net present value of these annual fees is disclosed in note 34.

The Group enters SaaS arrangement and pays a fee in exchange for a right to receive access to the supplier's application software for a specified term. The Group recognizes a software asset in a cloud-computing arrangement at the contract commencement date if it obtains control of that software at that date. This is when, at the inception of the arrangement:

- The Group has the contractual right to take possession of the software during the hosting period without significant penalty, and
- It is feasible for the Group to run the software on its own hardware or contract with another party unrelated to the supplier to host the software

The company continues to monitor the related accounting rules and guidance in this domain where there is limited authoritative literature.

Customer bases and trade names acquired in business combinations are straight-line amortized over their estimated useful life (3 to 20 years). Except if the useful life is based on the contractual limits or reflecting management intention, it is set consistently with the expected cash flows used in the valuation model for such an asset. It is defined in such a way that the expected cumulated discounted cash flows generated by the concerned asset over its useful life represent approximately 90% of the total cumulated discounted cash flows expected from the asset.

GSM, UMTS, 4 G and 5G spectrum licenses, other intangible assets and internally generated assets with finite useful life are amortized on a straight-line basis over their estimated useful life. Amortization commences when the intangible asset is ready for its intended use. The licenses' useful lives are fixed by Royal Decree and they range from 5 to 20 years.

The useful lives are assigned as follows:

	Useful life (years)
GSM, UMTS, 4G and other network licenses	Over the license period
SPECTRUM 2600 MHZ	15
SPECTRUM 800 MHZ	20
SPECTRUM 1800 MHZ 2G	20
SPECTRUM 2100 MHZ 3G	20
SPECTRUM 900 MHZ	20
SPECTRUM 1400 MHZ	20
SPECTRUM 700 MHZ	20
SPECTRUM 3600 MHZ	17 years 8 months
Customer bases, trade names, patents and software acquired in a business combination	3 to 20
Software	5
Broadcasting rights for sport seasons	Over the contract period
Rights to use, and other broadcasting rights	Over the contract period (usually from 2 to 5)

The amortization period and the amortization method for an intangible asset with finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates.

Note 2.14. Property, plant and equipment

Property, plant and equipment including assets rented to third parties through operating leases, are presented according to their nature and are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of additions and substantial improvements to property, plant and equipment is capitalized. The cost of maintenance and repairs of property, plant and equipment is charged to operating expenses when it does not extend the life of the asset or does not significantly increase its capacity to generate revenue. The cost of an item of property, plant and equipment includes the costs of its dismantlement, removal or restoration, the obligation for which the Group incurs as a consequence of installing the item.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized.

Depreciation of an asset begins when the asset is ready for its intended use. Depreciation is calculated using the straight-line method over the estimated useful life of the asset.

The useful lives are assigned as follows:

	Useful life (years)
Land and buildings	
Land	Indefinite
Buildings and building equipment	22 to 33
Facilities in buildings	3 to 10
Leasehold improvement and advertising equipment	3 to 10
Technical and network equipment	
Cables and ducts	15 to 20
Switches	8 to 10
Transmission	6 to 8
Radio Access Network	6 to 7
Mobile sites and site facility equipment	5 to 10
Equipment installed at client premises	2 to 8
Data and other network equipment	2 to 15
Furniture and vehicles	
Furniture and office equipment	3 to 10
Vehicles and smartcables	3 to 10

The asset's residual values, useful life and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end.

Costs of material, workforce and non-workforce expenses are shown net of work performed by the enterprise that is capitalized in respect of the construction of property, plant and equipment.

Assets and associated liabilities classified as held for sale

The Group classifies assets (or disposal group) as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through a continuing use. This condition is met when the asset (or disposal group) is available for immediate sale

in its present condition, the sale is highly probable and expected to occur within one year. Assets and associated liabilities held for sale (or disposal group) are recorded at the lower of their carrying value or fair value less costs to sell and are classified as current assets. The Group no longer amortizes non-current assets classified as held for sale.

Note 2.15. Contract costs

Contract costs eligible for capitalization as incremental costs of obtaining a contract comprise commission paid to dealers relating to postpaid contracts. Contract costs are recognized as non-current assets as the economic benefits from these assets are expected to be received in the period longer than twelve months.

Contract costs relating to postpaid contracts are deferred on a systematic basis that is consistent with the transfer to the customer of the services, being the time, at which related revenue is recognized. The group adopted a portfolio approach for the contract costs. Contract costs relating to the residential market are deferred over three years and for the professional market five years.

All other commissions are expensed when incurred.

Note 2.16. Impairment of non-financial assets

The Group reviews the carrying value of its non-financial assets at each balance sheet date for any indication of impairment.

The Group compares at least once a year the carrying value with the estimated recoverable amount of intangible assets under construction and cash generating units including goodwill. The Group performs this annual impairment test during the fourth quarter of each year.

An impairment loss is recognized when the carrying value of the asset or cash generating unit exceeds the estimated recoverable amount, being the higher of the assets or cash generating unit's fair value less costs to sell and its value in use for the Group.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

Note 2.17. Deferred taxation

Deferred taxation is provided for all temporary differences between the carrying amount of assets and liabilities in the consolidated balance sheet and their respective taxation bases.

Deferred tax assets associated to deductible temporary differences and unused tax losses carried forward are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary difference or the unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset will be realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Changes in deferred tax assets and liabilities are recognized in profit or loss except to the extent that they relate to items recognized directly in equity, in which case the tax effect is also recognized directly in equity.

Note 2.18. Pensions, other post-employment benefits and termination benefits

The Group operates several defined benefit pension plans to which the contributions are made through separately managed funds. The Group also agreed to provide additional post-employment benefits to certain employees. The cost of providing benefits under the plans is determined separately for each plan using the projected credit unit actuarial valuation method.

Actuarial gains and losses, the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset) and any change in the effect of asset ceiling– if applicable, are recognized through Other Comprehensive Income. Any past service cost and gain or loss on settlement is recognized in profit and loss when they occur.

The Group classifies the periodic cost in operating and financing activities for their respective components.

The Group also operates several defined contribution plans. For plans with guaranteed minimum return management applied the 'Projected Unit Credit 'method.

The discount rate used to calculate the present value of the defined benefit obligation of the plans is determined by reference to the yield on high-quality corporate bonds (at the end of the reporting period) of currency and term consistent with the liabilities. The net defined benefit liability is defined as the present value of the defined benefit obligation less the fair value of the plan assets (if any).

The Group operates several restructuring programs that involve termination benefits or other forms of additional compensation. Voluntary termination benefits to encourage employees to leave service are recognized when employees accept the offer of those benefits. Involuntary termination benefits are recognized when the Group has communicated its plan of termination to the affected employees and the plan meets specified criteria. Related provisions are recognized when valid expectations are raised in those affected by the plans and implementation is started i.e. an agreement is reached with the unions on the features of the plans and those features are communicated to those affected.

Benefits conditional on future service being provided do not qualify as termination benefits but as long-term employee benefits. The liability for those benefits is recognized over the period of the future service.

For certain participants of the restructuring plans, benefits are paid until the earliest retirement date. Assumptions used to make a reliable estimate of the ultimate cost to the Group are pension age, the discount rate and future price inflation. Assumptions are reviewed at the end of the reporting period. The actuarial gains and losses on the liabilities for restructuring programs are recognized in profit or loss when incurred.

Note 2.19. Short-term and long-term employee benefits

The cost of all short-term and long-term employee benefits, such as salaries, employee entitlements to leave pay, bonuses, medical aid and other contributions, are recognized during the period in which the employee renders the related service. The Group recognizes those costs only when it has a present legal or constructive obligation to make such payment and a reliable estimate of the liability can be made.

Note 2.20. Financial instruments

Note 2.20.1. Classification

The Group classifies its financial assets in the following categories:

- At fair value through profit and loss ("FVTPL"); or
- At fair value through other comprehensive income ("FVTOCI"); or
- At amortized cost.

The Group classifies its financial liabilities in the following categories:

- At fair value through profit and loss ("FVTPL"); or
- At amortized cost.

Financial assets

The Group determines the classification of the financial assets at initial recognition. The classification is driven by the Group's business model for managing the financial assets ('hold to collect', 'hold to collect and sell' and 'other') and their contractual cash flow characteristics (Solely Payments of Principal and Interest "SPPI" test i.e. whether contractual cash flows are solely payments of principal and interest on the principal amount outstanding).

If a non-equity financial asset fails the SPPI test, the Group classifies it at Fair Value Through Profit or Loss (FVTPL). If it passes the SPPI test, it will either be classified at amortized cost if the 'hold to collect' business model test is met, or at Fair Value Through Other Comprehensive Income (FVTOCI) if the 'hold to collect and sell' business model test is met.

For equity financial assets other than interests in subsidiaries, associates and joint ventures, the Group makes at initial recognition an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI or FVTPL.

The equity investments held for trading are always designated at FVTPL.

Financial liabilities

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Group has opted to measure them at FVTPL.

Note 2.20.2. Measurement

- Financial assets at FVTOCI

Investments in equity instruments designated at FVTOCI are initially recognized at fair value plus directly attributable transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income, with no subsequent recycling to profit or loss.

Accumulated remeasurements on disposal or settlements of equity instruments carried at FVOCI are reclassified from OCI to retained earnings.

The Group holds no other investment measured at FVTOCI.

Dividend income is recognized in profit or loss.

- Financial assets and liabilities at amortized cost

Financial assets, other than trade receivables, and liabilities at amortized cost are initially recognized at fair value plus or minus directly attributable transaction costs. Trade receivables are measured at their transaction price if the trade receivables do not contain a significant financing component.

These financial instruments are subsequently carried at amortized cost using the effective interest rate method less any impairment, if applicable.

- Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities are included in the consolidated net (loss) income in the period in which they arise. The Group has not designated financial liabilities at FVTPL (FV option).

Derivatives are measured at FVTPL, except for those to which hedge accounting is applied.

Note 2.20.3 Expected credit losses

The Group applies the forward-looking expected credit loss (ECL) model.

The ECL model considers all losses that result from all possible default events over the expected life of the financial instrument (life-time expected credit losses) or that result from possible default events over the next 12 months (12-month expected credit losses), depending on whether the credit risk of the financial asset has increased significantly since initial recognition or not (the general ECL model).

The Group recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized costs. Same treatment is applied to contract assets resulting from the application of IFRS 15 and lease receivables, even though these are not classified as financial assets.

At each reporting date, the Group measures the loss allowance for these assets.

The Group has limited trade receivables with financing component. The Group applies a simplified method and measures the loss allowance at an amount equal to the lifetime expected credit losses, for all trade receivables, whether assessed on an individual or collective basis, considering all reasonable and supportable information, including information that is forward-looking.

- For receivables on residential and professional market, the payment delays compared to the contractual due dates and the status of the legal actions taken to recover the receivables due are the main information considered to assess whether credit risk has increased significantly since initial recognition. A provision matrix is used.
  The same methodology is applied for contract assets.
- TeleSign calculates the expected credit losses for trade receivables based on a combination of factors considering historical losses adjusted for current market conditions, customer's financial condition, disputes, the current aging and incorporating relevant forward-looking data.
- BICS considers experience and reasonable and supportable information about future expectations to define provision rates on an individual case basis. Following indicators are used by BICS:
  - An actual or expected significant deterioration of the customer's external (if available) or internal credit rating
  - Significant deterioration of the country risk in which the customer is active
  - Existing or forecasted adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations
  - An actual or expected significant deterioration in the operating results of the debtor
  - An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations

For financial assets at amortized costs, contract assets and lease receivables, allowances and impairment are recognized in profit or loss.

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are assumed not recoverable by external recovery agency, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

Note 2.20.4. Criteria for initial recognition and for de-recognition of financial assets and liabilities

Financial assets and liabilities are initially recognized when the Group becomes party to the contractual terms of the instruments. "Regular way" ("spot") purchases and sales of financial assets are accounted for at their settlement dates.

Financial assets (or a portion thereof) are derecognized only when the contractual rights to cash flows from the financial assets expire. For equity investments, the accumulated remeasurements to fair value in other comprehensive income are reclassified to retained earnings on de-recognition.

Financial liabilities (or a portion thereof) are de-recognized when the obligation specified in the contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Note 2.20.5. Fair value of financial instruments

The following methods and assumptions are used to estimate the fair value of financial instruments:

- Investments in non-quoted companies are measured at Fair value. Fair value is estimated by reference to recent sale transactions on the shares of these non-quoted companies and, in the absence of such transactions, by using different valuation techniques such as discounted future cash flow models and multiples methods.
- For long-term debts carrying a floating interest rate, the amortized cost is assumed to approximate fair value.
- For long-term debts carrying a fixed interest rate, the fair value is determined based on the market value when available or otherwise based on the discounted future cash flows calculated using the market interest rates at the reporting date.
- For derivatives, fair values are estimated by either considering their quoted price on an active market, and if not available by using different valuation techniques, in particular the discounting of future cash flows.

Note 2.20.6. Criteria for offsetting financial assets and liabilities

Where a legally enforceable right of offset currently exists for recognized financial assets and liabilities, and the Group has the intention to settle the liability and realize the asset simultaneously, or to settle on a net basis, all amounts in the statement of financial position are offset.

Note 2.21. Trade receivables

Trade receivables are measured in the balance sheet at amortized costs (SPPI model applies) less any allowance for expected credit losses.

Note 2.22. Cash and cash equivalents

Cash and cash equivalents include cash, current bank accounts and term accounts with a maturity on acquisition of less than three months. These assets are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Cash and cash equivalents are carried at amortized cost.

Note 2.23. Interest-bearing liabilities

All loans and borrowings are initially recognized at their cost which generally corresponds to the fair value of the consideration received (net of issuance costs associated with the borrowings). After initial recognition, debts are measured at amortized cost using the effective interest rate method, with amortization of discounts or premiums through profit or loss.

Note 2.24. Derivatives

The Group does not hold or issue derivative financial instruments for trading purposes but some of its derivative contracts do not meet the criteria set by IFRS 9 to be subject to hedge accounting and are therefore treated as derivatives held for trading, with changes in fair value recorded in profit or loss.

The Group makes use of derivatives such as IRS, IRCS, forward foreign exchange contracts and options to reduce its risks associated with interest rates fluctuations related to future bonds emissions and with foreign currency fluctuations on underlying assets, liabilities and anticipated transactions. The derivatives are carried at fair value under the caption's other assets (non-current and current), non-interest-bearing liabilities (non-current and current) and other payables (non-current and current).

The group used:

- An IRCS to reduce the Group exposure to interest rate and foreign currency fluctuations on a long-term debt denominated in JPY
- Interest rate swaps to mitigate the risk of Interest rate variations between the hedge inception date and the issuance date of highly probable fixed rate long-term debts
- A zero-cost collar swaption to protect the value of its existing pre-hedging interest rate swap against interest rates fluctuations

When these hedging instruments are designated in a cash flow hedge relationship, the effective portion of changes in their fair value is recognized in other comprehensive income and gradually reclassified to profit or loss through financial result, in the same period during which the hedged item hits the Group profit or loss through the interests paid. The derivatives to which the Group does not apply hedge accounting are consequently carried at fair value, with changes in fair value recognized in profit or loss through financial result.

The long-term debt expressed in JPY includes an embedded derivative. Such derivative is separated from its host contract and carried at fair value with changes in fair value recognized in profit or loss. The mark-to-market effects on this derivative are offset by those on the IRCS.

- The group used contingent foreign exchange forward transaction to limit its exposure to the variability in cash flows that is attributable to the currency risk related to a highly probable future transaction (business combination) that will be settled in foreign currency. The Group applies hedge accounting to this hedging transaction. The changes in intrinsic value are recognized in the cash flow hedge reserve (OCI), while the changes in time value and forward element are recognised in the cost of hedging reserve (OCI).

The Group contracted derivatives (forward foreign exchange contracts) to hedge its exposure to currency fluctuations for highly probable forecasted transactions. The Group applied cash flow hedge accounting for part of these hedging transactions.

- For hedging transactions to which the Group does not apply hedge accounting, the derivatives are consequently carried at fair value, with changes in fair value recognized in profit or loss through financial result. When the underlying is recognized in the balance sheet and relates to costs recorded in operating income or to capitalized expenditures, the changes in fair value recognized in profit or loss are reclassified to the operating income when the hedging instrument matures.
- For hedging transactions to which hedge accounting is applied, the effective portion of the gains and losses on the hedging instrument is recognized via other comprehensive income until the hedged transaction occurs. If the hedged transaction leads to the recognition of an asset, the carrying amount of the asset at the time of initial recognition is adjusted with the amount previously recognized via other comprehensive income. If the hedge transaction relates to costs recorded in operating income, the amount previously recognized via other comprehensive income are reclassified in operating income when the costs related to the underlying service are recognized in profit and loss. The ineffective portion of a cash flow hedge is always recognized in profit or loss.

The Group applied IAS 32 to option contracts that are share-based payments not granted in exchange for goods or services nor granted to employees in their capacity as employees. Option contracts, such as warrants, that qualify as derivatives and financial liabilities are classified as financial liabilities at fair value through profit and loss (financial result).

The Group entered into a Virtual Power Purchase Agreement where it pays a fixed price and receives the spot price for a contractually specified part of the electricity produced by a specific offshore wind farm. The purchase of the electricity is virtual meaning that there is no physical delivery of the power being purchased (net settlement in cash). The objective of the transaction is to reduce the Group's exposure to the volatility of the electricity price and at the same time to receive several Energy Attribute Certificates (EACs) corresponding to the agreed upon green electricity volume. Derivatives embedded in non-derivative host contracts that are not financial assets are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contract and the host contract is not measured at fair value through profit or loss. The Group considers the VPPA as a hybrid instrument with a non-financial host contract for the purchase of the EACs and an embedded derivative related to power. As the power component of the hybrid contract is not closely related to the host contract, it is measured separately and at Fair Value through P&L. The purchase of EACs qualify for own use exemption and the related costs are expensed as the EACs are received.

Note 2.25. Net gains and losses on financial instruments

Dividends, interest income and interest charges arising from financial instruments are posted to the finance income (costs).

Note 2.26. Contract assets

A contract asset is the Group's right to consideration in exchange for goods or services that it has already transferred to a customer and arise essentially in the context of contracts containing mobile and fix joint offer with a subsidized handset delivered at contract inception and which revenue is recognized at a point in time and services to be delivered over the duration of the contract, usually 24 months, the revenue of which being recognized over the duration of the contract. The contract asset corresponds to the excess of revenue allocated to the devices over the cash received. The "contract asset" is transferred to "trade receivable" over the contract term. The assets are classified as current as they are expected to be realized as part of the Group normal operating cycle.

In case of early termination, the customer has to pay a penalty which corresponds to the prorata of the discount offered in the joint offer for the remaining contract duration. This penalty is always higher than the remaining balance of the contract asset. The difference between the reversal of the contract asset and the penalty is recognized as device revenue.

Contract assets is a conditional right recognized on the balance sheet at cost less loss allowance, as defined on the lifetime expected credit loss model.

Note 2.27. Inventories

Inventories are stated at the lower of cost and net realizable value.

Cost is determined based on the weighted average cost method except for IT equipment (FIFO method) and goods purchased for resale as part of specific contracts containing a performance obligation involving the construction of an asset (individual purchase price).

For inventory intended to be sold in joint offers, calculation of net realizable value considers the future margin expected from the telecommunications services in the joint offer, with which the item of inventory is offered.

For contracts including performance obligation involving the construction of an asset, the revenue for that performance is recognized over time based on an input method. That method measures the progress towards complete satisfaction of the related performance obligation by reference to the amount of contract costs incurred for work performed at balance sheet date in proportion to the estimated total costs for the contract. Contract cost includes all expenditures directly related to the specific contract and an allocation of fixed and variable overheads incurred in connection with contract activities based on normal operating capacity.

Note 2.28. Lease agreements

The Group assesses whether a contract is or contains a lease, at inception of the contract. Under IFRS 16 a contract is, or contains, a lease if it conveys the right to control the use of an identified asset (the underlying asset) for a period of time in exchange for consideration.

For some contracts, judgment is required to assess whether a contract conveys the right to control the use of an asset or is instead a contract for a service that is provided using that asset. When a contract does not qualify as a lease under IFRS 16, any amounts prepaid under such contracts are treated as prepaid expense (service), which is the case for certain fibre-related capacity acquired by the Group.

Note 2.28.1. Group as a lessee (receives a right to use an asset from a supplier)

When the Group is lessee, it applies a single recognition and measurement approach for all leases. The Group recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, The Group does not apply the short-term lease recognition exemption nor the low-value recognition exemption.

The lease term consists of the non-cancellable period of a lease, together with periods covered by options to extend the lease if the Group is reasonably certain to exercise these options, and periods covered by options to terminate the lease if the Group is reasonably certain not to exercise these options. Judgment is required in assessing whether these options will be exercised or not, considering all facts and circumstances that create an economic incentive to exercise an extension or termination option. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment.

The Group has defined four major categories of leases:

- Buildings: mainly concern commercial (point of sale) or service activity (office and head office) leases, as well as leases of technical buildings not owned by the Group
- Mobile sites: only includes site rentals for mobile antennas and leases of R-layers (i.e. well identified area of a pylon) on pylons of another operator
- Fleet: contains the lease of vehicles (management, sales, and utility cars) and bikes

- Other: primarily consists of ICT equipment and cloud infrastructure from partnership with HCL

Lease liabilities

The Group recognizes a liability (i.e. a lease liability) at the date the underlying asset is made available. The lease liability is equal to the present value of the lease payments not paid at that date, plus any amounts that the Group is reasonably certain to pay at the end of the lease such as the exercise price of a purchase option (where it is reasonably certain to be exercised) or penalties payable to the lessor for terminating the lease (where such termination option is reasonably certain to be exercised).

The Group systematically determines the lease term as the period during which leases cannot be cancelled, plus periods covered by any extension options that the lessee is reasonably certain to exercise and by any termination options that the lessee is reasonably certain not to exercise.

The lease liability is measured using the interest rate implicit in the contract. If the rate cannot be readily determined, the Group uses its Incremental Borrowing Rate (IBR) which it assumes to be the theoretical interest rate the Group would need to pay when issuing funding over a similar term as in the lease.

The applicable rate per contract is primarily dependent on the total expected term of a lease at its commencement date (new leases) or the total expected remaining lease term in case of a remeasurement of a lease.

The amount of lease liability is reassessed after the lease commencement date to reflect changes introduced in the following main cases:

- A change in term resulting from a contract amendment or a change in assessment of the reasonable certainty that a renewal option will be exercised or a termination option will not be exercised.
- A change in the amount of lease payments, for example following application of a new index or rate in the case of variable payments.
- A change in the assessment of whether a purchase option will be exercised.
- Any other contractual change, for example a change to the scope of the lease or the underlying asset.
- Advances paid on top of the scheduled reimbursements are deducted for the long term debt

The lease liabilities are included in Interest-bearing loans and borrowings (see Note 19).

Right-of-use assets

A right-of use is recognized as an asset, with a corresponding lease liability. Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use).

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognized, lease payments made at or before the commencement date less any lease incentives received and the estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which the underlying asset is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The right-of-use assets are also subject to impairment.

Note 2.28.2. Group as a lessor (grants a right to use an asset to a customer)

A contract by which the Proximus customer does not obtain substantially all the benefits of the identified asset or where the customer has not the right to direct the use of the asset does is not qualify as a lease-out. This is the case for modems and decoders used by

Proximus to deliver the services to the customer. Income for these contracts is accounted for on a straight-line basis over the period of use by the customer and is included in revenue in the statement of profit or loss due to its operating nature.

Leases whereby the Group transfers substantially all the risks and rewards incidental to ownership of the underlying asset to the lessee are classified as finance lease. For finance leases the Group recognizes a receivable at an amount equal to the net investment in the lease, this is the gross investment in the lease discounted at the interest rate implicit in the lease. The Group did not enter material finance lease out contracts.

Note 2.29. Provisions

The amount recognized as provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are discounted where the effect of the time value of money is material. The unwinding is recognized via the finance expense.

The estimated costs associated with dismantling and restorations to its original condition are recorded under property, plant and equipment and depreciated over the useful life of the asset. This total cost, discounted to its present value, is recorded under provisions. Where discounting is used, the increase in the provision due to the passage in time is recognized in financial expense in profit or loss.

Note 2.30. Share-based payment

Equity and cash settled share-based payments to employees are measured at the fair value of the instrument at the grant date taking into account the terms and conditions upon which the rights are granted.

For cash settled arrangement the fair value is recognized in workforce expenses over their vesting period together with an increase in the liabilities. The liabilities are regularly re-measured to reflect the evolution of the fair values.

We refer to Note 35 for the explanation of the valuation techniques used.

Note 2.31. Contract liabilities

Contract liabilities comprise the Group's obligation to transfer goods or services to a customer for which the Group has received consideration or the amount is due.

Note 2.32. Revenue

When Proximus enters a new contract, it determines the contract duration, the transaction price, the performance obligations included in the contract and the stand-alone selling price for each promise identified.

To define the duration of its contracts the Group considered the contractual period in which the parties to the contract have present enforceable rights and obligations. A contract has a duration when it includes a substantive termination payment. The duration runs until the termination payment is not due anymore. If there is no substantive termination payment clause, the contract has no duration (i.e. open-ended contracts).

The Group assesses at contract inception the goods or services promised in a contract with a customer and identifies as performance obligation each promise to transfer to the customer either a good or service (or a bundle of) that is distinct, either a series of distinct

goods or services that are substantially the same and that have the same pattern of transfer to the customer. Identifying the performance obligations requires judgment and a thorough understanding of the contract promises and how they interact with each other.

Performance obligations are identified when following criteria are met

- Capable of being distinct: the customer can benefit from the goods and services on its own or together with other resources readily available to the customer
- Distinct within the context of the contract: a promise within the context of the contract is distinct from other promises in the contract if the Group considers that it fulfils its contractual obligations by delivering the concerned promise independently from the others. Promises in a context of a contract are not distinct within the context of the contract when their nature is to be transferred in combination with other promises.

Following promises can be performance obligations, depending on their natures and interdependencies with the other promises in the contract:

- Traffic and data usage services: revenue is recognized on usage
- TV services: revenue is recognized over the contractual term
- Maintenance services: recognized over the contractual term
- Sale of equipment: revenue is recognized when the customer obtains control over the equipment
- Rent of equipment: rental revenue is recognized over the contractual period
- Setup/installation/activation fees: recognized when delivered
- License of intellectual property: revenue recognized when transferred to the customer.

When these promises are not distinct, the Group combines them with other promises in the arrangement until the combined promises form a promise that is distinct (i.e. a performance obligation). Timing of revenue recognition for a Performance Obligation is based on the pattern of transfer to the customer of the predominant promise in that bundle.

When the “series guidance” applies i.e. when goods and services are distinct and substantially the same, the Group considers them as one performance obligation. Each pricing plan – postpaid and prepaid (mobile voice, fix voice, internet, TV) is therefore considered as single performance obligation.

When contracts include different performance obligations that are not substantially the same, the transaction price is allocated to the different performance obligations of the arrangements based on their relative stand-alone selling prices. When contracts include customer options (i.e. unilateral rights granted to the customer) to acquire additional goods or services with a discount, including sales incentives, customer award points, contract renewal options or other discounts on future goods or services, revenue is allocated to these options when they provide the customer with a material right i.e. an unilateral right for the customer to obtain an advantage because he enters the contract.

When another party is involved in providing goods or services to a customer, the Group assesses for each performance obligation whether the nature of its promise is to provide the specified goods or services itself (ie the Group is a principal) or to arrange for those goods or services to be provided by the other party (ie the Group is an agent). To assess whether it acts as principal or agent in a transaction, when another party is involved, Proximus determines whether it controls the goods and services before they are transferred to its end customer. To this extent, Proximus analyses the legal terms of the contracts and their substance through the prism of the indicators of control. Proximus takes also into consideration other facts and circumstance to complete its understanding of the situation.

When the Group acts as agent the commission only is recognized in revenue.

Determination of the stand-alone selling price: in situations where the stand-alone selling price is not directly observable, the Group assesses it using all information (including market conditions, Proximus-specific factors and information about the customer or class of customer) that is reasonably available to it. This situation occurs mainly in the context of combined offers with subsidized devices, for

which a cost-plus approach method is applied to one of the components. Discounts granted because a customer entered into a contract, are allocated to all performance obligations triggering the granting of the discount.

Note 2.33. Operating expenses

The costs of materials and services related to revenues include the costs for purchases of materials and services directly related to revenue.

Work force expenses are expenses related to own employees (personnel expenses and pensions) as well as to external employees.

Operating expenses are reported net of work performed by the Group, which is capitalized. They are reported by nature.

Incremental costs to obtain a contract are deferred on a straight-line basis over 3 years for contract for the residential market and 5 years for the professional market.

Note 3. Goodwill

(EUR million)	Goodwill
As at 31 December 2021	2,588
Purchase price allocation of Mobile Vikings	1
Effect of movements in foreign exchange	6
As at 31 December 2022	2,595
Effect of movements in foreign exchange	-4
As at 31 December 2023	2,592

Compared to year-end 2022 the goodwill decreased by EUR 4 million due to the USD/EUR conversion of the TeleSign. TeleSign has US Dollar as functional currency.

Goodwill is tested for impairment at the level of the operating segments as the performance and allocation of resources within the group are monitored at operating segment level.

As at 31 December 2023, all businesses acquired were fully allocated to one single operating segment, to the exception of the goodwill allocated to BICS and TeleSign. The goodwill arising on the acquisition of control of TeleSign by BICS has been allocated in 2021 between BICS and TeleSign in proportion to the synergies expected from the business combination for each of the two companies individually. These synergies were identified at the date of the takeover of TeleSign by BICS.

The carrying amount of the goodwill is allocated to the operating segments as follows:

	As at 31 December	
(EUR million)	2022	2023
Domestic	2,188	2,188
International Carrier Services	299	299
TeleSign	109	105
Total	2,595	2,592

Goodwill Impairment Test outcome

General comments

The valuation of the different segments is performed essentially on basis of a discounted free cash flow method (income valuation technique). The cash flows considered are those of the FCF Three-Year Plan (2024 - 2026) presented by the management to the December 2023 Group Board of Directors for approval. Subsequent years were extrapolated based on growth rates that are specific to each segment.

Some of the markets in which the Group operates are undergoing significant change. Extrapolating cash flow projections beyond the three-year period using a steady rate might not accurately reflect mid to long term benefits. If deemed appropriate, the Group extends its three-year plan by subsequent years to capture all relevant impacts.

Management is confident that its projections are reliable and can demonstrate its ability, based on past experience, to accurately forecast cash flows over longer periods. Management is, however, aware that events outside its control may affect the accuracy of its projections.

The Group reviews annually the growth rate and the weighted average costs of capital in the light of the market economics.

The free cash flows considered for calculating the value in use are estimated for the concerned assets in their current condition and exclude the cash inflows and outflows that are expected to arise from any future restructuring to which the Group is not yet committed and from improving or enhancing the assets performance.

The reliability of the impairment test outcome depends on the accuracy of the budgeting exercises on which it is based. The Group's FCF Three-Year Plan represents management's view of the most likely scenario, based on its understanding of the evolution of the business and the company's long-term strategy.

The Group estimates a separate post-tax weighted average cost of capital for each segment. It takes into consideration:

- The specificities of the segment activities. These specificities are different enough from one segment to another one to justify separate calculations.
- The relative weight of the segment capital structure components, including a risk premium specific to its inherent risks.
- Other risks, such as the country risk, market risk & industry risk, the credit risk and the company size risk. These latest risks are captured in the weighted average cost of capital, through the careful selection of a risk-free interest rate, a beta, a market risk premium and a credit spread attached to the segment, considered for the purpose of the exercise as a separate entity.

TeleSign

The recoverable amount of TeleSign has been estimated based on its value in use.

The cash flows considered are those of the Free Cash Flows (FCF) Three-Year Plan (2024 - 2026) presented by the management to the December 2023 Group Board of Directors. TeleSign operates in a growing market in both CPaaS and Digital Identity and management believes the medium-term growth is higher than the long term-growth. Consequently, for the purposes of impairment testing, the valuation exercise was extended by a further six years (until 2032). The cash flows generated over these six additional years were assumed to grow at a Compound Annual Growth Rate (CAGR) of 33 %, The terminal value, calculated from 2032 onwards, assumed a growth rate of 2.0%. All these assumptions taken together result in an implicit growth rate of 8.52% applied to the terminal value calculated from 2027 onwards.

The Free Cash Flows for the period 2024 to 2032 were discounted on basis of a post-tax weighted average costs of capital of 10.86% (9.70 % in 2022).

The key variables influencing Telesign value in use are:

- The direct margin and EBITDA, which are mainly impacted by the transaction volumes for identity and communication solutions and the mobile network termination prices, as these affect production costs and the overall pricing of TeleSign solutions.
- The long-term growth
- The post-tax weighted average cost of capital (WACC).

Sensitivity analyses performed revealed that no reasonable possible changes in the key assumptions would reduce the value in use to be equal to the carrying amount.

The pre-tax weighted average costs of capital were 12.15% in 2023 and 12.36 % in 2022.

BICS

The recoverable amount of BICS has been estimated based on its value in use.

The key variables used in determining BICS value in use were:

- The direct margin
- The capital expenditures
- The long-term growth rate
- The post-tax weighted average cost of capital (WACC)
- BICS direct margin is highly sensitive to its voice and messaging activities, transaction volumes, mobile network termination prices and market prices for terminating the traffic in the different countries, as well as to the pricing of mobility and capacity products.

The valuation model assumes a growth rate of 0.0%, unchanged compared to 2022, for the years beyond the years covered by the FCF Three-Year Plan (2024 - 2026) presented by the management to the December 2023 Group Board of Directors.

The calculated post-tax weighted average costs of capital for BICS were 10.26% in 2023 and 9.70 % in 2022. The pre-tax weighted average costs of capital were 13.52 % in 2023 and 12.36 % in 2022.

Sensitivity analyses performed revealed that no reasonable possible changes in the key assumptions would reduce the value in use to be equal to the carrying amounts.

Domestic

The recoverable amount of Domestic has been estimated based on its value in use.

The cash flows considered are those of the Free Cash Flows (FCF) Three-Year Plan (2024 - 2026) presented by the management to the October 2023 Group Board of Directors for approval. However, to better capture the expected long-term positive effects of the ongoing roll-out fibre project, management considered a period of 14 years for the fibre related free cash flows, followed by a terminal value for the years thereafter. This extended period considers the time required to deploy the fibre optic network and to realize the positive effects of customer migration to the new network. These free cash flows are mainly a mix between the direct result of the long-term business plans negotiated with the co-owners of the entities specifically created to accelerate the rollout of optical fibre (see note 8.3) and the two most likely scenarios for the continued rollout of optical fibre, with or without consideration of the BIPT council communication of 10 October 2023 on possible cooperation agreements to roll out of a fiber network in Belgium. The weights assigned to each of the two scenarios reflect their probability of occurrence.

The free cash flows projections are impacted by following key parameters:

- The fiber deployment speed
- The speed of customer migration to the fiber network
- The Group ability to monetize the fiber investments (ability to upsell the average revenue per customer, to win-back market share and to attract other OLOs as wholesale customers)
- The size and importance of comparable fiber networks
- Fiber roll-out building costs, including impact of inflation and level of interest rates
- The funding policy of the JVs and the related equity injections from their shareholders

The free cash flow is also dependent to

- The post-tax weighted average cost of capital (WACC)
- The growth rate in the terminal value

The valuation model assumes following growth rates for the Domestic EBITDA (Earnings Before Interests, Taxes, Depreciation and Amortization) segment:

- For the years 2024 to 2026, a compound annual growth rate of 1.10% (0.24 % in 2022 for the years 2023 to 2027)
- For the years 2027 to 2037, for the fibre related activities, a compound annual growth rate of 1.52% (1.96% in 2022 for the years 2028 to 2037)

The terminal value (calculated for the years after 2027 for the non-fiber activities and after 2037 for the fiber related activities) was based on a free cash growth rate of 0.43 %, unchanged from 2022. The combination of all these assumptions resulted in an implied free cash flows growth rate for the years beyond the FCF Three-Year Plan (fiber and non-fiber related activities) of 1.36%.

Assumptions made regarding these parameters are based on Proximus experience, the learning curve and available market information (interest rates, inflation, and European benchmarks on "Fiber-To-The-Home" networks).

Based on the information available to it, management is confident that its projections beyond the Three-Year Plan are reliable because they are based on realistic and achievable assumptions. The evolution of these parameters will be closely monitored. Management understands that, in the current volatile market environment, deviations could occur despite the remedies that will be taken to address them.

To capture these risks, an additional 1.0 % size risk premium (0.5% in 2022) was included in the cost of equity. These changes were taken to reflect the current exceptional market conditions but do not constitute a permanent change in the calculation methodology per se. As a result, the calculated post-tax weighted average costs of capital for Domestic amounted to 5.55% in 2023 (5.63 % in 2022). The pre-tax weighted average costs of capital were 6.82% in 2023 and 6.86 % in 2022.

Next to these specific considerations, Domestic operating income before depreciation and amortization is highly sensitive to following operational parameters: number of customers by type of service (TV, fix…), traffic (if applicable), net ARPU by customer for each type of service and manpower unit cost. The value attached to these operational parameters is the result of an internal process, conducted throughout the segment and at group level, by confronting data from the market, market perspectives, and the strategies the Group intends to implement to be adequately prepared for upcoming challenges.

Taking into account all the inputs and assumptions listed above, the impairment test of the Domestic segment showed an excess of EUR 1.4 billion at December 31, 2023 of the segment recoverable amount over its carrying amount.

A sensitivity analysis performed on following key parameters, each taken separately (i.e. all other variables being unchanged), show that Domestic recoverable value equals its carrying amount with

- a post-tax weighted average costs of capital of 6.5%
- an implied growth rate in the terminal value of 0.46%

While each of these parameters taken in isolation is unlikely to lead to an impairment of the goodwill allocated to the Domestic segment, an unfavourable combination of several of these parameters could result in an impairment. Such as, if WACC would increase by 0.5% and the implied growth rate would decrease to 1%, there would be an immaterial impairment.

Note 4. Intangible assets with finite useful life

(EUR million)	Licenses	Customer base & trade name	TV rights	Intangible Fixed & Mobile network	Software applications	Other intangibles and Intangibles under construction	Total
Cost							
As at 1 January 2022	427	934	553	566	2,521	98	5,098
Additions	618	2	29	86	281	15	1,032
Acquisition of subsidiary	0	3	0	0	0	0	3
Derecognition	-150	0	-21	-4	-83	-9	-268
Reclassifications	0	0	0	-11	14	-1	2
Foreign exchange adjustment	0	5	0	0	1	0	6
As at 31 December 2022	895	945	561	637	2,734	103	5,874
Additions	0	0	106	61	264	19	450
Derecognition	-134	0	-43	-31	-48	-6	-261
Reclassifications	0	0	0	1	2	-2	0
Foreign exchange adjustment	0	-3	0	0	-1	0	-4
As at 31 December 2023	761	941	624	667	2,951	113	6,058
Accumulated amortization and impairment							
As at 1 January 2022	-326	-797	-269	-404	-1,969	-68	-3,833
Amortization charge for the year	-35	-54	-137	-63	-225	-11	-525
Derecognition	150	0	21	4	83	9	267
Reclassifications	0	0	0	11	-12	0	-1
Foreign exchange adjustment	0	-2	0	0	0	0	-3
As at 31 December 2022	-211	-854	-384	-452	-2,124	-70	-4,095
Amortization charge for the year	-37	-21	-142	-74	-240	-11	-525
Derecognition	134	0	43	31	48	6	261
Foreign exchange adjustment	0	2	0	0	1	0	3
As at 31 December 2023	-114	-873	-483	-495	-2,316	-75	-4,356
Carrying amount as of 31 December 2022	684	91	176	185	610	32	1,779
Carrying amount as of 31 December 2023	647	69	141	172	635	38	1,702

The GSM and UMTS licenses acquisition value include the costs related to the Global System for Mobile communication ("GSM") and Universal Mobile Telecommunication System ("UMTS").

The Group possesses the following licenses in Belgium and Luxembourg.

Year of acquisition	Description	Acquisition value (EUR million)	Net book value	Period	Payment method	Start of Amortization
2011	4G	20	5	2012-2027	completed	7/1/2012
2013	800 Mhz spectrum	120	59	2013-2033	completed	11/30/2013
2022	SPECTRUM 1800 MHZ 2G	110	104	2023-2043	over the period	1/1/2023
2022	SPECTRUM 2100 MHZ 3G	145	137	2023-2043	over the period	1/1/2023
2022	SPECTRUM 900 MHZ	57	55	2023-2042	over the period	1/1/2023
2022	SPECTRUM 1400 MHZ	109	106	2023-2043	over the period	7/1/2023
2022	SPECTRUM 700 MHZ	123	115	2022-2042	over the period	9/1/2022
2022	SPECTRUM 3600 MHZ	56	52	2022-2040	over the period	9/1/2022
2019	800 Mhz sepctrum	2	1	2019-2027	bi-annual	1/1/2019
2019	900 MHz spectrum	2	1	2019-2027	bi-annual	1/1/2019
2019	1800 Mhz spectrum	2	1	2019-2027	bi-annual	1/1/2019
2019	2100 Mhz spectrum	2	1	2019-2033	bi-annual	1/1/2019
2019	2600Mhz spectrum	1	0	2019-2027	bi-annual	1/1/2019
2020	800Mhz spectrum	6	4	2020-2035	upfront+yearly	10/1/2020
2020	3600Mhz spectrum	8	6	2020-2035	upfront+yearly	10/1/2020
	Total	761	647			

The first phase of the spectrum auction, organized by regulator BIPT, concluded on 20th June 2022. Proximus acquired substantive spectrum rights in the 900 MHz, 1800 MHz and 2100 MHz band, as well as in the newly auctioned 700 MHz and 3600 MHz bands, essential for a large-scale 5G deployment. These spectrum licenses represent a total investment of EUR 491 million for a period of 20 years (18 years for the 3600 MHz band) which is recognized as intangible fixed asset and payable by annual installments over the same period. In addition to this spectrum package Proximus secured on the 20th of July 2022 45 Mhz of spectrum in the 1400 MHz band for a total investment of EUR 109 million for a period of 20 years.

The customer bases, trade names and patents were recognized mainly because of the purchase price allocation performed when the Group acquired control over Bics, Telesign and Mobile Vikings.

In 2023, the Group acquired TV rights for an amount of EUR 106 million mainly broadcasting rights. In July 2020, Proximus and Eleven entered into an agreement whereby Proximus acquired the right to broadcast to its customers Eleven's Pro League specific channels (national). The contract was signed for a duration of 5 years. The contract with Eleven related to international football events was extended until 2025.

Note 5. Property, Plant and Equipment

(EUR million)	Land and buildings	Fixed Network	Mobile Network	Network for converged services	Technical equipment	Other tangible assets and assets under construction	Total
Cost							
As at 1 January 2022	**541**	**9,091**	**1,535**	**37**	**1,342**	**265**	**12,812**
Additions	6	682	100	3	85	13	891
Derecognition	-18	-446	-158	0	-88	-10	-720
Classified as held for sale	-364	0	0	0	-18	0	-383
Reclassifications	0	0	0	0	4	-5	-2
Exchange adjustment	0	0	0	0	1	0	1
As at 31 December 2022	**166**	**9,327**	**1,477**	**40**	**1,325**	**263**	**12,599**
Additions	6	669	103	2	88	12	878
Derecognition	-17	-541	-593	0	-122	-130	-1,402
Reclassifications	0	0	4	0	5	-9	0
As at 31 December 2023	**155**	**9,455**	**991**	**43**	**1,296**	**136**	**12,075**
Accumulated depreciation and impairment							
As at 1 January 2022	**-337**	**-6,634**	**-1,237**	**-24**	**-1,025**	**-244**	**-9,500**
Depreciation charge for the year	-9	-335	-103	-4	-111	-7	-569
Derecognition	16	449	158	0	84	10	717
Subsidiaries reclassified as held for sale	272	0	0	0	12	0	284
Reclassifications	0	0	0	0	1	0	1
As at 31 December 2022	**-59**	**-6,519**	**-1,182**	**-28**	**-1,040**	**-240**	**-9,068**
Depreciation charge for the year	-9	-353	-90	-5	-110	-5	-572
Derecognition	15	541	593	0	122	130	1,400
As at 31 December 2023	**-53**	**-6,332**	**-679**	**-33**	**-1,028**	**-116**	**-8,241**
Carrying amount as of 31 December 2022	**107**	**2,808**	**295**	**12**	**286**	**23**	**3,531**
Carrying amount as of 31 December 2023	**102**	**3,123**	**312**	**10**	**268**	**20**	**3,834**

(*) see note 16

The carrying amount of tangible fixed assets increased by EUR 304 million to EUR 3,834 million, mainly driven by the strong ramp-up of fiber deployment, and the Mobile network upgrade and consolidation, supporting the Group growth and efficiency ambitions.

Per December 2023, the gross carrying amount of fully depreciated property, plant and equipment that is still in use amounts to EUR 5,740 million, the majority of which is related to technical and network equipment..

Note 6. Leases

The Group leases several assets including buildings (offices, shops, technical rooms …), mobile sites (i.e. facilities to install mobile communication equipment) and fleet (management cars, utility cars & bikes). These leases generally have lease terms between 4 and 15 years. The average lease term is 9 years.

The carrying amounts of right-of-use assets recognized and the movements during the period are disclosed below

(EUR million)	Buildings	Mobile sites	Fleet	Other	Total
As at 1 January 2022	135	89	43	7	274
New contracts	12	8	24	20	63
Depreciations	-25	-30	-25	-4	-84
Contract modifications/disposals/reassessments	4	25	-1	-3	25
As at 31 December 2022	126	91	41	20	277
New contracts	40	10	37	16	103
Depreciations	-27	-29	-26	-6	-88
Contract modifications/disposals/reassessments	-2	16	1	-1	16
As at 31 December 2023	137	89	53	29	308

In 2022 two new asset groups had emerged: bikes on the one hand (in category 'Fleet') and cloud infrastructure from our partnership with HCL on the other hand (in category 'Other'). The bikes (representing 1% of the Fleet figures) are optional leases for employees meeting specific criteria (like opting for an electric or hybrid company car).

In 2023 the increase in new building contracts is driven by the lease of 'Boreal', the office that will serve as Group headquarters during the makeover of the 'Towers'. This contract makes 2023 an exception in the year-over-year downward trend of building leases. The breakthrough of electric cars leads to a significant increase in the purchase price of new fleet contracts.

Partnership with HCL Technologies

In 2021 Proximus entered a partnership with HCL Technologies whereby that company operates and maintains Proximus' private cloud infrastructure. The partnership foresaw a transition phase, that started in October 2021 and that was finished in February 2022.

HCL and Proximus concluded an asset financing arrangement (nominal amount of EUR 65 million) for the infrastructure that remains in the Proximus data centres and under Proximus control. On 31 December 2023 the carrying amount of the concerned assets is EUR 41 million (see Note 5, "Technical Equipment").

New cloud infrastructure that has been purchased by HCL (nominal amount of 18 million in 2022 and 13 million in 2023) and used by it in the context of the partnership, qualified as a lease. On 31 December 2023 the carrying amount of the right of use is EUR 25 million and is reported under the caption "Other" in the table above.

The carrying amounts of lease liabilities and the movements during the period are disclosed below

(EUR million)	Buildings	Mobile sites	Fleet	Other	Sub-leases	Total
As at 1 January 2022	134	85	42	5	8	273
New contracts	12	8	24	20	0	63
Contract modifications/disposals/reassessments	4	21	0	-1	1	25
Interest expenses	1	1	0	0	0	2
Capital Reimbursements	-25	-30	-25	-10	0	-90
Interest Reimbursements	-1	-1	0	0	0	-2
As at 31 December 2022	126	83	40	13	9	272
New contracts	40	10	37	15	0	103
Contract modifications/disposals/reassessments	-2	16	2	-1	0	16
Interest expenses	3	3	1	0	0	7
Capital Reimbursements	-26	-29	-26	-14	2	-93
Interest Reimbursements	-3	-2	-1	0	0	-5
As at 31 December 2023	138	82	53	14	11	298
Current portion	27	25	22	10	5	90
Non-current portion	111	57	31	4	6	208

There is no material cash outflow in 2023 relating to leases that have not commenced on 31 December 2023.

(EUR million)	2022	2023
The following are the amounts recognized in profit or loss:		
Depreciation	-84	-88
Interest expenses	-2	-7
Total	-86	-95
The Group had total cash outflows for leases of		
Repayment of lease liabilities (cash out for financing activities)	-90	-93
Interest expenses (in the operating cash flow)	-2	-5
Total	-92	-98

The maturity table of the undiscounted expected future cashflows to the lease liabilities are disclosed below:

(EUR million)	2023	2024	2025	2026	2027	2028	2029- 2048	Total
As at 31 December 2022								
Undiscounted lease payments	86	50	40	30	19	13	41	277
As at 31 December 2023								
Undiscounted lease payments		96	65	54	32	18	54	318

Note 7. Contract cost

Contract costs include mainly the asset recognized in relation to commissions paid to dealers for the acquisition of post-paid contracts. These costs directly related to contracts, are incurred only because the Group entered into contracts and are expected to be recovered over the contract duration. Contract costs include also the expenses activated to ensure the matching principle with revenue. These activated expenses are taken to profit and loss at the same pace as the recognition of the related revenue.

For commissions related to the acquisition of mobile prepaid customers, the Group applies the practical expedient provided for in IFRS 15, allowing to expense as incurred incremental costs to obtain a contract if otherwise would have been deferred over one year or less.

The asset is deferred on a straight-line basis over 3 years for contracts belonging to residential market and 5 years for the enterprise market. The deferral of these costs is recognized according to their nature being 'cost of material and services related to revenue'.

Movements on contract costs in 2023 and 2022 are as follows:

	As at 31 December	
(EUR million)	2022	2023
Balance as at 1 January	110	111
Decrease/ Increase in contract assets relating to existing contracts in the opening balance		
Normal evolution	-67	-68
New contract costs	67	68
Balance as at 31 December	111	111

The portion of the balance as at 31 December 2023 and 2022 of the contract costs deferred within the year and deferred more than one year are as follows:

	As at 31 December	
(EUR million)	2022	2023
Contract costs	111	111
Deferred within 12 months	56	56
Deferred beyond 12 months	55	55

Note 8. Investments in subsidiaries, joint operations, joint ventures and associates

Note 8.1. Investments in subsidiaries

The consolidated financial statements include the financial statements of Proximus SA and the subsidiaries listed in the following table (the percentage in the table below represents the percentage of shares held by the Group):

Name	Registered office	Country of incorporation	2022	2023
Proximus SA under Public Law	Bld du Roi Albert II 27 1030 Bruxelles VAT BE 0202.239.951	Belgium	Parent company	
PXS Re	Rue de Merl 74 2146 Luxembourg	Luxemburg	100%	100%
Connectimmo SA	Bld du Roi Albert II 27 1030 Bruxelles VAT BE 0477.931.965	Belgium	100%	100%
Proximus Media House (PmH)	Rue Carli 2 1140 Evere VAT BE 0875.092.626	Belgium	100%	100%
Telindus - ISIT BV	Krommewetering 7 3543 AP UTRECHT VAT NL 30135115	The Netherlands	100%	100%
Proximus Luxembourg SA	18 rue du Puits Romain 8070 Bertrange VAT LU 15605033	Luxemburg	100%	100%
Proximus ICT SA	Koning Albert II laan 27 1030 Brussels VAT BE 0826.942.915	Belgium	100%	100%
Proximus Opal SA	Bld du Roi Albert II 27 1030 Bruxelles VAT BE 0861.585.672	Belgium	100%	100%
Be-Mobile SA	Kardinaal Mercierlaan 1A 9090 Melle VAT BE 0881.959.533	Belgium	93%	93%
Mediamobile SA	Rue du Gouverneur Général Eboué 24 F-92130 Issy Les Moulineaux	France (3)	100%	0%
Flitsmeister BV	Landjuweel 24 3905 PG Veenendaal VAT NL 55408567	The Netherlands	93%	93%
Cascador BV	Koning Albert II laan 27 1030 Brussels VAT BE 0648 964 048	Belgium	100%	100%

Name	Registered office	Country of incorporation	2022	2023
Clearmedia NV	Merksemsesteenweg 148 2100 Deurne VAT BE 0831.425.897	Belgium	100%	100%
Davinsi Labs NV	Borsbeeksebrug 28/2verd 2600 Antwerpen VAT BE 0550.853.793	Belgium	100%	100%
Belgacom International Carrier Services Mauritius Ltd	Chancery House 5th floor , Lislet, Geoffrey Street Port Louis 1112-07	Mauritius (1)	100%	100%
Belgacom International Carrier Services SA	Bld du Roi Albert II 27 1030 Brussels VAT BE 0866.977.981	Belgium (1)	100%	100%
Belgacom International Carrier Services Deutschland GMBH	Eichweisenring 11 70567 Stuttgart VAT DE 812.710.228	Germany (1)	100%	100%
Belgacom International Carrier Services UK Ltd	2 New Bailey, 6 Stanley Street, Salford Greater Manchester M3 5GS	United Kingdom (1)	100%	100%
Belgacom International Carrier Services Nederland BV	Wilhelminakade 173, unit 41 32 3072 AP Rotterdam VAT NL 808.026.628.B01	The Netherlands (1)	100%	100%
Belgacom International Carrier Services North America Inc	Corporation trust center - 1209 Orange street USA - 19801 Willington Delaware	United States (1)	100%	100%
Belgacom International Carrier Services Asia Pte Ltd	C/O Tricor Singapore Pte Ltd 9 Raffles Place, #26-01 Singapore 048619	Singapore (1)	100%	100%
Belgacom International Carrier Services (Portugal) SA	Avenida da Republica, 50, 10th floor 1069-211 Lisboa VAT PT 505.146.720	Portugal (1)	100%	100%
Belgacom International Carrier Services Italia Srl	Via della Moscova 3 20121 Milano VAT IT 13276650150	Italy (1)	100%	100%
Belgacom International Carrier Services Spain SL	Calle Salvatierra, 4, 2c 28034 Madrid	Spain (1)	100%	100%
Belgacom International Carrier Services Switzerland AG	Gesellschaftsstrasse 27 3001 Bern VAT CHE-109.559.886	Switzerland (1)	100%	100%
Belgacom International Carrier Services Austria GMBH	Wildpretmarkt 2-4 1010 Wien	Austria (1)	100%	100%
Belgacom International Carrier Services Sweden AB	Drottninggatan 30 411-14 Goteborg	Sweden (1)	100%	100%
Belgacom International Carrier Services JAPAN KK	#409 Raffine Higashi Ginza, 4-14 10-10 Shirokanedai 3-Chome, Minato-ku Tokyo 108-0071	Japan (1)	100%	100%
Belgacom International Carrier Services China Ltd	5/F Manulife Place 348 Kwun Tong Road, Kowloon Hong Kong	China (1)	100%	100%

Name	Registered office	Country of incorporation	2022	2023
Belgacom International Carrier Services Australia Pty Ltd	1 Margaret Street - Level 11 Sydney NSW 2000 Australia VAT AU93.604.062.900	Australia (1)	100%	100%
Belgacom International Carrier Services Dubai FZ-LLC	Dubai Internet City Premises 306 - Floor 03- Building 02 -PO box 502307 Dubai	United Arab. Emirates (1)	100%	100%
Belgacom International Carrier Services South Africa Proprietary Ltd	Highveld Technopark 119 Witch-Hazel Avenue Highveld Technopark	South Africa (1)	100%	100%
Belgacom International Carrier Services Kenya Ltd	5th Floor, West Wing, ICEA Lion Center Riverside Park, PO Box 10643 00100 Nairobi	Kenya (1)	100%	100%
Belgacom International Carrier Services France SAS	Rue du Colonel Moll 3 75017 Paris VAT FR87.422.588.285	France (1)	100%	100%
Belgacom International Carrier Services Malaysia	Level 6, Menara 1 Dutamas Solaris Dutamas, No. 1 Jalan Dutamas 1, 50480 Kuala Lumpur No. 202001015524 (1371844-D)	Malaysia (1)	100%	100%
TeleSign Holdings Inc	13274 Fiji Way , Suite 600 Marina del Rey, CA 90292	United States	100%	100%
TeleSign Corporation	13274 Fiji Way , Suite 600 Marina del Rey, CA 90292	United States	100%	100%
TeleSign UK	2 New Bailey, 6 Stanley Street, Salford Greater Manchester M3 5GS	United Kingdom	100%	100%
TeleSign Mobile Ltd	2 New Bailey, 6 Stanley Street, Salford Greater Manchester M3 5GS	United Kingdom	100%	100%
TeleSign Doo	Tresnjinog cveta 1 11070 Novi Beograd	Serbia	100%	100%
TeleSign Netherlands B.V.	2 New Bailey, 6 Stanley Street, Salford Greater Manchester M3 5GS	United Kingdom	100%	100%
TeleSign Singapore Pte. Ltd.	1 Robinson Road, #17-00 AIA Tower Singapore (048542)	Singapore	100%	100%
TeleSign (Beijing) Technology Co., Ltd.	Office 1551, 15/F, Office Building A, Parkview Green, 9 Dongdaqiao Road, Chaoyang District Beijing 100020	P.R. China	100%	100%
Codit Holding BV	Gaston Crommenlaan 14, box 301 9050 Ledeberg VAT BE 662.946.401	Belgium	100%	100%
Codit BV	Gaston Crommenlaan 14, box 301 9050 Ledeberg VAT BE 0471.349.823	Belgium	100%	100%
Codit Switzerland AG	The Circle 6 8058 Zurich VAT CHE-335.776.516	Switzerland	100%	100%

Name	Registered office	Country of incorporation	2022	2023
Codit Integration Ltd.	25 Cabot Square E14 4QZ London VAT GB 241.5781.10	United Kingdom	100%	100%
Codit Managed Services BV	Gaston Crommenlaan 14, box 301 9050 Ledeberg VAT BE 0835.734.875	Belgium	100%	100%
Codit Mare Limited	International House, Mdina Road BKR 3000 Mriehel C55412	Malta	100%	100%
Codit Nederland B.V	Krommewetering 7 3543 AP Utrecht VAT NL 30246968	The Netherlands	100%	100%
Votijnit Lda. (Codit Portugal)	Edificio LACS Anjos, Rua Febo Moniz, 27 1150-152 Lisboa NIPC 510.595.251	Portugal	100%	100%
Codit Software Limited	International House, Mdina Road BKR 3000 Mriehel C64225	Malta	100%	100%
Codit France S.A.S.	18, Boulevard Malesherbes 75008 Paris 08 VAT FR 0478.300.189	France	100%	100%
UMBRiO Holding BV	Bisonspoor 3002-A501 3605 LT Maarssen VAT NL 58566317	The Netherlands	100%	100%
Mobile Vikings NV	Kempische Steenweg 309 - box1 3500 Hasselt VAT BE 0886,946,917	Belgium	100%	100%
Telesign Belgium	Koning Albert II laan 27 1030 Brussels VAT BE 0781.957.877	Belgium (2)	100%	100%
3M Digital Networks Private Limited (Mobtexting)	45/B, Subam Complex, 1st A Main 3rd Floor, Rear Wing, Sarakki Indl Layout, J P Nagar, Phase-3, Bengaluru, Karnataka 560 078 U72200KA2012PTC066750	India (1) (2)	100%	100%
Proximus Ada	Koning Albert II laan 27 1030 Brussels VAT BE 0781.848.902	Belgium (2)	100%	100%
Doktr	Koning Albert II laan 27 1030 Brussels VAT BE 0787.949.212	Belgium (2)	80%	80%
Proximus Luxembourg Infrastructure	18 rue du Puits Romain 8070 Bertrange VAT LU 34353281	Luxemburg (2)	100%	100%
Proximus d.o.o	Tresnjinog Cveta 1/9 Beograd-Novi Beograd	Serbia (4)		100%
BICS South Korea LLC	#401, 4F, 23 Jong-ro 12-gil (Gwancheol-dong), Jongno-gu, Seoul	South Korea (4)		100%
Telesign Colombia S.A.S	Cr71 B N°49 A27- Sec 2 Bogota DC Tax ID 9016318595	Colombia (4)		100%

(1) Entity of BICS Group

(2) Entity created/acquired in 2022

(3) Entity liquidated in 2023

(4) Entity created in 2023

Note 8.2. Investments in joint operations

The Group has a material joint operation in MWingz located Bld Simon Bolivar 34 in 1000 Brussels (VAT BE 0738 987 372). In November 2019, Proximus and Orange Belgium entered into a strategic agreement to share a part of their mobile access networks. The shared mobile access network is planned, built and operated by this joint company, owned 50/50 by Proximus and Orange Belgium which started its services to the shareholders in April 2020. The agreement is based on the following principles:

- The operators contractually share control of the agreement, i.e. decisions about the relevant activities require unanimous consent of the parties.
- Mwingz exclusively delivers services to the parents.

In its consolidated financial statements, the Group accounts Mwingz as a joint operation and recognizes its share in the assets and liabilities and its share in Mwingz costs from third parties, based on its ownership interest. Revenues from the sale of joint operation services to Proximus and Orange Belgium are eliminated.

Note 8.3. Investments in joint ventures and associates

(EUR million)	2022	2023
Carrying amount	43	90
Profit / (loss) of continuing operations	-20	-30

The Group had interests in the following joint ventures and associates:

Name	Registered office	Country of incorporation	Group's participating interests	
			2022	2023
Associates				
Belgian Mobile ID SA/NV	Markiesstraat 1 1000 Brussel VAT BE 541.659.084	Belgium (2)	15%	15%
Synductis CV	Brusselsesteenweg 199 9090 Melle VAT BE 502.445.845	Belgium (2)	17%	17%
Experience @ work CVBA	Minderbroedersgang 12 2800 Mechelen VAT BE 627.819.632	Belgium	30%	30%
Tessares SA/NV	Avenue Jean Monnet 1 1348 Ottignies-Louvain-la-Neuve VAT BE 600.810.278	Belgium	23%	23%
Co.station Belgium NV	Sinter-Goedeleplein 5 1000 Brussel VAT BE 599,786,434	Belgium (3)	20%	0%
Fiberklaar Midco BV	Raymonde de Larochelaan 13 9051 Sint-Denijs-Westrem VAT BE 760,489,106	Belgium	50%	50%
Fiberklaar BV	Raymonde de Larochelaan 13 9051 Sint-Denijs-Westrem VAT BE 760,540,475	Belgium	50%	50%
aug.e NV (former I.Leco NV)	Berkenlaan 8C 1831 Machelen VAT BE 471,967,356	Belgium	38%	48%
Belgian Parking Register NV	Kardinaal Mercierlaan 1A 9090 Melle VAT BE 0778.406.687	Belgium	50%	50%
Ads&Data	Harensesteenweg 226 1800 Vilvoorde VAT BE 0809.309.701	Belgium (2)	11%	11%
Glasfaser Ostbelgien	Klötzerbahn 24 4700 Eupen VAT BE 0791.811.295	Belgium (1)	50%	50%
FTI NV (Flanders Technology&Innovation)	Green Energy Park Research Park 160 1731 Zellik VAT BE 11003,648,706	Belgium (4)		11%
Clarence S.A.	202, Z.A.E.Wolser F. 3290 Bettembourg VAT LU 35.288.286	Luxemburg (4)		40%
Joint ventures				
Unifiber Midco SA	Waterloo Office Park Drève Richelle 161 D, Boite 20 1410 Waterloo 0771.814.647 RPR/RPM	Belgium	50%	50%
Unifiber SA	Waterloo Office Park Drève Richelle 161 D, Boite 20 1410 Waterloo 0771.870.372 RPR/RPM	Belgium	50%	50%

(1) Entity created in 2022
(2) Significant influence as proximus has a board member
(3) Entity liquidated in 2023
(4) Entity created in 2023

Fiberklaar was co-created in March 2021 with EQT Infrastructure to accelerate the roll-out of fiber in Flanders. Fiberklaar works to design, build, maintain, and upgrade the fiber network across the region to accelerate super-fast and stable fiber connectivity in Flanders. Fiberklaar's target is to connect 1.5 million homes and businesses in Flanders by 2028. Proximus holds 49.66% of Fiberklaar and the arrangement qualifies as an associate under IAS 28.

Unifiber was co-created in July 2021 with Eurofiber to accelerate the roll-out of fiber in Wallonia. Unifiber works to design, build, maintain, and upgrade the fiber network across the region to accelerate super-fast and stable fiber connectivity in Wallonia. Unifiber's target is to connect 0.6 million homes and businesses in Wallonia by 2028. Proximus holds 49.99% of Unifiber and the arrangement qualifies as joint venture under IAS 28.

In September 2022, Proximus co-created "Glasfaser Ostbelgien" or GO Fiber, a public-private partnership with the German-speaking Community and Ethias. Its objective is to connect almost all of the 40,000 homes and businesses in this region, including in the so-called "white zones". Proximus owns 49.96% of Glasfaser Ostbelgien. The arrangement qualifies as associate under IAS 28.

Contingencies and commitments in relation with the joint-ventures and associates fiber entities (Fiberklaar, Unifiber and Glasfaser Ostbelgien):

Imposed to the fiber entities

- After the roll-out period, Fiberklaar and Unifiber are required to meet the net debt/EBITDA target ratios defined in their shareholders' agreements. Available cash must be used to meet these targets as a matter of priority before any distribution to shareholders.

Imposed to the fiber entities' shareholders

- Proximus has a contractual obligation to financially support entities Fiberklaar and Unifiber by acquiring a predefined volume of fiber connections for the already deployed areas. This will be done by the complete migration of its customer base and the phasing out of its copper network within a few years after the completion of the fiber rollout. For Glasfaser Ostbelgien, there is no predefined volume, but there is still the migration commitment.
- Upon the occurrence of a "Flip Over Event" (such as the achievement of the deployment of the network on a targeted number of households, a predefined date, etc.), the shareholders of the fiber entities are obliged to transfer the minimum number of shares required to Proximus for the latter to obtain control by having the majority of the shareholding. If necessary, and in the most limited way possible, adaptations could be made to the shareholders' agreements to ensure control at Proximus after Flip Over. The earliest change of control is expected to occur in 2028.
- At the timing of the Flip Over, Proximus has the right to acquire the number of shares necessary to own at least 50% plus one and up to 75% minus one of Glasfaser Ostbelgien Shares. It is also granted a call option to extend its shareholding to 60% of Fiberklaar Midco shares.
- Fiberklaar,Unifiber and and Glasfaser Ostbelgien will maximize their funding through debt and operating cash flows. The shareholders will supplement the remaining financing needs with a capital injection, pro rata to their share.
- All shares held by Midco Unifiber and Midco Fiberklaar in Unifiber and Fiberklaar are pledged to financial institutions as part of the financing arrangements obtained by Unifiber and Fiberklaar. The same applies to the shares held in Glasfaser Ostbelgien

Changes in associates and joint venture:

(EUR million)	Unifiber SA	Fiberklaar BV	Other Associates	Total
Carrying amount				
As at 1 January 2022	**9**	**22**	**3**	**34**
Investments	0	30	-1	29
Profit for the year	-7	-13	0	-20
As at 31 December 2022	**2**	**39**	**2**	**43**
Investments	15	60	2	77
Loss for the year	-7	-21	-2	-30
As at 31 December 2023	**11**	**77**	**2**	**90**

Summary of balance sheet, profit and loss and other comprehensive income of the material joint venture and associate

	Unifiber		Fiberklaar	
(EUR million)	**2022**	**2023**	**2022**	**2023**
Non-current assets	**54**	**188**	**223**	**492**
Current assets	**32**	**26**	**33**	**31**
Cash and cash equivalents	21	14	32	26
Total assets	**86**	**214**	**256**	**523**
Equity	**10**	**26**	**88**	**180**
Non-current liabilities	**57**	**153**	**120**	**290**
Interest-bearing liabilities	57	151	120	290
Current liabilities	**18**	**35**	**48**	**53**
Total liabilities and equity	**86**	**214**	**256**	**523**
Total income	0	1	1	2
Total operating expenses before depreciation and amortization	-3	-4	-11	-15
Depreciation and amortization	0	-1	-1	-1
Finance income	0	1	0	3
Interests and debt charges on financial instruments at amortized costs	-5	-18	-4	-18
Profit or loss from continuing operations	-8	-21	-16	-28
Total comprehensive income	-8	-21	**-16**	**-28**
% ownership	50%	50%	50%	50%
Share held in Equity	5	13	44	90
Harmonization and retreatment	-3	-2	-5	-12
Carrying amount	**2**	**11**	**39**	**77**

Note 8.4. Acquisitions and disposal of subsidiaries, joint ventures and associates

Entities incorporated in 2023.

Clarence

Clarence is a joint venture between Proximus and LuxConnect with the objective of creating a disconnected sovereign, cloud solution.

Acquisitions and disposals of 2023

EDPNET

In March 2023 Proximus acquired the activities and assets of Belgian and Dutch EDPNET. Immediately after this acquisition, the Belgian Competition Authority (BCA) however informed Proximus of the opening of an ex officio investigation into a possible abuse of dominance by Proximus by means of the acquisition. Proximus, which contested the allegations of abuse of dominance, cooperated in good faith with the investigators of the BCA. Eventually and to avoid a lengthy procedure, Proximus and Citymesh entered in November 2023 into and completed an agreement pursuant to which Proximus divested EDPNET Belgium to Citymesh. Further to this agreement, the BCA has terminated its abuse of dominance proceeding. The appeal filed by Citymesh against the assignment of EDPNET to Proximus was terminated.

Acquisitions in process in 2023 with high probability of finalization in 2024

Route Mobile

Proximus Group has signed a definitive agreement to acquire through Proximus Opal, a ~58% interest in Route Mobile, a global company specialized in CPaaS services, listed on NSE and BSE in India with a market capitalization of EUR 1.1 billion. As part of the agreement, some of the founding shareholders of Route Mobile will reinvest in a minority stake in Proximus Opal, a subsidiary of the Proximus Group and the holding company of Telesign, Proximus' US-based affiliate. Building on the combined strengths of Route Mobile and Telesign, the Group is paving the way to become one of the worldwide leaders in the fields of digital communications (CPaaS) and digital identity.

More specifically:

- Proximus Group will acquire 57.56% of the shares (on a fully diluted basis) in Route Mobile through Proximus Opal, for an initial INR 59,224 million (EUR ~643,0 million) cash consideration for a price per share of INR 1,626.40
- The acquisition of the majority stake in Route Mobile will, in accordance with Indian regulations, trigger a mandatory takeover offer ("MTO") for up to 26% of the total shares outstanding of Route Mobile at the same price per share. Depending on the outcome of the MTO, the stake held by Proximus Opal could further increase to around 75% of Route Mobile's shares. If MTO is fully adopted, the stake could rise to around 84%, but as Indian regulator SEBI prescribes a minimum threshold of 25% public shareholding for all listed companies, Proximus Opal would need to sell stakes back to 75% within 12 months

Total cash consideration for this part of the operation, will be determined by the effective MTO take-up. The acquisition of the majority stake in Route Mobile and the MTO will be followed by a reinvestment of EUR ~299.6 million by some of the founding shareholders of Route Mobile, for up to 14.5% of the shares of Proximus Opal. Considering the reinvestment, the net cash consideration for Proximus prior to MTO amounts to EUR ~343.4 million.

The agreement remains conditional upon realization of the conditions provided for in the agreement, including the receipt of regulatory and anti-trust approvals and the completion of the MTO on certain shares of Route Mobile. Proximus expects to close the transaction during the first semester of 2024.

Entities incorporated in 2022

Proximus Ada
In March 2022 Proximus established the wholly owned subsidiary Ada, an innovation and expertise centre dedicated to artificial intelligence and cybersecurity. The entity started its activities in April 2022. Proximus Ada employed around 52 experts in artificial intelligence and cybersecurity on 31 December 2022.

Doktr
On 1 July 2022, Proximus transferred the activities related to the Doktr application to this new company, Doktr SRL. Doktr aims to become an integral part of the healthcare offering, facilitating video consultations in an accessible, secure and user-friendly manner.

Glasfaser Ostbelgien
See note 8.3.

Acquisition of 2022

BICS-3m Digital Networks Pvt Ltd
BICS acquired 100% of the shares of a Communications Platform as a Service (CPaaS) specialist, 3m Digital Networks Pvt Ltd, an international communications enabler, by its fully owned Singaporean subsidiary. The acquisition will add a range of cloud-native communications solutions to BICS portfolio, including AI-enabled voice, multi-channel messaging and advanced analytics services.

Note 9. Equity investments measured at fair value

At 31 December 2023 and 2022, the group held participating interests in non-quoted companies, the fair value amounted to EUR 1 million in 2022 and EUR 3 million in 2023.

The group elected to classify at initial recognition these interests at fair value through other comprehensive income as they are not held for a purpose of trading but acquired with a long-term strategic view.

Note 10. Income taxes

(EUR million)	As at 31 December	
	2022	2023
Accelerated depreciation	-40	-37
Fair value adjustments on acquisition	-20	-18
Statutory provision not retained under IFRS	-8	-10
Remeasurement of financial instruments to fair value	-52	-51
Deferred taxation on sales of property, plant and equipment	-7	-8
Post-employment, termination and other benefits	-19	-37
Deferred taxation on contract assets & contract costs	-61	-69
Gross deferred income tax liabilities	**-209**	**-229**
Fair value adjustment on fixed assets	11	11
Provisions for liabilities and charges	11	12
Other	10	13
Gross deferred income tax assets	**32**	**36**
Net deferred income tax assets / (liabilities), when grouped per taxable entity, are as follows :		
Net deferred income tax liability	-181	-197
Net deferred income tax asset	5	4

The movements in 2023 of the deferred tax position are as follows (EUR million)	
As at 31 December 2022	**-176**
Decrease recognized through other comprehensive income	-7
Increase recognized in income statement	-10
As at 31 December 2023	**-193**

The 2023 deferred tax expense in the profit or loss is mainly the consequence of the increase in the post-employment and termination benefits, the increase of the revenue from contracts with customers (IFRS15) and the remeasurement to FV of the financial instruments. This expense is partially offset by the decrease of the deferred tax on temporary differences.

The deferred income tax assets on fair value adjustment of fixed assets relate mainly to the elimination of the gain resulting from the intercompany sale at fair value of certain fixed assets.

Deferred tax assets have not been recognized in respect of the losses of subsidiaries that have been loss-making for several years. Cumulative tax losses and other assets carried forward available for such companies amounted to EUR 46 million at 31 December 2023 (EUR 22 million in 2022) of which 41 million have no expiration date. The use of the Belgian tax losses carried forward is limited in use of 1 million per year and 70% for the surplus in the same year. The offset of US tax losses is generally limited to 80% of the taxable income.

In the income statement, deferred tax income/ (expense) relate to the following:

	Year ended 31 December	
(EUR million)	2022	2023
Accelerated depreciation	5	3
Fair value adjustments on acquisition	14	2
Remeasurement of financial instruments to fair value	0	-3
Deferred taxation on sales of property, plant and equipment	0	-1
Fair value adjustment on fixed assets	-1	0
Post-employment, termination and other benefits	7	-5
Tax losses carried forward	-3	0
Contract assets and contract cost	-5	-8
Other	7	2
Deferred tax expense of the year	**25**	**-10**

The consolidated income statement includes the following tax expense:

	As at 31 December	
(EUR million)	2022	2023
Current income tax expense	-153	-94
Deferred income tax	25	-10
Income tax expense reported in consolidated income statement	**-128**	**-104**

The reconciliation of income tax expense at the statutory income tax rate to income tax expense at the group's effective income tax rate for each of the two years ended is as follows:

(EUR million)	2022	2023
Income before taxes	**578**	**461**
At Belgian statutory income tax rate of 25%	145	115
Lower income tax rates of other countries	1	2
Non-taxable income	-24	-27
Non-deductible expenditures for income tax purposes	5	11
Non-deductible losses from joint ventures and associates	8	7
Other	-5	-4
Income tax expense	**128**	**104**
Effective income tax rate	**22.22%**	**22.61%**

The 2023 effective income tax rate amounts to 22.61% which is higher compared to the effective income tax rate of 22.22% in 2022.

The non-taxable income mainly relates to the application of general principles of tax law such as the patent- and innovation income deduction applicable in Belgium.

Note 11. Assets and liabilities for pensions, other post-employment benefits and termination benefits

The Group has several plans that are summarized below:

	As at 31 December	
(EUR million)	2022	2023
Termination benefits and additional compensations in respect of restructuring programs	116	82
Defined benefit plans for complementary pension plans net liability / (net asset)	-140	-187
Other pension plans	1	1
Post-employment benefits other than pensions	295	293
Net asset recognized in the balance sheet	**140**	**187**
Net liability recognized in the balance sheet	**413**	**377**
Net liability (current)	52	40
Net liability (non-current)	361	337

The calculation of the liability is based on the assumptions established at the balance sheet date. The assumptions for the various plans have been determined based on both macro-economic factors and the specific terms of each plan relating to the duration and the beneficiary population.

The discount rate used for the valuation of pension plans, other post-employment benefit plans and termination benefits is based on the yield of Eurozone high quality corporate bonds with a duration matching the duration of such plans.

Note 11.1. Termination benefits and additional compensations in respect of restructuring programs

Termination benefits and additional compensations included in this chapter relate to employee restructuring programs. No plan assets are accumulated for these benefits.

In 2016, the Group implemented a voluntary leave program allowing for early termination from the age of 60 (or 58 for a small group). For certain participants to the early leave restructuring plan, benefits are paid from the age of 60 until the earliest retirement date. For those entering in the plan before the age of 60 and therefore required to render service until 60, the cost of the plan was recognized for the period of service still to be delivered between the moment of entering in the program and 60. The cost evolves with the index and the discount rate. The staff turnover is considered to be zero.

In 2019, Proximus launched its Fit for Purpose (FFP) transformation plan. An analysis based on the company's future challenges has led to the identification of areas of activity that either are being modified or that are disappearing. The provision for termination benefits was entirely booked as a result of a detailed and formal communication to those affected by the plan and as these benefits were not conditional to future service. The provision includes all benefits that are paid to the participants either at dismissal date or until earlier pensionable date. The provisions also include outplacement costs. The costs of reskilling and upskilling of employees are not included in the provision. The long-term part of the provision relates to the payments to be made after more than one year (mainly until pensionable date). This evolves with the index and discount rate. The staff turnover assumption is considered to be zero in the calculation. In 2022, the liability for termination benefits has also been updated to reflect the fact that Proximus can de facto no longer withdraw to offer certain benefits to employees in existing programs. The provision has been increased by EUR 22 million in 2022.

Any subsequent re-measurement of the liability for termination benefits and additional compensations is recognized immediately in the profit or loss.

The funded status of the plans for termination benefits and additional compensations is as follows :

	As at 31 December	
(EUR million)	2022	2023
Benefit Obligation	116	82
Benefit obligation in excess of plan assets	116	82

The movement in the net liability recognized in the balance sheet is as follows :

	As at 31 December	
	2022	2023
At the beginning of the year	140	116
Total expense (income) for the period	22	2
Payment to the participants	-46	-35
At the end of the year	116	82

The liability for termination benefits and additional compensations was determined using the following assumptions:

	As at 31 December	
(EUR million)	2022	2023
Discount rate	3.20%	3.20%
Future price inflation	3.00%	2.60%

Sensitivity analysis

An increase or decrease of 0.5% in the effective discount rate involves a fluctuation of the liability by approximately EUR1 million.

The Group expects to pay an amount of EUR 21 million for termination benefits and additional compensations in 2024. The payments in 2023 amounted to EUR 35 million.

Note 11.2. Defined contribution and benefit plans for complementary pensions

Defined benefit plans of Proximus SA and some subsidiaries

Proximus SA and some of its Belgian subsidiaries offer defined benefit pension plans for their employees. These plans provide pension benefits, for services as of 1 January 1997 at the earliest. They provide benefits based on salary and years of service. They are financed through the Proximus Pension Fund, a legally separate entity created in 1998 for that purpose.

The financing method is intended to finance the current value of future pension obligations (defined benefit obligation – DBO) relating to the years of service already rendered in the company and considering future salary increase. The financing method is derived from calculations under IAS 19. The annual contribution is equal to the sum of the service cost, the net financial cost (interest cost on DBO minus the expected return on assets) and the amortization of the difference between the assets and the DBO exceeding 10% of the higher of the DBO or the assets. Therefore, the amount contributed may differ from the amount recognized in the income statement.

At 31 December 2023, the assets of the Pension Fund exceed the minimum required by the pension regulator, being the technical provision. The technical provision represents the amount needed to guarantee the short-term and long-term equilibrium of the Pension Fund. It is constituted of the vested rights increased with an additional buffer amount to guarantee the long-term durability of the pension financing. The vested rights represent the current value of the accumulated benefits relating to years of service already rendered in the company and based on current salaries. They are calculated in accordance with the pension regulation and applicable law regarding actuarial assumptions.

As for most of defined benefit plans, the pension cost can be impacted (positively or negatively) by parameters such as interest rates, future salary increases and inflation. These risks are not unusual for defined benefit plans.

For the complementary defined benefit pension plan, actuarial valuations are carried out at 31 December by external independent actuaries. The present value and the current service cost and past service cost are measured using the projected unit credit method.

The funded status of the pension plans is as follows:

	As at 31 December	
(EUR million)	2022	2023
Defined Benefit Obligation	716	785
Plan assets at fair value	-857	-971
Deficit / (surplus)	-140	-187

The components recognized in the income statement and other comprehensive income are as follows :

	Year ended 31 December	
(EUR million)	2022	2023
Current service cost - employer	52	45
Net interest	-1	-6
Recognized in the income statement	50	39
Remeasurements		
Actuarial (gains)/losses from changes in financial assumptions	-192	-19
Actuarial (gains)/losses from changes in demographic assumptions	20	0
Actuarial (gains) / losses arising from experience adjustments	22	38
Actuarial (gains) / losses related to return on assets, excluding amounts included in the net interest cost	88	-69
Recognized in other comprehensive income	-61	-50
Total	-11	-12

The movement in the net liability recognized in the balance sheet is as follows:

	Year ended 31 December	
(EUR million)	2022	2023
At the beginning of the year	-79	-140
Expense for the period recognized in the income statement	50	39
Remeasurement recognized in other comprehensive income	-61	-50
Contributions paid	-50	-35
Net deficit/ (Net surplus)	-140	-187

Change in plan assets :

	As at 31 December	
(EUR million)	2022	2023
At the beginning of the year	904	857
Interest income	10	30
Return on assets, excluding amounts included in the net interest expense	-88	69
Contributions paid	50	35
Benefits payments and expenses	-19	-20
At the end of the year	857	971

Change in the defined benefit obligation:

	As at 31 December	
(EUR million)	2022	2023
At the beginning of the year	825	716
Service cost	52	45
Interest cost	9	24
Benefits payments and expenses	-19	-20
Actuarial losses/ (gain)	-150	19
At the end of the year	716	785

The pension liability was determined using the following assumptions:

	As at 31 December	
(EUR million)	2022	2023
Discount rate	3.50%	3.30%
Future price inflation	3.00%	2.60%
Nominal future salary increase	4.15%-4.25%	3.10%-3.85%
Nominal future baremic salary increase	4.00%-4.15%	3.60%-3.75%
Mortality	BE Prospective IA/BE	BE Prospective IA/BE

The staff turnover is considered in the calculation of the pension liability. For statutory employees it is assumed to be zero and for contractual employees is based on a degressive withdrawal rate based on the age.

The pension liability is determined based on the entity's best estimate of the financial and demographic assumptions which are reviewed on an annual basis.

The duration of the obligation is 13.36 years.

Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit plans obligations are discount rate, inflation and real salary increase. The sensitivity analysis has been determined based on reasonably possible changes of the respective assumptions, while holding the other assumptions constant.

We expect, that considering the current uncertainties on the market, the level of discount rate to remain comparable in 2024 and that the inflation will slightly evolve but remain relatively high still for a relatively long period of time,

If the discount rate increases (or decreases) by 0.5%, the estimated impact on the defined benefit obligation would be a decrease (or increase) by around 6% to 7%.

If the inflation rate increases (or decreases) by 0.25%, the defined benefit obligation would increase (or decrease) by around 3%. If the real salary increases (decreases) by 0.25%, the defined benefit obligation would increase (decrease) by around 5 % to 6%.

Plan assets

The assets of the pension plans are detailed as follows:

	As at 31 December	
(EUR million)	2022	2023
Equity instruments	48.2%	49.9%
Debt instruments	36.2%	35.8%
Convertible bonds	4.8%	4.5%
Other (property, infrastructure, Private equity funds, insurance deposits)	10.8%	9.8%

The actual return on plan assets is as follows:

	As at 31 December	
(EUR million)	2022	2023
Actual return on plan assets	-79	100

The investment strategy of the Pension Fund is defined to optimize the return on investment within strict limits of risk control and considering the profile of the pension obligations. The relatively long duration of the pension obligations (13.36 years) allows to allocate a reasonable portion of its portfolio to equities. Over the last five years, the pension fund has significantly increased the diversification of its investment portfolio across asset classes, regions and currencies in order to reduce the overall risk and improve the expected return.

At the end of 2023 the portfolio was invested by about 49.9% in listed equities (in Europe, US and Emerging Markets), about 35.8% in fixed income (government bonds, corporate bonds, and senior loans) and about 4.5% in convertible bonds (World ex US), the remaining part being invested in European infrastructure, global private equity, European non-listed real estate and cash. The actual implementation of the investments is outsourced to specialized asset managers.

Nearly all investments are done via mutual investment funds. Direct investments amount for less than 1% of the assets. Equity instruments, debt instruments and convertible bonds have quoted prices in active markets. The other assets, amounting for less than 10.0% of the portfolio are not quoted. The Pension Fund does not directly invest in Proximus shares or bonds, but it is not excluded that some Proximus shares, or bonds are included in some of the mutual investment funds in which the pension Funds invests.

The Proximus Pension Fund has taken a proactive approach about the inclusion of ESG criteria in its investment policy. As almost all investments are made through collective funds managed by external managers, this approach involves an ongoing dialogue with the managers, inviting them to take these criteria into account.

The Group expects to contribute an amount of EUR 33 million *to this Defined Benefit Plan in 2024*.

Other pension plans

The Group also operates another defined benefit plan with a more limited amplitude, being a Defined Benefit Obligation EUR 6 million and plan assets of EUR 5 million resulting in a net liability of EUR 1 million.

The Group operates some plans based on contributions for qualifying employees. For the plans operated abroad, the Group does not guarantee a minimum return on the contribution. For those operated in Belgium a guaranteed return is provided. All plans (operated in Belgium and abroad open and closed) are not material at Group level and do not present any net liability material for the Group.

Note 11.3. Post-employment benefits other than pensions

Historically, the Group grants to its retirees' post-employment benefits other than pensions in the form of socio-cultural aid premium, train tickets and other social benefits including a subsidized hospitalization plan. There are no plan assets for such benefits.

The subsidy to the hospitalization plan is based on an indexed fixed amount per beneficiary.

The funded status of the plans is as follows:

	As at 31 December	
(EUR million)	2022	2023
Defined Benefit Obligation	295	293
Net liability recognized in the balance sheet	**295**	**293**

The components recognized in the income statement and other comprehensive income are as follows:

	Year ended 31 December	
(EUR million)	2022	2023
Current service cost - employer	4	3
Interest cost	3	10
Recognized in the income statement	**7**	**13**
Remeasurements		
Actuarial losses from changes in financial assumptions	-61	1
Effect of experience adjustments	-3	-1
Recognized in other comprehensive income	**-63**	**0**
Total	**-56**	**13**

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The movement in the net liability recognized in the balance sheet is as follows:

	As at 31 December	
(EUR million)	2022	2023
At the beginning of the year	365	295
Expense for the period recognized in the income statement	7	13
Remeasurement recognized in other comprehensive income	-63	0
Payment to the participants	-14	-15
At the end of the year	**295**	**293**

The liability for post-employment benefits other than pensions was determined using following assumptions:

	As at 31 December	
	2022	2023
Discount rate	3.50%	3.30%
Future cost trend (index included)	3.00%	2.60%
Mortality	BE Prospective IA/BE	BE Prospective IA/BE

The liability for post-employment benefits other than pensions is determined based on the entity's best estimate of the financial and demographic assumptions which are reviewed on an annual basis.

The duration of the obligation is 11.88 years.

Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit plans obligations are discount rate, inflation, future cost trend and mortality. The sensitivity analysis has been performed based on reasonably possible changes of the respective assumptions, while holding the other assumptions constant.

If the discount rate increases (or decreases) by 0.5%, the defined benefit obligation would decrease (or increase) by around 6%.

If the future cost trend increases (or decreases) by 0.5%, the defined benefit obligation would increase (or decrease) by around 6%.

If a 1-year age correction would be applied to the mortality tables, the defined benefit obligation would change by around 4%.

The Group expects to contribute an amount of EUR 16 million to these plans in 2024.

Note 11.4. Other liabilities

The Group participates in a State Defined Benefit plan. On 31 December 2003, Proximus transferred to the Belgian State its legal pension obligation for its statutory employees and their survivors, in exchange of a payment of EUR 5 billion to the Belgian State. The transfer of the statutory pension liability to the Belgian State in 2003 was coupled with an increased employer social security contribution for civil servants as from 2004 and included an annual compensation mechanism to off-set certain future increases or decreases in the Belgian State's obligations because of actions taken by Proximus. Following a change in law (Program Law of 25 December 2017), as from 2018, the obligation to off-set stopped for the Belgian State.

Note 12. Other non-current assets

(EUR million)	Note	As at 31 December 2022	2023
Other derivatives	32.1	83	71
Other financial assets at amortized cost		16	21
Total		99	92

Other derivatives relate essentially to

- A 10-year forward starting interest rate swap for a notional amount of EUR 500 million entered on February 2022 to cover the Group exposure to the variability in cash flows attributable to the long-term interest rate risk associated with a highly probable forecasted transactions, being a 10-year bond to be issued in April 2025. The Group applies hedge accounting to this swap. The fair value of this financial instrument amount to EUR 58 million as at 31 December 2023 and EUR 82 million at year end of 2022.
- A zero-cost collar swaption entered by the group in 2023 to protect the value of its existing pre-hedging interest rate swap against interest rates fluctuations. The fair value of this financial instrument amount to EUR 13 million as at 31 December 2023.

Other financial assets concern LT cash guarantees and LT receivables non-trade.

Note 13. Inventories

(EUR million)	As at 31 December 2022			2023		
	Gross amount	Written off	Net amount	Gross amount	Written off	Net amount
Raw materials, consumables and spare parts	62	-6	56	55	-6	48
Work in progress and finished goods	23	0	23	21	0	21
Goods purchased for resale	111	-3	108	95	-5	89
Total	196	-9	187	171	-12	159

'Raw materials, consumables, and spare parts' are mainly materials for the gigabit network, like cables and installation tools.

'Work in progress and finished goods' contain mainly projects which are not yet completed.

Goods purchased for resale are CPE's (customer premises equipment), like smartphones/tablets and their related accessories (43%), equipment for internet and TV at home (decoders (13%), modems (23%), TV's (2%)), ICT equipment (11%), terminals (5%) and PABX (3%).

Note 14. Trade receivables and contract assets

14.1 Trade receivables

	As at 31 December	
(EUR million)	**2022**	**2023**
Trade receivables	938	866
Trade receivables - gross amount	1,025	952
Loss allowance	-87	-86

Trade receivables are amounts due by customers for goods sold or services performed in the ordinary course of business. Most trade receivables are non-interest bearing and are usually on 30-90 days terms. For TeleSign most customers have a 30-day term, with few exceptions which have a 60-day term. Terms are somewhat longer for the receivables of the International Carrier Services segment (BICS) since major part of its trade receivables relates to other Telco operators. Given the bilateral nature of BICS business, netting practice is very common, but this process can be quite long. The related netting agreements are not legally enforceable.

BICS business being rather volatile, therefore when analysing variances in the cashflow those related to trade receivables and trade payables should be considered together.

For the Domestic business, the netting payment is also applied with some other telecom operators.

For the years presented, no trade receivables were pledged as collaterals. In 2023, Proximus Group received bank and parent guarantees of EUR 7 million (in 2022, EUR 2 million) as securities for the payment of outstanding invoices.

14.2 Contract assets

	As at 31 December	
(EUR million)	**2022**	**2023**
Contract assets gross	145	176
Settled within 12 months of the reporting period	104	127
Settled after 12 months of the reporting period	40	49
Loss allowance	-8	-10
Contract assets net	137	167

The evolution of the gross amount of the contract assets during the year, can be explained as follows:

	As at 31 December	
(EUR million)	**2022**	**2023**
Balance at 1 Jan	127	145
Decrease in contract assets relating to existing contracts in the opening balance	-143	-165
Normal evolution	-122	-142
Anticipated termination	-21	-23
New contract assets	161	197
Balance at 31 Dec	145	176

Contract assets are mainly generated by contracts containing joint mobile and fixed-line telephony offers with a subsidized handset and services to be provided over a 24-month period (see note 2). The increase in the balance of contract assets compared with 2022 is mainly due to the increase in the number of Proximus SA contracts in force at the end of 2023, and to the increase in the price of handsets included in the offers.

14.3 Loss allowance on trade receivables and contract assets

The group applies the IFRS 9 simplified approach for measuring the expected credit losses. This approach uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets of residential and corporate markets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to a right to consideration in exchange of goods and services that have already transferred and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The group has therefore concluded that the expected loss rates for trade receivables of the residential and corporate markets are a reasonable approximation of the loss rates for the contract assets. These expected loss rates correspond to historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

For BICS segment, the expected credit losses for trade receivables have been determined on individual basis considering different factors determining a credit scoring such as micro and macro-economic criteria as well as credit rating, country risk, customer history, possible compensation to net the risk and other internal and external sources.

For TeleSign, the expected credit losses for trade receivables are based on a combination of factors considering historical losses adjusted for current market conditions, customer's financial condition, disputes, the current aging and incorporating relevant forward-looking data.

The analysis of trade receivables that were past due but not impaired is as follows:

As at 31 December					Past due					
(EUR million)	Gross receivables / contract assets	Loss allowance	Net carrying amount	Not past due	< 30 days	30-60 days	60-90 days	90-180 days	180-360 days	> 360 days
Trade receivables										
2021	977	-98	879	519	77	44	26	46	45	123
2022	1,025	-87	938	593	86	42	25	60	10	123
2023	952	-86	866	557	85	25	16	49	25	110
2023 % loss allowance on trade receivables			9%	2%	2%	7%	11%	16%	21%	34%
The loss allowance on contract assets was as follow:										
Contract assets	176	-10	167	167						
2023 % loss allowance on contract asset			6%	6%						

The closing loss allowances for trade receivables and contract assets as at 31 December 2023 reconciles to the opening loss allowances as follows:

The evolution of the allowance for doubtful debtors is as follows:

(EUR million)	Trade receivables	Contract assets	Total
As at 31 December 2022	87	8	95
Increase in loss allowance through income statement	34	2	36
Receivables written off as uncollectible	-33	0	-33
Other movements	-1	0	-1
As at 31 December 2023	86	10	96

Note 15. Other current assets

(EUR million)	Note	As at 31 December 2022	2023
VAT receivables		7	6
Derivatives	32.1	125	2
Prepaid expenses		103	153
Accrued income		8	4
Other receivables		26	36
Total		269	202

In 2023, derivatives relate essentially to a contingent foreign exchange forward transaction entered by the Group to limit its exposure to the variability in cash flows that is attributable to the currency risk related to a highly probable future transaction (business combination) that will be settled in foreign currency. The Group applies hedge accounting to this transaction.

In 2022, derivatives relate essentially to a 10-year and a 7-years forward starting interest rate swaps for a total notional amount of EUR 1.1 billion entered on February and November 2022 to cover the Group exposure to the variability in cash flows attributable to the long-term interest rate risk associated with two highly probable forecasted transactions, being respectively a 10-year bond to be issued in November 2023 and a 7-year bond to be issued in March 2023. The bonds were issued as planned and the Group applied hedge accounting to these swaps.

Prepaid expenses are mainly composed of ICT fees (EUR 75 million in 2023 versus EUR 66 million in 2022), spectrum interests (EUR 35 million in 2023 versus EUR 3 million in 2022) (see also Note 29 and 32.2 for P&L impact of spectrum interests), renting expenses on real estate, software and mobile sites (EUR 8 million in 2023 versus EUR 8 million in 2022), hardware-, software- and infrastructure maintenance expenses (EUR 8 million in 2023 versus 9 million in 2022), SaaS contracts (EUR 6 million in 2023 versus EUR 5 million in 2022) and consultancy fees (EUR 3 million in 2023 versus 4 million in 2022).

Note 16. Non-current assets held for sale

In March 2022, Proximus and Immobel have reached binding agreements regarding the redevelopment of Proximus' headquarters in Brussels. As a result of these agreements, Proximus acquired rights and gave commitments to cede the Proximus headquarters for approximately EUR 143 million in December 2023, and to enter into a lease-back agreement of a part of the renovated buildings.

Due to concerns raised by Immobel related to the current macro-economic situation, both parties have agreed after further negotiations to extend the initially foreseen closing period by nine months, whereby Immobel has the sole right to call the transaction in Q3 2024.

Immobel has agreed to an irrevocable payment of EUR 30 million in December 2023. In case Immobel decides to exercise the call option, this amount will be deducted from the acquisition price. In the meantime, Proximus maintains full ownership of the headquarter building.

In the event that Immobel decides not to confirm the transaction, Proximus will re-evaluate at that moment the appropriateness of qualifying the property as held for sale.

The assets of Proximus Towers are classified as held for sale at December 2023 for their book value (EUR 99 million).

(EUR million)	Land and buildings	Technical equipment	Total
Cost	364	18	383
Depreciation	-272	-12	-284
Carrying amount as of 31 December 2023	92	6	99

Note 17. Cash and cash equivalents

		As at 31 December	
(EUR million)	Note	2022	2023
Term account at amortized costs	32.4	10	488
Cash at bank and in hand	32.4	288	227
Total		299	716

Short-term deposits are made for periods varying between one day and three months, depending on the immediate cash requirements of the Group, and earn or pay interest at the respective short-term deposit rates. Interest rates applied on cash with banks are floating as corresponding to the daily bank deposit rates.

The cash and cash equivalents are held with financial institutions, sovereign & supranational agencies, money market funds counterparties with a long-term credit rating of minimum A-. Therefore, the expected credit loss on cash and cash equivalents is deemed immaterial.

Note 18. Equity

Note 18.1 Shareholders' equity

At 31 December 2023, the share capital of Proximus SA amounted to EUR 1 billion (fully paid up), represented by 338,025,135 shares, with no par value and all having the same rights, provided such rights are not suspended or cancelled in the case of treasury shares. The Board of Directors of Proximus SA is entitled to increase the capital for a maximum amount of EUR 200 million.

The Company may acquire its own shares and transfer the shares thus acquired in accordance with the provisions of the New Commercial Code of Companies and Associations. The Board of Directors is empowered by article 13 of the Articles of Association to acquire the maximum number of own shares permitted by law. The price paid for these shares must not be more than five percent above the highest closing price in the thirty-day trading period preceding the transaction nor more than ten percent below the lowest closing price in that same thirty-day period. Said authorization is renewed and granted for a period of five years as of 21 April 2021.

Proximus SA has a statutory obligation to distribute 5% of the parent company income before taxes to its employees. In the accompanying consolidated financial statements, this profit distribution is accounted for as workforce expenses.

In December 2015, a new law was adopted by the Belgian Parliament with the purpose of modernizing the 1991 Law reforming certain economic public companies, especially by the flexibility of certain organizational constraints to create a level playing field with competing companies, by aligning the corporate governance to the normal rules for listed companies in Belgium and by defining the framework for the government to decrease their participation below 50%. The General Shareholders Meeting of 2016 decided to change the bylaws to incorporate the amendments made to the 1991 Law.

On 31 December 2023, the number of treasury shares amounts to 15.401.433 (15,632,628.in 2022).

In 2023 and 2022, the Group sold respectively 2,746 and 10,229 treasury shares to its senior management for less than EUR 1 million under share purchase plans at a discount of 16.70% (see note 35).

Number of shares (including treasury shares):	2022	2023
As at 1 January	338,025,135	338,025,135
As at 31 December	338,025,135	338,025,135

Number of treasury shares:	2022	2023
As at 1 January	15,283,771	15,632,628
Sale under a discounted share purchase plan	-10,229	-2,746
Purchase / (Sale) of treasury shares	359,086	-228,449
As at 31 December	15,632,628	15,401,433

Note 18.2 Non-controlling interests

In 2023 and 2022, the non-controlling interests related to Doktr only.

Note 19. Interest-bearing liabilities

Note 19.1 Non-current interest-bearing liabilities

(EUR million)	Note	As at 31 December 2022	2023
Unsubordinated debt (bonds, notes)		2,239	2,881
Credit institutions		400	400
Other loans		37	27
Total		**2,676**	**3,308**

In 2021, Proximus entered a partnership with HCL Technologies whereby that company operates and maintains Proximus' private cloud infrastructure. Other loans consist in the long-term part of the asset financing arrangement (nominal amount of EUR 65 million received by Proximus in 2022. As at 31 December 2023, Proximus had already repaid this financial liability for EUR 28 million (EUR 18 million by year-end 2022) resulting from the partnership, for the infrastructure that remains in the Proximus datacenters and under its control.

On March 2023, Proximus issued an EUR 500 million bond carrying an annual fixed coupon of 4.00% with a 7-year maturity due 8 March 2030. The cash flow hedge for a nominal amount of EUR 500 million was unwound at that date and resulted in a payment of EUR 20 million received from the hedge counterparty.

On the 10th of November 2023, Proximus successfully priced a EUR 750 million bond transaction. The bond carries a coupon of 4.125% and has a 10-year maturity due on the 17th of November 2033. The related cash flow hedge for a nominal amount of EUR 600 million was unwound at that date and resulted in a payment of EUR 111 million received from the hedge counterparty.

A bond of EUR 600 million will mature in April 2024 and was transferred from non-current to current interest-bearing liabilities.

All long-term debt is unsecured. During 2023 and 2022 there have been no defaults or breaches on loans payables.

Unsubordinated debentures in EUR and in JPY are issued by Proximus SA. The capital is repayable in full on the maturity date.

Over the two years presented, an interest rate and currency swap (IRCS) was used to manage the currency and interest rate exposure on the JPY unsubordinated debentures. The swap enabled the Group to transform the interest rate on these debentures which are fully hedged economically, from a fixed interest rate to a floating interest rate. and converting the remaining liability in JPY into fixed rate liability in EUR (see note 32.1).

The group used interest rate swaps to mitigate the risk of interest rate variations between the hedge inception date and the issuance date of highly probable fixed rate long-term debts. In the tables below, the effective interest rates of the debts concerned by these hedges incorporates the effects of these hedges when they matured.

Non-current interest-bearing liabilities as at 31 December 2023 are summarised as follows:

	Carrying amount	Nominal amount	Measurement under IFRS 9	Maturity date	Interest payment / repriceable	Interest rate payable	Effective interest rate
	(EUR million)	(EUR million)			(b)		
Unsubordinated debentures							
Floating rate borrowings							
JPY (a)	11	11	Amortized cost	Dec-26	Semi-annually	3.76%	3.76%
Fixed rate borrowings							
EUR	150	150	Amortized cost	Mar-28	Annually	3.19%	3.22%
EUR	499	500	Amortized cost	Oct-25	Annually	1.88%	2.05%
EUR	150	150	Amortized cost	May-40	Annually	1.50%	1.52%
EUR	733	750	Amortized cost	Nov-36	Annually	0.75%	1.05%
EUR	495	500	Amortized cost	Mar-30	Annually	4.00%	3.60%
EUR	100	100	Amortized cost	Sep-31	Annually	1.75%	1.78%
EUR	743	750	Amortized cost	Nov-33	Annually	4.13%	2.75%
Credit institutions							
Fixed rate borrowings							
EUR	400	400	Amortized cost	Mar-28	Annually	1.23%	1.04%
Other loans							
EUR	27	27	Amortized cost	Nov-28	Monthly	3.04%	3.04%
Total	**3,308**	**3,338**					

(a) converted into a floating rate borrowing in EUR via currency interest rate swap

(b) for floating rate borrowings, interest rate is the one prevailing at the last repricing date before 31 December 2023

Non-current interest-bearing liabilities as at 31 December 2022 are summarized as follows:

	Carrying amount	Nominal amount	Measurement under IFRS 9	Maturity date	Interest payment / repriceable	Interest rate payable	Effective interest rate
	(EUR million)	(EUR million)			(b)		
Unsubordinated debentures							
Floating rate borrowings							
JPY (a)	11	11	Amortized cost	Dec-26	Semi-annually	2.34%	2.34%
Fixed rate borrowings							
EUR	150	150	Amortized cost	Mar-28	Annually	3.19%	3.22%
EUR	599	600	Amortized cost	Apr-24	Annually	2.38%	2.46%
EUR	498	500	Amortized cost	Oct-25	Annually	1.88%	2.05%
EUR	150	150	Amortized cost	May-40	Annually	1.50%	1.52%
EUR	100	100	Amortized cost	Sep-31	Annually	1.75%	1.78%
EUR	732	750	Amortized cost	Nov-36	Annually	0.75%	1.05%
Credit institutions							
Fixed rate borrowings							
EUR	400	400	Amortized cost	Mar-28	Annually	1.23%	1.04%
Other loans							
EUR	37	37	Amortized cost	Nov-28	Monthly	3.04%	3.04%
Total	**2,676**	**2,698**					

(a) converted into a floating rate borrowing in EUR via currency interest rate swap

(b) for floating rate borrowings, interest rate is the one prevailing at the last repricing date before 31 December 2022

Note 19.2 Current interest-bearing liabilities

	As at 31 December	
(EUR million)	2022	2023
Current portion of amounts payable > 1 year		
Unsubordinated debt (bonds, notes)	100	600
Credit institutions	1	0
Other loans	10	10
Credit institutions	0	1
Unsubordinated debt (bonds, notes)	477	0
Total	**588**	**611**

A bond of EUR 600 million will mature in April 2024 and was transferred from non-current to current interest-bearing liabilities.

The Group repaid in May 2023 a bond of EUR 100 million which was transferred from non-current to current interest-bearing liabilities in 2022.

The other loan represents the current portion part of the asset financing arrangement with HCL.

In 2022, the other unsubordinated debt represented a drawn and outstanding amount of EUR 477 million euros of the Commercial Paper program. As at 31 December 2023, this Commercial Paper was unused.

The tables below detail the current portion of the unsubordinated debentures maturing within one year.

Current interest-bearing liabilities as at 31 December 2023 are summarized as follows:

	Carrying amount	Nominal amount	Measurement under IFRS 9	Maturity date	Interest payment / repriceable	Interest rate payable	Effective interest rate
	(EUR million)	(EUR million)					
Current portion of interest-bearing-liabilities > 1 year							
Unsubordinated debentures							
Fixed rate borrowings							
EUR	600	600	Amortized cost	Apr-24	Annually	2.38%	2.46%
Other loans							
EUR	10	10	Amortized cost	Nov-28	Monthly	3.04%	3.04%
Interest-bearing-liabilities							
Credit institutions							
Fixed rate borrowings							
EUR	1	1	Amortized cost	Daily	Daily	8.90%	8.90%
Total	**611**	**611**					

Current interest-bearing liabilities as at 31 December 2022 are summarised as follows:

	Carrying amount (EUR million)	Nominal amount (EUR million)	Measurement under IFRS 9	Maturity date	Interest payment / repriceable	Interest rate payable	Effective interest rate
Current portion of interest-bearing-liabilities > 1 year							
Unsubordinated debentures							
Fixed rate borrowings							
EUR	100	100	Amortized cost	May-23	Annually	2.26%	2.29%
Other loans							
Fixed rate borrowings							
EUR	10	10	Amortized cost	Nov-28	Monthly	3.04%	3.04%
Credit institutions							
Fixed rate borrowings							
EUR	1	1	Amortized cost	Oct-23	Monthly	0.60%	0.60%
Interest-bearing-liabilities							
Unsubordinated debt (bonds, notes)							
Fixed rate borrowings							
EUR	477	477	Amortized cost	Jan & Feb 2023	At inception	1.55%-1.97%	1.55%-1.97%
Total	**588**	**588**					

Note 19.3 Information about the Group financing activities related to interest bearing liabilities

(EUR million)	As at 31 December 2022	Cash flow issuance	Cash flow repayments	Non-cash changes	As at 31 December 2023
Long-term					
Unsubordinated debt (bonds, notes)	2,239	1,238	0	-597	2,881
Credit institutions	400	0	0	0	400
Other loans	37	0	0	-10	27
Derivatives held for trading	1	0	0	1	3
Current portion of amounts payable > one year					
Unsubordinated debt (bonds, notes)	100	0	-100	600	600
Credit institutions held to maturity	1	0	-1	0	0
Other current interest-bearing liabilities					0
Credit institutions	0	1	0	0	1
Other loans	10	0	-10	10	10
Unsubordinated debt (bonds, notes)	477	0	-477	0	0
Total liabilities from financing activities excluding lease liabilities	**3,265**	**1,239**	**-587**	**5**	**3,921**
Lease liabilities current and non-current	272	0	-92	119	298
Total liabilities from financing activities including lease liabilities	**3,536**	**1,239**	**-679**	**123**	**4,219**

(EUR million)	As at 31 December 2021	Cash flow issuance	Cash flow repayments	Non-cash changes	As at 31 December 2022
Long-term					
Unsubordinated debt (bonds, notes)	2,337	0	0	-97	2,239
Credit institutions	401	0	-1	0	400
Other loans	0	65	0	-28	37
Derivatives held for trading	3	0	0	-2	1
Current portion of amounts payable > one year					
Unsubordinated debt (bonds, notes)	0	0	0	100	100
Credit institutions held to maturity	1	0	0	0	1
Other current interest-bearing liabilities					
Credit institutions	150	0	-150	0	0
Other loans	0	0	-19	28	10
Unsubordinated debt (bonds, notes)	100	477	-100	0	477
Other loans	1	0	-1	0	0
Total liabilities from financing activities excluding lease liabilities	**2,992**	**543**	**-270**	**1**	**3,265**
Lease liabilities current and non-current	273	0	-89	87	272
Total liabilities from financing activities including lease liabilities	**3,265**	**543**	**-359**	**88**	**3,536**

The cash flow issuance of EUR 1,238 million corresponds to the cash obtained by Proximus from the two bonds emissions (March and November 2023), net of all directly related costs of issuance.

The non-cash changes in 2023 refer to the transfer of a EUR 600 million bond from non-current to current.

The non-cash changes in 2022 refer to the transfer of a EUR 100 million bond from non-current to current and the remeasurement to fair value of the embedded derivative related but separated from the long-term debt expressed in JPY, its host contract.

The cash flow movements in relation with the current and non-current other loans in 2023 and 2022 relate to the short-term and long-term part of the asset financing arrangement (nominal amount of EUR 65 million) foreseen in the context of that partnership with HCL Technologies (see note 19.1).

Note 20. Provisions

(EUR million)	Workers' accidents	Litigation	Illness days	Dismantling pylons	Other risks	Total
As at 1 January 2022	26	36	15	44	32	153
Additions	2	5	0	0	9	15
Utilisations	-2	-6	0	-1	-6	-16
Withdrawals	0	-7	-1	-4	-4	-17
Unwinding	1	0	0	0	-2	0
Transfer	0	0	0	3	-3	0
As at 31 December 2022	26	29	14	41	25	136
Additions	1	7	0	0	7	15
Utilisations	-2	-1	0	-2	-1	-6
Withdrawals	0	-4	-1	0	-6	-11
Unwinding	1	1	0	0	1	3
As at 31 December 2023	26	32	13	40	27	137

The provision for workers' accidents relates to compensation that Proximus SA should pay to members of personnel injured (including professional illness) when performing their job and on their way to work. Until 31 December 2002, according to the law of 1967 (public sector) on labour accidents, compensation was funded and paid directly by Proximus. This provision (annuities part) is based on actuarial data including mortality tables, compensation ratios, interest rates and other factors defined by the law of 1967 and calculated with the support of a professional insurer. Considering the mortality table, it is expected that most of these costs will be paid out until 2062. As from 1 January 2003, contractual employees are subject to the law of 1971 (private sector) and statutory employees remain subject to the law of 1967 (public sector). For both the contractual and statutory employees, Proximus is covered as from 1 January 2003 by insurance policies for workers' accidents and therefore will not directly pay members of personnel.

The provision for litigation represents management's best estimate for probable losses due to pending litigation where the Group has been sued by a third party or is subject to a judicial dispute. The expected timing of the related cash outflows depends on the progress and duration of the underlying judicial procedures.

The provision for illness days represents management's best estimate of probable charges related to the granting by Proximus of accumulating non-vesting illness days to its statutory employees.

The provision for dismantling of pylons includes the expected costs for dismantling and restoration of the sites on which the antennas are located. It is expected that most of these costs will be paid during the period 2024-2050. The provision for restoration costs is estimated at current prices and discounted using a discount rate of 3.3% based on the expected timing to settle the obligation.

The provision for other risks includes mainly the environmental risks and sundry risks.

Note 21. Other non-current payables

(EUR million)	As at 31 December 2022	2023
Other non-current payables non-interest-bearing	86	45
Other non-current payables interest-bearing	592	559
Total	**679**	**604**

The interest-bearing liabilities include spectrum licenses. This non-current interest-bearing payable is settled through annual instalments over the life of the license (note 4 and 29). The interest on the payable is calculated on the outstanding long-term debt. The legal interest rate used is equal to the average of the 1-year EURIBOR interest rate for the month of December of the previous year, rounded up to the nearest quarter % and increased by 2%.

The non-interest-bearing liabilities include broadcasting and content rights payable over the part of the contract duration that is more than one year (mostly less than 5 years), the fair value of the part of the Virtual Power Purchase Agreement (see note 2) that will settle in more than one year (EUR 2.6 million) and the part of the spectrum licenses that is non-interest-bearing.

The transfer of long-term debts to short-term debts was greater than the new additions in 2023, which explains the decrease in the balance of other non-current debts.

Note 22. Other current payables

(EUR million)	As at 31 December 2022	2023
VAT payables	48	42
Payables to employees	121	121
Accrual for holiday pay	94	97
Accrual for social security contributions	51	51
Advances received on contracts	15	41
Other taxes	141	108
Deferred income	3	11
Accrued expenses	25	44
Other debts non-interest-bearing	139	150
Other debts interest-bearing	25	37
Subtotal Other current payables	**663**	**703**
Contract Liability	127	126
Total	**790**	**829**

Contract liabilities comprise the Group's obligation to transfer goods or services in the future to a customer for which the Group has received consideration from the customer or the amount is due. The part of the contract liability as of 31 December 2022 recognized in revenue in 2023 is disclosed in Note 23.

The decrease of the caption "other taxes" is linked to a decrease of withholding tax, property tax and tax on pylons. The increase of the accrued expenses is due to the increase of the accrued interest payables. The irrevocable payment from Immobel (30 million) is included in the "advances received".

The other debts interest and non-interest-bearing are mainly payables linked to broadcasting and spectrum.

Tax on pylons

Local taxes on mobile network equipment have been levied by certain provinces and municipalities for over 20 years in Belgium.

Proximus has consistently challenged the legality of these taxes in all regions, based on a variety of legal arguments. The European Court of Justice ruled in two Proximus cases of December 2015 that a tax on pylons is not, per se, in contradiction with European law. Proximus continues to launch legal proceedings with respect to taxes on pylons received from municipalities and provinces in the three regions based on other arguments.

Provisions are recorded based on assessments of the legal proceedings of outside counsel based on prevailing case law. Interest charges for unpaid tax bills are recorded monthly at the legal tax rate.

The position recognized in the Financial Statements reflects management's best estimate of the probable outcome.

Note 23. Net revenue

Net revenue corresponds to the revenue from contracts with customers. The group derives revenue from the transfer of goods and services over time and at a point in time as follows:

	As at 31 December	
(EUR million)	2022	2023
Net revenue recognized at one point in time	622	710
Net revenue recognized over time	5,231	5,283
Total	5,853	5,993

The disaggregation of net revenue is based on types of goods and services delivered and market and type of customers as follows:

(EUR million)		As at 31 December 2022	2023
Domestic			
Residential			
	Customer services revenues (X-play) (1)	1,782	1,880
	Prepaid	41	35
	Terminals (2)	231	279
	Lux. Telco (3)	131	135
	Other	56	46
	Total Residential	*2,241*	*2,375*
Business			
	Services (4)	1,587	1,622
	Products (5)	272	299
	Lux. Telco (3)	27	25
	Total Business	*1,887*	*1,945*
Wholesale			
	Fixed & Mobile wholesale services (6)	140	142
	Interconnect (7)	140	116
	Total Wholesale	*280*	*258*
Other		*9*	*32*
Total Domestic		**4,416**	**4,610**
BICS		**1,130**	**1,050**
TeleSign		**473**	**496**
Eliminations		**-166**	**-163**
Total Net Revenue		**5,853**	**5,993**

(1) Customer services revenues (X-play): 'Play' is a subscription to either Fixed Voice, Fixed Internet, dTV or Mobile Postpaid (paying Mobile cards).

A 4-Play customer subscribes to all four services. 'X-Play' is the sum of single play (1-play) and multi-play (2-play + 3-play + 4-play).

(2) Terminals: corresponds to devices for Fixed Voice, Data, Mobile and related accessories. This excludes PABX, IT products and TV CPE.

(3) Luxembourg Telco: including Fixed & Mobile services, Terminals & Other

(4) Business Services: corresponds to Fixed Data, Fixed Voice, Mobile & IT

(5) Business Products: corresponds to Terminals & IT

(6) Wholesale Fixed & Mobile services includes all solutions that Proximus offers to other operators. These services include fixed internet and data connectivity services, fixed telephony and mobile (incl. MVNO and Roaming) services (excl. Interconnect)

(7) Wholesale Interconnect: the process of connecting an operator network with another operator network. This then allows the customers of one operator to communicate with the customers of another operator. Interconnect includes fixed voice, mobile voice and mobile SMS/MMS services.

The following table presents the transaction price assigned to unfulfilled performance obligations at December 31, 2023 and 2022. Unfulfilled performance obligations are the services that the Group is obliged to provide to customers during the remaining fixed term of the contract and consideration received from customers before satisfying performance obligations such as advances for airtime.

Unfulfilled performance obligations at 31 December 2023

	Expected timing of recognition		
(EUR million)	2024	2025	> 2025
Transaction price allocated to performance obligations that are unsatisfied at reporting date	201	66	36
Related to contract liabilities	74	17	36
Related to contract assets	127	49	0

Unfulfilled performance obligations at 31 December 2022

	Expected timing of recognition		
(EUR million)	2023	2024	> 2024
Transaction price allocated to performance obligations that are unsatisfied at reporting date	172	54	45
Related to contract liabilities	68	14	45
Related to contract assets	104	40	0

The increase in the balance of contract assets (see note 14.2) compared with 2022 is mainly due to the increase in the number of Proximus SA contracts in force at the end of 2023, and to the increase in the price of handsets included in the offers.

Note 24. Other operating income

	As at 31 December	
(EUR million)	2022	2023
Gain on disposal of intangible assets and property, plant and equipment	5	6
Miscellaneous reinvoicing and recovery of expenditures	50	45
Other income	5	4
Total	60	56

"Miscellaneous reinvoicing and recovery expenditures" includes compensation for network damage by third parties as well as employee and third-party contributions for sundry services.

Note 25. Costs of materials and services related to revenue

	As at 31 December	
(EUR million)	2022	2023
Purchases of materials	487	554
Purchases of services	1,699	1,644
Total	2,186	2,198

Goods and services directly related to revenue are external variable costs incurred in the context of a sales transaction, and that changes in proportion to sales. In the Proximus Group, it mainly includes traffic expenses (interconnection costs, termination costs…) , subscriber acquisition and retention costs, external costs directly related to ICT contracts such as equipment, maintenance, vendor support being recharged to the customers and costs related to Proximus TV such as content costs and variable broadcasting rights. It includes also cost of goods and work in progress being invoiced to customers.

Purchases of materials are shown net of work performed by the enterprise that is capitalized for an amount of EUR 88 million in 2023 and of EUR 68 million in 2022. It includes mainly modems, WIFI boosters and set top boxes installed on client premises.

Note 26. Workforce expenses

	As at 31 December	
(EUR million)	2022	2023
Salaries and wages	717	766
Social security expenses	173	177
Pension costs	51	45
Post-employment benefits other than pensions and termination benefits	25	3
External Workforce	259	282
Other workforce expenses	76	71
Total	1,301	1,343

Workforce expenses are expenses related to own employees as well as to external working parties.

Salaries & wages and social security expenses are shown net of work performed by the enterprise that is capitalized for an amount of EUR 152 million in 2023 and EUR 142 million in 2022. The lower increase of social security expenses, compared to salaries & wages, is partially linked to post-covid discounts granted by the government (until medio 2023).

Post-employment benefits other than pensions and termination benefits include the impact of the FFP transformation plan that was implemented in 2019 (2023 EUR 1 million, 2022 EUR 24 million).

External workforce expenses include consultancy and outsourcing costs.

Other workforce expenses include costs relating to internal workforce (such as meal vouchers, social activities, workers accident insurance, train tickets for actives).

Note 27. Non-Workforce expenses

	As at 31 December	
(EUR million)	2022	2023
Service and capacity contracts and non-lease components of renting contracts	59	83
Maintenance	109	116
Utilities	75	111
Advertising and public relations	103	105
Administration, training, studies and fees	144	156
Telecommunications, postage costs and office equipment	25	28
Loss allowance	27	34
Taxes other than income taxes	29	15
Other Non-Workforce expenses	29	73
Total	601	722

The increase in Other Non-Workforce expenses is mainly related to mergers & acquisitions.

Note 28. Depreciation and amortization

	As at 31 December	
(EUR million)	2022	2023
Amortization of licenses and other intangible assets	525	525
Depreciation of property, plant and equipment	569	572
Depreciation of right of use	84	88
Total	1,179	1,185

Note 29. Net finance cost

(EUR million)	As at 31 December 2022	2023
Finance income	**4**	**10**
Interest income on financial instruments		
At amortized costs	3	7
Other finance income	1	2
Finance costs	**-53**	**-119**
Interests and debt charges on financial instruments at amortized costs		
Unsubordinated debentures	-48	-51
Lease interests	-4	-8
Short term debt	-1	-9
Long term payables	-2	-32
Discounting charges		
On provisions	0	-2
On pensions and other post-employment benefits	5	-7
Impairment losses		
On investments in associate and joint ventures	-1	0
Fair value adjustments of financial instruments		
Not in a hedge relationship - FVTPL	0	-9
Other finance costs	-2	-3
Total	**-49**	**-110**

The increase of the interests on the unsubordinated debentures by EUR 3 million resulted from the issuance of new bonds in March and November 2023 (EUR 19 million). This increase was largely offset by the positive remeasurement to fair value of the zero collar swaption (EUR 13 million) entered by the Group to protect the value of its existing pre-hedging interest rate swap against interest rates fluctuations and by the positive impact of the amortization of the two interest-rates hedges which were unwound in March and November 2023 when the corresponding bonds were issued (EUR 4 million).

Interest charges on long-term payables is mainly due to the acquisition of new spectrum licences in 2022 (see note 4 and 32.2), for which the Group has opted for deferred payment, and from the higher interest rates, which are variable and revised annually (see note 21).

The increase in short term debt compared to 2022 results from more intensive use of the commercial papers throughout 2023 and higher interest rates paid on these balances.

The loss on pensions and other post-employments benefits (EUR - 7 million) results mainly from the effect of the changing market conditions, notably the increase in discount rates on the obligations. In 2022, the effect of the changing market conditions led to a gain of EUR 5 million.

The loss on the fair value adjustment of financial instruments not in a hedge relationship results mainly from the negative remeasurement to fair value of the Virtual Power Purchase Agreements (EUR - 6 million), the remeasurement to fair value of the liability relating to the put option granted to the former owner of Be-Mobile on their own shares (EUR - 2 million).

Note 30. Earnings per share

Basic earnings per share are calculated by dividing the net income for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net income for the year attributable to ordinary shareholders, by the weighted average number of ordinary shares outstanding during the year, both adjusted for the effects of dilutive potential ordinary shares.

The following table reflects the income and share data used in the computation of basic and diluted earnings per share.

	As at 31 December	
	2022	2023
Net income attributable to ordinary shareholders (EUR million)	450	357
Adjusted net income for calculating diluted earnings per share (EUR million)	450	357
Weighted average number of outstanding ordinary shares	322,552,465	322,442,197
Weighted average number of outstanding ordinary shares for diluted earnings per share	322,552,465	322,442,197
Basic earnings per share (EUR)	1.40	1.11
Diluted earnings per share (EUR)	1.40	1.11

The sale of shares to the company management under share purchase plans at a discount of 16.70% had a dilutive effect, but this was insignificant in 2023 and 2022.

Note 31. Dividends paid and proposed

	2022	2023
Dividends on ordinary shares:		
Proposed dividends (EUR million)	388	388
Number of outstanding shares with dividend rights	323,086,209	323,317,404
Dividend per share (EUR)	1.2	1.2
Interim dividend paid to the shareholders (EUR million)	161	161
Interim dividend per share (EUR)	0.5	0.5

The proposed dividends for 2022 have been effectively paid in April 2023, net of the interim dividend paid in December 2022. The interim dividends for 2023 have been paid in December 2023.

Note 32. Additional disclosures on financial instruments

Note 32.1. Derivatives

The Group makes use of derivatives such as interest rate swaps (IRS), interest rate and currency swaps (IRCS), forward foreign exchange contracts and currency options.

		As at 31 December	
(EUR million)	**Note**	**2022**	**2023**
Non-current assets			
Derivatives held-for-hedging	12	82	58
Derivatives held-for-trading		0	13
Other derivatives	12	2	0
Current assets			
Derivatives held-for-hedging	15	123	2
Derivatives held-for-trading	15	1	2
Total assets		208	76
Non-current liabilities			
Derivatives held-for-trading		0	3
Other derivatives	21	1	0
Current liabilities			
Derivatives held-for-hedging		1	1
Derivatives held-for-trading		1	2
Total liabilities		3	5

The tables below show the positive and negative fair value of derivatives, included in the balance sheet respectively as current/non-current assets or liabilities.

As at 31 December 2023	Fair value	
(EUR million)	Asset	Liability
Forward foreign exchange contracts	2	-1
Interest rate swaps	58	0
Derivatives qualifying for hedge accounting	60	-1
Virtual Power Purchase Agreement (VPPA)	0	-3
Zero collar swaption	13	0
Forward foreign exchange contracts	2	0
Non-deliverable currency option	0	-1
Derivatives not qualifying for hedge accounting	16	-5
Total	76	-5

As at 31 December 2022	Fair value	
(EUR million)	Asset	Liability
Forward foreign exchange contracts	0	-1
Interest rate swaps	205	0
Derivatives qualifying for hedge accounting	205	-1
Interest rate and currency swaps	2	0
Interests and currency related - other derivatives	0	-1
Forward foreign exchange contracts	1	-1
Derivatives not qualifying for hedge accounting	3	-2
Total	208	-3

The group entered a forward interest rate swap for a notional amount of EUR 500 million on February 2022 to cover the Group exposure to the variability in cash flows attributable to the long-term interest rate risk associated with a highly probable forecasted transactions, being a 10-year bond to be issued in April 2025 (Note 12). The Group applies hedge accounting to this swap (cash flow hedging). The fair value of this instrument amounted to EUR 58 million in 2023 and EUR 82 million in 2022.

The group entered forward interest rate swaps for a total notional amount of EUR 1.1 billion on February and November 2022 to cover the Group exposure to the variability in cash flows attributable to the long-term interest rate risk associated with two highly probable forecasted transactions, being respectively a 10-year bond to be issued in November 2023 and a 7-year bond to be issued in March 2023 (Note 15). The Group applied hedge accounting to these swaps (cash flow hedging). The bonds were issued, and the hedges settled in 2023, as planned. The fair value of these hedges amounted to EUR 123 million as at 31 December 2022 and were settled in 2023 for a total amount of EUR 131 million.

In order to preserve the positive Mark-to-Market value of the existing pre-hedge for April 2025, Proximus entered in May 2023 a swaption collar. The trade was structured as a zero-cost collar swaption, so that there was no upfront premium to be paid. The Group does not apply hedge accounting to this transaction. The fair value of this financial instrument amounted to EUR 13 million as at 31 December 2023.

On 17 July 2023, Proximus Group has signed a definitive agreement to acquire through Proximus Opal, a 58% interest in Route Mobile, a global company specialized in CPaaS services, listen on NSE and BSE in India with a market capitalization of EUR 1.1billion. At the signing of the deal the Group entered a derivative foreign exchange forward contract in a hedge accounting relationship, in order to

hedge against exposure to changes in the Indian rupee exchange rate for the purchase consideration between signing and closing. The Group applies hedge accounting to this hedging transaction.

The acquisition of the majority stake in Route Mobile will, in accordance with Indian regulations, trigger a Mandatory Takeover Offer (MTO) for up to 26% of the total shares outstanding. Proximus Group entered an EUR/INR option for this MTO process. The Group does not apply hedge accounting to this hedging transaction. This hedging instrument is remeasured to Fair Value through P&L (financial result).

Interest rate and currency swaps (IRCS) are used to manage the currency and interest rate exposure on outstanding JPY 1.5 billion unsubordinated debentures (see note 19). The value of the IRCS was immaterial in 2023.

Note 32.2. Financial risk management objectives and policies

The Group's main financial instruments comprise unsubordinated debentures, trade receivables and trade payables. The main risks arising from the Group's use of financial instruments are interest rate risk, foreign currency risk, liquidity risk and credit risk.

All financial activities are subject to the principle of risk minimization. To achieve this, all matters related to funding, foreign exchange, interest rate and counterparty risk management are handled by a centralized Group Treasury department. Simulations are performed using different market (including worst case) scenarios with a view to estimating the effects of varying market conditions. All financial transactions and financial risk positions are managed and monitored in a centralized treasury management system.

Group Treasury operations are conducted within a framework of policies and guidelines approved by the Leadership Squad and the Board of Directors. Group Treasury is responsible for implementing these policies. According to the policies, derivatives are used to hedge interest rate and currency exposures. Derivatives are used exclusively as hedging instruments, i.e., not for trading or other speculative purposes. Derivatives used by the Group mainly include forward exchange contracts, interest rate swaps and currency options.

The table below provides a reconciliation of changes in equity and statement of OCI by hedge type for 2023:

(EUR million)	Note	Gain taken to equity	Transfer to profit or loss for the period
Cash flow hedge on foreign currency transactions	OCI	2	0
Interest rate swaps	OCI	-12	0
Amortization of cumulated remeasurements of settled interest rate swap	OCI	0	-3
Changes in other comprehensive income in relation with cash flow hedges		-10	-3

The amount of EUR – 12 million corresponds to the negative remeasurement to fair value of the interest rate hedges during the year, two of which settled respectively in March and November 2023.

Interest rate risk

The Group's exposure to changing market interest rates primarily relates to its long-term financial obligations. Group Treasury manages exposure of the Group to changes in interest rates and the overall cost of financing by using a mix of fixed and variable rate debts, in accordance with the Group's financial risk management policies. The aim of such policies is to achieve an optimal balance between total cost of funding, risk minimization and avoidance of volatility in financial results, whilst considering market conditions and opportunities as well as overall business strategy.

Proximus' non-current interest-bearing liabilities (including their current portions) as at 31 December 2023 and 2022 were mainly fixed-rate debts, as shown in the tables below. These tables also show the average interest rate of these debts, as well as their average time to maturity and the effect of the interest rate and currency swap agreements (IRCS) on the bond labelled in JPY. Lease liabilities and current interest-bearing liabilities are not considered in these two tables.

As explained in note 32.1, the Group entered forward interest rate swap in 2022 to cover its exposure to the variability in cash flows attributable to the long-term interest rate risk associated with bonds to be issued in 2023 and 2025. The weighted average interest rates shown in the tables below include the effects of the settled hedges on the corresponding bonds.

As at 31 December 2023

	Direct borrowing			IRCS agreements			Net obligations		
	Notional amount	Weighted average interest rate (1)	Average time to maturity	Amount payable (receivable)	Weighted average interest rate (1)	Average time to maturity	Amount payable (receivable)	Weighted average interest rate (1)	Average time to maturity
	(EUR million)		(in years)	(EUR million)		(in years)	(EUR million)		(in years)
EUR									
Fixed	3,900	1.97%	7				3,900	1.97%	7
Variable				11	3.76%	2.96	11	3.76%	3
JPY									
Fixed	11	5.04%	3	-11	-5.04%	2.96			
Total	**3,911**	**1.98%**	**7**	**0**			**3,911**	**1.98%**	**7**

(1) Weighted average interest rate taking into account last repriced interest rates for floating borrowings.

As at 31 December 2022

	Direct borrowing			IRCS agreements			Net obligations		
	Notional amount	Weighted average interest rate (1)	Average time to maturity	Amount payable (receivable)	Weighted average interest rate (1)	Average time to maturity	Amount payable (receivable)	Weighted average interest rate (1)	Average time to maturity
	(EUR million)		(in years)	(EUR million)		(in years)	(EUR million)		(in years)
EUR									
Fixed	2,750	1.37%	7				2,750	1.37%	7
Variable				11	2.34%	4	11	2.34%	4
JPY									
Fixed	11	5.04%	4	-11	-5.04%	4			
Total	**2,761**	**1.38%**	**7**	**0**			**2,761**	**1.37%**	**7**

(1) Weighted average interest rate taking into account last repriced interest rates for floating borrowings.

The Group issued two bonds in 2023 for a notional amount of EUR 1,250 million and repaid a maturing bond for an amount of EUR 100 million. The Group acquired spectrum licences in 2022 (see Note 4) and the corresponding unique fees (fixed amounts) are payable in annual instalments over the duration of the contractual rights acquired. The interest rate applicable to the outstanding liabilities is variable (see note 21) and revised annually. The Group does not hedge its exposure to the variability in cash flows attributable to changes in this interest rate.

Foreign currency risk

The Group's main currency exposures result from its operating activities. Such exposure arises from sales or purchases by operating units in currencies other than euro. Transactions in currencies other than euro mainly occur in the International Carrier Services ("BICS") segment and TeleSign segment. Indeed, their activities generate payments to and receipts from the companies they interact with in various foreign currencies. Next to these, Proximus as well as several of its affiliates also engage in international activities (ICT, roaming, capital and operating expenditure) giving rise to currency exposures.

Risks from foreign currencies are hedged to the extent that they are liable to influence the Group's cash flows. Foreign currency risks that do not influence the Group's cash flows (i.e., the risks resulting from the translation of assets and liabilities of foreign operations into the Group's reporting currency) as a rule are not hedged. However, the Group could envisage hedging such so-called translation differences should their potential impact become material to the Group's consolidated financial statements.

The typical financial instruments used to hedge foreign currency risk are forward foreign exchange contracts and currency options.

In 2023 and 2022, the Group only incurred currency exposures relative to its operating activities. Foreign currency transactions are recognized in functional currency on initial recognition at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at balance sheet date using the exchange rate at that date. The net exchange difference on the translation of these monetary assets and liabilities are recorded via the income statement. However, in a limited number of cases, hedge accounting has been applied, the effective portion of the gains and losses on the hedging instrument is recognized via other comprehensive income until the hedged item occurs. If the hedged transaction leads to the recognition of an asset, the carrying amount of the asset at the time of initial recognition incorporates the amount previously recognized via other comprehensive income. The ineffective portion of a cash flow hedge is always recognized in profit or loss.

The Group performed a sensitivity analysis on the exchange rates EUR/USD, EUR/GBP EUR/CHF, EUR/SDR, EUR/ZAR, EUR/AUD and EUR/HKD, currency pairs to which it is exposed in its operating activities, for the year 2023.

Foreign currency Group's net position as at 31/12/2023	(in EUR)	Effect in P&L if foreign currency against EUR moves by :								Closing rate
		-15.0%	-10.0%	-5.0%	-2.5%	2.5%	5.0%	10.0%	15.0%	1 EUR = xxx
-	USD	-80,466	-53,644	-26,822	-13,411	13,411	26,822	53,644	80,466	1.11
-831,755	GBP	143,563	95,709	47,854	23,927	-23,927	-47,854	-95,709	-143,563	0.87
-1,813,552	CHF	293,772	195,848	97,924	48,962	-48,962	-97,924	-195,848	-293,772	0.93
-592,694	SDR	108,243	72,162	36,081	18,041	-18,041	-36,081	-72,162	-108,243	0.82
2,336,372	ZAR	-17,223	-11,482	-5,741	-2,871	2,871	5,741	11,482	17,223	20.35
1,484,197	AUD	-136,893	-91,262	-45,631	-22,816	22,816	45,631	91,262	136,893	1.63
4,973	HKD	-86	-58	-29	-14	14	29	58	86	8.63
	Total	310,909	207,273	103,636	51,818	-51,818	-103,636	-207,273	-310,909	

Notes:

- Net position, in the table above, is defined as the sum, for all Group entities whose functional currency is the euro, of cash positions in foreign currencies, customers' and suppliers' invoices expressed in foreign currencies, and forward currency purchase and sale contracts. Foreign currency positions are expressed in their respective currencies (not translated in EUR).
- +15% means when foreign currency wins 15% vs. EUR
- -15% means when foreign currency loses 15% vs. EUR
- A positive sign means a profit in P&L
- A negative sign means a loss in P&L

Credit risk and significant concentrations of credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk encompasses all forms of counterparty exposure, i.e. where counterparties may default on their obligations to Proximus in relation to lending, hedging, settlement and other financial activities.

The Group's maximum exposure to credit risk (not considering the value of any collateral or other security held) in the event the counterparties fail to perform their obligations in relation to each class of recognized financial assets, including derivatives with positive market value, is the carrying amount of those assets in the balance sheet and bank guarantees granted.

To reduce the credit risk in respect of financing activities and cash management of the Group, transactions are only entered into with leading financial institutions whose long-term credit ratings equal at least A- (S&P).

The Group applies the IFRS 9 simplified approach for measuring the expected credit losses for trade receivables and contract assets, meaning the lifetime expected credit loss. The determination of this loss allowance might be at portfolio or individual level, depending on the assessed risk related to the customer.

Credit risk on operating activities with significant clients is managed and controlled on an individualized basis. When needed, the Group requests additional collaterals. These significant customers are however not material to the Group, since the client portfolio of the Group is mainly composed of a large number of small customers. Hence, credit risk and concentration of credit risk on trade receivables is limited. For amounts receivable from other telecommunication companies, the concentration of credit risk is also limited due to netting agreements (see note 14.3) with accounts payable to these companies, prepayment obligations, bank guarantees, parent guarantees and the use of credit limits obtained via credit insurance.

The Group is exposed to credit loss in the event of non-performance by counterparty on short-term bank deposits and financial derivatives (see note 32.2). However, the Group does not anticipate non-performance by any of these counterparties as it only deals with prime financial institutions, and, as a rule, only invests in highly liquid and short-term securities (mainly cash and cash equivalents), for which, seen the excellent rating of the counterparts, the Group do not calculate loss allowances provisions.

Moreover, the Group monitors potential changes in credit risk on counterparties by tracking their external credit ratings on an ongoing basis as well as evolutions in its bank's credit default swap rates (a leading indicator often anticipating on future rating changes).

In addition, the Group is exposed to credit risk by occasionally granting non-recourse bank guarantees in favour of some of its institutional or governmental clients. It had granted bank guarantees for an amount of EUR 102 million as at 31 December 2023 (EUR 40 million at 31 December 2022), including an guarantee of USD 46 million in connection for the Route Mobile acquisition.

Finally, the Group has not pledged any financial assets, nor does it hold any collateral against any of its counterparties.

Liquidity risk

In accordance with the treasury policy, Group Treasury manages its overall cost of financing by using a mix of fixed and variable rate debts.

A liquidity reserve in the form of credit lines and cash is maintained to always guarantee the solvency and financial flexibility of the Group. For this purpose, Proximus entered committed bilateral credit agreements with different maturities and into a committed sustainable linked Syndicated Revolving Facilities for a total amount of EUR 750 million (EUR 751 million in 2022). For medium to long-term funding, the Group uses bonds and medium-term notes. The maturity profile of the debt portfolio is spread over several years. Group Treasury frequently assesses its funding resources considering its own credit rating and general market conditions.

The table below summarizes the maturity profile of the Group's non-current (and related current portions) interest-bearing liabilities at each reporting date. This maturity profile is based on contractual undiscounted interest payments and capital reimbursements. For floating rate liabilities, interest rates used to determine cash outflows are the ones prevailing at their last price fixing date before reporting date (as of 31 December 2023 and 2022, respectively). Lease liabilities (for the leasing liabilities maturity profile, see note 6), derivatives and current interests-bearing liabilities are not considered in this table.

(EUR million)	2023	2024	2025	2026	2027	2028-2040
As at 31 December 2022						
Capital	111	610	509	18	7	1,555
Interests	47	44	30	20	20	97
Total	**158**	**654**	**539**	**38**	**27**	**1,652**
As at 31 December 2023						
Capital		610	509	18	7	2,805
Interests		95	81	71	71	342
Total		**705**	**590**	**89**	**77**	**3,147**

The cash outflows expected in 2023 for the reporting year 2022 are impacted by Proximus short term commercial papers and treasury loans.

The table below summarizes the repayment of spectrum liabilities (see note 4 and 21) and interest payments on the outstanding balance. The interest shown in this table is calculated based on a rate of 5.75% for 2024 and 5% for the remaining maturities. Spectrum liabilities are included in the current and non-current interest-bearing liabilities.

Bank credit facilities at 31 December 2023

In addition to the interest-bearing liabilities disclosed in notes 19.1 and 19.2, the Group is backed by committed credit facilities of EUR 750 million (EUR 751 million in 2022). These facilities are provided by a diversified group of Belgian and international banks. As at 31 December 2023, there were no outstanding balances under any of these facilities. A total of EUR 750 million (EUR 751 million in 2022) of credit lines was therefore available for drawdown as at 31 December 2023.

To secure the funding of the announced Route Mobile acquisition, Proximus has entered a bridge facility of EUR 850 million with an international bank for a period of 12 months (with the option to extend for another 6 months).

The Group also uses a EUR 5 billion Euro Medium-term Note ("EMTN") Program and a EUR 1 billion Commercial Paper ("CP") Program. As at 31 December 2023, there was an outstanding balance under the EMTN Program of EUR 3,500 million, whereas the Commercial Paper Program was fully undrawn with an outstanding amount of EUR 0 million.

Note 32.3. Net financial position of the Group and capital management

The Group defines the net financial position as the net amount of investments, cash and cash equivalents minus any interest-bearing financial liabilities and related derivatives, including re-measurement to fair value and lease liabilities. The net financial position does not include non-current trade payables.

Adjusted Net Financial Position refers to the total interest-bearing debt (short term + long term) minus cash and cash equivalents, excluding lease liabilities.

		As at 31 December	As at 31 December
(EUR million)	Note	2022	2023
Investments, Cash and cash equivalents	16 / 17	299	716
Derivatives (current and non-current)	12	208	72
current assets		2	0
Assets		**509**	**787**
Non-current liabilities (*)	19.1	-2,876	-3,518
Current liabilities (*)	19.2	-662	-699
Liabilities		**-3,538**	**-4,217**
Net financial position (*)		**-3,030**	**-3,429**
Of which Leasing liabilities		272	298
Adjusted financial position (**)		**-2,758**	**-3,131**

(*) Including derivatives and leasing liabilities

(**) The adjusted financial position excludes leasing liabilities

The purpose of the Group's capital management is to maintain net financial debt and equity ratios that always allow for security of liquidity via flexible access to capital markets, to be able to finance strategic projects and to offer an attractive remuneration to shareholders. Over the two years presented, the Group did not issue new shares or any other dilutive instruments, except for the shares sold to senior management of the group at a discount of 16.7%.

Note 32.4 Categories of financial instruments

The following tables present the Group's financial instruments per category defined under IFRS 9, as well as gains and losses resulting from re-measurement to fair value. Based on market conditions at 31 December 2023, the carrying amount of the unsubordinated debentures and of the loan granted by the European Investment Bank (EIB), which are accounted for at amortized cost, exceeded by EUR 268 million, or 7%, their fair value (EUR 401 million in 2022, or 17%).

The 2023 and 2022 fair values, calculated for each debenture separately, were obtained by discounting the cumulated cash outflows generated by each debenture with the interest rates at which the Group could borrow at respectively 31 December 2023 and 31 December 2022 for similar debentures with the same remaining maturities.

The Group did not reclassify, during the period, financial instruments from one category to another.

The following table shows the classifications under IFRS 9 for each class of assets and financial liabilities as at 31 Dec 2023:

As at 31 December 2023 (EUR million)	Note	Classification under IFRS 9	Carrying amount under IFRS 9	Fair value
ASSETS				
Non-current assets				
Equity investments	9	FVOCI	3	3
Other non-current assets				
Derivatives held for trading	32.1	FVTPL	13	13
Derivatives held-for-hedging	32.1	Hedging instrument	58	58
Other financial assets		Amortized cost	6	6
Current assets				
Trade receivables	14	Amortized cost	866	866
Interests bearing				
Other receivables		Amortized cost	15	15
Non-interests bearing				
Other receivables		Amortized cost	19	19
Derivatives held for trading	32.1	FVTPL	2	2
Derivatives held-for-hedging	32.1	Hedging instrument	2	2
Cash and cash equivalents				
Short-term deposits	17	Amortized cost	488	488
Cash at bank and in hand	17	Amortized cost	227	227
LIABILITIES				
32.1				
Interest-bearing liabilities				
Unsubordinated debt (bonds, notes)	19.1	Amortized cost	2,881	2,684
Credit institutions	19.1	Amortized cost	400	370
Other loans	19.1	Amortized cost	27	27
Non-interest-bearing liabilities				
Derivatives held for trading	32.1	FVTPL	3	3
Other non-current payables	21	Amortized cost	43	43
Other amounts payable, interest-bearing		Amortized cost	559	559
Current liabilities				
Interest-bearing liabilities, current portion				
Unsubordinated debt (bonds, notes)	18	Amortized cost	600	597
Other loans	19.1	Amortized cost	10	10
Interest-bearing liabilities				
Credit institutions		Amortized cost	1	1
Trade payables		Amortized cost	1,433	1,433
Other current payables				
Derivatives held for trading	32.1	FVTPL	1	1
Derivatives held for trading	32.1	FVTPL	1	1
Derivatives held-for-hedging	32.1	Hedging instrument	1	1
Other debt		FVTPL	5	5
Other amounts payable		Amortized cost	453	453
Other amounts payable, interest-bearing		Amortized cost	37	37

FVTPL: Financial assets/liabilities at fair value through profit and loss

FVTOCI: Financial assets at fair value through other comprehensive income

The following table shows the classifications under IFRS 9 for each class of assets and financial liabilities as at 31 Dec 2022:

As at 31 December 2022 (EUR million)	Note	Classification under IFRS 9	Carrying amount under IFRS 9	Fair value
ASSETS				
Non-current assets				
Equity investments	9	FVOCI	1	1
Other non-current assets				
Other derivatives	32.1	FVTPL	2	2
Derivatives held-for-hedging	32.1	Hedging instrument	82	82
Other financial assets		Amortized cost	7	7
Current assets				
Trade receivables	14	Amortized cost	938	938
Interests bearing				
Other receivables		Amortized cost	8	8
Non-interests bearing				
Other receivables		Amortized cost	17	17
Derivatives held for trading	32.1	FVTPL	1	1
Derivatives held-for-hedging	32.1	Hedging instrument	123	123
Cash and cash equivalents				
Short-term deposits	17	Amortized cost	10	10
Cash at bank and in hand	17	Amortized cost	288	288
LIABILITIES				
Non-current liabilities				
Interest-bearing liabilities				
Unsubordinated debt (bonds, notes)	19.1	Amortized cost	2,239	1,887
Credit institutions	19.1	Amortized cost	400	352
Other loans	19.1	Amortized cost	37	37
Non-interest-bearing liabilities				
Other derivatives	32.1	FVTPL	1	1
Other non-current payables	21	Amortized cost	85	85
Other amounts payable, interest-bearing		Amortized cost	592	592
Current liabilities				
Interest-bearing liabilities, current portion				
Unsubordinated debt (bonds, notes)	19.2	Amortized cost	100	99
Credit institutions	19.2	Amortized cost	1	1
Other loans	19.2	Amortized cost	10	10
Interest-bearing liabilities				
Unsubordinated debt (bonds, notes)	19.2	Amortized cost	477	477
Trade payables		Amortized cost	1,483	1,483
Other current payables				
Derivatives held for trading	32.1	FVTPL	1	1
Derivatives held-for-hedging	32.1	Hedging instrument	1	1
Other debt		FVTPL	3	3
Other amounts payable		Amortized cost	415	415
Other amounts payable, interest-bearing		Amortized cost	25	25

FVTPL: Financial assets/liabilities at fair value through profit and loss

FVTOCI: Financial assets at fair value through other comprehensive income

Figures for 2022 have been adjusted to bring them into line with the presentation of figures for 2023. The adjustments are as follows:

- Other non-current payables that are interest-bearing have been isolated from the other non-current payables.
- Trade payables that are interest-bearing payables have been reclassified into "Other current payables Interest-bearing".

Note 32.5 Fair value of financial assets and liabilities

Financial instruments measured at fair value are disclosed in the table below according to the valuation technique used. The hierarchy between the techniques reflects the significance of the inputs used in making the measurements:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable for the asset or liability, either directly or indirectly.

Level 3: valuation techniques for which all inputs which have a significant effect on the recorded fair value are not based on observable market data.

The Group holds financial instruments classified in Level 1, 2 and 3.

The valuation techniques for fair value measuring the Level 2 financial instruments are:

- Derivatives in Level 2
  These derivatives include mainly the interest rate swaps and interest rate and currency swaps (IRCS) the Group entered to reduce the interest rate and currency fluctuations on some of its long-term debentures and also the zero-collar swaption entered into to preserve the positive Mark-to-Market value of the existing pre-hedge for April 2025. The fair values of these instruments are determined by discounting the expected contractual cash flows using interest rate curves in the corresponding currencies and currency exchange rates, all observable on active markets.

- Unsubordinated debentures
  The unsubordinated debentures are recognized at amortized cost. Their fair values, calculated for each debenture separately, were obtained by discounting the interest rates at which the Group could borrow at 31 December 2023 for similar debentures with the same remaining maturities.

The financial instruments classified among the level 3 category include:

- Virtual Power Purchase Agreement
  The power component of the Virtual Power Purchase Agreement, entered in 2023, is an embedded derivative instrument where Proximus has agreed to pay a fixed price for the associated electricity and to receive the electricity spot price with a monthly net settlement in cash. There is no physical delivery of the electricity.

  The valuation of the power component of the VPPA is considered as a 'level 3' fair value. It is determined using a discounted cash flow model. The main factors determining the fair value of the VPPA agreement are the discount rates (level 2), the estimated electricity volume based on the historical power production of the windfarm (level 3) and the forward market prices of electricity (level 2 & level 3).

- Put option
  The put option is the right granted to the former owner of Be-Mobile to sell its own remaining shares to Proximus at specific times for a price to be determined in accordance with contractually agreed terms. The elements on which the valuation is based are not directly or indirectly observable on the market. The instrument fair value is very depending on Be-mobile realistic present and future performances.

As at 31 December 2022		Classification under IFRS 9	Fair value	Fair values measurement at end of the reporting period using :		
(EUR million)	Note			Level 1	Level 2	Level 3
ASSETS						
Non-current assets						
Equity investments	9	FVOCI	1			1
Other non-current assets						
Derivatives held for trading	32.1	FVTPL	2		2	
Derivatives held-for-hedging	32.1	Hedging instrument	82		82	
Current assets						
Non-interest-bearing receivables						
Derivatives held for trading	32.1	FVTPL	1	1		
Derivatives held-for-hedging	32.1	Hedging instrument	123		123	
LIABILITIES						
Non-current liabilities						
Interest-bearing liabilities						
Unsubordinated debt (bonds, notes) except for their "non-closely related" embedded derivatives	19.1	Amortized cost	2,239		1,887	
Credit institutions	19.1	Amortized cost	400		352	
Other loans	19.1	Amortized cost	37		37	
Non-interest-bearing liabilities						
Other derivatives	32.1	FVTPL	1		1	
Current liabilities						
Interest-bearing liabilities, current portion						
Unsubordinated debentures except for their "non-closely related" embedded derivatives	19.2	Amortized cost	100		99	
Credit institutions	19.2	Amortized cost	1		1	
Other loans	19.2	Amortized cost	10		10	
Interest-bearing liabilities						
Unsubordinated debt (bonds, notes)	19.2	Amortized cost	477		477	
Non-interest-bearing liabilities						
Other derivatives	32.1	FVTPL	1	1		
Derivatives held-for-hedging	32.1	Hedging instrument	1	1		
Other debt		FVTPL	3			3

FVTPL: Financial assets/liabilities at fair value through profit and loss

FVTOCI: Financial assets at fair value through other comprehensive income

As at 31 December 2023		Classification under IFRS 9	Fair value	Fair values measurement at end of the reporting period using :		
(EUR million)	Note			Level 1	Level 2	Level 3
ASSETS						
Non-current assets						
Equity investments	9	FVOCI	3			3
Other non-current assets						
Derivatives held for trading	33.1	FVTPL	13		13	
Derivatives held for hedging	32.1	Hedging instrument	58		58	
Current assets						
Non-interest-bearing receivables						
Derivatives held for trading	32.1	FVTPL	2	2		
Derivatives held-for-hedging	33.1	Hedging instrument	2		2	
LIABILITIES						
Non-current liabilities						
Interest-bearing liabilities						
Unsubordinated debt (bonds, notes) except for their "non-closely related" embedded derivatives	19.1	Amortized cost	2,881		2,684	
Credit institutions	19.1	Amortized cost	400		370	
Other loans	19.1	Amortized cost	27		27	
Non-interest-bearing liabilities						
Other derivatives	32.1	FVTPL	2.54			2.54
Current liabilities						
Interest-bearing liabilities, current portion						
Unsubordinated debt (bonds, notes)	19.2	Amortized cost	600		597	
Other loans	19.2	Amortized cost	10		10	
Interest-bearing liabilities						
Credit institutions	19.2	Amortized cost	1		1	
Non-interest-bearing liabilities						
Other derivatives	32.1	FVTPL	2	1		
Derivatives held-for-hedging	33.1	Hedging instrument	1	1		
Other debt		FVTPL	5			5

FVTPL: Financial assets/liabilities at fair value through profit and loss

FVTOCI: Financial assets at fair value through other comprehensive income

Note 33. Related party disclosures

Note 33.1. Consolidated companies

Subsidiaries, joint-operations, joint-ventures and associates are listed in note 8.

Commercial terms and market prices apply for the supply of goods and services between Group companies.

The transactions between Proximus SA and its subsidiaries, being related parties, are eliminated for the preparation of the consolidated financial statements. The transactions between Proximus SA and its subsidiaries are as follows:

Proximus SA transactions with its subsidiaries and joint operations	As at 31 December	
(EUR million)	2022	2023
Revenues	151	97
Costs of materials and services related to revenue	-132	-121
Net finance costs	0	-26
Dividends received	340	245

Proximus SA position with its subsidiaries and joint operations	As at 31 December	
(EUR million)	2022	2023
Trade receivables	24	21
Trade payables	-33	-26
Interest-bearing receivables/liabilities	-801	-695
Other receivables and liabilities	0	-551

Note 33.2. Relationship with shareholders and other State-controlled enterprises.

The Belgian State is the majority shareholder of the Group, with a stake of 53.51%. The Group holds treasury shares for 4.62%. The remaining 41.86% are traded on the First Market of Euronext Brussels.

Relationship with the Belgian State

The Group supplies telecommunication services to the Belgian State and State-related entities. The Group also acquired substantive spectrum rights (note 4 intangible assets with finite useful life) in the spectrum auction organised by regulator BIPT, a State-related entity. State related enterprises are those that are either State-controlled or State-jointly-controlled or State-influenced. All such transactions are made within normal customer/supplier relationships on terms and conditions that are not more favourable than those available to other customers and suppliers. The services provided to State-related enterprises do not represent a significant component of the Group's net revenue, meaning less than 5%.

Relationship with Belfius Bank NV

Proximus and Belfius Bank NV have the same majority shareholder, the Belgian State. Hence, Belfius is considered as a "related party" in accordance with the International Financial Reporting Standards as adopted by the European Union. Consequently, the cooperation agreement with Belfius related to the Banx service has been approved by the Board of Directors on the 29th of April 2021 in line with

the conclusion of the special report prepared by three independent directors in accordance with the Art. 7.97 of the Belgian Code for Companies and Associations. In 2022 the Banx project was started up and had a minor impact on the consolidated figures,

Banx is a fully digital Belgian banking experience, imagined by Proximus, powered by Belfius. Banx raises the bar for digital banking and allows users to monitor the impact of their purchases on the planet. The banking app aims to encourage users to make more conscious and sustainable choices.

Note 33.3. Relationship with key management personnel

The remuneration of the Board of Directors was decided by the General Shareholders' Meeting of 2004.

The principles of this remuneration remained applicable in 2023 and no substantial change of the policy is expected: it foresees an annual fixed compensation of EUR 50,000 for the Chairman of the Board of Directors and of EUR 25,000 for the other members of the Board of Directors, except for the CEO. All members of the Board of Directors, except for the CEO, have the right to an attendance fee of EUR 5,000 per attended meeting of the Board of Directors. This fee is doubled for the Chairman. Attendance fees of EUR 2,500 are foreseen for each member of an advisory committee of the Board of Directors, except for the CEO. For the Chairman of the respective advisory committee, these attendance fees are doubled.

The members also receive EUR 2,000 per year for communication costs. For the Chairman of the Board of Directors, the communication costs are also doubled.

The Chairman of the Board of Directors is also Chairman of the Joint Committee and of the Pension Fund and Proximus ART. He is member of the Board of Connectimmo, our real estate affiliate. He does not receive any fees for these mandates.

For the performance of their Board mandates, the non-executive Directors do not receive any variable performance-based remuneration, nor do the receive benefits linked to complementary pension plans or any other group insurance.

The total remuneration for the Directors amounted to gross EUR 1,491,432for 2023 to gross EUR 987,723 for 2022. The directors have not received any loan or advance from the Group.

The number of meetings of the Board of Directors and advising committees are detailed as follows:

	2022	2023
Board of Directors	7	14
Audit and Compliance Committee	4	6
Nomination and Remuneration Committee	4	5
Transformation & Innovation Committee	2	2

In its meeting of 24 February 2011, the Board adopted a "related party transactions policy" which was updated in September 2016, which governs all transactions or other contractual relationships between the company and its board members. Proximus has contractual relationships and is also a vendor for telephony, Internet and/or ICT services for many of the companies in which Board members have an executive or non-executive mandate. These transactions take place in the ordinary course of business and are arm's length of nature.

For the year ended 31 December 2023, a total gross amount (included the long-term performance-based payments) of EUR 9,110,937 (before employer social security costs) was paid or granted in aggregate to the members of the Leadership Squad, Chief Executive Officer included. In 2023, the members of the Leadership Squad were Guillaume Boutin, Dirk Lybaert (until 1 September 2023), Ben

Appel (as of 16 August 2023), Geert Standaert, Renaud Tilmans, Jan Van Acoleyen, Anne-Sophie Lotgering, Jim Casteele, Antonietta Mastroianni and Mark Reid.

For the year ended 31 December 2022, a total gross amount (included the long-term performance-based payments) of EUR 7,885,081 (before employer social security costs) was paid or granted in aggregate to the members of the Leadership Squad, Chief Executive Officer included. In 2022, the members of the Leadership Squad were Guillaume Boutin, Dirk Lybaert, Geert Standaert, Renaud Tilmans, Jan Van Acoleyen, Anne-Sophie Lotgering, Jim Casteele, Antonietta Mastroianni and Mark Reid.

These total amounts of key management compensation include the following components:

- Short-term employee benefits: annual salary (base and short-term variable) as well as other short-term employee benefits such as medical insurance, private use of management cars, meal vouchers, and excluding employer social security contributions paid on these benefits
- Post-employment benefits: insurance premiums paid by the Group in the name of members of the Executive Committee. The premiums cover mainly a post-retirement complementary pension plan
- Performance Value based payments (long-term): gross amounts granted under the Performance Value Plan, which creates pay-out rights in May 2025 (granted in 2022) or in May 2026 (granted in 2023) depending on the achievement of company driven performance criteria which consist of the Group free cash flow, the reputation index, the company's Total Shareholder Return compared to a predefined group of other European telecom operators and an Environmental, Social and Governance KPI.

	As at 31 December	
EUR	2022	2023
Short-term employee benefits	5,702,296	6,411,511
Post-employment benefits	820,712	1,186,739
Performance based payments	1,362,073	1,512,687
Total	**7,885,081**	**9,110,937**

* All these amounts are gross amounts before employer's social contribution

Note 33.4. Regulations

The telecommunications sector is regulated by European legislation, Belgian federal and regional legislation and by decisions of sectors specific regulators (the Belgian Institute for Postal services and Telecommunications, commonly referred to as the "BIPT/IBPT" and the regional regulators competent for media) or administrative bodies such as the Competition authorities.

Note 34. Rights, commitments and contingent liabilities

Note 34.1. Claims, legal and tax proceedings

Our policies and procedures are designed to comply with all applicable laws, accounting and reporting requirements, regulations and tax requirements, including those imposed by foreign countries, the EU, as well as applicable labor laws.

The complexity of the legal and regulatory environment in which we operate and the related cost of compliance are both increasing due to additional requirements. Furthermore, foreign and supranational laws occasionally conflict with domestic laws. Failure to comply with the various laws and regulations as well as changes in laws and regulations or the way they are interpreted or applied, may result in damage to our reputation, liability, fines and penalties, increased tax burden or cost of regulatory compliance and impacts of our financial statements.

The telecommunications industry and related service businesses are characterized by the existence of many patents and trademarks. Litigation based on allegations of patent infringement or other violations of intellectual property rights is common. As the number of entrants into the market grows and the overlap of product functions increases, the possibility of an intellectual property infringement claim against Proximus increases.

Proximus is currently involved in various claims and legal proceedings, including those for which a provision has been made and those described below for which no or limited provisions have been accrued, in the jurisdictions in which it operates concerning matters arising in connection with the conduct of its business. These also include proceedings before the Belgian Institute for Postal services and Telecommunications ("BIPT"), appeals against decisions taken by the Belgian competition Authority, and proceedings with the tax administrations.

Note 34.1.1. Broadband/Broadcast Access Related Cases

Between 12 and 14 October 2010, the Belgian Directorate General of Competition started a dawn raid in Proximus's offices in Brussels. This investigation concerns allegations by Mobistar and KPN regarding the wholesale DSL services of which Proximus would have engaged in obstruction practices. This measure is without prejudice to the final outcome of the full investigation. Following the inspection, the Directorate General of Competition is to examine all the relevant elements of the case. Eventually the College of Competition Prosecutors may propose a decision to be adopted by the Competition Council. During this procedure, Proximus will be in a position to make its views heard. (This procedure may last several years.)

During the investigation of October 2010, many documents were seized (electronic data such as a full copy of mailboxes and archives and other files). Proximus and the prosecutor of the Competition authority exchanged extensive views on the way to handle the seized data. Proximus wanted to be sure that the lawyers "legal privilege" (LPP) and the confidentiality of in-house counsel advice are guaranteed. Moreover, Proximus sought to prevent the Competition authority from having access to (sensitive) data that were out of scope. Not being able to convince the prosecutor of its position, Proximus started two proceedings, one before the Brussels Court of Appeal and one before the President of the Competition Council, to have the communication to the investigation teams of LPP data and data out of scope suspended. On 5 March 2013, the Court of Appeal issued a positive judgment in this appeal procedure by which it ruled that investigators had no authority to seize documents containing advice of company lawyers and documents that are out of scope and that these documents should be removed/destroyed. To be noted that this is a decision on the procedure in itself and not on the merit of the case.

On 14 October 2013, the Competition authority launched a request for cassation against this decision. Proximus has joined this cassation procedure. Eventually, on 22 January 2015, the Supreme Court decided to confirm the Judgment of 5 March 2013, except for a restriction about older documents, which was annulled. It is up to the Court of Appeal now to take a new decision on this restriction.

In March 2014, KPN has withdrawn its complaint; Mobistar remaining the sole complainant.

Based on the facts and information available per end December 2023, management recorded no provision for this case.

Note 34.1.2. Mobile On-net cases related

In the proceedings following a complaint by KPN Group Belgium in 2005 with the Belgian Competition Authority the latter confirmed on 26 May 2009 one of the five charges of abuse of dominant position put forward by the Prosecutor on 22 April 2008, i.e., engaging in 2004-2005 in a "price-squeeze" on the professional market. The Belgian Competition Authority considered that the rates for calls between Proximus customers ("on-net rates") were lower than the rates it charged competitors for routing a call from their own networks to that of Proximus (=termination rates), increased with several other costs deemed relevant. All other charges of the Prosecutor were rejected. The Competition Authority also imposed a fine of EUR 66.3 million on Proximus (former Belgacom Mobile) for abuse of a dominant position during the years 2004 and 2005. Proximus was obliged to pay the fine prior to 30 June 2009 and recognized this charge (net of existing provisions) as a non-recurring expense in the income statement of the second quarter 2009.

Proximus filed an appeal against the ruling of the Competition Authority with the Court of Appeal of Brussels, contesting many elements of the ruling: amongst other the fact that the market impact was not examined. Also, KPN Group Belgium and Mobistar filed an appeal against said ruling.

Following the settlement agreement dated 21 October 2015, the appeals of Base and Mobistar against the decision of the Belgian Competition Authority are withdrawn. Proximus will continue its appeal procedure against this decision.

In its interim judgment of 7th of October 2020, the Brussels Court of Appeal partially annulled the decision of 26th of May 2009 of the Competition Council, based on the reasoning that (i) the Belgian Competition Authority could not have established the existence of an abuse of a dominant position for 2004 without the document seized during the illegal dawn raid, while (ii) the documents seized during the illegal dawn raid were not indispensable for the establishment of the abuse of a dominant position for 2005. Consequently, Court decided that the procedure should only be continued for the latter period (both for other procedural issues and on merits). Proximus launched a "pourvoi en cassation" against this judgment in so far, according to Proximus, the decision should not have been annulled partially (2004), but totally (2004 and 2005), exactly because of the illegality of the dawn raid. This "pourvoi en cassation" was rejected on 12th of January 2023, meaning that the procedure before the Brussels Court of Appeal further continues.

In October 2009, seven parties (Telenet, KPN Group Belgium (former Base), KPN Belgium Business (Tele 2 Belgium), KPN BV (Sympac), BT, Verizon, Colt Telecom) filed an action against Belgacom mobile (currently Proximus and hereinafter indicated as Proximus) before the Commercial Court of Brussels formulating allegations that are similar to those in the case mentioned above (including Proximus-to-Proximus tariffs constitute an abuse of Proximus's alleged dominant position in the Belgian market), but for different periods depending on the claimant, in particular, in the 1999 up to now timeframe (claim for EUR 1 provisional and request for appointment of an expert to compute the precise damage). In November 2009 Mobistar filed another similar claim for the period 2004 and beyond.

Following the settlements with Telenet, KPN, BASE Company and Orange, the only remaining claimants are BT, Verizon and Colt Telecom.

Per end December 2023, management kept a provision for this case based on their best estimate and information available.

Note 34.1.3. GDPR case Telesign

On 23rd June 2023, NOYB (a non-profit privacy activist organisation) representing 9 (currently unnamed) complainants has made public that it has filed a complaint in connection with the activities of Telesign before the Belgian Data Protection Authority (BDPA).

In its complaint, NOYB alleges that Proximus failed to answer adequately and timely the access requests of 2 complainants, that BICS did not properly inform data subjects about the processing of their personal data, misused electronic communication data for other purposes than those allowed by the regulatory framework and transferred personal data to a US company without respecting the

conditions set after the so-called "Schrems II decision", and that Telesign did not properly inform data subjects about the processing of their personal data, lacks a valid legal basis, applies unlawful profiling and automated decision making, and does not respect the conditions of the aforementioned "Schrems II decision" when transferring personal data to the US and further to their customers.

To date, Proximus neither any of its subsidiaries has received any communication from the BDPA in relation to this complaint.

Nonetheless, Proximus Group wishes to stress its continued commitment to act in accordance with relevant data protection regulation, and it can already state that Telesign and BICS have a data privacy program in place that considers global laws and regulations, including the General Data Protection Regulation (GDPR) and the California Consumer Protection Act (CCPA). Proximus, BICS and Telesign also constantly review internal policies and practices, for compliance with the evolving regulatory landscape.

Proximus, BICS and Telesign believe that they have objective arguments to counter the complaint on the merits. Based on the facts and information available, management recorded no provision for this case.

Note 34.1.4. Tax proceedings

Indian case

BICS received withholding tax assessments from the Indian tax authorities in relation to payments made by an Indian tax resident customer to BICS in the period 1 April 2007 to 31 March 2018. BICS filed appeals against the assessments with the competent Indian Courts opposing the view of the Indian tax authorities that Indian withholding taxes are due on the payments. Furthermore, BICS opposed the assessments in relation to the periods from 1 April 2008 to 31 March 2011 on procedural grounds. The amount of the contingent liability including late payment interest should not exceed EUR 33 million. BICS has not paid the assessed amounts and has not recorded a tax provision. For the period 1 April 2007 to 31 March 2008 and the period 1 April 2011 to 31 March 2012, the Income Tax Appellate Tribunal annulled the withholding tax assessment and referred the case back to the Indian tax authorities which may initiate new withholding tax assessments for those years by 31 March 2024. For the other periods, the Indian competent Courts issued positive judgments, annulling the withholding tax assessments. The Indian tax authorities have not appealed against the court decisions yet. Though the limitation to file an appeal has lapsed, the tax authorities can still file an appeal along with an application for condonation of delay. Such an application for condonation of delay is generally allowed by the Indian Courts. Management assesses that the position as recognized in the financial statements reflects the best estimate of the probable outcome.

Excess profit ruling

On 11 January 2016, the European Commission announced its decision to consider Belgian tax rulings granted to multinationals with regard to "Excess Profit" as illegal state aid (hereafter "Decision").

BICS applied such tax ruling for the period 2010-2014 and paid the deemed aid recovery assessments. Furthermore, both BICS and the Belgian State filed an appeal against the decision of the European Commission before the EU General Court. The EU General Court ruled in its decision of 14 February 2019 in favour of the Belgian State against the European Commission based on the argument that there is no "state aid scheme". The European Commission filed an appeal against this decision with the Court of Justice of the EU (hereafter CJEU) on 24 April 2019. In addition, on 16 September 2019, the European Commission opened a separate in-depth investigation into 39 individual excess profit rulings, including the excess profit rulings obtained by BICS. The individual opening decisions were eventually published on 31 August 2020. BICS submitted its comments to the Commission on 29 September 2020. On 16 September 2021, the CJEU held that the Decision correctly found that the excess profit ruling system constitutes an "aid scheme" and referred the case back to the General Court, for a decision on whether or not the EPR "scheme" also amounted to illegal State aid. On 20 September 2023, the EU General Court determined that the European Commission was correct to find, in 2016, that the Belgian tax scheme relating to excess profit infringes EU State aid rules. On 30 November 2023, BICS introduced an appeal before the CJEU against the decision of the EU General Court. Management assesses that the position as recognized in the financial statements still reflects the best estimate of the probable outcome.

Note 34.2. Capital expenditure commitments

At 31 December 2023, the Group had contracted commitments of EUR 708 million (intangible assets EUR 35 million; tangible assets EUR 673 million). Investments will occur mainly during the year 2024 (€565 million).

At 31 December 2022 the contracted commitments amounted EUR 977 million (intangible assets EUR 19 million; tangible assets EUR 958million)

In addition, by acquiring certain spectrum rights in 2022, the group committed to pay annual fees, that it considers to be variable and contingent, for a net present value of EUR 270 million. The "annual fee" is a spectrum availability fee and is subject to an annual indexation adjustment.

The tangible assets are mainly related to commitments related to technical and network equipment related to the further accelerated investment plan for Fiber.

Note 34.3. Purchase commitments of shares

In the context of various acquisitions, there are contingent commitments (earn outs & put options & purchase commitments) for a total amount of EUR 5,2 million per end of 2023.

Note 34.4. Other rights and commitments

At 31 December 2023, the Group has the following other rights and commitments:

Note 34.4.1. Guarantees

The Group received guarantees for EUR 7 million from its customers to guarantee the payment of its trade receivables and guarantees for EUR 30 million from its suppliers to ensure the completion of contracts or works ordered by the Group. The Group granted guarantees for an amount of EUR 204 million (including the bank guarantees mentioned in note 32.2) to its customers and other third parties to guarantee, among others, the completion of contracts and works ordered by its clients and the payment of rental expenses related to buildings and sites for antenna installations.

Note 34.4.2. Partnership with HCL Technologies

In 2021 Proximus entered a partnership with HCL Technologies whereby that company operates and maintains Proximus' private cloud infrastructure. The partnership foresaw a transition phase, that started in October 2021 and that was finished in February 2022.

HCL and Proximus concluded an asset financing arrangement (nominal amount of EUR 65 million, carrying amount of EUR 40 million, see Note 5) for the infrastructure that remains in the Proximus datacenters and under Proximus control which is recognized as a finance lease for which Proximus has an obligation to repurchase the assets. On top of that financing for existing assets the partnership includes a lease for the renewal of infrastructure (nominal amount of €31 million, carrying amount of €25 million, see Note 6).

Note 34.4.3. Partnership between BICS and Ooredoo Group

BICS has entered into multiyear contractual agreements whereby BICS will manage end-to-end traffic for operators. These agreements include a commitment (subject to satisfying certain conditions on ongoing basis) from BICS to send inbound traffic to certain

operators for an aggregated amount not exceeding EUR 50 million per annum with a maximum duration of 3 years, of which 2 years remaining.

Note 35. Share-based Payment

Discounted Share Purchase Plans

In 2023 and 2022, the Group launched Discounted Share Purchase Plans.

Under the 2023 and 2022 plans, Proximus sold respectively 2,746 and 10,299 shares to the senior management of the Group at a discount of 16.66% compared to the market price (discounted price for EUR 6.12 per share in 2023 and for EUR 13.47 in 2022). The cost of the discount is below EUR one million in 2023 and in 2022 and was recorded in profit or losses workforce expenses (see note 26). This has a dilutive effect.

Performance Value Plan

In 2019, 2020 and 2021 Proximus launched tranches of the "Performance Value Plan" for its senior management. Under this Cash-Settled Long-Term Performance Value Plan, the granted awards are blocked for a period of 3 years after which the Performance Values vest. The final paid amount depends on the results of 3 KPI's which are: the Proximus' Total Shareholder Return compared to a group of peer companies (40%), the group Free Cash Flow (40%) and the Reputation Index (20%). The final KPI is the average of the intermediary results of the 3 calendar years.

In 2022 and 2023, Proximus launched tranches of the "Performance Value Plan" for its senior management. Under this Cash-Settled Long-Term Performance Value Plan, the granted awards are blocked for a period of 3 years after which the Performance Values vest. The final paid amount depends on the results of 4 KPI's which are: the Proximus' Total Shareholder Return compared to a group of peer companies (25%), the group Free Cash Flow (25%), the Reputation Index (25%) and the Environmental, Social and Governance (ESG) (25%). The final KPI is the average of the intermediary results of the 3 calendar years.

The fair value of the tranches 2021, 2022 and 2023 amounted respectively to EUR 5, 4 and 5 million as of 31 December 2023 based on actual calculation. The annual charge of these tranches amounted to respectively EUR 2 million each.

Note 36. Relationship with the auditors

The Group expensed for the Group's auditors during the year 2023 for an amount of EUR 2.621.416 for audit mandate and control missions and EUR 127.050 for other missions.

This last amount is detailed as follows:

EUR	Auditor	Network of auditor
Audit mandate	1,289,967	601,603
Other Control Missions	151,838	578,008
Other missions	113,460	13,590
Total	1,555,265	1,193,200

Note 37. Segment reporting

The Group's operating segments are established based on those components that are evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

The Group has determined the chief operating decision maker to be the Proximus Leadership Squad.

The operating segments are largely organized according to the nature of products and services provided and geographical area and are:

- Domestic:
  Segment providing communication and ICT services to residential, businesses and telecom wholesale markets in Belgium.
- International Carrier Services (BICS)
  Responsible for international carrier activities on the international communications market.
- TeleSign:
  Specialized in delivery authentication and digital identity services to the world's largest internet brands, digital champions and cloud native businesses.

The Chief Operating Decision Maker assesses performance and makes decisions about resource allocation and performance based on the EBITDA net of incidentals. Within Domestic net revenue is reviewed by the chief operating decision maker by market being residential (CBU component), professional (EBU component) and wholesale markets (CWS component).

Capex information is not provided to the CODM by operating segment but by key domain being e.g. fiber, mobile, content...

Group financing (including finance expenses and finance income) and income taxes were managed on a group basis and are not allocated to operating segments.

The accounting policies of the operating segments are the same as the significant accounting policies of the Group. Segment results are therefore measured on a similar basis as the operating result in the consolidated financial statements but are disclosed excluding "incidentals" and including lease depreciation and interest. The Group defines "incidentals" as material items that are out of usual business operations (see definitions).

Intercompany transactions between legal entities of the Group are invoiced on an arm's length basis.

	As at 31 December 2023							
	Proximus Group				underlying by segment			
(EUR million)	Reported (IFRS 16)	Lease depreciation and interest	Incidental	Underlying	Domestic	BICS	TeleSign	Eliminations
Net revenue	5,993	0	0	5,993	4,610	1,050	496	-163
Other operating income	56	0	-7	49	55	1	2	-9
TOTAL INCOME	**6,048**	**0**	**-7**	**6,042**	**4,665**	**1,051**	**497**	**-172**
Costs of materials and services related to revenue	-2,198	-1	6	-2,193	-1,184	-783	-380	154
Direct margin	**3,851**	**-1**	**-1**	**3,849**	**3,481**	**268**	**117**	**-18**
Workforce expenses	-1,343	0	14	-1,329	-1,166	-82	-84	3
Non workforce expenses	-722	-89	49	-762	-679	-60	-38	15
TOTAL OPERATING EXPENSES	**-2,064**	**-89**	**62**	**-2,091**	**-1,845**	**-142**	**-122**	**17**
OPERATING INCOME before depreciation & amortization	**1,786**	**-90**	**62**	**1,757**	**1,636**	**127**	**-5**	**0**
Depreciation and amortization	-1,185	0	0	-1,185	-1,123	-43	-19	0
OPERATING INCOME	**601**	**-90**	**62**	**572**	**513**	**84**	**-25**	**0**
Net finance costs	-110							
Share of loss on associates	-30							
INCOME BEFORE TAXES	**461**							
Tax expense	-104							
NET INCOME	**357**							
Attributable to:	**0**							
Equity holders of the parent (Group share)	357							
Non-controlling interests	0							

As at 31 December 2022

	Proximus Group				underlying by segment			
(EUR million)	Reported (IFRS 16)	Lease depreciation and interest	Incidental	Underlying	Domestic	BICS	TeleSign	Eliminations
Net revenue	5,853	0	0	5,853	4,416	1,130	473	-166
Other operating income	60	0	5	56	62	2	1	-9
TOTAL INCOME	**5,914**	**0**	**5**	**5,909**	**4,478**	**1,132**	**473**	**-174**
Costs of materials and services related to revenue	-2,186	1	0	-2,187	-1,118	-869	-360	159
Direct margin	**3,728**	**1**	**5**	**3,722**	**3,360**	**263**	**114**	**-15**
Workforce expenses	-1,301	0	-36	-1,265	-1,111	-85	-71	2
Non workforce expenses	-601	83	-13	-671	-584	-58	-41	13
TOTAL OPERATING EXPENSES	**-1,902**	**83**	**-49**	**-1,936**	**-1,695**	**-143**	**-112**	**15**
OPERATING INCOME before depreciation & amortization	**1,826**	**84**	**-44**	**1,786**	**1,665**	**120**	**1**	**0**
Depreciation and amortization	-1,179	0	0	-1,179	-1,085	-76	-18	0
OPERATING INCOME	**647**	**84**	**-44**	**607**	**580**	**44**	**-17**	**0**
Net finance costs	-49							
Share of loss on associates	-20							
INCOME BEFORE TAXES	**578**							
Tax expense	-128							
NET INCOME	**450**							
Attributable to:	**0**							
Equity holders of the parent (Group share)	450							
Non-controlling interests	0							

In respect of geographical areas, the Group realized EUR 3,912 million net revenue in Belgium in 2022 and EUR 4,080 million in 2023 based on the country of the customer. The net revenue realized in other countries amounted to EUR 1,942 million in 2022 and EUR 1,913million in 2023. More than 90% of the segment assets are located in Belgium.

Note 38. Recent IFRS pronouncements

The Group does not early adopt the standards or interpretations that are not yet effective at 31 December 2023.

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

This means that the Group did not apply the following standards or interpretations that are applicable for the Group as from 1 January 2024 or later:

Newly issued standards, interpretations and amendments:

- Amendments to IAS 1 - Classification of Liabilities as Current or Non-Current (2024)
- Amendments to IAS 1 – Non-current liabilities with covenants (2024)
- Amendments to IFRS 16 – Lease liability in a sale and lease back (2024)
- Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements (2024)
-

The Group will continue investigating the possible impacts of the application of these new standards and interpretations on the Group's financial statements in the course of 2024.

The Group does not anticipate material impacts from the initial application of those IFRS.

Note 39. Post balance sheet events

There are no significant post balance sheet events.

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Management discussion and analysis of financial results

1. Introductory remarks

Underlying revenue and EBITDA

Proximus' management discussion is focused on underlying figures, i.e., after adjustments. The underlying company figures are reported to the chief operating decision-makers in view of resource allocation and performance assessment.

Proximus provides a transparent view of the operational drivers of the business by isolating adjustments, i.e., revenues and costs that are unusual or not directly related to Proximus' business operations, and which had a significant impact on the year-on-year variance of the Proximus Group revenue or EBITDA. In addition, following the application of the IFRS 16 accounting standard, the definition of "underlying" was adapted to include lease depreciation & interest as of 2019. The adjusted revenue and EBITDA are referred to as "underlying" and allow for a meaningful year-on-year comparison.

Definitions can be found in Section 6 of this document.

	Revenues		Ebitda	
(EUR million)	**2022**	**2023**	**2022**	**2023**
Reported	**5,914**	**6,048**	**1,826**	**1,786**
Adjustments	-5	-7	-40	-29
Underlying	**5,909**	**6,042**	**1,786**	**1,757**
Adjustments	**-5**	**-7**	**-40**	**-29**
Lease Depreciations			-83	-84
Lease Interest			-2	-7
Transformation			39	14
Acquisitions, mergers and disposals	-5	-6	7	48
Litigation/regulation			-2	-1

Remark: "Underlying Revenue" corresponds to "Total Income", excluding adjustments.

Rounding

In general, all figures are rounded. Variances are calculated from the source data before rounding, implying that some variances may not add up.

Key Figures - 10-year overview

Income Statement (EUR million)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Reported income	6,112	6,012	5,873	5,802	5,829	5,697	5,481	5,579	5,914	6,048
Revenue adjustments	248	17	3	24	21	11	2	1	5	7
Underlying revenue	5,864	5,994	5,871	5,778	5,807	5,686	5,479	5,578	5,909	6,042
Reported EBITDA (1)	1,755	1,646	1,733	1,772	1,794	1,676	1,922	1,828	1,826	1,786
Lease depreciation and interest	N/A	N/A	N/A	N/A	N/A	84	84	82	84	90
EBITDA adjustments	102	-88	-63	-51	-70	-278	1	-26	-44	-62
Underlying EBITDA (1)	1,653	1,733	1,796	1,823	1,865	1,870	1,836	1,772	1,786	1,757
Depreciation and amortization	-821	-869	-917	-963	-1,016	-1,120	-1,116	-1,183	-1,179	-1,185
Operating income (EBIT)	933	777	816	809	778	556	805	645	647	601
Net finance income / (costs)	-96	-120	-101	-70	-56	-47	-48	-54	-49	-110
Share of loss on associates	-2	-2	-1	-2	-1	-1	-1	-10	-20	-30
Income before taxes	835	655	715	738	721	508	756	581	578	461
Tax expense	-154	-156	-167	-185	-191	-116	-174	-137	-128	-104
Non-controlling interests	27	17	25	30	22	19	18	1	0	0
Net income (Group share)	654	482	523	522	508	373	564	443	450	357

Cash flows (EUR million)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Cash flows from operating activities	1,447	1,386	1,521	1,470	1,558	1,655	1,515	1,621	1,717	1,620
Cash paid for Capex	-916	-1,000	-962	-989	-1,099	-1,091	-1,089	-1,137	-1,441	-1,453
Cash flows from / (used in) other investing activities	180	22	0	-189	-8	12	9	-168	-20	-57
Lease payments	N/A	N/A	N/A	N/A	N/A	-78	-82	-79	-89	-92
Free cash flow (2)	711	408	559	292	451	498	352	237	167	18
Adjusted Free Cash Flow (3)	408	454	559	517	501	504	354	376	181	61
Cash flows from / (used in) financing activities other than lease payments	-364	-608	-764	-256	-444	-515	-363	-299	-119	398
Net increase / (decrease) of cash and cash equivalents	347	-200	-205	36	7	-17	-13	-62	50	416

Balance sheet (EUR million)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Balance sheet total	8,522	8,283	8,117	8,527	8,671	8,978	8,779	9,233	10,541	11,153
Non-current assets	6,339	6,386	6,372	6,735	6,850	7,160	7,120	7,548	8,589	8,932
Investments, cash and cash equivalents	710	510	302	338	344	327	313	249	299	716
Shareholders' equity	2,779	2,801	2,819	2,857	3,005	2,856	2,903	2,978	3,307	3,300
Non-controlling interests	189	164	162	156	148	142	123	0	1	0
Liabilities for pensions, other post-employment benefits and termination benefits	504	464	544	568	605	864	645	508	413	378
Net financial position (incl. lease liability)	N/A	N/A	N/A	N/A	N/A	-2,492	-2,639	-3,013	-3,030	-3,429
Net financial position (excl. lease liability as from 2019)	-1,800	-1,919	-1,861	-2,088	-2,148	-2,185	-2,356	-2,740	-2,758	-3,131

Proximus share	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Weighted average number of ordinary shares (4)	320,119,106	321,767,821	322,317,201	322,777,440	322,649,917	322,918,006	322,752,015	322,751,990	322,552,465	322,442,197
Basic earnings per share - as reported (EUR) (5)	2.04	1.50	1.62	1.62	1.58	1.16	1.75	1.37	1.40	1.11
Total dividend per share (EUR) (6)	1.50	1.50	1.50	1.50	1.50	1.50	1.20	1.20	1.20	1.20

Data on employees	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Number of employees (full-time equivalents)	14,187	14,090	13,633	13,391	13,385	12,931	11,423	11,532	11,634	11,654
Average number of employees over the period	14,770	14,040	13,781	13,179	13,161	13,007	11,544	11,445	11,529	11,650
Underlying revenue per employee (EUR)	410,746	426,958	425,997	438,413	441,238	437,173	474,647	487,381	512,534	518,604
Total income per employee (EUR)	413,826	428,194	426,201	440,240	442,870	438,005	474,783	487,451	512,936	519,163
Underlying EBITDA per employee (EUR)	111,923	123,467	130,315	138,325	141,681	143,801	159,057	154,814	154,912	150,844
Total EBITDA per employee (EUR)	118,798	117,251	125,743	134,483	136,342	128,856	166,467	159,721	158,394	153,326

Ratios - on reported basis	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Return on Equity	23.5%	17.2%	18.6%	18.3%	16.9%	13.1%	19.4%	14.9%	13.6%	10.8%
Direct margin	60.4%	60.5%	61.8%	62.7%	63.5%	64.6%	65.3%	64.2%	63.0%	63.7%
Net debt / EBITDA (7)	1.03	1.17	1.07	1.18	1.20	1.30	1.23	1.50	1.51	1.75
EBITDA Margin	29%	27%	30%	31%	31%	29%	35%	33%	31%	30%

Ratios - on underlying basis	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Return on Equity	21.8%	18.9%	19.4%	19.2%	18.4%	19.9%	19.5%	15.5%	14.6%	11.8%
Direct margin	57.8%	59.6%	61.8%	62.5%	63.4%	64.6%	65.3%	64.2%	63.0%	63.7%
Net debt / EBITDA (7)	1.09	1.11	1.04	1.15	1.15	1.17	1.28	1.55	1.54	1.78
EBITDA Margin	28%	29%	31%	32%	32%	33%	34%	32%	30%	29%

CAPEX	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total CAPEX (8)	994	1,002	949	1,092	1019	1035	1237	1246	1923	1328
Capex excl Spectrum and Football right	912	927	949	1,002	1019	1027	1000	1203	1,305	1,325

(1) Earnings Before Interests, Taxes, Depreciation and Amortization.
(2) Cash flow before financing activities but after lease payments.
(3) FCF adjsuted to exclude M&A transactions and M&A related transactions costs.
(4) i.e. excluding Treasury shares
(5) No difference between basic and diluted earnings per share
(6) Accounting view (not cash view)
(7) Net debt excluding lease liabilities, Proximus definition
(8) Capex was restated for years 2020 and 2021
2018: IFRS15
2019, 2020, 2021, 2022, 2023: IFRS15&16

- Proximus posted an overachievement of its full year 2023 revenue and EBITDA guidance.
- The Domestic segment delivered an excellent commercial momentum
- Underlying Domestic revenue was up by 4.2% to a total of EUR 4,665 million for full-year 2023.
- Internationally, Telesign delivered 5.1% revenue growth, and BICS, cycling against high comparable, -7.2% mainly driven by low-margin Legacy Voice.
- Significant inflationary effects on Proximus OPEX were mitigated by the multi-year cost efficiency program.
- The Domestic segment EBITDA decreased by -1.7% year-on-year, including a return to growth in the fourth quarter.
- Despite its lower revenue, BICS posted a growing EBITDA of +5.5% year-on-year. Telesign closed the year at EUR -5 million, reflecting OPEX investments in its growth strategy.
- The underlying Group EBITDA for the year 2023, totalled EUR 1,757 million, down by -1.6%.
- Group CapEx for the full year 2023 totaled EUR 1,325 million, excluding spectrum and football rights.
- Proximus Group generated FCF of EUR 18 million in 2023, or EUR 61 million on adjusted basis.

2. Proximus Group

Revenue

The Proximus Group ended the year 2023 with total underlying revenue of EUR 6,042 million, an increase on the previous year of 2.2% or EUR 133 million.

Group underlying revenue
EUR 6,042M
Up 2.2% YoY

Within the mix, the underlying Domestic revenue was up by 4.2% to a total of EUR 4,665million.

The Residential revenue totaled EUR 2,396 million, up year-on-year by +6.0%. This was mainly driven by a +5.5% increase for revenue from Customer Services, with a strong commercial performance throughout 2023 driving growth in the main customer bases, further supported by price indexations. Especially convergent revenue was up strongly, up by +9.4%. Moreover, revenue from Terminals was up by EUR 48 million from the year before.

The 2023 revenue of the Business unit ended +3.1% above the 2022 base. Business Services revenue improved its trend in 2023 from the preceding year, up by +2.2%, with higher revenue from IT Services (+6.8%), Fixed Data (+4.4%) and Mobile services (+1.2%) more than offsetting the ongoing but moderating Fixed Voice revenue erosion. It was also a strong year for customer IT equipment installations, posting a year-on-year revenue increase of +14.1%.

Proximus' Wholesale unit posted 2023 revenue of EUR 258 million, -8.0% or EUR -23 million down from 2022. This is fully driven by a EUR -24 million decrease in low-margin interconnect revenue. Revenue generated by Fixed and Mobile wholesale services was up by +0.9%.

Telesign contributed to the growth in 2023 Group revenue while BICS cycled against an exceptional second half of 2022. Both International segments have been impacted by currency headwinds.

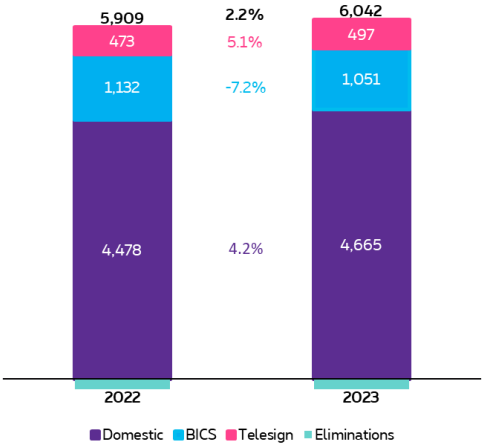
Telesign posted EUR 497 million of revenue over 2023, a year-on-year increase of +5.1% impacted by foreign exchange headwinds (+8.5% on a constant currency basis[1]), resulting from growing revenue from both Digital Identity and Communication services (CPAAS).

BICS came back from an exceptional 2022, which still partially benefitted from elevated post-Covid travel and in the second half of the year, a very beneficial regional mix. For 2023, BICS posted revenues of EUR 1,051 million, down year-on-year by -7.2% or EUR -81 million. This partly reflects USD currency

[1] Provides a view on the business performance, filtering out the currency effects by using a constant currency.

headwinds on BICS' topline (-5.8% on constant currency basis). BICS' year-on-year revenue decrease was primarily driven by the loss of high volume-low margin traffic in Legacy Voice services and to a lesser degree by lower Core services revenue, while posting an increase in Growth services revenue.

Group revenue by segment (underlying, M€)

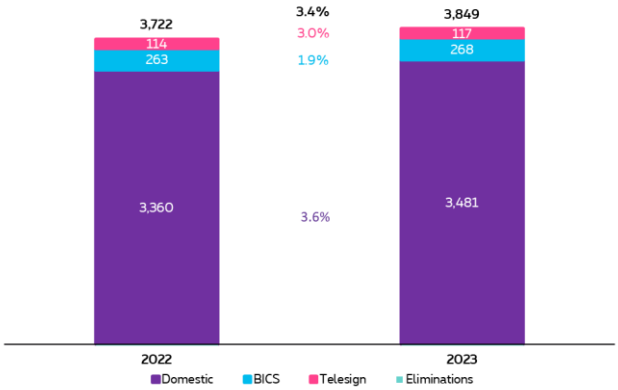


Direct Margin

Over the full year 2023, Proximus Group posted an underlying direct margin of EUR 3,849 million, i.e., up by EUR 127 million or 3.4% on full-year 2022, with Domestic contributing significantly to this uplift. The Domestic direct margin was up by 3.6% to a total of EUR 121 million. Compared to the preceding year, BICS' direct margin was positive by +1.9%, reaching EUR 268 million, and Telesign grew its direct margin by +3.0%, totaling EUR 117 million.

Group underlying direct margin
EUR 3,849M
Up 3.4% YoY

Direct Margin (underlying, M€)



Operating expenses (OPEX)

Steep inflation significantly impacted the Proximus Group operating expenses, up from the previous year by 8.0%, reaching a total of EUR 2,091 million.

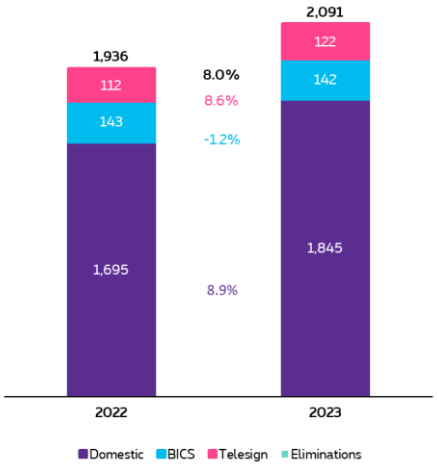
The **Domestic OPEX** totaled EUR 1,845 million, a 8.9% increase. The steep inflationary impact, costs related to the company's growing customer base and transformation related OPEX where partially offset by a slightly lower headcount and especially by significant cost efficiencies. In 2023, Proximus' company-wide cost program delivered EUR 95 million of its total 3-year ambition of EUR 220 million.

BICS posted EUR 142 million OPEX for 2023, a decrease of -1.2% compared to 2022, following good cost containment initiatives and a favorable year-on-year impact of performance-related labour expenses.

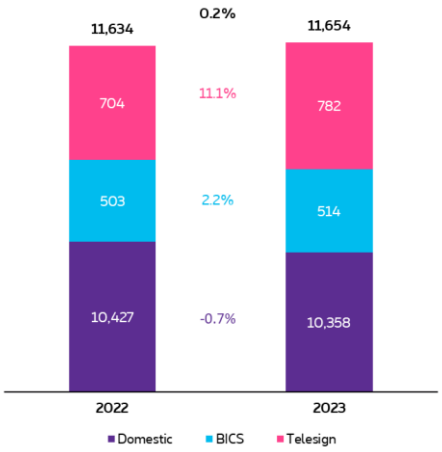
Telesign's operating expenses totaled EUR 122 million, EUR 10 million higher than 2022, driven by the anticipated significant investment to realize its growth plan. This includes amongst others increased marketing expenses as well as additional employee hiring, with headcount increasing year-on-year by 78 FTEs. Overall, the OPEX trend turned positive since mid-2023, reflecting Telesign being beyond its OPEX investment peak.

Operating Expenses increased for 2023, reaching a total of **EUR 2,091M** for the Proximus Group.

Operating expenses (underlying, M€)



Headcount evolution (in FTE per YE)

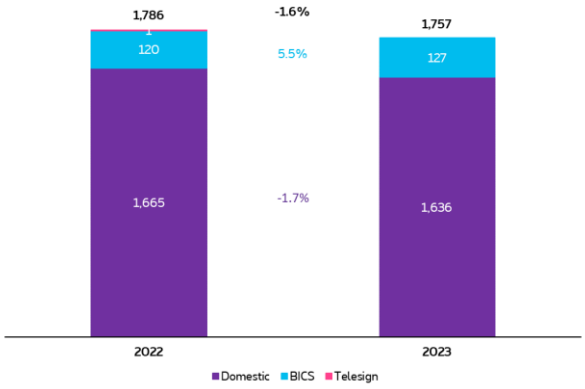


Underlying EBITDA

The underlying Group EBITDA for the year 2023 totaled EUR 1,757 million, down by -1.6% or EUR -29 million on the previous year, mostly resulting from the inflationary cost increase within the Domestic segment.

Group underlying EBITDA
€ 1,757
Down -1.6% YoY

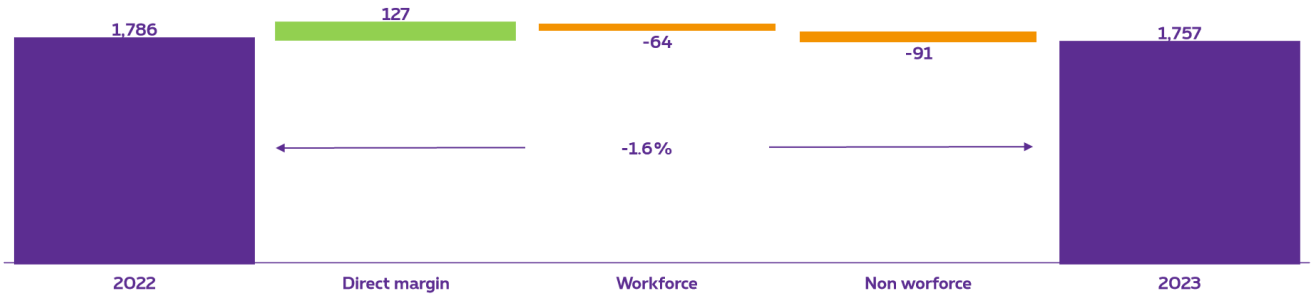
Group EBITDA by segment (underlying, M€)



The **Domestic operations** of Proximus posted EUR 1,636 million EBITDA, a year-on-year decrease of -1.7%, mainly driven by higher operating costs, for a large part offset by a strong growth in direct margin.

In a normalizing comparable context, BICS closed 2023 with EBITDA of EUR 127 million, up +5.5%. BICS' segment margin as percentage of revenue further improved, with 12.0% for 2023, compared to 10.6% the previous year. Telesign closed the year 2023 with a negative EBITDA of EUR -5 million.

Group EBITDA evolution (underlying, M€)



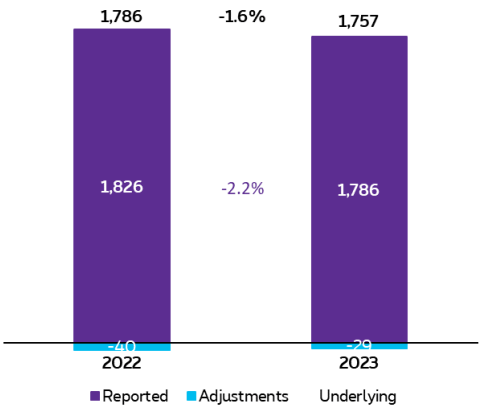
Reported EBITDA

Operating lease excluded, and other adjustments included, the Proximus Group reported EBITDA of EUR 1,786 million, compared to EUR 1,826 million in 2022, a year-on-year decrease by 2.2%.

In 2023, the Proximus Group recorded a net of EUR 29 million in adjustments, compared to EUR 40 million net positive EBITDA incidentals for 2022.

The lease depreciation and interest for 2023 were EUR -6 million lower year-on-year, totaling EUR -91 million. (As of 2019, following the application of IFRS 16, these expenses are excluded from the reported EBITDA). This was partly offset by transformation costs of EUR 14 million and adjustments for M&A related costs for EUR 48 million.

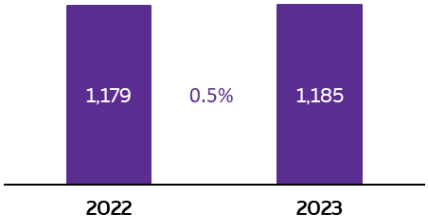
Reported and underlying EBITDA (M€)



Depreciation and amortization

In 2023, the Group depreciation and amortization totaled 1,185 million, including lease depreciation. This was slightly above the EUR 1,179 million for 2022.

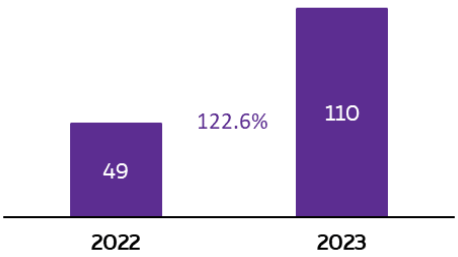
Depreciation and amortization incl. lease depreciation (M€)



Net finance cost

The full-year 2023 net finance cost totaled EUR 110 million including lease interests, EUR +60 million above one year ago, mainly explained by interest on Spectrum license (of which part is not recurring) and by some hedging activities.

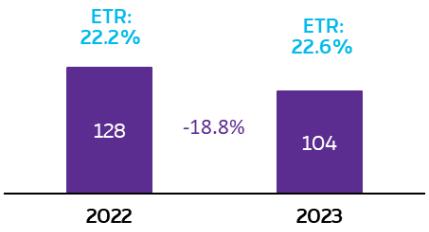
Net finance cost incl. lease interest (M€)



Tax expense

The 2023 tax expenses amounted to EUR 104 million, leading to an effective tax rate of 22.6%. The difference with the Belgian statutory tax rate of 25% is the result of the application of general principles of Belgian tax law, such as the patent income deduction and other R&D incentives.

Tax expense (M€) and ETR

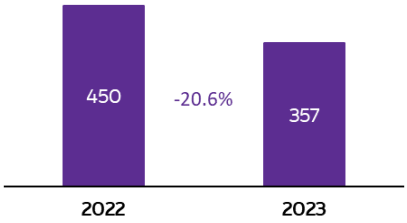


Net income

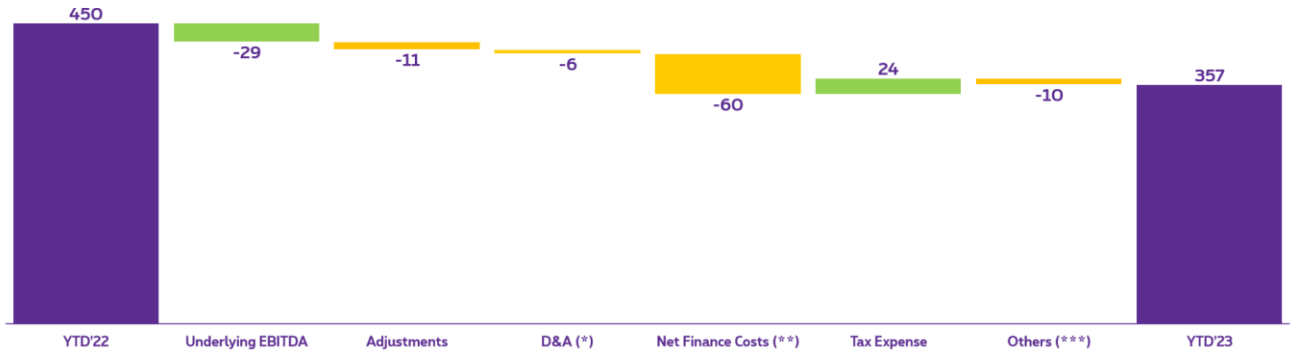
The year-on-year Proximus Net income (Group share) decreased by -20.6%, due to lower EBITDA, higher net finance costs and higher share of loss on associates, partly offset by lower tax expenses.

€ 357M
Net income

Net income (Group Share) (M€)



Net income evolution (M€)



(*) excluding lease depreciation; (**) excluding lease interest; (***) includes Non-controlling interests and Share of loss from associates

CAPEX

Overall, the Proximus Group accrued CAPEX totaled EUR 1,328 million for 2023, compared to EUR 1,923 million for 2022, which included EUR 618 million of capex for acquired mobile spectrum.

Excluding spectrum and football broadcasting rights the Proximus Group accrued CAPEX over the year 2023 totaled EUR 1,325 million, in line with its provided guidance for the year. The year-on-year increase of EUR 20 million from 2022 was largely driven by customer related CAPEX. Following an increased level of customer installations over 2023, more specifically for fiber, the customer-related CAPEX increased, covering customer equipment and activation costs.

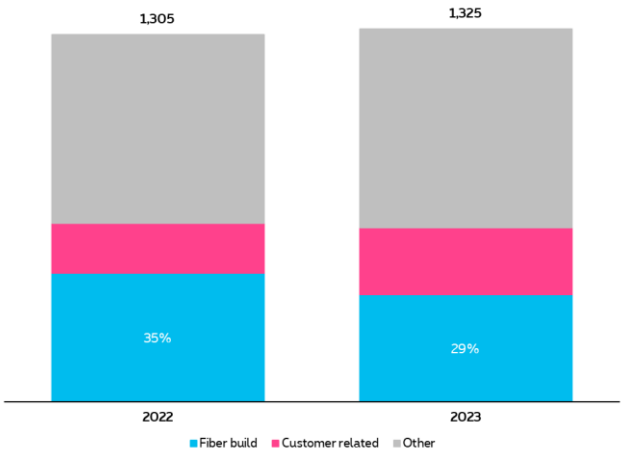
Fiber-deployment related investments now accounted for 29% of the total CAPEX compared to 35% in 2022. By end-2023, Proximus was deploying Fiber in 147 cities and municipalities in Belgium. Compared to end-2022, Proximus increased its footprint by 36% in 2023, reaching 1,748,000 premises with fiber.

Moreover, the Mobile network (RAN) consolidation between Proximus and Orange Belgium is ongoing, led by the created joint-operation Mwingz with CAPEX incurring following the pace of the mobile site consolidation.

In line with its strategy, Proximus also significantly invests in digitalization and IT.

Accrued CAPEX (M€)

(excl. spectrum and football rights)



Free Cash Flow

The total FCF over the year 2023 totaled EUR 18 million, or EUR 61 million when adjusted for acquisitions and M&A-related transaction costs. The decrease from the comparable adjusted 2022 FCF of EUR 181 million (EUR 167 million reported FCF) was mainly due to higher payments for taxes, Spectrum interests, Equity Injections in the Fiber joint ventures Fiberklaar and Unifiber, the two entities created to deploy Fiber in the Flanders and Walloon regions, respectively. And, to a lesser extent, cash CAPEX.

This was in part offset by a favourable change in business working capital, the irrevocable payment received from the headquarter transaction with Immobel (30M€) and reversing effect of early leave and fit for purpose transformation plans.

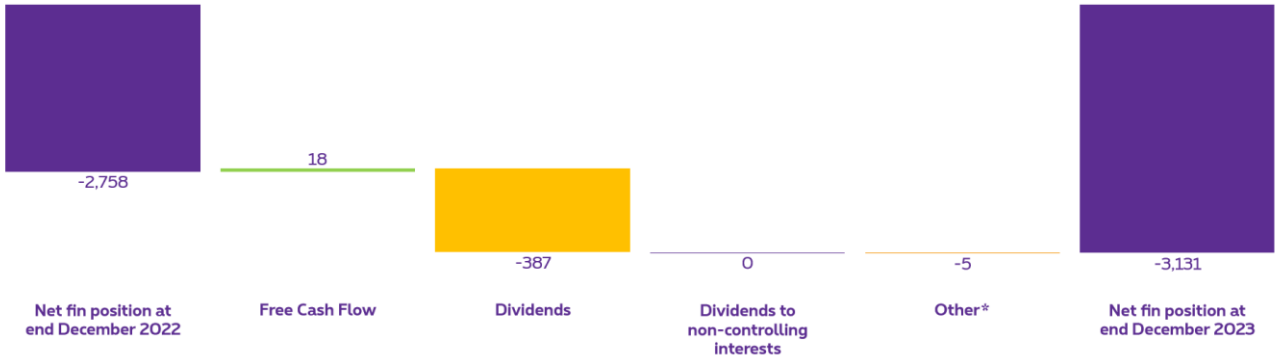
€ 61M adjusted FCF

Net financial position

At the end of December 2023, Proximus' adjusted net financial position was EUR -3,131 million (including re-measurements to fair value), keeping a very sound net debt/EBITDA ratio of 2.6X (as per S&P definition).

Evolution of Adjusted Net Financial Position (excl. lease liabilities)

(M€)

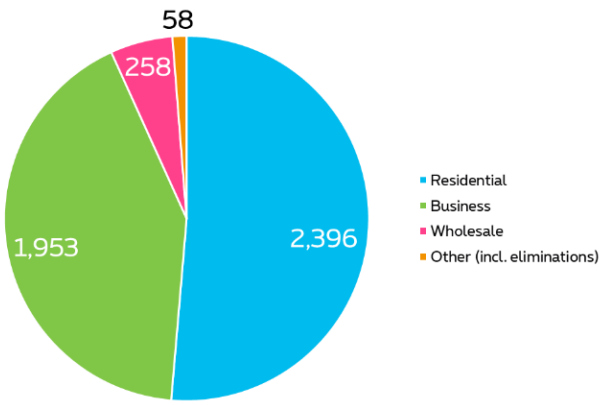


* Mainly remeasurement to fair value of cash flow hedge instrument for future LT debt

- Domestic revenue of EUR 4,665 million in 2023, up by 4.2% from 2022.
- Proximus delivered a very strong commercial momentum supported by its complementary brands.
- Residential revenue over 2023 totaled EUR 2,396 million, up by 6.0%.
- Business revenue increased to EUR 1,953 million for 2023, a 3.1% growth from 2022.
- Wholesale revenue of EUR 258 million in 2023, a -8.0% decline compared to 2022, fully related to Interconnect revenue erosion, with no material margin impact.
- Proximus posted EUR 1,636 million Domestic EBITDA, limiting its year-on-year decline to -1.7%

3. Domestic

Domestic revenue by unit (underlying, M€)



For its Domestic operations, Proximus posted revenue of EUR 4,665 million in 2023, an increase of 4.2% or EUR 187 million from the year 2022. The Residential unit accounted for about 51% of the total Domestic revenue, the Enterprise unit 42% and the Wholesale segment 6%.

With Proximus deploying Fiber in 147 cities end-2023, the product superiority of Fiber becomes an increasingly relevant sales proposal for Proximus' Domestic market. Over the year 2023, the number of activated Fiber customers increased by an additional 145,000, comprised of a mix of Residential and Business, new customers and migrated copper customers. This compares to an increase of 106,000 activated Fiber customers in 2022. By end-2023 the Fiber customer base totaled 397,000.

While cord-cutting is starting to show in Belgium, Proximus achieved to mitigate the erosion of its TV customer base to 1,674,000.

Residential revenue

Revenue generated by Proximus Residential customers totaled EUR 2,396 million over 2023, up by 6.0% or EUR 135 million compared to 2022.

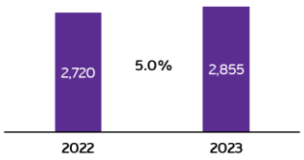
1,783,000
Fixed Internet customers
Up 47,000 in 2023

Through its three complementary brands, Proximus, Scarlet and Mobile Vikings, that address the different needs of the residential market, Proximus achieved in 2023 strong growth in its Internet and Mobile Postpaid base, while the Fixed Voice base continued its steady decline, as a consequence of the ongoing change in customer needs. In particular convergent offers, combining Fixed and Mobile services, sustained a strong performance, supported by the success of Proximus' Flex offers. Besides a growing base in its main products, the residential revenue also benefitted from inflation-based price changes on a broad selection of Proximus services to mitigate the inflationary pressure on the company's' cost base.

When zooming-in on the Residential operational results, 2023 was especially successful for Mobile Postpaid, with the number of Mobile Postpaid cards for the year up by 135,000. Proximus' mobile growth was supported by its new Mobile portfolio

launched in May 2023, leading to a re-dynamized Flex offering. Moreover, the complementary mobile offers of Scarlet and Mobile Vikings brands contributed to the success in Mobile. By end-December 2023, Proximus' Residential Mobile Postpaid base reached a total of 2,855,000 cards, up by 5.0% from end-2022.

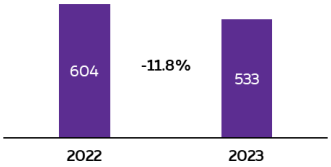
Postpaid cards ('000)



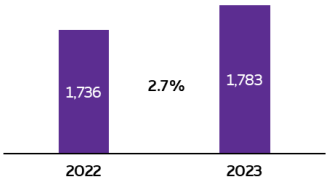
The Prepaid base continued its inherent declining trend, stimulated by the attractive mobile Postpaid offers. Proximus saw the Mobile Prepaid base shrink in 2023 by 71,000 cards, leading to a total number of Prepaid cards of 533,000 by end-December 2023.

Strongly supported by Proximus' expanding Fiber footprint, the Residential segment managed to accelerate the growth of its Internet customer base, up by 47,000 customers in a competitive market. This is an increase by 2.7% compared to one year ago, with end-2023 the Residential Internet base totaling 1,783,000 internet lines, being a mix of customers on the historical copper network and a growing number of customers on the new Fiber technology.

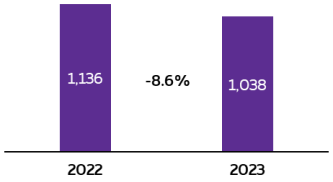
Prepaid cards ('000)



Fixed Internet customers ('000)



Fixed Voice customers ('000)



The revenue generated by customers subscribing to Proximus' different product lines is referred to as Customer services revenue or **X-Play revenue**. For 2023, 79% of the total Residential revenue, i.e., **EUR 1,880 million was generated by Customer services (X-play)**, an increase of **5.5% or EUR 97 million compared to 2022**. The overall ARPC for 2023 of EUR 55.4 represents an increase of 5.6% from one year back. This was mainly the result of two inflation-based price adjustments, effective 1 January 2023 and 1 July 2023.

In the mix, it is especially **revenue from Convergent customers which showed strong growth, up by 9.4% year-on-year reaching EUR 1,137 million**. In 2023, Proximus grew its convergent base by 65,000 customers, reaching a total of 1,112, up by 6.2% from 12 months back.
The main growth driver of the Convergent revenue is the strong increase in the convergent 3-Play and 2-Play customer base.

Proximus grew its convergent 3-Play base by 29,000 customers, reaching 452,000 customers by end-2023. This was combined with 5.9% growth in 3-Play ARPC to EUR 88.0. This resulted in a 3-Play convergent revenue growth of 14.7% to a total of EUR 461 million.
In continuation of the successful launch of offers combining Mobile with Internet mid-2022, and the decreased relevance of TV for certain customer segments, the dual-play customer base grew by 55,000 customers in 2023.

The uptake of 2 and 3-Play convergent offers largely explains the steady downward trend in the number of 4-Play customers, down by 20,000 to a total base of 511,000.

With the number of customers subscribing to Proximus' convergent offers rising, Proximus' base of Fixed-only customers decreased to 860,000 by end-2023. These customers generated in 2023, an ARPC of EUR 47.3, a EUR 2.3 increase from previous year.
The number of customers having only a Mobile subscription is stable compared to 2022. By end-2023, the Residential unit counted a Mobile postpaid-only base of 868,000 customers, Proximus, Scarlet and Mobile Viking brands combined. These Mobile-only

customers generated an ARPC of EUR 23.3, slightly up (+1.7%) compared to the previous year.

In addition to the above-described revenue from Customer services, the Residential segment revenue also includes revenue from Terminals, Mobile Prepaid, its Luxembourg telecom business and Other revenue.

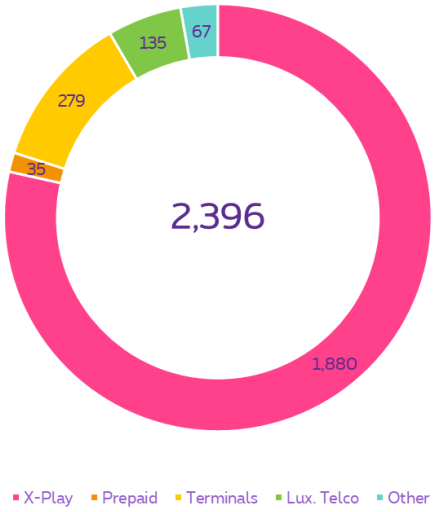
For 2023, the total revenue from Terminals totaled EUR 279 million, up 20.9% or EUR 48 million above 2022.

Driven by the decrease in the Proximus Prepaid base, revenue from Mobile Prepaid continued its eroding trend, with revenues down to EUR 35 million for 2023.

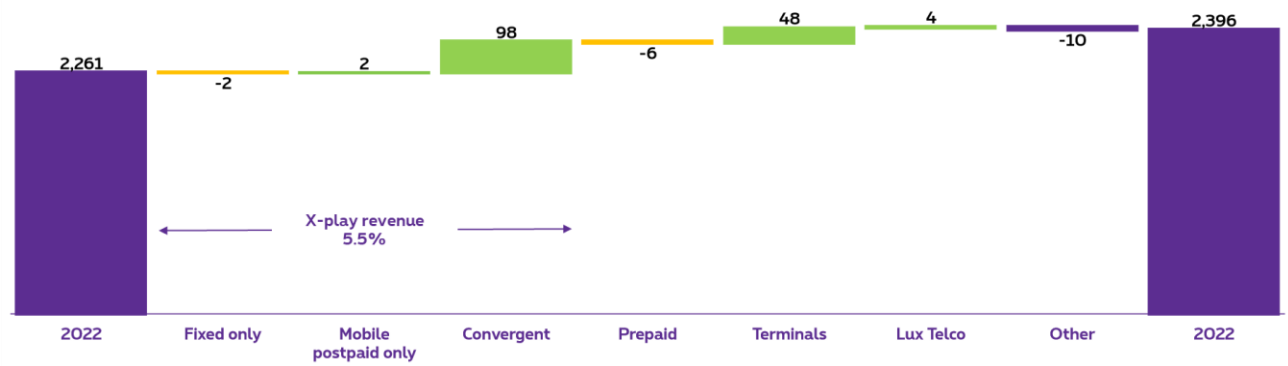
Proximus' Luxembourg telecom revenue came in strong over 2023 for the Residential side, up by 2.8% to EUR 4 million revenue, mainly resulting from a higher number of mobile and fixed subscriptions and an increase in mobile device sales.

Proximus Residential posted EUR 46 million in its Other revenue, a year-on-year stable amount.

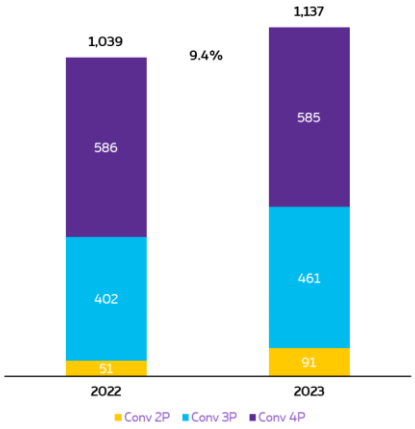
79% Residential revenue generated by X-Play Customers



Residential revenue build up (underlying, M€)



Convergent Revenue ('000)



Up 9.4%
Convergent revenue

2.8M customers, of which 1.1M convergent

Strong Customer trend to move to 2-Play and 3-Play convergent offers

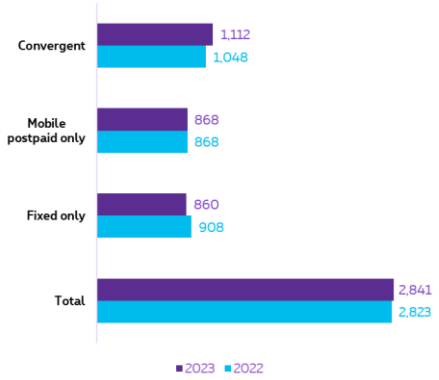
Average revenue per Customer
€55.4

Total Convergent customers
Up 6.2%

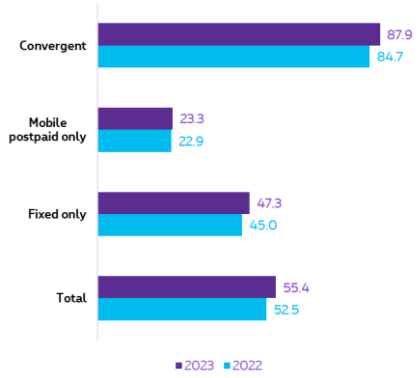
Convergence rate
68.0%

Average RGU
2.51

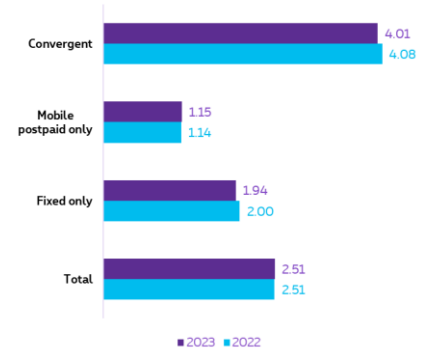
Customers per X-play ('000)



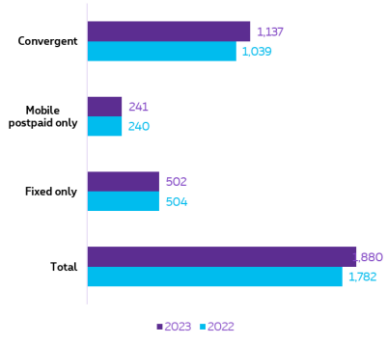
Average Revenue per Customer (€)



Average Revenue Generating Units per Customer



Customer Revenues (M€)

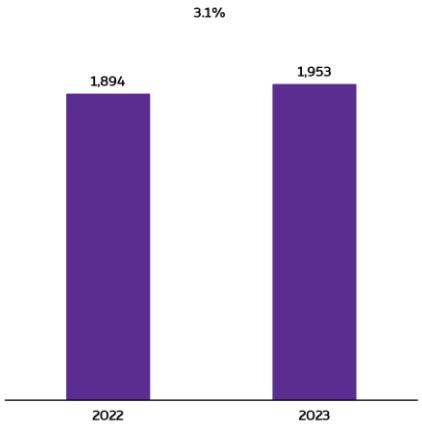


Business revenue

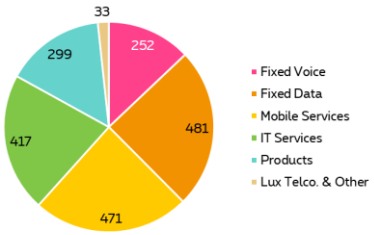
Proximus' Business segment increased its revenue to EUR **1,953 million for 2023, a 3.1% growth compared to 2022**. With this an improved growth rate was achieved from 1.7% for 2022, reflecting the successful transformation of the Proximus Business unit into a convergent player. This was especially reflected in the 2023 revenue from Services, up by 2.2% on the previous year. Revenue growth was achieved for IT services, Fixed Data and Mobile services, more than offsetting the ongoing erosion in Fixed Voice revenue.

Revenue from products was up year-on-year, fully driven by IT equipment revenue, which in the first half of the year still benefited from a catch-up in previously delayed customer installations due to global chipset supply chain issues in 2021/2022.

Revenue (M€)



Revenue per product (M€)



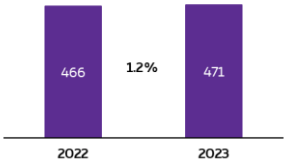
Mobile services

The Business Mobile service revenue for 2023 totaled EUR 471 million, representing a 1.2% growth compared to 2022. Proximus maintained a solid customer Mobile customer base, totaling 1,808,000 cards excl. M2M, up by 10,000 Postpaid cards over the past twelve months or 0.6%. Moreover, the Mobile ARPU stabilized over 2023 (+0.2%), compared to a decline by -3.0% for the year before.

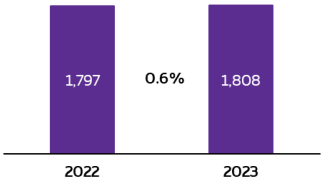
Mobile postpaid cards (excluding M2M)
Up 10,000

The Business unit continued to grow its M2M park with an additional 264,000 M2M cards activated over the year. At end-December 2023, Proximus M2M base totaled 4,225,000 M2M cards. This is an increase of 6.7% on the previous year.

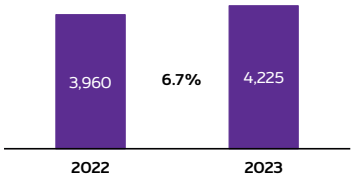
Mobile services revenue (M€)



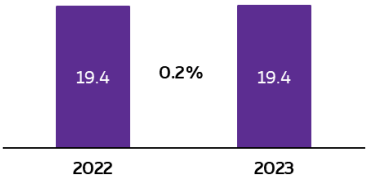
Mobile postpaid cards ('000)



Machine-to-Machine cards ('000)



Mobile postpaid ARPU (€)



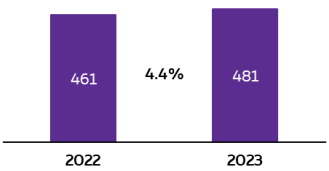
Fixed Data

The revenue from Fixed Data services accelerated its positive trajectory in 2023, posting an increase by 4.4% from the previous year, totaling EUR 481 million for 2023.

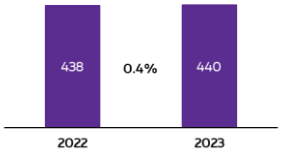
Within the Fixed Data revenue mix, the revenue growth was mainly driven by further improving revenue from Internet services. This was explained by a progressing Broadband ARPU, EUR 46.2 for 2023, up 7.5% on the previous year, mainly benefitting from the price indexations, improved price tiering and a growing share of Fiber in the total internet park. Over 2023, the Business Internet base slightly progressed to 440,000, up by 0.4% compared to one year back.

Revenue from Data connectivity was maintained fairly stable, with the eroding legacy revenue being offset by growing new data connectivity services, supported by Proximus' growing point-to-point fiber park.

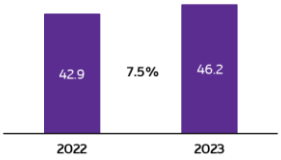
Fixed Data revenue (M€)



Fixed Internet subscriber base ('000)



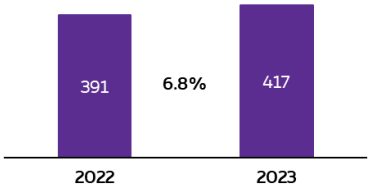
Fixed Internet ARPU (€)



IT Services

Proximus' Business unit posted for its IT Services revenue of EUR 417 million, up 6.8% compared to the previous year. High-value recurring services continued to grow, with especially good performance in Cloud, Security and Smart Mobility services. The sequential growth in IT recurring services reflects the ongoing transformation of the Business unit into a convergent player, with focus on higher-margin next generation IT services.

IT Services Revenue (M€)



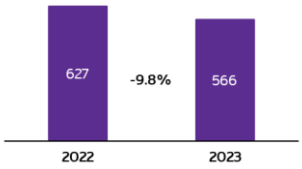
Fixed Voice

The Business segment posted EUR 252 million in Fixed Voice revenue for 2023, a year-on-year decline of 6.6%.

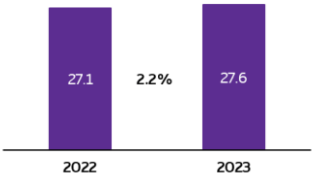
The cause of the Fixed Voice revenue erosion remains the ongoing steady decrease of the Fixed Voice park, down by -9.8% in 2023. Over the year, the Business Fixed Voice base decreased by 61,000 Fixed Voice lines, resulting in a total base of 566,000 by end-2023. This was driven by an ongoing rationalization by customers on Fixed-line connections, lower usage, and technology migrations to VoIP.

This was partially offset by a 2.2% increase in the Fixed Voice ARPU, resulting from inflation-based price indexations, bringing the Fixed Voice ARPU to EUR 27.6.

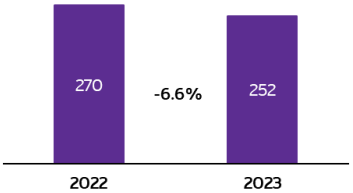
Fixed Voice park ('000)



Fixed Voice ARPU (€)

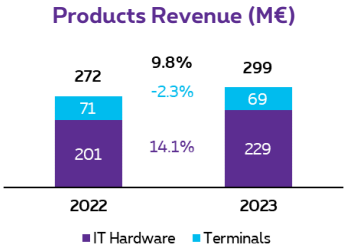


Fixed Voice revenue (M€)



Products

The revenue from Products for 2023 was up by EUR 27 million from 2022, or +9.8%. Whereas revenue from Mobile Terminals was somewhat down year-on-year (-2.3%), IT hardware revenue increased by +14.1%, with support in the first half of 2023 from the catch-up on some previously delayed product contracts following the difficult worldwide chip supply chain situation.

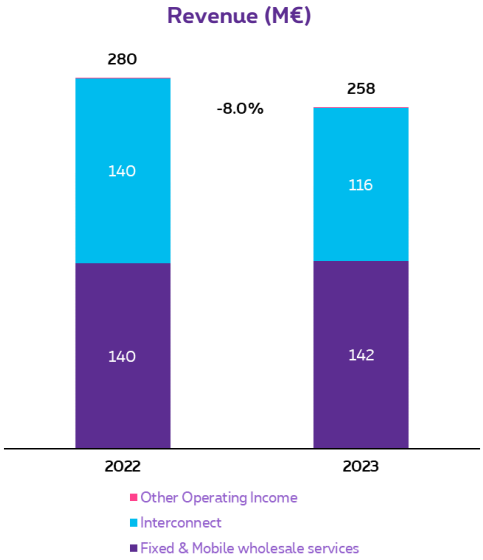


Wholesale revenue

For its Wholesale operations, **Proximus posted EUR 258 million revenue in 2023, down 8.0%** or EUR -23 million on 2022.

The **decline in revenue is entirely due to a EUR -24 million drop in Interconnect revenue, with no material margin impact**. Part of this reflects the EU regulation which lowered the Fixed & Mobile Termination rates as of January 1st 2023. The largest part, however, is the result of an ongoing decrease in traditional SMS usage, being replaced by over-the-top applications.

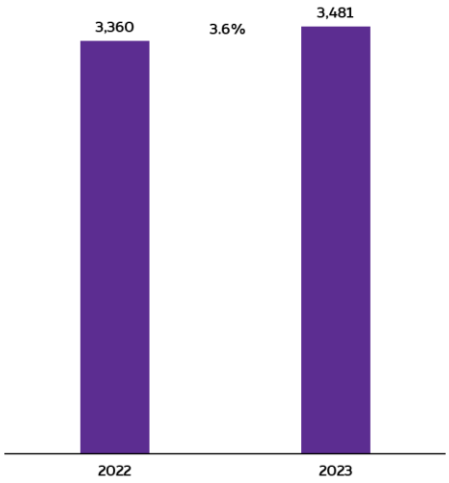
Revenue generated by **Fixed and Mobile wholesale services was up by 0.9%, totaling EUR 142 million**. This mainly reflects higher revenue from roaming services and an increase revenue from services towards Mwingz and Proximus' Fiber Joint Ventures.



Domestic Direct Margin

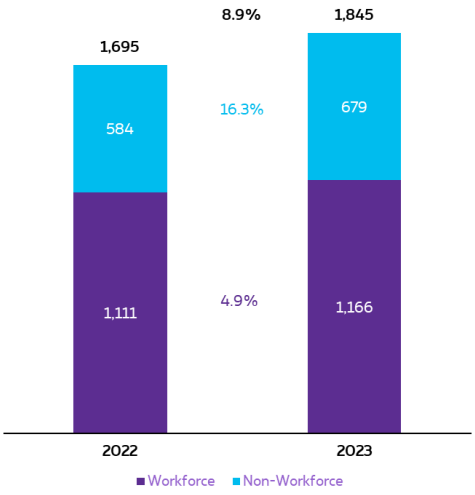
Proximus' D**omestic operations posted a direct margin of EUR 3,481million, up by +3.6% or EUR 121 million on the previous year**. Among other things, this reflected the solid customer growth for Proximus' main services, including Internet and Mobile, and was strongly supported by inflation-based price increases.

Domestic direct margin (underlying, M€)



Domestic OPEX

Domestic operating expenses (underlying, M€)



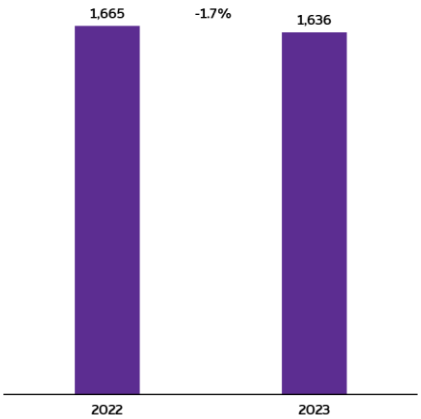
The **Domestic operating costs were up by 8.9% to EUR 1,845 million**. The increase from 2022 resulted from a significant inflationary impact on the Domestic cost base, as well as higher costs to support the customer growth, especially for Fiber, and an increase in transformational costs. This was in part offset by the company's ongoing cost-efficient program, which delivered a total of EUR 95 million in savings in 2023.

The **Domestic workforce expenses totaled EUR 1,166 million for 2023, an increase of 4.9%** on the year before. This was driven to a high degree by the automatic adjustment of wages to inflation. In addition to a carry-over impact of 5 wage indexations in the course of 2022, 2023 was affected by 2 additional inflation-based salary indexations[2] of 2% each. End-2023, Proximus' Domestic headcount came to 10,358 FTEs, a decrease of -69 FTEs compared to 10,427 FTEs end-2022 because of natural outflow and retirement offsetting new hiring.

The Domestic **non-workforce expenses were up by 16.3%** for 2023, representing a year-on-year increase by EUR 95 million. About 1/3rd of this increase was related to the rise in energy cost, in addition to other general inflationary effects on costs such as maintenance, rental, … Moreover, in line with the company's strong customer gain, Proximus' customer related cost was up year-on-year, including amongst others higher contact center volumes, commercial means and billable manpower related to delivered customer IT-services.

Domestic EBITDA

Domestic EBITDA (underlying, M€)



The **Domestic segment** of Proximus posted EUR 1,636 million EBITDA, a year-on-year decrease of -1.7%.

This resulted from the higher cost base, more than offsetting the increase in Direct Margin. The Domestic EBITDA margin as percentage of revenue was slightly down by 2.1 p.p. on the previous year, reaching 35.1% for 2023.

2 Public wages in Belgium were automatically adjusted to the higher cost of living on 1 February 2022, 1 April 2022, 1 June 2022, 1 September, 1 December 2022, 1 January 2023 and 1 December 2023, with a 2% increase in each instance.

4. BICS

Revenue

For BICS, 2023 was in general marked by a normalizing trend from an exceptional 2022 which was partly boosted by post-Covid travel uptake, and partly by a favorable destination mix.

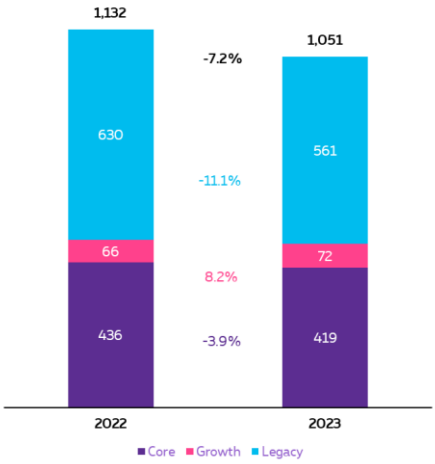
The BICS revenue for 2023 amounted to EUR 1,051 million, a year-on-year revenue decrease by -7.2%, including substantial USD currency headwinds (-5.8% at constant currency).

BICS' total year-on-year revenue decrease by EUR -81 million was primarily driven by Legacy services, down over 2023 by EUR -70 million or -11.1%. This was linked to currency headwind, the impact of the roll-out of VoLTE in roaming by Mobile operators which accelerates the erosion of international voice volumes and an unfavorable destination mix whereby a specific country generated high revenue in 2022 but with negligible margin contribution.

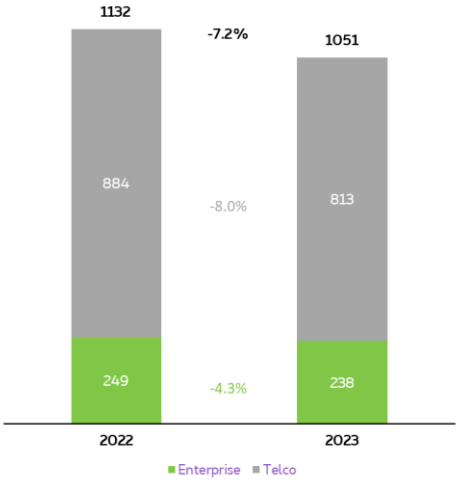
Revenue from BICS Core services (messaging, mobility, and infrastructure), decreased from the previous year by -3.9% or EUR -17 million, mostly due to lower messaging volumes following a less favorable destination mix and, to a lesser extent, by a structural change in the messaging market with a move to OTT solutions.

For BICS' Growth services such as cloud communication and IoT a total revenue of EUR 72 million was posted, an increase by 8.2% on 2022.

Revenue by product group (M€)



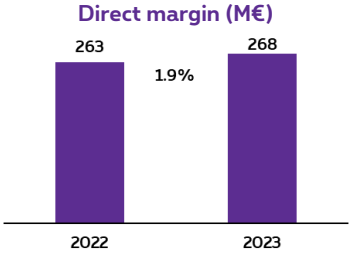
Revenue by customer segment (M€)



Direct margin

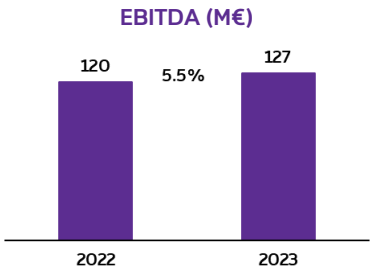
With the decrease in revenue mainly related to low-margin legacy services, BICS achieved to post for 2023 a +1.9% direct margin growth, totaling for 2023, EUR 268 million. With BICS having a structural natural hedging on Direct Margin level, the USD headwind remains mitigated; with Direct Margin on constant currency growing by 2.8% for 2023.

Direct margin (M€)



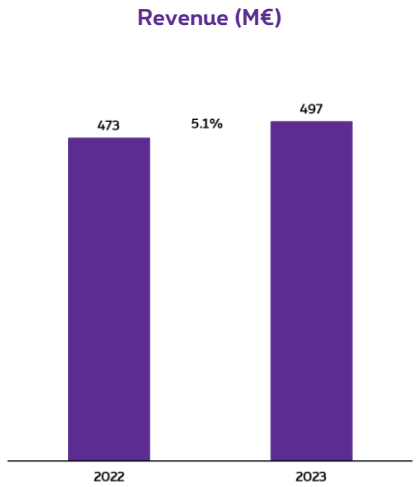
EBITDA

Despite inflation and the effect of the 1 January 2023 wage indexation, BICS achieved to bring operating expenses down year-on-year by -1.2% following good cost containment initiatives and a favorable year-on-year impact of performance-related labour expenses. Following the increase in Direct Margin, combined with lower operating expenses, the 2023 EBITDA was up by +5.5% to EUR 127 million. The EBITDA margin as a percentage of revenue improved to 12.0%, from 10.6% in 2022.



5. Telesign

Revenue

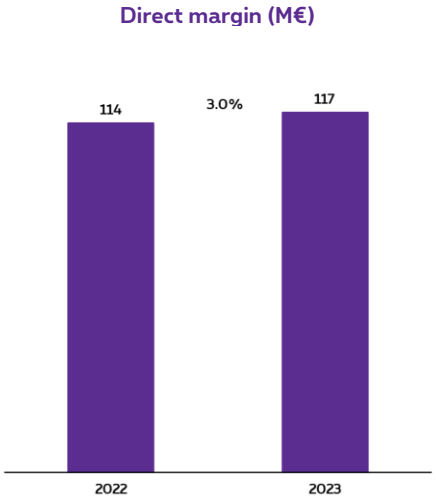


Compared to a strong 2022, Telesign posted a year-on-year revenue increase by 5.1%, totaling for 2023 EUR 497 million. On a constant currency basis[3], the Telesign revenue was up by +8.5%. This reflects strong performance of both the Communications business and Digital Identity.

Communications revenue grew by high single digit year on year, driven by largest customers including Meta, Microsoft, and gaming vertical, while end-2023 Telesign was facing some general sector macro headwinds and an accelerated move of customers to omnichannel message delivery.

Digital Identity revenue also grew by high single digit year on year, negatively impacted by negative performance of several top identity accounts. In USD, digital identity Direct Margin grew double digit.

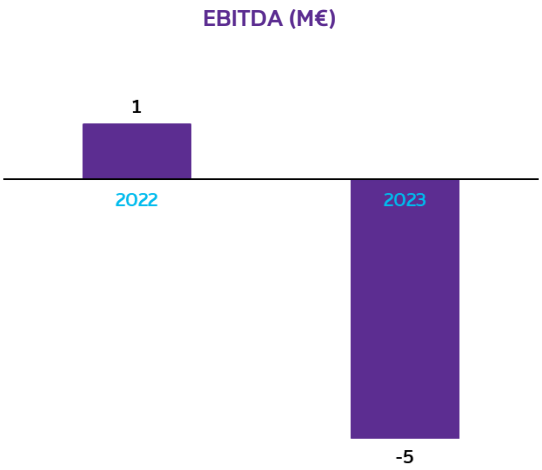
Direct Margin



Telesign's 2023 direct margin was up by 3.0% year-on-year to EUR 117 million. On a constant currency basis, this was +9.4%, reflecting strong performance in both Communications and Digital identity segments.

[3] Provides a view of the business performance, filtering out the currency effects by using a constant currency.

EBITDA



Investments in go-to-market and the R&D organization to support Telesign's growth ambitions impacted the operating expenses which increased by EUR 10 million year-on-year, to a total of EUR 122 million for 2023. **This impact started to fade as of mid-2023.** These investments in Telesign's growth strategy were reflected in its EBITDA, totaling EUR -5 million for 2023, compared with an EBITDA of 1 million a year ago.

6. Definitions

A2P: Application to Person messages

Adjusted Net Financial Position: is the Net Financial Position from which lease liabilities are excluded.

ARPC: Average underlying revenue per (residential) customer.

Adjusted Free Cash Flow: Free Cash Flow adjusted to exclude M&A transactions and M&A related transaction costs.

Annualized full churn rate of X-play: a cancellation of a customer is only taken into account when the customer cancels all its plays.

ARPU: Average Revenue per Unit.

BICS: 100% subsidiary of Proximus. Global voice carrier and leading provider of mobile data services worldwide. Providing global mobile connectivity, seamless roaming experiences, fraud prevention and authentication, global messaging and the Internet of Things.

- **BICS legacy:** represents mainly voice services.
- **BICS core:** represents messaging, mobility (roaming, signaling & Mobile IP) and infrastructure services.
- **BICS growth:** represents cloud communication enablement, SIM for things (travel SIM & IOT services) and fraud services.

Business: unit addressing the professional market including Corporates, Medium and Small Enterprises (including businesses with less than 10 employees).

CapEx: this corresponds to the acquisitions of intangible assets and property, plant and equipment, excluding Right of Use assets (leasing).

Convergence rate: convergent residential customers taking both Fixed and Mobile services of Proximus. The convergence rate refers to the percentage of convergent customers on the total of multi-play customers.

Cost of Sales: the costs of materials and charges directly related to revenues.

Direct margin: the result of cost of sales subtracted from the revenues, expressed in absolute value or in % of revenues.

Direct OpEx: refers to billable OpEx, for example OpEx directly linked to revenues of a Business project.

Domestic: segment defined as the Proximus Group excluding BICS, Telesign and Eliminations.

EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortization; corresponds to Revenue minus Cost of sales, workforce and non-workforce expenses.

Adjustments (Revenue/EBITDA):

- **The lease depreciations and interests in the Operating Expenses,** with the exception of leases that would qualify as finance leases on the basis of the criteria applied to a lessor under IFRS 16.
- **Transformation**: costs of employee transformation programs, the effect of settlements of post-employment benefit plans with impacts for the beneficiaries, or pre-identified material(*) one-shot projects (such as rebranding costs)
- **Acquisitions, mergers and disposals**: gains and losses on disposal of buildings or consolidated companies, M&A-related transaction costs, deferred M&A purchase price and impairment losses on goodwill.
- **Litigation/regulation:** Material (*) financial impacts of litigation files, fines and penalties and of law changes (one-off impacts relative to previous years)

(*) The materiality threshold is met when exceeding individually EUR 5 million. No threshold is used for adjustments in a subsequent quarter if the threshold was met in a previous quarter.

EBIT: Earnings Before Interest & Taxes, corresponds to EBITDA minus depreciation and amortization.

Fixed Data Services (Business): Total revenues from Fixed Data, consisting of Broadband, Data Connectivity (including Explore solutions and SD-WAN) and TV.

Fixed Voice park: PSTN, ISDN and IP lines. For Business specifically, this also contains the number of Business Trunking lines (solution for the integration of Voice and Data traffic on one single Data network).

Fixed Voice Services (Business): Total revenues from Fixed Voice access lines and traffic, as well as fixed telephony systems installed at customer premise or serviced from the cloud.

Free Cash Flow: this is cash flow before financing activities and after lease payments (since 2019).

Internet ARPU (Business): total Internet underlying revenue, excluding activation and installation fees, divided by the average number of Internet lines for the period considered, divided by the number of months in that same period.

Internet park: ADSL, VDSL and Fiber lines. For Residential, this also includes Scarlet and Mobile Vikings.

IT Services revenue (Business): Information Technology (IT) Services, including Managed, Integration and Consultative services, which enable users to access, store, transmit, and manipulate information, with the help of unified communications, computers, as well as necessary enterprise software, middleware, storage, and audio-visual systems. Proximus' IT solutions include, but are not limited to, Security, Cloud, Smart Network, Advanced Workplace and Smart Mobility solutions. It also includes recurring equipment sales to support these services.

IT Products revenue (Business): Revenues from one-shot IT products (boxes, hardware) or one-shot licenses, with the change of ownership towards the customer.

Mobile ARPU (Business): monthly ARPU is equal to total Mobile services revenues (excl. M2M & network services), divided by the average number of active cards for that period, divided by the number of months of that same period.

Mobile cards: refers to active Voice and Data cards, excluding free Data cards. Postpaid customers paying a monthly subscription are by default active. Prepaid customers are considered active when having made or received at least one call and/or sent or received at least one SMS message in the last three months. An M2M card is considered active if at least one Data connection has been made in the last month.

Mobile-only (Residential): Refers to Mobile Postpaid whereby no other recurring subscriptions are bought. Mobile Prepaid is not included in the Customer services revenue but reported separately.

Mobile Services revenue (Business): Total revenues from Mobile Services including traditional mobile services, using the mobile network connectivity, as well as IoT (including M2M) and Next Generation Communication (including network services as well as new innovative solutions).

Multi-play customer: two or more Plays, not necessarily in a Pack.

Net Financial Position: refers to the net amount of investments, cash and cash equivalents minus any interest-bearing financial liabilities and related derivatives, including re-measurement to fair value and lease liabilities. The net financial position does not include the "other current & non-current payables interest-bearing".

Network Services (Business): focuses on optimizing the interaction between Enterprise customers and its stakeholders, for which revenues are independent from the number of Postpaid cards.

Non-workforce expenses: all operating expenses excluding workforce expenses and excluding depreciation and amortization.

Net Revenue Retention rate (NRR): success indicator of the existing customer base, calculating the percentage of recurring revenue retained from existing customers compared to 12 months back.

Other Operating Income: this relates to income from, for example, reimbursements from damages, employees, insurances, gain on disposal, etc.

Luxembourg Telco: including fixed & mobile services, terminals & other.

Play: a subscription to either Fixed Voice, Fixed Internet, dTV or Mobile Postpaid (paying Mobile cards). A 4-Play customer subscribes to all four services.

Reported revenues: this corresponds to the TOTAL INCOME.

Residential: unit addressing the residential market, including the Customer Operations Unit.

Revenue-Generating Unit (RGU): for example, a customer with Fixed Internet and 2 Mobile Postpaid cards is considered as a 2-Play customer with 3 RGUs.

Sales Booking: defined as the estimated monthly direct margin value of a won opportunity recorded within the CRM system. The nature of these bookings can vary between monthly recurring opportunities or short-term commercial opportunities.

Terminals: this corresponds to devices for Fixed Voice, Data, Mobile and related accessories. This excludes PABX, IT products and TV CPE.

Underlying: refers to revenue and EBITDA (Total Income and Operating Income before Depreciation and Amortization) corrected for the EBITDA Adjustments in order to properly assess the ongoing business performance.

Wholesale: unit addressing the telecom wholesale market including other telecom operators (incl. MVNOs) and ISPs.

Wholesale fixed & mobile services includes all solutions that Proximus offers to other operators. These services include fixed internet and data connectivity services, fixed telephony and mobile (incl. MVNO and Roaming) services (excl. Interconnect)

Wholesale Interconnect is the process of connecting an operator network with another operator network. This then allows the customers of one operator to communicate with the customers of another operator. Interconnect includes fix voice, mobile voice and mobile SMS/MMS services.

Workforce expenses: expenses related to own employees (personnel expenses and pensions) as well as to external employees.

X-Play: the sum of single play (1-play) and multi-play (2-play + 3-play + 4-play).

Risk Management Report

Each activity within the Proximus Group's activities is exposed to a variety of risks that have the potential to impact the financial performance of the Group. Proximus has implemented a risk management methodology that follows ISO 31000 – Risk Management Guidelines. Proximus' Risk Management System aims to identify and assess risks and opportunities in various domains and, wherever possible, to manage or mitigate them to an acceptable level of residual risk to safeguard the Group's assets and protect its financial strength and reputation.

Financial risk management objectives and policies are reported in Note 32 of the consolidated financial statements, published on the Proximus website. Risks related to important ongoing claims and judicial procedures are reported in Note 34 of these statements.

The enterprise, operational, sustainability and reporting risks are detailed below. Please note that this is not an exhaustive analysis of all potential risks that Proximus may face.

Sustainability matters are also assessed on the impact they could have on people, society, and the environment (more information in: 'Double materiality assessment').

Enterprise-wide risks

Proximus Group's Enterprise Risk Management (ERM) is a structured framework designed to identify, assess, respond to, and report on strategic and business risks. These risks refer to potential adverse events or circumstances that could significantly impact the achievement of Proximus' strategic objectives.

ERM is seamlessly integrated into Proximus' annual strategic planning cycle. A bottom-up identification and prioritization process is conducted every two years. This process involves thorough desk research, in-depth interviews, and surveys among management and subject matter experts. All relevant risks and opportunities are prioritized based on their potential impact and likelihood, considering both quantitative and qualitative factors.

Each member of the Leadership Squad takes ownership of a sub-set of the prioritized risks and identifies the key internal stakeholders accountable for the follow-up measures.

The risk prioritization and risk treatments are reviewed at least once per year or when context changes. The ERM report, which provides an overview of major risks and their respective treatment plans, is thoroughly reviewed, and validated by the Leadership Squad, consisting of the CEO, and the Audit and Compliance Committee. The key findings and outcomes are then communicated to the Board of Directors.

Among the risks identified by the latest ERM exercise, the following risk categories were prioritized):

- Monetization of fiber investments
- Proximus Group international growth
- Human capital: Talent attraction, retention and development
- Operating model evolution and cost control
- Belgian telecom market competitive dynamics – residential market
- Belgian ICT market competitive dynamics – enterprise market
- Regulatory and legal risks

Monetization of fiber investments

Fiber optic is widely recognized as the superior and most future-proof fixed connectivity technology. On top of offering the highest speeds in download and upload and low latency, fiber is also highly reliable and secure.

During the past years, Proximus has significantly increased investments to accelerate the deployment of a performant fiber network fully open and non-discriminatory with the ability to co-use fiber assets with competition and maximize the network utilization. Proximus' Gigabit Fiber network standalone deployment focuses on areas with highest population density. Proximus has created the joint ventures Fiberklaar (in Flanders) and Unifiber (in Wallonia), with the experienced industrial and financial partners EQT Infrastructure and Eurofiber, respectively, to expand the fiber rollout to medium-dense areas. In the German-speaking Community, a region with typically very low population density, Proximus, Ethias and the government of the German-speaking Community have set-up GoFiber, a public-private partnership and joint venture that will bring fiber in the German-speaking municipalities by end 2026. Challenges in obtaining the needed permits from municipalities or quality and compliance issues in operations could impede the speed of the deployment. Proximus management has strengthened governance and puts a strong focus on quality standards and compliance across both standalone and joint ventures footprints. Among others, Proximus issued a societal responsibility charter for fiber roll-out in March 2023.

Proximus ambitions to provide gigabit network coverage to 100% of premises in Belgium, maximizing fiber coverage even in remote areas, to:

- Support current and future customer needs (remote work, connected homes, next generation videos, gaming…) and enable ARPU uplift;
- Retain and grow market share across residential and enterprise customers;
- Attract new wholesale market opportunities;
- Simplify the operating model and reduce operating costs, by stopping to sell copper and ultimately phasing out copper at the latest 5 years after the deployment of fiber in a given area.

Should part of these benefits not materialize the turnover and profitability of Proximus could be significantly affected.

Beyond city centers, construction costs increase, making the deployment of fiber networks economically more difficult. Although Proximus remains the only player having started the roll-out of FTTH (Fiber-To-The-Home) at large scale in Belgium, roll-out of competing FTTH networks could negatively impact the profitability of Proximus' investment by putting pressure on both wholesale and retail prices. Telenet and Fluvius set up Wyre, a joint infrastructure company with plans of covering up to 78% of all homes in Flanders and parts of Brussels with fiber (FTTH) by 2038. The roll-out of Wyre started in the summer of 2023. Orange has also announced an ambition of up to 66% coverage in Wallonia and Brussels, adding to the overbuild risk. BIPT's announcement in October 2023, stating it is ready to evaluate fiber cooperation between the different operators in Belgium, opens the door for an effective and rational collaboration and co-investment framework potentially to the benefit of all stakeholders reducing financial risks associated with the investment of further rolling-out FTTH.

Scaling the number of fiber activations & roll-out can be challenging in a tight labour market (see also 'Human capital: Talent attraction, retention and development' below). The rollout of other infrastructure works may have a negative impact on the available capacity for Proximus. Not retaining the right talent for our deployment capacity could lead to delays in roll-out and activations, which could have an impact of the timing of the benefits and the cost of roll-out. Proximus and its partners are taking several measures to mitigate this risk: transfer resources from copper to fiber, increase capacity via outsourcing partners and by upskilling our existing employees, structurally reducing the workload via self-install and flattening out seasonality via pro-active migrations.

Most Belgian consumers already have access to higher speed internet through VDSL or cable. Satisfaction levels are high on average and there is some confusion on which technology cable operators offer. Proximus mitigates the risk of a lack of demand by promoting fiber and its benefits. Advertising campaigns have created a strong brand association of fiber with Proximus. To reinforce the technological superiority, the multi-gig fiber technology has been made available in July 2023 in all areas where there is fiber coverage.

Inflation impacts the cost of the roll-out (see also 'Operating model evolution and cost control' below). Rising costs need to be balanced with strong commercial results, price increases and additional efficiencies. Competitive dynamics, ahead of or after the arrival of Digi on the Belgian market, might lead to pressure on market prices, and/or make price tiering and upselling more difficult. Proximus focuses on product superiority, customer experience and a multi-brand strategy to mitigate that risk (see also 'Belgian telecom market competitive dynamics – residential market' below).

There is also a customer retention risk related to the potential customer experience issues during the migration of Proximus and the Other Licensed Operator's (OLO) customers to fiber e.g., too long installation delays in some periods of high demand vs available personnel. Proximus management is monitoring the fiber migration customer effort and fiber customer experience closely and taking corrective actions, among others through dedicated Fiber Migration and In-Home Experience agile teams.

Copper cost avoidance is an important value driver for Proximus. Delays in deployment or gaps in deployment zones could impact Copper outphasing as the full benefits only come when we can fully cut the last copper line. For the few customers that cannot be migrated to fiber, Proximus needs an alternative with Fixed Wireless Access or another technology. Copper outphasing is also an important element in Proximus' sustainability roadmap. Delays in copper outphasing would thus affect both profitability and sustainability goals. The risk is mitigated through careful planning of customer migrations and the allocation of dedicated resources, including both personnel and IT investments.

FTTH is a regulated activity in Belgium. Pricing and access conditions for FTTH are monitored and/or set by the regulator. Adverse or negative regulatory decisions on the FTTH pricing and/or access conditions could negatively impact the profitability of Proximus' investment by putting pressure on both wholesale and retail prices and/or make the commercial positioning of FTTH more difficult.

Proximus Group international growth

The development of the international activities of the Proximus Group through BICS and Telesign, fully owned since 2021, gives access to highly growing, adjacent digital communications markets. Those international activities are forecasted to be a major source of growth in the coming years.

Profitable growth in competitive and fragmented digital communications market depends on the ability to maintain and grow the business with existing customers and attract new customers in a cost-effective way. It also depends on the ability to adapt to changing technology standards and customer preferences. Competition is likely to further increase from established competitors and new market entrants, making scale an important factor for success.

The Proximus Group (through Proximus Opal) has signed a definitive agreement to acquire a ~58% interest in Route Mobile, a global company specialized in CPaaS services, listed on NSE and BSE in India. The deal is expected to generate substantial value thanks to the high complementarity of Route Mobile and Telesign, both in terms of product offerings and geographic coverage. The combined strengths of Route Mobile and Telesign would allow the Proximus Group to become one of the worldwide leaders in the fields of Communications Platform as a Service (CPaaS) and digital identity. Should the deal closing fail, this would significantly impact the Proximus Group's growth prospects in CPaaS and digital identity. Significant synergies are expected 3 years post-closing. Failure to realise the expected synergies would limit the Group EBITDA growth.

Telesign relies on data acquired from third parties to build its models, and design and improve its products. If there is a substantial increase in the cost of data acquisition, Telesign may not be able to pass that cost increase on to its customers. That would result in reduced profit margin for Telesign. Additionally, Telesign has no direct control over the data quality it acquires from its suppliers which are needed to provide its digital identity services. If the data quality it acquires deteriorates over time, Telesign' s coverage may decrease and become irrelevant for the customer.

If Telesign or its third-party service providers experience a data security breach or network incident that allows, or is perceived to allow, unauthorized access to Telesign' s solutions or Telesign' s customers' personal data, it could lead to negative publicity and Telesign' s reputation, business, financial condition, and results of operations could be adversely affected. Additionally, it could lead to enforcement actions, litigation, regulatory or governmental audits, investigations, inquiries and possible significant liability, and increased requests by individuals regarding their personal data.

Next to Telesign, and Route Mobile post-closing, Proximus Group's international growth also relies on the success of BICS. BICS operates in a fast-changing and competitive environment, putting its business model under constant challenge. BICS' carrier activities could suffer from a slowing of the messaging & roaming market growth or an acceleration of the voice market decline. BICS adapts to this environment by striving for inorganic market consolidation and by upgrading its offer to latest technology (e.g., 5G standalone roaming), by addressing new customer segments (enterprises) and by investing in new growth domains (such as IoT, Security or Data Intelligence). Those investments are made possible by cost reduction initiatives in the legacy and core business (automation, customer tiering, etc.).

Proximus Group's international business is subject to many laws and regulations (e.g., competition and privacy laws in Europe and beyond). The Proximus Group strives for strict compliance and strong controls. Litigations or regulatory or governmental inquiries could negatively impact BICS' reputation. Rules changes may also affect revenues and profitability.

The international business could also be affected by geopolitical instability through slowing growth, sanctions, market access restrictions or business continuity issues in conflict areas (own personnel or critical suppliers).

Finally, the performance can be impacted by current and future economic conditions outside of Proximus Group's control. A recession may increase the number of bad debts; this is mitigated through strict credit risk management. Risks from foreign currencies are hedged to the extent that they are liable to influence the Group's cash flows (see 'Foreign currency risk').

Human capital: Talent attraction, retention, and development

Failure to recruit, sustainably employ, engage, and retain a talented workforce could impact Proximus competitiveness and ability to reach its strategic goals.

The Belgian labour market remains under pressure, with a low unemployment rate especially in the north of the country, leading to a longer time to recruit for a broad range of profiles e.g., field technicians, shop employees or ICT consultants.

To mitigate the risk on talent attraction, Proximus runs various communication actions both on employer branding and recruitment topics (campaigning, 'always on' approaches on

Social Medias, presence on external jobsites, events, ...). Recruitment channels have been diversified: referral by employees (with a reward in case of successful recruitment), internships, student jobs, etc. Proximus also leverages strong ties with external partners such as local agencies and recruiting offices to source needed skills and develop new sourcing pools. The evolution towards Total Talent Management, integrating both internal & external resources, will play a critical role in our sourcing strategy, thanks to the Flecs-MSP Program and its future evolution with the launch of direct sourcing of freelancers.

Our Proximus Ada subsidiary helps Proximus grow its talent pool in Data Science/AI and cybersecurity and our ICT subsidiaries leverage on their strong positioning to attract IT talents. Proximus SA, BICS and Telesign also diversify their talent sourcing geographically, among others through Proximus Doo and Telesign Doo, subsidiaries in Serbia. A successful closing of the Route Mobile transaction would also open new sourcing options in India.

In a context of workforce cost increase (see 'Operating model evolution and cost control' below), failure to adapt the current workforce's skills to ever-evolving needs would hinder Proximus' ability to execute its strategic plan. A Strategic Workforce Planning program and a skills mapping exercise allow Proximus to anticipate recruitment, upskilling and reskilling needs on short and long-term. To secure future-proof skills and to guarantee sustainable employment to existing employees, Proximus invests extensively in training programs and internal mobility, providing many opportunities for upskilling and development. A dedicated project has been started in 2023 to optimize the use of Generative AI for productivity gains, in a secure and ethical way.

Thanks to the focus on internal mobility, 683 employees changed jobs internally in 2023. With the evolution of Proximus as a Group and its internationalization, synergies initiatives between the recruitment teams have been initiated (common job fairs, common projects such as internship) and will be further developed (intragroup referral program, internationalization of the graduate program). The importance of intragroup mobility is gaining in importance with a dedicated framework being setup that will be ready by 2024.

To boost employee engagement, our Think Possible company culture stimulates agile ways of working for more empowerment, customer-centricity, simplification, and innovation. The transformation is supported by dedicated training, thorough internal communication and the daily support of agile coaches, scrum masters and change managers. In October 2023, a new evaluation system and a new remuneration system (i.e., a simpler salary increase system to ease market alignment and an optimized bonus system) in line with the desired cultural transformation have been presented to employees of Proximus SA. Those systemic changes, effective as from 2024, increase the focus on performance, based on mutual trust and clear feedback.

Eligible Proximus SA employees are allowed up to 3 days of homeworking per week. Proximus offers employees a coherent set of user-friendly and secure digital tools that can be used on any device, allowing more flexibility and hybrid ways of working. Specific attention was put on effective hybrid working in the context of the move out of the Proximus Headquarters in the last quarter of 2023. (more information in: 'Campus program'). Diversity, equity and inclusion policies and initiatives further contribute to the employees' well-being and sense of belonging (more information in: 'Social statements').

Operating model evolution and cost controlment

With a challenging socio-economic and geopolitical context and inflation levels that remain high compared to the previous decades, costs need to be managed thoroughly.

Joint ventures, partnerships and an increasingly global footprint are an opportunity to gain scale and reduce operating costs vs standalone operations. This also makes for a more complex Group structure for Proximus that brings higher compliance risks and more third-party risks. The Proximus Group's governance structure and control mechanisms are being adapted gradually to better deal with this increased complexity.

To compensate the general effects of inflation, the Proximus Group implements a strict cost control discipline and cost reduction programs. While being on track for the period 2019-2025 cost reduction ambition, failing to achieve remaining cost efficiencies would lead to a decrease in profitability. Proximus is continuously looking for ways to increase and accelerate the savings realization without adversely affecting customer experience, e.g., through Generative AI solutions. To limit the inflationary pressure, long-term relationships with suppliers, contract protections, advanced ordering, multi-sourcing, and hedging mechanisms are used.

For Proximus SA and its Belgian subsidiaries, the unique Belgian system of automatic salary indexation to protect employees' purchasing power, and Proximus' obligation to index as soon as the pivotal index is reached, led to 2 salary indexations in 2023. Next to strict cost management, Proximus SA is countering this impact via price indexations. Should Proximus' brand power not be strong enough, the inability to compensate part of the cost increase through targeted price increases would weigh on the

margins. Price indexations' potential churn impact is mitigated by a more-for-more strategy and commercial results remained strong after the previous price indexations.

By sharing parts of the mobile network infrastructure with Orange, Proximus benefits from efficiencies in network operations and ensures sustainable investments in new network technologies. Proximus aims for 100% 5G coverage in the 2025-2026 timeframe. Next to unexpected extra costs of maintaining the legacy network and upgrading it to meet capacity demands, significant delays in the RAN swaps could weaken Proximus' mobile leadership position. Proximus closely monitors and follows up on the progress with its partners and suppliers.

Although the telecom sector's resilience has been demonstrated in the past years, a deteriorating economic climate could lead to declining spending of customers in both the Consumer and Enterprise market and higher bad debt. Social tariffs and no-frills offers help keep essential telecom services affordable to all. Struggling customers are offered adapted payment plans. Churn and bad debt evolutions are followed up very closely by management, with no worrying evolutions noted to date.

Inflation can also have a positive commercial impact as Proximus NXT or BICS customers look for digitalization or outsourcing options to reduce their own operating costs.

Belgian telecom market competitive dynamics – residential market

The Belgian market is an evolving market with changing competitive dynamics that might impact market value going forward. Proximus has demonstrated its ability to adapt to changing market conditions in the past. Failure to continue to adapt and mitigate the impact of a changing market structure and pricing dynamics could significantly impact Proximus domestic EBITDA.

As mentioned above (see 'Operating model evolution and cost control'), it is critical for Proximus to maintain its brand strength and the resulting ability to monetize investments and to index prices to compensate for cost increases.

Proximus' Belgian connectivity revenues are at risk from increased competition particularly in Wallonia & Brussels where Proximus has a large market share. Orange Belgium has acquired a majority stake in VOO. Telenet and Orange have respective commercial wholesale agreements providing access to each other's HFC and FTTH networks for a 15-year period, leading to increased convergent competition across the country.

Following the 2022 spectrum auction with conditions favouring a new entrant, Citymesh and Digi joined forces to acquire spectrum and set up a joint venture for the network company to address business and private individuals respectively. Digi Communications Belgium announced its commercial start in 2024. Digi could put pressure on the Belgian telecom consumer prices to gain market share. Digi could also raise expectations on digital customer experience in the sector. In August 2023, Proximus reached an agreement with Digi Communications Belgium and Citymesh Connect on mobile wholesale services and mobile infrastructure. This agreement mitigates the potential revenue impact on the Proximus Group through wholesale revenues.

Proximus' superior fiber technology versus cable helps to mitigate the churn risk in fiber zones and strengthen the brand, reduce exposure to price disruption and maintain pricing power. Proximus has also been consistently improving its multi-play value propositions, and structurally improving customer experience and customer service, translating in NPS gains and reduced churn.

Keen on providing the best mobile experience to its customers, Proximus has kept full control of its core network and spectrum assets. Proximus managed to secure more spectrum, in all bands, than other mobile players during the spectrum auctions of 2022. This strength mitigates the churn and pricing risk for Proximus as it allows Proximus to differentiate and guarantee a superior mobile experience for the next 20 years.

Next to competitive dynamics, evolving customer needs, like the acceleration of the "cord cutting" trend, i.e., customers cancelling their digital TV subscriptions, would impact revenues and customer stickiness as well as cost per digital TV customer due to the high fixed costs. "Over the top" competition (streaming services) drives the cost up for exclusive content. The high quality of Proximus' digital TV offer, the content sharing strategy for sports rights and the partnerships with streaming services mitigate those risks. Network/product superiority and relevant digital services through the Proximus app all contribute to mitigate the risk on customer stickiness and brand relevance.

The multi-brand strategy of Proximus also contributes to the risk mitigation. Scarlet and Mobile Vikings have very strong NPS scores and a convergent offer complementary to the Proximus brand offer. Scarlet addresses the price-sensitive segment and Mobile Vikings offers attractively priced mobile and Internet to young-at-heart digital-savvy customers.

Finally, Proximus domestic financial performance could be impacted by disruptive technologies and new business models. Should Proximus not be able to adapt fast and well enough, it

would impact market shares and profitability. Proximus develops new revenue streams in domestic ICT and in faster growing geographies in the digital communications market to diversify and limit the risk on Proximus' top and bottom line.

Belgian ICT market competitive dynamics – enterprise market

On the domestic B2B mobile market, Proximus enjoys a solid market share. Intensifying price-based competition could lead to lower revenues and margins in the Corporate and Small & Medium Business segments.

Citymesh, as part of European IT company Cegeka, is looking to monetize its mobile spectrum investments, acquired in a joint venture with Digi. The loss of key customers could impact brand perception and Proximus' pricing power. In fixed connectivity, the range of Explore (convergent service platform) and SD-WAN solutions is managed to answer evolving customer needs whilst limiting revenue impact through targeted and proactive migrations to next-gen solutions. Fixed voice erosion could further accelerate and impact revenues and margins beyond current forecasts. Proximus mitigates the telecom churn and value erosion risks through its network leadership, good customer relationship management and a strong portfolio of convergent ICT solutions.

In the cluttered and competitive ICT market, the launch of Proximus NXT in June 2023 creates a strong brand to build a leadership position in the Benelux. Proximus NXT aims to be the preferred technology partner to help enterprise customers address their cybersecurity needs and seize opportunities brought by cloudification, advanced data analytics, Generative AI, etc. Proximus NXT combines the telecom foundations of Proximus with unique ICT expertise and an ecosystem of partners.

Failure to effectively address evolving customer needs, new technologies, and market developments within the enterprise sector in a timely manner, or a failure to introduce competitive products or services, could result in lower revenues and reduced profitability for Proximus NXT. These risks, if realized, would ultimately have a negative impact on the overall financial performance of Proximus, affecting both its top and bottom line.

With the evolving European regulation on Corporate Sustainability and the increasing focus of enterprise customers on ESG, failure by Proximus to meet the required standards could prevent Proximus NXT from getting some contracts or even from participating in a selection process. The Proximus Sustainability governance ensures continuous improvement in ESG, sets high standards for internal teams, and ensures that ESG achievements and commitments of Proximus are properly reflected and communicated to the market.

Regulatory and legal risks

Proximus' policies and procedures are designed to comply with all applicable laws, accounting and reporting requirements, regulations, and tax requirements, including those imposed by foreign countries, the EU, as well as applicable labour laws. The complexity of the legal and regulatory environment in which Proximus operates and the related cost of compliance are both increasing due to additional requirements. Furthermore, foreign, and supranational laws occasionally conflict with domestic laws. Failure to comply with the various laws and regulations as well as changes in laws and regulations or the way they are interpreted or applied, may result in damage to Proximus' reputation, civil and criminal liability, fines and penalties, increased tax burden or cost of regulatory compliance and restatements of Proximus' financial statements. Proximus is subject to significant regulation and supervision, which could require it to make additional expenditures or limit its flexibility, affect its financial results in general and otherwise adversely affect its business.

Proximus may be sued by third parties for infringement of proprietary rights. The telecommunications industry and related service businesses are characterized by the existence of a large number of patents and trademarks. Litigation based on allegations of patent infringement or other violations of intellectual property rights is common. As the number of entrants into the market grows and the overlap of product functions increases, the possibility of an intellectual property infringement claim against Proximus increases. In addition, the Group may be sued for copyright or trademark infringement for purchasing and distributing content through various fixed line or wireless communications and other media, such as through its portals. Any such claims or lawsuits, with or without merit, could be time-consuming, result in costly litigation and diversion of technical and management personnel, cause product shipment delays or delays in the granting of patent applications or require the Group to develop non-infringing technology or to enter into royalty or licensing agreements. Such royalty or licensing agreements, if required, may not be available on commercially reasonable terms or at all.

If a successful claim of product infringement were made against the Group or it could not develop non-infringing technology or license the infringed or similar technology in a timely manner and on a cost-effective basis and commercially reasonable terms, operating revenue and net profit could decline.

The outcome of pending disputes involving Proximus with or before Belgian Government bodies could adversely affect Proximus' operating revenue and net profitof data acquisition, Telesign may not be able to pass that cost increase on to its customers. That would result in reduced profit margin for Telesign. Additionally, Telesign has no direct control over the data quality it acquires from its suppliers which are needed to provide its digital identity services. If the data quality it acquires deteriorates over time, Telesign's coverage may decrease and become irrelevant for the customer.

Environmental risk and climate change

In 2022, Proximus started integrating climate risk structurally into the Enterprise Risk Management (ERM) processes and opted to conduct a separate climate risk process in the years when the ERM exercise is not taking place. In preparation to the Corporate Sustainability Reporting Directive" we performed a double materiality assessment and are reinforcing our processes linked to climate risk.

Proximus has a clear strategy to reduce CO_2 emissions and has put in place a scientifically validated action plan developed based on the new 'Net Zero' standard of Science Based Targets to achieve net zero greenhouse gas emissions by 2040.

Though implementing actions to mitigate climate change is essential, Proximus also needs to take steps to adapt to ongoing and future environmental climate changes. Understanding and (financially) assessing our climate change risks and potential vulnerabilities is key to avoiding disruption to our network and our customers. At the same time, it provides a momentum to reflect on how we can offer more value to society and our customers. Both aspects inform our overall business strategy.

Physical risks as well as risks arising from transitioning to a low carbon economy have been assessed. They were analyzed across three climate scenarios that project three different temperature paths increase: divergent net zero (+1.5°c), delayed transition (+1.8°c) and current policies (+3°C). They were additionally analyzed over three time-horizons: short-term (0-3 years), medium-term (3-10 years) and long-term (10-25 years) in accordance with the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures). The magnitude of impact scales used for the risk assessment was from "low" for impacts with a value less than € 100,000 to "very high" for impacts that exceed € 12.5 M.

In the context of climate change risks, the standard Proximus risk management methodology (1. research and workshops for risks and opportunities identification; 2. analysis of financial, operational, and reputational impact; 3. prioritization and action plans) is applied with the involvement of relevant stakeholders from the Technical, Tax, Legal, Regulatory, HR, Procurement, Strategy, Business operations, and Facilities domains.

An overview of the climate change risks that could have a material financial impact

Risk Causes	Climate change related risk	Policy ambition	Short-term until 2025	Medium-term 2025-2035	Long-term 2035-2050
Policy changes	**1. Introduction of climate change related policies by governments** These policies could result in a price increase, for example by putting a price on CO2 emitted. Extra flat taxes are also a possibility.	1,5°C	Low	High	High
		1,8°C	Low	High	High
		3 °C	Low	Low	Low
Market	**2. Competition for scarce green energy supply** Energy prices have seen a massive price increase due to geopolitical reasons. The move away from fossil fuels also has an influence on pricing of energy as green energy is in high demand.	1,5°C	Medium	High	High
		1,8°C	Medium	High	High
		3 °C	Low	Low	Low
Market	**3. Increased outsourcing & supply chain risk as they are also exposed to climate change impact** Climate change is one of the driving factors influencing the economy. Climate change could trigger pandemics, political uncertainty, raw materials shortage, … with influence on our partners.	1,5°C	Medium	Medium	High
		1,8°C	Low	Medium	High
		3 °C	Low	Medium	Medium
Reputation	**4. External stakeholder perception may not be in line with Proximus efforts** Perceived inactivity/inconsistency of a company with regards to climate change can lead to customer churn, missed sales opportunities, lower demand for products & services, regulatory fines, …. Example: debate around roll-out 5G and climate impact.	1,5°C	Medium	High	High
		1,8°C	Low	Medium	High
		3 °C	Low	Low	Medium
Extreme weather events	**5. Infrastructure damage** Extreme weather events will become more frequent and widespread, even in unexpected areas. These events will cause major disruption and damage to IT systems and assets.	1,5°C	Low	Low	Low
		1,8°C	Low	Medium	Medium
		3 °C	Low	Medium	High

An overview of the short-term climate change opportunities that could have a material financial impact:

Eco smart products & services	**Development of low emission goods & services** There is a growing market interest in products-as-a-service and products with a lower footprint in terms of carbon emissions and material usage.
Eco smart products & services	**Development of new products & services through innovation that can enable customers to reduce their CO_2 emissions** Solutions to decarbonize other sectors create existing and new business opportunities. Use of fiber & 5G as enablers for IoT, Big data & Cloud solutions with a potential to reduce carbon emissions such as smart agriculture, smart building, energy reduction, …

Markets	**Green financing** New opportunities can also be captured through underwriting or financing green bonds and infrastructure (e.g., low-emission energy production, energy efficiency, grid connectivity, or transport networks)
Reputation	**Talent attraction** Talent is moving to sustainable companies: the majority of younger generations want to work for a company with strong sustainability/ESG action.

Approach of Proximus regarding the identified risks:

1. Introduction of climate change related policies by governments

We track regulatory development to be able to comply with existing laws, such as the relevant aspects of the EU green deal. We assess the impact of these emerging regulations, across operations, supply chains and jurisdictions. In 2022, we made progress towards assessing EU taxonomy alignment and started implementing the recommendations of the Task Force on Climate-Related Financial Disclosures. This information can be found respectively at page 68 and 74.

The most important action for mitigating this impact is ensuring our net-zero action plan is fully implemented. Proximus is proud that its near-term and long-term greenhouse gas emissions reduction targets have been validated by the Science Based Targets initiative (SBTi). Proximus commits to reduce its absolute scope 1 and 2 greenhouse gas emissions by 95% by 2030 and to maintain a minimum of 95% reduction through 2040 (from a 2020 base year). To this end, Proximus will eliminate fossil fuels from its fleet and buildings and continue sourcing 100% renewable electricity. At the same time, Proximus is working on energy-efficiencies throughout its technical buildings, mobile & fixed network, and data centers. Proximus also commits to further reduce absolute scope 3 greenhouse gas emissions by 60% by 2030 and by 90% by 2040 (from a 2020 base year). These are very ambitious targets knowing that scope 3 greenhouse gas emissions, which include all indirect activities throughout the value chain, represented 94% of the company's CO_2 emissions last year. To reach this ambitious objective, Proximus is reaching out to its suppliers to encourage them to set SBTi validated targets, source renewable energy and implement a decarbonization pathway. Proximus' circular ambition and implementation of circular principles, like eco-design, repair, refurbishment and lifecycle extension will further open the pathway to achieving its net-zero ambition.

2. Competition for scarce green energy supply

The electricity prices worldwide have skyrocketed in recent months due to geopolitical factors. Climate change is also undoubtedly one of the factors influencing the price. The forced move away from fossil fuels additionally implies a lower guarantee of continuously delivered electricity. Proximus has committed to use only green electricity is already using 100% green electricity today. To mitigate the supply risk, by 2026, we will work with more local electricity sources through investments in a Power Purchase Agreement, long-term partnerships with Belgian wind and solar plants that match our consumption patterns. We will continue to invest in energy efficiency measures. For example, in the next five years, data traffic is expected to increase by 400%, a growth of about 35% per year, resulting in increased energy consumption. To keep the electrical energy consumption flat despite the growing demand, we will implement network energy-saving initiatives.

3. Increased outsourcing & supply chain risk as they are also exposed to climate change impact

Proximus depends on the partnership with its suppliers to provide the equipment needed to ensure business continuity and a sustainable supply chain. Thus, working with suppliers that could fail to meet Proximus needs, or depending too much on few specific suppliers, may lead to delayed or failed deliveries, loss of revenue, regulatory fines or damage to our reputation. Therefore, we analyse trends in supply and demand for products and services and adapt our offers accordingly. We scan the market for products and services that could help Proximus reach its climate targets. In this regard, we evaluate future acquisitions. We also engage with suppliers and customers. With the biggest remainder of our carbon footprint residing across our value chain, to achieve our net zero ambition by 2040, we will continue to work closely with our suppliers. We will encourage them to reduce their carbon footprints and secure more sustainable supply chains themselves. We already screen the sustainability performance

of our suppliers through the Joint Alliance for CSR (JAC) and EcoVadis. We have a strict follow-up of critical supplier contractual liability through a holistic Supplier Code of Conduct (SCoC) and rigid Service Level Agreement (SLA) clauses. We are sourcing sustainably: the sustainability component counts for 20% of the tenders we issue. And lastly, through our Supplier Engagement Program, we set detailed expectations and KPIs for our suppliers and implement clear, binding commitments.

4. External stakeholder perception may not be in line with Proximus efforts

We regularly monitor the evolution of our reputation through market research. We put our circularity and CO2 reduction efforts forward in our corporate communication, in our commercial advertising, in our shops, on our packaging, etc. Sustainability is also a cornerstone of our employer brand. Through internal communication, we turn our employees into ambassadors. And finally, we also communicate our progress on Environmental KPI's on a periodic basis (at least annually) to investors and analysts.

The above-mentioned validation of our targets by the Science Based Targets initiative (SBTi), our internal sustainability governance and Board oversight (more information in: 'Sustainability governance') add to our credibility. Regular stakeholder dialogue allows us to focus our actions and communication efforts on the most material topics for our stakeholders.

Through MyFootprint available on our MyProximus app, we invite our residential customers to track and reduce their own carbon footprint. We engage with peers, public authorities, Belgian enterprise federations (e.g., Agoria) and international sector associations (e.g. ETNO) to encourage collective action and to put forward the positive role of our sector in helping companies and public authorities reduce their environmental footprint. Striking examples are our Smart energy, Smart buildings, or Smart mobility solutions.

To preserve our reputation, all our carbon abatement claims must be supported by credible and verified calculation procedures.

5. Infrastructure damage

Climate change is one of the driving factors influencing extreme weather events. In the coming years, extreme weather events will become more frequent and widespread, devastating areas that typically do not experience them and amplifying the destruction in areas that do.

These events could cause major disruption and damage to IT systems and assets. Data centres could be significantly impacted, and critical infrastructure could be put at risk. To anticipate and implement measures to protect Proximus infrastructure against these extreme weather events, we use expert input from scientists, such as the OFDA/CRED International Disaster Database (http:// www.emdat.be) and Université Catholique de Louvain, as well as performing our own annual climate change scenarios risk assessment analysis.

Operational risks

Operational risk relates to risks arising from systems, processes, people and external events that affect the operation of Proximus' businesses. It includes product life cycle and execution; product safety and performance; information management, data protection and cyber security; business continuity; supply chain; and other risks, including human resources and reputation risks. Depending on the nature of the risk involved and the business or function affected, Proximus uses a wide variety of risk mitigation strategies, including adverse scenario stress tests, back-up/business- continuity plans, business process reviews, and insurance.

Proximus' operational risk measurement and management relies on the Advanced Measurement Approach (AMA) methodology. A dedicated "as-if" adverse scenario risk register has been developed to make the stress tests relevant.

Proximus is covered by extended general and professional liability, property damage and business interruption insurance, as well as by a dedicated cyber security insurance program.

Nevertheless, these insurance programs may not provide indemnification should the traditional insurance exclusions (non-accidental event) apply.

The most prominent examples of operational risk factors are explained below:

- Resilience and business continuity
- Security (confidentiality, integrity, availability)
- Data protection and privacy
- Sourcing and supply chain reliability
- Legacy network infrastructure

Resilience and business continuity

Business Continuity Management is developing its ability to detect, prevent, minimize, and deal with the impact of disruptive events so that business critical services and functions can be operated at an acceptable level. The approach is in line with the good practice standards and Belgian regulations on telecom and critical infrastructure. This is achieved via the development of business continuity plans at corporate level for threats like power interruptions, ransomware attack or natural disasters linked to climate change. Building and ensuring the resilience of our network, platforms and IT systems remains a top priority to minimize the customer impact in case of incidents. These priorities are managed by the corresponding business units. The business continuity board is the steering committee which defines the priorities, the scope and validates the outcome. The level of preparedness is submitted annually to the Audit and Compliance Committee.

Security

The escalating global cyber threats, along with the rise of increasingly sophisticated and targeted cyber-attacks pose a risk to the security of Proximus as well as its customers, partners, suppliers, and third-party service providers in terms of products, services, business flows, systems and networks. The confidentiality, availability, and integrity of the data of Proximus and its customers are also at risk.

We are taking the necessary actions and making investments to mitigate those risks by employing several measures, including employee awareness and training, security-by-design, security testing, protective measures, detective measures and maintenance of contingency plans.

Proximus cyber security program sets important emphasis on Identity & Access Management, for privileged users, business users, partners, and vendors, on securing Proximus critical infrastructure such as API, private and public clouds and DDoS protection, on protecting against advanced disruptive malware (such as ransomware) and extending the monitoring and detection capabilities. Artificial Intelligence and Machine Learning capabilities are increasingly used in Proximus' cyber security.

Besides that, Proximus invests in threat intelligence and security incident response. Moreover, Proximus operates several Malware Information Sharing Platforms (MISP) that enable the collection and sharing of structured information on cybersecurity threats. Proximus actively participates in various cross-industry and international expert groups to stay updated on the latest threats. Collaboration is established in the expert groups of the European Telecom Operators platform (ETIS), GSMA, the Belgian Cyber Security Coalition and FIRST.

Furthermore, Proximus also acts to protect its customers against fraud. With the support of the government, Proximus invests in anti-phishing and anti-fraud platforms (SMS, email, interconnect security)..

Data protection and privacy

Data protection laws exist to strike a balance between the rights of individuals to privacy and the ability of organizations to use personal data for business purposes. Keeping personal data confidential and secure remains a top priority for Proximus.

Proximus began its GDPR compliance journey with a GDPR readiness assessment conducted by an external company back in 2016. Since this exercise, Proximus has continued improving its GDPR compliance.

Proximus has been using the functionalities and capabilities of the Collibra data governance tool to meet certain compliance requirements under GDPR, e.g., implementing a register of processing activities.

To ensure that privacy considerations are embedded within its business activities, Proximus has appointed Privacy Ambassadors within the different business units to provide support to the legal department and DPO office in screening privacy sensitive initiatives. In view of the privacy by design principle, Proximus is constantly improving its Privacy Review Process to ensure privacy risks are identified early on and swiftly acted upon.

As part of rendering the management of data subject requests more efficient, Proximus has implemented the use of semi-automated solutions. Our customers can continue to indicate their privacy preferences within the privacy settings of the MyProximus app and website.

Proximus carefully handles and documents the complaints it receives regarding the protection of its customers' data, which come from the following sources:

- Concerned customers themselves
- Consumer organizations such as Test Aankoop/Test Achats
- Bodies such as the Belgian Data Protection Authority or the Belgian Telecom Mediation Service

Sourcing & Supply chain

Proximus depends on the partnership with its suppliers to provide the equipment needed to ensure business continuity and a sustainable supply chain. Global instability, logistics disruptions, energy crisis, climate induced natural disasters, etc. increases the risk on our supply chain resilience.

Any breach of relevant legislation or non-compliance with international standards for human rights by our suppliers could lead to legal action and negatively impact Proximus' reputation.

Risk mitigation is done via multi-sourcing, tier 2 management, improved inventory management (advanced ordering, better forecasts, etc.), demand reduction and product and process reengineering. Thanks to enhanced Supplier Relationship Management (SRM) we continuously assess risks together with the partnering supplier, hence reducing vulnerability and ensuring continuity. The relationship with key suppliers is assessed and documented by means of meeting minutes and surveys, which lay down the common strategies.

We continuously monitor risks through a SCRM by Sphera, alerting the appropriate stakeholder in any case of disruption in the supplier chain.

EcoVadis conducts sustainability performance evaluations, risk assessments, and audits for national direct suppliers, while major global suppliers undergo these processes through the Joint Alliance for CSR (JAC) initiative.

We strictly follow-up on critical suppliers' contractual liability through our Supplier Code of Conduct and Service Level Agreement clauses.

Thanks to our active monitoring and risk mitigation actions, Proximus' supply chain has proved resilient in previous crises and financial impact was limited.

Legacy Network Infrastructure

In 2004, Proximus was the first operator in Europe to launch an ambitious fiber-to-the-curb program, paving the way for the subsequent national Fiber-to-the-Home network roll-out. And today, we are among the world's top five operators for the proportion of fiber in its VDSL network, with tens of thousands of kilometers of optical fiber connecting its street cabinets and a massive increase in the number of kilometers in the access part of the network.

With the rise in customer needs, we see for the coming year a continuous increase of data consumption on our networks, and this is at far higher speeds than in the past. This is why Proximus is pursuing an aggressive multi-gigabit strategy, with the ambition to leverage more and more fiber and 5G to deliver relevant services to our customers. In this context, the relevance of copper will gradually decrease.

The fast pace of fiber deployment and adoption allows us to consider decommissioning our copper in the future and, as such, be in a position to realize substantial savings in terms of power consumption and maintenance and avoid having to replace this ageing technology.

Risk Management & Compliance Committee

In 2023, the Risk Management and Compliance Committee (RMC) held four sessions. The related decisions were reported to the Leadership Squad and the Audit & Compliance Committee. RMC meetings provide an opportunity to review files in which decisions must be taken by finding a balance between risk taking and cost, in line with the Group's risk appetite.

Proximus has general response strategies for managing risks, which categorize them according to whether the company will avoid, transfer, reduce or accept the risk. These response strategies are tailored to ensure that risks are within acceptable risk and compliance guidelines.

The RMC's objectives are:

- To oversee the company's most critical enterprise and operational risks and how management is monitoring and mitigating those risks.
- To enhance pending/open internal audit action points which remain open for more than six months.

A disciplined approach to risk is key in a fast-moving technological and competitive environment to ensure that Proximus only accepts risk which it is adequately compensated for (risk/return optimization).

Since 2022, sustainability topics including climate change risks have been included on the agenda of the Risk Management Committee.

Internal Audit

In line with international best practices requirements, Proximus' internal audit function forms an integral part of the Internal Risk Management and Control System and provides assurance to the Audit and Compliance Committee concerning the "in- control status" of the Proximus Group segments/units/entities and processes. Internal Audit provides independent analyses, appraisals, recommendations, counsel, and information to both the Audit and Compliance Committee and Proximus Management. Therefore, the objectives of the Internal Audit, using COSO, The Institute of Internal Auditors standards and other professional frameworks, are to ensure:

- Effectiveness and adequacy of internal controls
- Operational effectiveness (doing it right) and/or efficiency (doing it well)
- Compliance with laws, regulations, and policies
- The reliability and the accuracy of the information provided

Internal Audit helps Proximus Group to accomplish these objectives through its systematic, disciplined approach to evaluating and improving the effectiveness of risk management and control and governance processes.

Internal Audit's activities are based on a continuous evaluation of perceived business risks, and it has full and unrestricted access to all activities, documents/records, properties and staff. The Internal Audit Lead has a reporting line to the Chairman of the Audit Committee.

Quarterly Audit activity reports are submitted and discussed with the Audit and Compliance Committee.

Since 2020, Proximus Internal Audit department, in accordance with IIA Standard 1312 - External Quality Assessment, has been certified by IFACI/IIA.

Financial reporting risks

In the area of financial reporting, besides the general enterprise risks impacting the financial reporting the main risks identified include new transactions and evolving accounting standards, changes in tax law and regulations, and the financial statement closing process.

New transactions and evolving accounting standards

New transactions can have a significant impact on the financial statements, either directly in the income statement or in the notes. Inappropriate accounting treatment can result in financial statements which fail to provide a true and fair view. Changes in legislation (e.g., pension age, customer protection) can also significantly impact the reported financials. New accounting standards may require the gathering of new information and the adaptation of complex (billing) systems. If not adequately foreseen, the timeliness and reliability of the financial reporting could be jeopardized.

It is the responsibility of the Corporate Accounting department to follow developments in the area of evolving standards (both local General Accepted Accounting Principles (GAAP) and International Financial Reporting Standards (IFRS)).

Changes are identified and the impact on Proximus' financial reporting is proactively analyzed.

For each new type of transaction (e.g., new product, new employee benefit, business combination), an in-depth analysis is conducted from the point of view of financial-reporting, risk-management, treasury, and tax. In addition, the development requirements for the financial systems are defined in a timely manner and, in compliance with internal and external standards, are systematically analyzed. Emphasis is on the development of preventive controls and setting up reporting tools that enable a posteriori control. The Audit and Compliance Committee (A&CC) and the Leadership Squad are informed on a regular basis about new and upcoming financial reporting standards and their potential impact on Proximus' financials.

Changes in tax law and regulations

Changes in tax laws and regulations (corporate income tax, VAT, etc.) and their application by the tax authorities can significantly impact the financial statements. To ensure compliance, it is often necessary to set up additional administrative processes within a short timeframe, to collect relevant information or run updates on existing IT systems (e.g., billing systems).

The tax department continuously monitors potential changes in tax law and regulations, as well as interpretations of existing tax laws by the tax authorities. Based on laws, doctrine, case law and political statements as well as available draft laws, etc., a financial and operational impact analysis is performed. The outcome of the analysis is reflected in the corresponding financial statements, in accordance with the applicable framework.

The complexity of the legal and regulatory environment in which we operate, and the related cost of compliance are both increasing due to additional requirements. Furthermore, foreign and supranational laws occasionally conflict with

domestic laws. Failure to comply with the various laws and regulations, changes in laws and regulations or the way they are interpreted or applied, may result in damage to our reputation, liability, fines and penalties, increased tax burden or cost of regulatory compliance and impact our financial statements.

Financial statement closing process

The delivery of timely and reliable financial statements remains dependent on an adequate financial statement closing process.

Clear roles and responsibilities in the closing process of the financial statements have been defined. During the monthly, quarterly, half-yearly and annual financial statement closing processes, there is continuous monitoring of the various steps. In addition, different controls are performed to ensure quality and compliance with internal and external requirements and guidelines.

For Proximus and its major subsidiaries, a highly detailed closing calendar is drawn up, which includes a detailed overview of cross-divisional preparatory meetings, deadlines for ending specific processes, exact dates and hours when IT sub-systems are locked, validation meetings and reporting deliverables.

For every process and sub-process, different controls are performed, including preventive controls, where information is tested before being processed, and detective controls, where the outcome of the processing is analyzed and confirmed.

Special attention is paid to reasonableness tests, where financial information is analyzed against underlying operational drivers, and coherence tests, where financial information from different areas is brought together to confirm results or trends, etc. Tests on individual accounting entries are performed for material or non-recurrent transactions. The combination of all these tests provides sufficient assurance on the reliability of the financials.

Internal control system

The Proximus Board of Directors is responsible for the assessment of the effectiveness of the systems for internal control and risk management.

Proximus has set up an internal control system based on the COSO model, i.e. the integrated internal control and enterprise risk management framework published by the Committee of Sponsoring Organisation of the Treadway Commission ("COSO") for the first time in 1992 and updated in May 2013. This COSO methodology is based on five areas: the control environment, risk analysis, control activities, information & communication and monitoring.

Proximus' internal control system is characterized by an organization with a clear definition of responsibilities, next to sufficient resources and expertise, and also appropriate information systems, procedures and practices. Proximus cannot guarantee that this internal control will be sufficient in all circumstances as risks of misuse of assets or misstatements can never be totally eliminated. However, Proximus organizes a continuous review and follow-up of all the components of its internal controls and risk management systems to ensure they remain adequate.

Proximus considers the timely delivery to all its internal and external stakeholders of complete, reliable and relevant financial information in conformity with International Financial Reporting Standards (IFRS) and Belgian Generally Accepted Accounting Principles (BGAAP). Therefore, Proximus has organized its internal control and risk management systems over its financial reporting in order to ensure this objective is met.

Control environment

Organization of internal control

In accordance with the bylaws, Proximus has an Audit & Compliance Committee (A&CC) (see caption Independence and expertise in the accounting and audit domain of at least one member of the Audit and Compliance Committee'). Its role is to assist and advise the Board of Directors in its oversight on (i) the financial reporting process, (ii) the efficiency of the systems for internal control and risk management of Proximus, (iii) the Proximus' internal audit function and its efficiency, (iv) the quality, integrity and legal control of the Proximus statutory and the consolidated financial statements, including the follow up of questions and recommendations made by the auditors, (v) the relationship with the Group's auditors and the assessment and monitoring of the independence of the auditors, (vi) Proximus compliance with legal and regulatory requirements, (vii) the compliance within the organization with the Proximus' Code of Conduct and the Dealing Code.

The A&CC meets at least once every quarter.

Ethics

The Board of Directors has approved a Corporate Governance Charter and a Code of Conduct "A Socially Responsible Company".

All employees must perform their daily activities and their business objectives according to the strictest ethical standards and principles, using the Group values (Collaboration, Agility and Accountability) as guiding principle.

The Code "A Socially Responsible Company", which is available on www.proximus.com, sets out the above-mentioned principles, and aims to inspire each employee in his or her daily behaviour and attitudes. The ethical behaviour is not limited to the text of the Code. The Code is a summary of the main principles and is thus not exhaustive.

In addition, Proximus in general, and the Finance department in particular, has a tradition of a high importance to compliance and a strict adherence to a timely and qualitative reporting.

Policies and procedures

The principles and the rules in the Code "A Socially Responsible Company" are further elaborated in the different internal policies and procedures. These Group policies and procedures are available on the Proximus intranet-sites. Every policy has an owner, who regularly reviews and updates if necessary. Periodically, and at moment of an update, an appropriate communication is organized.

In the financial reporting domain, general and more detailed accounting principles, guidelines and instructions are summarized in reference material available on the Proximus intranet-sites. In addition, the Corporate Accounting department regularly organizes internal accounting seminars to update finance and non-finance staff on accounting policies and procedures.

Roles & responsibilities

Proximus' internal control system benefits from the fact that throughout the whole organization, roles and responsibilities are clearly defined. Every business unit, division and department has its vision, mission and responsibilities, while on individual level everybody has a clear job description and objectives.

The main role of the Finance Division is to support the divisions and affiliates by providing accurate, reliable and timely financial information for decision making, to monitor the business profitability and to manage effectively corporate financial services.

The team of the Corporate Accounting department assumes this accounting responsibility for the mother company Proximus and the major Belgian companies. They also provide the support to the other affiliates. For this centralized support, the organization is structured according to the major (financial) processes. These major processes include capital expenditures and assets, inventories, contracts in progress & revenue recognition, financial accounting, operational expenditures, provisions & litigations, payroll, post-employment benefits and taxes. This centralized support, organized around specific processes and IFRS standards, allows for in depth accounting expertise and ensures compliance with group guidelines.

The consolidation of all different legal entities into the Consolidated Financial Statements of the Proximus Group is done centrally. The Consolidation department defines and distributes information relating to the implementation of accounting standards, procedures, principles and rules. It also monitors changes in regulations to ensure that the financial statements continue to be prepared in accordance with IFRS, as adopted by the European Union. The monthly instructions for consolidation set forth not only the schedules for preparing accounting information for reporting purposes, but also includes detailed deadlines and items requiring particular attention, such as complex issues or new internal guidelines.

Skills & expertise

Adequate staffing is a matter to which Proximus pays careful attention. This requires not only sufficient headcount, but also the adequate skills and expertise. These requirements are taken into account in the hiring process, and subsequently in the coaching and formation activities, facilitated and organized by the Proximus Corporate University.

For financial reporting purposes, a specific training cycle was put in place, whereby junior as well as senior staff have to participate mandatory. These internally and externally organized accounting seminars cover not only IFRS but local accounting rules & regulations, Tax and Company law & regulations as well. In addition, the knowledge and expertise is also kept up to date and extended for more specific domains for which staff is responsible (revenue assurance, pension administration, financial products, etc.) through attendance to seminars and self-study. Furthermore, employees also attend general training session on Proximus new business products & services.

Risk analysis

Major risks and uncertainties are reported in the caption 'Risk Management'.

Risk mitigating factors and control measures

Mitigating factors and control measures are reported in the caption 'Risk management.

Information and communication

Financial reporting IT systems

The accounting records of Proximus and most of its affiliates are kept on large integrated IT systems. Operational processes are often integrated in the same system (e.g. supply chain management, payroll). For the billing systems, which are not integrated, adequate interfaces and a monitoring system have been developed. For the consolidation purposes, a specific consolidation tool is used.

The organizational set-up and access management are designed to support an adequate segregation of duties, prevent unauthorized access to the sensitive information and prevent unauthorized changes. The set-up of the system is regularly subject to the review by the internal audit department or external auditors.

Effective Internal communication

Most of the accounting records are kept under IFRS as well as local GAAP. In general, financial information delivered to management and used for budgeting, forecasting and controlling activities is established under IFRS. A common financial language used throughout the organization positively contributes to an effective and efficient communication.

Reporting and validation of the financial results

The financial results are internally reported and validated on different levels. On the level of processes, there are validation meetings with the business process owners. On the level of the major affiliates, a validation meeting is organized with the accounting and controlling responsible. On Proximus group level, the consolidated results are split per segment. For every segment, the analysis and validation usually include comparison with historical figures, as well as budget-actual and forecast-actual analysis. Validation requires (absences of) variances to be analyzed and satisfactorily explained.

Afterwards, the financial information is reported and explained to the leadership squad (monthly) and presented to the A&CC (quarterly).

Supervision and assessment of internal control

The effectiveness and efficiency of the internal control are regularly assessed in different ways and by different parties:

- Each owner is responsible for reviewing and improving its business activities on a regular basis: this includes a.o. the process documentation, reporting on indicators and monitoring of those.
- In order to have an objective review and evaluation of the activities of each organization department, Proximus' Internal Audit department conducts regular audits across the Group's operations. The independence of Internal Audit is ensured via its direct reporting line to the Chairman of the A&CC. Audit assignments performed may have a specific financial processes scope but will also assess the effectiveness and efficiency of the operations and the compliance towards the applicable laws or rules.
- The A&CC reviews the quarterly interim reporting and the specific accounting methods. The main disputes and risks facing the Group are considered; the recommendations of internal audit are followed-up; the compliance within the Group with the Code of Conduct and Dealing Code is regularly discussed.
- Except for some very small foreign affiliates, all legal entities of the Proximus Group are subject to an external audit. In general, this audit includes an assessment of the internal control, and leads to an opinion on the statutory financials and on the (half-yearly and annual) financials reported to Proximus for consolidation. In case the external audit reveals a weakness or identifies opportunities to further improve the internal control, recommendations are made to management. These recommendations, the related action plan and implementation status are at least annually reported to the A&CC.

Expertise of the Audit & Compliance Committee members

Proximus has an Audit & Compliance Committee which consists of five non-executive directors, the majority of whom must be independent. In line with its charter, it is chaired by an independent director.

A majority of the members of the Audit & Compliance Committee has extensive expertise in accounting and audit. The Chairwoman of the Audit & Compliance Committee, Mrs. Catherine Vandenborre, holds a degree in Business Economics as well as degrees in Tax and Financial Risk Management. The Chairwoman and the majority of the members exercised several board or executive mandates in large Belgian or international companies.

Evolution in research and development activities

Proximus is dedicated to exploring and developing future-defining technologies. Our commitment extends to actively engaging in an open innovation approach, fostering close collaboration with customers, suppliers, and partners. Through partnerships, we consistently broaden and stimulate our research and development efforts conducted in various Proximus labs, skilfully led by our innovation teams.

Proximus Ada

In 2023, Proximus Ada continued its development, positioning itself as a center of excellence in artificial Intelligence (AI) and cybersecurity. It is designed to be a pillar of innovation and a center of expertise for all the companies in Proximus Group.

In AI, Proximus Ada leveraged the rise of Generative AI and conducted research on various Large Language Model (LLM) applications for Proximus and external customers.

More information in: 'Engineer technology assets to enable digital ecosystems'.

AI and Generative AI

Building on the AI experience of Proximus Ada and the cloud expertise of Codit, Proximus has launched an AI offer for enterprise customers through open innovation. We help customers develop AI projects in three key domains: **Generative AI, anomaly detection & forecasting, and computer vision**. Our support ranges from discovery training to the rollout of complex AI solutions. Read, for instance, the example below on the computer vision-assisted inventory management solution. Proximus has also embraced **Generative AI** apps to support the productivity of its employees, boost customer experience, and drive innovation. Multiple projects leveraging Generative AI technology include enhancing search engines of internal applications, and assisting in various tasks, such as writing, correction, summarization, and text translation. Additionally, the company is enhancing its Proximus Digital Assistant chatbot to provide better customer experience.

5G, a driver of innovation

On 5G, we are developing technological innovations that will lead to new opportunities for our customers. An example of this is 5G slicing that we developed with our partners Nokia & Ericsson. In 2023, our 5G innovation lab successfully tested the first use case of **5G slicing**, demonstrating its potential for real-world applications such as emergency services.

Furthermore, we believe in empowering our customers and partners by providing them with live testing environments to stimulate the development of **innovative 5G use cases**. In addition to its existing 5G innovation Hubs - A6K in Wallonia, Howest University of Applied Sciences and Fabriek Logistiek - Proximus also set up a new 5G Hub in partnership with VIVES University of Applied Sciences in July 2023.

In 2023, we explored 12 new 5G use cases. More information in: 'Grow profitably locally and globally through strong brands'.

A very telling use case we implemented in 2023 is the launch of Wallonia's first warehouse management project using a **drone coupled with 5G and artificial intelligence**. Proximus teamed up with several partners to develop a computer vision-assisted inventory management solution that will make it possible for the first time to fly a drone autonomously into a covered storage warehouse, so that relevant, real-time information can be transmitted to the company's stock manager.

In the field of drones, we are continuing to develop our partnership with Helicus for the future implementation of Beyond Visual Line of Sight (BVLOS) medical drone flights. We will further focus on the implementation of real use cases in the area of image and video processing, analytics and edge computing.

Quantum technology

Quantum technology will play an essential role in cybersecurity. Today, Proximus is part of an ecosystem that includes industrial partners and academic experts, and that is working on the contribution of quantum research to strengthening data protection and network security. This ecosystem also aims to unite stakeholders across various domains of quantum technology and to inform the market about the possibilities of this promising field.

Proximus is advancing the development of **Quantum Safe Networks** through Quantum Communications. Our approach combines Quantum Key Distribution (QKD) and Post-Quantum cryptography (PQC) to further strengthen network security. In 2023, we achieved a major milestone by validating the first quantum-safe network on a production fiber network in Belgium, showcasing our leadership in quantum technology.

To develop our employees' skills for the future, we have launched a learning program called 'Quantum Discovery Track'. As of 2023, proficiency in quantum technology was achieved by at least 70 Proximus employees.

Smart solutions

Together with its partners, Proximus delivers end-to-end solutions enabling its customers to innovate by connecting applications and devices, aggregating different data streams, providing insights into their data, and automating processes.

Smart health

Proximus actively participates in various innovative projects in healthcare. This includes monitoring for heart failure patients at the ASZ hospital, preventive care at IDEWE Group, and the exploration of extended reality with projects in Virtual Reality for training purposes and Augmented Reality to support remote assist use cases. A notable use case is the launch of the 5G connected ambulance at UZ Brussel, where caregivers wear smart glasses to support telemedicine. Surgeons also utilize smart glasses to stream surgeries via a Proximus 5G connection to the outside world.

Smart building and smart energy

In response to the challenge of climate change, Proximus provides IoT and data analytics solutions to assist customers in making smarter use of energy and reducing their carbon

footprints. Our focus on the energy transition, particularly the role of buildings in creating a more sustainable world, is at the heart of our initiatives. This is why we collaborate with experienced partners such as Digital HQ and Aug.e, to offer a broad range of smart building solutions to our customers.

Furthermore, our solutions contribute to creating smart workplaces for customers, enhancing the comfort and well-being of their employees.

Sovereign Cloud

To address customer concerns about protecting their data, Proximus has strengthened its strategic focus on sovereign cloud solutions. These solutions allow customers to fully benefit from the advantages of the cloud, while substantially increasing the protection of the data and preventing 3rd party access, including access by the cloud provider.

In 2022, Proximus was one of the first operators in the world selected by Microsoft to create a sovereign cloud. In March 2023, Proximus and Google Cloud joined forces to establish a highly secure sovereign cloud. A first in Europe. This Google platform, aimed to be physically isolated (i.e. not connected to the public cloud or the internet), will be hosted in the data centers of our partner LuxConnect and operated by Proximus, through the Clarence joint venture

Internal initiatives supporting innovation

The **Design Thinking Center of Excellence** is a dedicated team of Design Thinking specialists. They translate the Design Thinking methodology for employees and design standardized tools to scale its implementation within the organization. Annually, they train 900 employees and offer coaching for an average of 16 strategic projects.

The **Innovation Accelerator** is about identifying and supporting innovative initiatives that have the potential to become new revenue sources, particularly in fields adjacent to our core business. This accelerator places a premium on initiatives with long-term growth potential, prioritizing foresight over immediate impact.

The **Proximus Innovation Committee** is a central hub for innovation within the company, fostering internal alignment and promoting collaboration and knowledge sharing. The Committee also handles collaboration opportunities and funding requests from external organizations. This dual role makes it a key contributor to Proximus' innovation strategy, integrating both internal and external innovation efforts.

The **Customer Experience Challenge** is an annual company-wide hackathon that encourages cross-departmental collaboration to generate innovative ideas and enhance customer experience. The 2023 theme was "Delighting our customers, boosting NPS," with a focus on the Residential and SME segments.

The **Proximus Innovation Challenge** is a series of hackathons where participants with diverse backgrounds collaborate to generate new ideas, share a learning journey and develop prototypes with business value in just a few days. In 2023, HackaWatt, the hackathon dedicated to energy efficiency was organized in partnership with MolenGeek.

International operations

BICS

BICS continuously invests in advancing its global communication solutions portfolio addressing both telco, enterprise and cloud segments.

Today, BICS is focusing its R&D on delivering 5G services, (e)SIM and IoT technology, digital communication services and strong fraud, security and analytics offering. BICS continues to monitor market evolution and customer needs to enhance its services, features and overall product portfolios.

A range of innovations are being developed at BICS at, including its 5G Standalone Roaming Hub, which announced its first full service 5G Standalone connection in October 2023.

More information in: 'Grow profitably locally and globally through strong brands'.

Telesign

Telesign's research and development efforts are focused primarily on building industry-leading digital identity solutions, addressing all primary use cases, enhancing deployment flexibility, and providing seamless integration across cloud and on-premises applications. Telesign regularly releases updates to its services which incorporate new features and enhance existing ones.

In 2023, Telesign has extended its research and development initiatives with the introduction of the Breached Data product. This innovative addition to Telesign's Identity product family involves scanning the Dark Web to catch intrusions and protect identities. The Breached Data product enables customers to determine if and when a phone number – and any associated data – has been compromised in a breach. The goal is to help our customers proactively prevent account takeovers, fake users, and synthetic identity fraud before financial, operational, or reputational loss occurs.

Other information

Rights, commitments and contingencies as of 31 December 2023

Disclosures related to rights, commitments and contingencies are reported in note 34 of the consolidated financial statements.

Diversity & Inclusion Statement

Diversity & Inclusion Statement is reported in chapter CH3. Governance & Compliance of the Annual report.

Use of financial instruments

Disclosures related to the use of financial instruments are reported in note 32 of the consolidated financial statements.

Circumstances which may considerably impact the development of the Group

Circumstances which may considerably impact the development of the Group are reported in the sections "Risk Management" and "Internal Control" of this management report.

Treasury shares

Disclosures related to treasury shares are reported in note 18 of the consolidated financial statements.

Capital management

The purpose of the Group's capital management is to maintain net financial debt and equity ratios that allow for security of liquidity at all times via flexible access to capital markets, in order to be able to finance strategic projects and to offer an attractive remuneration to shareholders.

Over the two years presented, the Group did not issue new shares or any other dilutive instruments.

Post-balance sheet events

Disclosures related to post-balance sheet events are reported in note 39 of the consolidated financial statements.

On behalf of the Board of Directors,

Brussels, 22 February 2024

Guillaume Boutin
Chief Executive Officer

Stefaan De Clerck
Chairman of the Board of Directors

Auditor's reports

Statutory report of the joint auditors to the shareholders' meeting of Proximus NV van publiek recht / Proximus SA de droit public for the year ended 31 December 2023 - Consolidated financial statements

In the context of the statutory audit of the consolidated financial statements of Proximus NV van publiek recht / Proximus SA de droit public ("the company") and its subsidiaries (jointly "the group"), we hereby submit our statutory audit report. This report includes our report on the consolidated financial statements and the other legal and regulatory requirements. These parts should be considered as integral to the report.

We, members of the joint auditors, were appointed in our capacity as statutory auditor by the shareholders' meeting of 20 April 2022, in accordance with the proposal of the board of directors issued upon recommendation of the audit and compliance committee. Our mandate will expire on the date of the shareholders' meeting deliberating on the financial statements for the year ending 31 December 2024. Deloitte Bedrijfsrevisoren / Réviseurs d'Entreprises BV/SRL has performed the statutory audit of the consolidated financial statements of Proximus NV van publiek recht / Proximus SA de droit public for 14 consecutive periods. Luc Callaert BV/SRL has performed the statutory audit of the consolidated financial statements of Proximus NV van publiek recht / Proximus SA de droit public for 2 consecutive periods.

Report on the consolidated financial statements

Unqualified opinion

We have audited the consolidated financial statements of the group, which comprise the consolidated balance sheet as at 31 December 2023, the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated balance sheet shows total assets of 11 153 million EUR and the consolidated income statement shows a profit for the year then ended of 357 million EUR.

In our opinion, the consolidated financial statements give a true and fair view of the group's net equity and financial position as of 31 December 2023 and of its consolidated results and its consolidated cash flow 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 the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISA), as applicable in Belgium. In addition, we have applied the International Standards on Auditing approved by the IAASB applicable to the current financial year, but not yet approved at national level. Our responsibilities under those standards are further described in the "Responsibilities of the joint auditors for the audit of the consolidated financial statements" section of our report. We have complied with all ethical requirements relevant to the statutory audit of consolidated financial statements in Belgium, including those regarding independence.

We have obtained from the board of directors and the company's officials the explanations and information necessary for performing our audit.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
Revenue recognition on telecommunication activities The accuracy of revenue is an inherent risk in the telecommunications industry. This is driven by the complexity of billing systems, the magnitude of volumes of data in combination with different products on the market and price changes during the year. The correct application of revenue recognition accounting standards to the separate elements of a customer's contract is complex and requires judgement by management. The details on revenue recognition are included in notes 2 'Material accounting policy information', 14.2 'Contract Assets', 22 'Other current payables and contract liabilities' and 23 'Net Revenue'.	We addressed this key audit matter by applying the following controls and substantive test procedures to the material revenue streams: • We tested the design and operating effectiveness of the relevant key controls in place in the revenue cycle, as well as in the IT environment in which billing, rating and other relevant support systems reside, including the change control procedures in place around systems that support material revenue streams; • We performed tests of details on a sample of individual revenue transactions, tracing these back to order documentation and cash receipts; and • We performed a substantive analytical review. Additionally we assessed the appropriateness of the group's accounting policies with respect to revenue recognition and assessed compliance with the applicable accounting standards.
Goodwill impairment test Per 31 December 2023, goodwill amounts to 2 5952million EUR and relates to the group's three Cash Generating Units ('CGU'), respectively Domestic CGU (2 188 million EUR), International Carrier Services ('ICS') CGU (299 million EUR) and Telesign CGU (105 million EUR). The annual impairment testing of goodwill was important for our audit because it relies on a number of critical judgements, such as the determination of the CGU as well as estimates and assumptions used in a discounted free cash flow model to determine the CGU's recoverable value, especially with respect to the ongoing fiber roll-out project which impacts free cash flows over a longer period than the typical forecast period of three years. The group uses a business plan reflecting its strategy and using internal and external sources for macro-economic assumptions such as inflation and long-term industry growth rate, as well as group	We obtained an understanding, evaluated the design of controls over the group's goodwill impairment review process. We performed audit procedures that included evaluating the appropriateness of the determination of the CGU's identified and tested the allocation of assets and liabilities to the carrying value of each CGU. We assessed the available information with reference to the recoverable value of the CGU: • We challenged the key assumptions, methodologies, key areas of judgement and data used by the group in its determination of the recoverable value, for example by analysing sensitivities in the group's discounted cash flow models and benchmarking with external macro-economic data to determine if they were reasonable and consistent with the current economic climate.

specific assumptions on tax rates, capital spending and discount rates. The details on the accounting for goodwill and the disclosure requirements under IAS 36 - *Impairment of assets* are included in note 2 'Material accounting policy information' and 3 'Goodwill' of the consolidated financial statements.	• We challenged management's methodology to determine the recoverable value, including the way how the fiber roll-out strategy was incorporated in the free cash flows, the mechanical accuracy of the model and the appropriateness of other assumptions applied. • We involved our valuation specialists to challenge the determination of the discount rate given the sensitivity of the Domestic model. • We assessed the historical accuracy of management's estimates. • We assessed the sensitivities of assumptions on the CGU's headroom and verified whether a reasonable possible change in assumptions could cause the carrying amounts to exceed its recoverable value. • We assessed the adequacy of the company's disclosures in the consolidated financial statements.

Responsibilities of the board of directors for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Responsibilities of the joint auditors 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 is not a guarantee that an audit conducted in accordance with ISA 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.

During the performance of our audit, we comply with the legal, regulatory and normative framework as applicable to the audit of consolidated financial statements in Belgium. The scope of the audit does not comprise any assurance regarding the future viability of the company nor regarding the efficiency or effectiveness demonstrated by the board of directors in the way that the company's business has been conducted or will be conducted.

As part of an audit in accordance with ISA, 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 an 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 board of directors;
- conclude on the appropriateness of the use of the going concern basis of accounting by the board of directors 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 and business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit and compliance committee regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit and compliance committee with a statement that we have complied with relevant ethical requirements regarding independence, and we communicate with them about all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the audit and compliance committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes any public disclosure about the matter.

Other legal and regulatory requirements

Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated financial statements, the statement of non-financial information attached to the directors' report on the consolidated financial statements and other matters disclosed in the annual report on the consolidated financial statements.

Responsibilities of the joint auditors

As part of our mandate and in accordance with the Belgian standard complementary to the International Standards on Auditing (ISA) as applicable in Belgium, our responsibility is to verify, in all material respects, the director's report on the consolidated financial statements, the statement of non-financial information attached to the directors' report on the consolidated financial statements and other matters disclosed in the annual report on the consolidated financial statements, as well as to report on these matters.

Aspects regarding the directors' report on the consolidated financial statements and other information disclosed in the annual report on the consolidated financial statements

In our opinion, after performing the specific procedures on the directors' report on the consolidated financial statements, this report is consistent with the consolidated financial statements for that same year and has been established in accordance with the requirements of article 3:32 of the Code of companies and associations.

In the context of our statutory audit of the consolidated financial statements we are responsible to consider, in particular based on information that we became aware of during the audit, if the directors' report on the consolidated financial statements and other information disclosed in the annual report on the consolidated financial statements are free of material misstatement, either by information that is incorrectly stated or otherwise misleading. In the context of the procedures performed, we are not aware of such material misstatement.

The non-financial information as required by article 3:32, § 2 of the Code of companies and associations, has been disclosed in a separate report, attached to the director's report on the consolidated financial statements. This statement on non-financial information includes all the information required by article 3:32, § 2 of the Code of companies and associations and is in accordance with the consolidated financial statements for the financial year then ended. The non-financial information has been established by the company in accordance with the GRI Standards reporting principles. In accordance with article 3:80 § 1, 5° of the Code of companies and associations we do not express any opinion on the question whether this non-financial information has been established in accordance with GRI standards – Core Option reporting principles mentioned in this non-financial information.

Statements regarding independence

- No services, incompatible with the statutory audit of consolidated financial statements as referred to by the law, have been performed and our audit firms and, if applicable, our networks remained independent from the company during the performance of our mandate.
- The fees for the additional non-audit services compatible with the statutory audit, as defined in article 3:65 of the Code of companies and associations, have been properly disclosed and disaggregated in the notes to the consolidated financial statements.

Single European Electronic Format (ESEF)

In accordance with the draft standard on the audit of the compliance of the financial statements with the Single European Electronic Format ("ESEF"), we have also performed the audit of the compliance of the ESEF format and of the tagging with the technical regulatory standards as defined by the European Delegated Regulation No. 2019/815 of 17 December 2018 ("Delegated Regulation").

The board of directors is responsible for the preparation, in accordance with the ESEF requirements, of the consolidated financial statements in the form of an electronic file in ESEF format ("digital consolidated financial statements") included in the annual financial report.

Our responsibility is to obtain sufficient and appropriate evidence to conclude that the format and the tagging of the digital consolidated financial statements comply, in all material respects, with the ESEF requirements as stipulated by the Delegated Regulation.

Based on our work, in our opinion, the format and the tagging of information in the digital consolidated financial statements included in the annual financial report of Proximus SA as of 31 December 2023 are, in all material respects, prepared in accordance with the ESEF requirements as stipulated by the Delegated Regulation.

Other statements

This report is consistent with our additional report to the audit committee referred to in article 11 of Regulation (EU) No 537/2014.

Signed at Brussels.

The joint auditors

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL Represented by Koen Neijens	Luc Callaert BV/SRL Represented by Luc Callaert

Independent assurance report on selected environmental, social and governance information published in the Integrated Annual Report 2023 of Proximus SA de droit public / NV van publiek recht for the period ending 31 December 2023

To the board of directors

We have been engaged by Proximus SA de droit public / NV van publiek recht ("the Company") to conduct a limited assurance engagement on selected environmental, social and governance information ("Selected Information") published in the Integrated Annual Report of the Company for the year ending 31 December 2023. In preparing the Selected Information, the Company applied the Applicable Criteria set out in the note "GRI and SASB" in the section "Non-Financial statements" of the Integrated Annual Report. The Selected Information needs to be read and understood together with the Applicable Criteria.

The Selected Information in scope of our engagement are listed in the table below and are identified with ✓ in the Integrated Annual Report:

Selected information	*Applicable criteria / Basis of Reporting*
Total fuel consumption within the organization from non-renewable sources (including natural gas, heating oil, diesel, petrol and CNG)	*GRI 302-1*
Total fuel consumption within the organization from renewable sources	*GRI 302-1*
Electricity consumption within the organization	*GRI 302-1*
Energy efficiency ratio – Net Revenue based	*GRI 302-3*
CO2e emissions scope 1 – heating	*GRI-305-1*
CO2e emissions scope 1 - refrigerants	*GRI-305-1*
CO2e emissions scope 1 - fleet fuel	*GRI-305-1*
CO2e emissions scope 2 - electricity - market based method	*GRI-305-2*
Scope 3 – including 12 relevant categories (category 1,2,3,4,5,6,7,9,11,12,13 and 15)	*GRI-305-3*
Carbon intensity	*GRI-305-4*
Total waste - Belgium	*GRI-306-4*
Non-hazardous waste - recycled or reused - Belgium	*GRI-306-4*
Hazardous waste - recycled or recovered - Belgium	*GRI-306-4*
% waste reused/recycled - Belgium	*GRI-306-4*
% of hazardous waste – Belgium	*GRI-306-4*
Non-hazardous waste - with energy recovery - Belgium	*GRI-306-4*
Total collected mobile phones & refurbished fix devices - Belgium and Proximus Luxembourg	*Own indicator - linked to GRI 301*
Number of job seekers supported by Proximus initiatives in Belgium	*Own indicator*
Percentage of accessible tested devices (at least for 5 disability category)	*Own indicator - linked to GRI 413*
Number of cases investigated by the Investigations Department for violation of policies/Code of Conduct	*Own indicator - linked to GRI 205*
Number of whistleblowing cases	*Own indicator - linked to GRI 205*
Cybersecurity resilience index	*Own indicator*

% of total spend at suppliers with an EcoVadis sustainability scorecards - Proximus SA	*Own indicator - linked to GRI-308*
Number of annual on-site audit operations in collaboration with JAC	*Own indicator - linked to GRI-414*
% of total spend at Proximus suppliers submitted to on-site audit operations in collaboration with JAC - Proximus SA	*Own indicator - linked to GRI-308*

Based on our work done as described in this report, nothing has come to our attention that causes us to believe that the abovementioned Selected Information as published in the Company's "Integrated Annual Report 2023", has not been prepared, in all material respects, in accordance with the Applicable Criteria.

Responsibility of the board of directors

The board of directors of the Company is responsible for the preparation of the Selected Information and the references made to it presented in the "Integrated Annual Report 2023" as well as for the declaration that its reporting meets the requirements of the Applicable Criteria.

The board of directors is also responsible for:

- Selecting and establishing the Applicable Criteria.
- Preparing, measuring, presenting and reporting the Selected Information in accordance with the Applicable Criteria.
- Designing, implementing, and maintaining internal processes and controls over information relevant to the preparation of the Selected Information to ensure that they are free from material misstatement, including whether due to fraud or error.
- Providing sufficient access and making available all necessary records, correspondence, information and explanations to allow the successful completion of the Services.
- Confirming to us through written representations that you have provided us with all information relevant to our Services of which you are aware, and that the measurement or evaluation of the underlying subject matter against the Applicable Criteria, including that all relevant matters, are reflected in the Selected Information.

Our responsibilities

Our responsibility is to express a conclusion on the Selected Information based on our procedures. We conducted our engagement in accordance with International Standard on Assurance Engagements ISAE 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB), in order to state whether anything had come to our attention that causes us to believe that the Selected Information has not been prepared, in all material respects, in accordance with the Applicable Criteria.

Applying these standards, our procedures are aimed at obtaining limited assurance on the fact that the Selected Information do not contain material misstatements. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our work was performed on the data gathered and retained in the reporting scope by the Company as mentioned above. Our conclusion covers therefore only the abovementioned Selected Information and not all information included in the Integrated Annual Report. The limited assurance on the Selected Information was only performed on the Selected Information covering the year ending 31 December 2023.

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the description of activities undertaken in respect of the Selected Information is likely to arise. The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the description of activities undertaken in respect of the Selected Information, we performed the following procedures:

- Perform analytical review procedures and consider the risks of material misstatement of the Selected Information.
- Through inquiries of management, obtain an understanding of the Company, its environment, processes and information systems relevant to the preparation of the Selected Information sufficient to identify and assess risks of material misstatement in the Selected Information, and provide a basis for designing and performing procedures to respond to assessed risks and to obtain limited assurance to support a conclusion.
- Perform procedures over the Selected Information, including recalculation of relevant formulae used in manual calculations and assessment whether the data has been appropriately consolidated.
- Perform procedures over underlying data on a statistical sample basis to assess whether the data has been collected and reported in accordance with the Applicable Criteria, including verifying to source documentation.
- Perform procedures over the Selected Information including assessing management's assumptions and estimates.
- Accumulate misstatements and control deficiencies identified, assessing whether material.
- Read the narrative accompanying the Selected Information with regard to the Applicable Criteria, and for consistency with our findings.

We apply International Standard on Quality Management 1 and, accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

In conducting our engagement, we have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Inherent limitations of the Selected Information

We obtained limited assurance over the preparation of the Selected Information in accordance with the Applicable Criteria. Inherent limitations exist in all assurance engagements.

Any internal control structure, no matter how effective, cannot eliminate the possibility that fraud, errors or irregularities may occur and remain undetected and because we use selective testing in our engagement, we cannot guarantee that errors or irregularities, if present, will be detected.

The self-defined Applicable Criteria, the nature of the Selected Information, and absence of consistent external standards allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact comparability of the Selected Information reported by different organisations and from year to year within an organisation as methodologies develop.

Use of our report

This report is made solely to the board of directors of Proximus SA de droit public / NV van publiek recht's in accordance with ISAE 3000 (Revised) and our agreed terms of engagement. Our work has been undertaken so that we might state to the board of directors those matters we have agreed to state to them in this report and for no other purpose.

Without assuming or accepting any responsibility or liability in respect of this report to any party other than the Company and its board of directors, we acknowledge that the board of directors may choose to make this report publicly available for others wishing to have access to it, which does not and will not affect or extend for any purpose or on any basis our responsibilities. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Proximus SA de droit public / NV van publiek recht's and its board of directors as a body, for our work, for this report, or for the conclusions we have formed.

Signed at Zaventem.

The statutory auditor

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL
Represented by Koen Neijens