

# Fixed Income Investor Presentation: Green bond issuance

**Proximus**

8 November 2023

# Disclaimer

This communication has been prepared by Proximus, SA de droit public. Except for the some of the financial figures, none of the information in these materials has been independently verified, approved, endorsed, audited by Proximus' auditor or reviewed by a third party.

Proximus and its management make no representation or warranty, express or implied, as to the accuracy, the fairness, the completeness or the suitability for a specific purpose of the information contained in these materials and accordingly, Proximus and its management accept no responsibility or liability for the information contained herein and neither Proximus nor its management shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of these materials, or its contents or otherwise arising in connection with the information contained herein. Due to rounding, numbers presented in these materials may not add up precisely to the totals provided and percentages may not exactly reflect the absolute figures.

These materials or the information therein do not constitute any form of financial opinion or recommendation or investment advice. These materials or documents do not constitute a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market. If any offer of securities is made, it shall be pursuant to the definitive final base prospectus prepared by or on behalf of Proximus of such securities and as approved by the FSMA on 4 July 2023, as supplemented by the supplement dated 6 November 2023 and the final terms prepared in connection therewith, which contain material information not contained herein, and which shall supersede and replace these materials and the information herein in its entirety. Any decision to invest in the securities described herein should be made after reviewing such definitive final base prospectus (as supplemented) and the final terms, conducting such investigations as you deem necessary and consulting your own financial, legal, accounting, regulatory and tax advisors in order to make an independent determination of the suitability and consequences of an investment in the securities. This document does not disclose all the risks and other significant issues related to an investment in the notes that will be offered (the "Notes"). Prior to transacting, potential investors should ensure that they fully understand the terms of the Notes and any applicable risks.

Proximus does not provide legal, accounting, tax and/or investment advice in any way and the recipient of these materials is strongly advised to consult its own independent advisors on any legal, accounting, tax, and or invest issues relating to these materials. Persons into whose possession these materials come are required to inform themselves about this and observe any such restrictions.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. This Presentation includes ESG ratings information. An ESG rating is not a recommendation to buy, sell or hold the Notes and prospective investors must determine for themselves the relevance of such ESG ratings. Currently, the providers of ESG ratings are not subject to any regulatory or other similar oversight and ESG ratings may vary amongst ESG ratings agencies as the methodologies may differ.

## Forward-looking statements

This communication may include some forward-looking statements, without limitation, regarding Proximus' financial or operational results, certain strategic plans or objectives, macro-economic trends, regulation, future market conditions and other risk factors. These forward-looking statements rely on a number of assumptions concerning future events and are subject to uncertainties and other factors, many of which are outside Proximus' control. Therefore, the actual future results may differ materially from those expressed in or implied by the statements. Readers are cautioned not to put undue reliance on forward-looking statements, which speak only of the date of this communication. Except as required by applicable law, Proximus disclaims any intention or obligation to update and revise any forward-looking statements, whether as a result of new information, future events or otherwise.

This document and the Q&A session may contain summarized, non-audited or non-GAAP financial information. The information contained herein should therefore be considered in conjunction with all the public information regarding the Proximus Group available, including, if any, other documents released by the company that may contain more detailed information. Information related to Alternative Performance Measures (APM) used in this presentation are included in the consolidated management report.

## Selling restrictions

The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state of the U.S. or other jurisdiction and the Notes may not be offered or sold within the U.S. or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws. Accordingly, any offering and sale of the Notes will be made pursuant to Regulation S. This document is not intended for distribution in the United States, or to any U.S. person.

Other selling restrictions apply in respect of the Notes. In particular, but without limitation, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area. For these purposes, a retail investor means a person who is one (or more) of the following: 1. a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU on markets in financial instruments (as amended, "MiFID II"); or 2. a customer within the meaning of the Directive (EU) 2016/97 (as amended, the "Insurance Distribution Directive" or "IDD"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of the MiFID II. The expression offer includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

The Notes are not intended to be offered, sold to or otherwise made available to, and should not be offered, sold or otherwise made available in, Belgium to "consumers" (consumenten/consommateurs) within the meaning of the Belgian Code of Economic Law (Wetboek economisch recht/Code de droit économique), as amended.

Further, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of the following: 1. a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); or 2. a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the FSMA 2000) (and any rules or regulations made under the FSMA 2000 to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. The expression offer includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Further, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended) and other relevant laws and regulations of Japan.

By participating in this presentation or by accepting any copy of the materials presented, you agree to be bound by the foregoing limitations.

# Table of content

Proximus Overview and Credit Highlights

Societal Responsibility

Green Bond Issuance

# Speakers



**Mark Reid**  
Finance Lead



**Catherine Bals**  
Sustainability Lead

# **Proximus overview and credit highlights**

# Key credit highlights

**Excellent Domestic performance:** achieving strong revenue growth in 2023, driven by sustained customer gains and pricing strategy, while efficiencies mitigate inflationary cost pressure.

**Diversifying Internationally** with BICS as innovative communication platform and Telesign operating in fast-growing markets of Digital Identity and CPaaS

**On track for "bold2025" growth trajectory:** EBITDA to return to growth, Capex on track to decrease post 2023-peak, supporting long-term FCF growth trajectory

**Among the best EU Telco credit ratings:** low leverage, excellent liquidity, conservative financial policy and stable Government-backed shareholder structure

**Sustainability is embedded in all we do** and makes up a key pillar of our strategy, setting clear sustainability targets

Green bond proceeds will be used to **cover clearly identified green projects**, leveraging **energy efficient future proof technology** such as Fiber and 5G

# Proximus Group key figures



FY2022

Group underlying revenue

€ **5,909** Mio

Group underlying EBITDA

€ **1,786** Mio

Net debt/EBITDA

**2.3**x S&P definition\*\*

Free Cash Flow (adjusted)

€ **181** Mio

Capex\*

€ **1,305** Mio

Dividend/share

€ **1.2** /share\*\*\*



End-2022

Number of employees

**11,634** (FTE's)



Proximus is listed on the Brussels Euronext stock exchange:

- In the BEL20
- In the BEL ESG Index

Market Capitalization (Oct.23)

Public limited company

€ **2.7** Bn

Proximus shares ownership

(30/09/2023)

Own shares

**4.59%**

Free float

**41.90%**



Ownership

Belgian government

**53.51%**

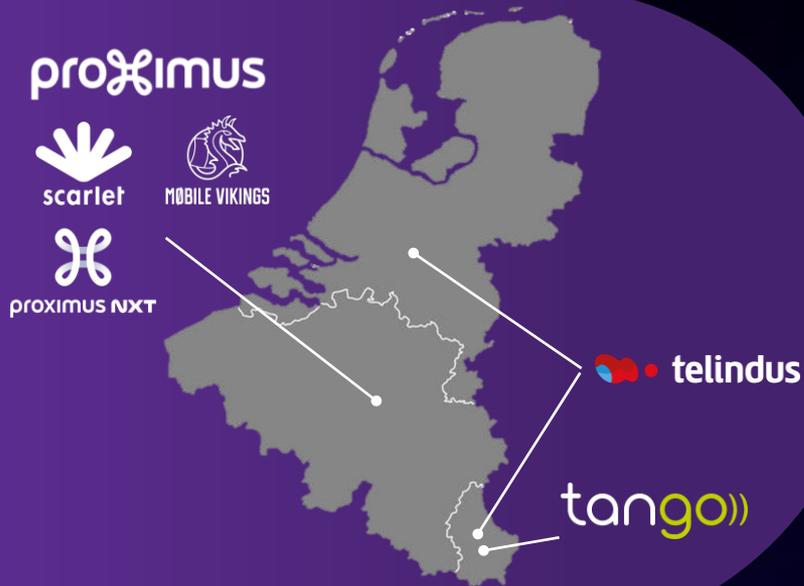
\*Excl. spectrum and football rights

\*\* Proximus Definition 1.5x

\*\*\* 0.6€ per share as from 2024

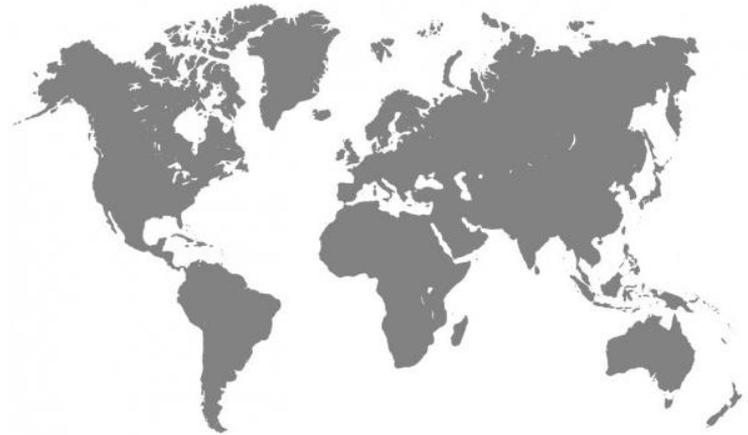
# Proximus providing digital services and communication solutions on the Belgian and international markets

## Domestic



## International

bics telesign



# Proximus Domestic

Largest telco operator in Belgium



Fixed Internet **2,216K**



Digital TV **1,710K**



Mobile Postpaid **4,817K**

Note: End of 2022

**Proximus** is a provider of digital services and communication solutions

**Domestically, we secured undisputed network leadership** both in fixed & mobile



93 years of history connecting the Belgian population



10,000+ employees (FTEs) in Belgium and many indirect jobs



Serving 2.8 million Belgian residential customers daily



3,800+ direct suppliers

**Proximus** plays a key role in Belgian society

[More info](#)



# Proximus International

a unique growth engine for our group

**International subsidiaries** in pole position to capture the next wave of growth in **digital communications & identity**

[More info](#)



**Leading Authentication and Digital Identity player**

**Global Footprint**



**65+**

Countries with active customers

**Blue Chip customers**



**8/10**

Top internet companies are customers\*

**Strong Technological Moat**



**35+**

Patents in mobile identity and MFA

**bics**

**Global Leader in Digital and Cloud communications, Mobility and IoT**

**Global leadership**

**+5B**

Mobile subscribers connected

**Top 1-5**

Mobility & Voice Providers

**Loyal customers**



**~90%**

of top 300 customers retained '22e versus '17

**Industry reference**

**Gartner**

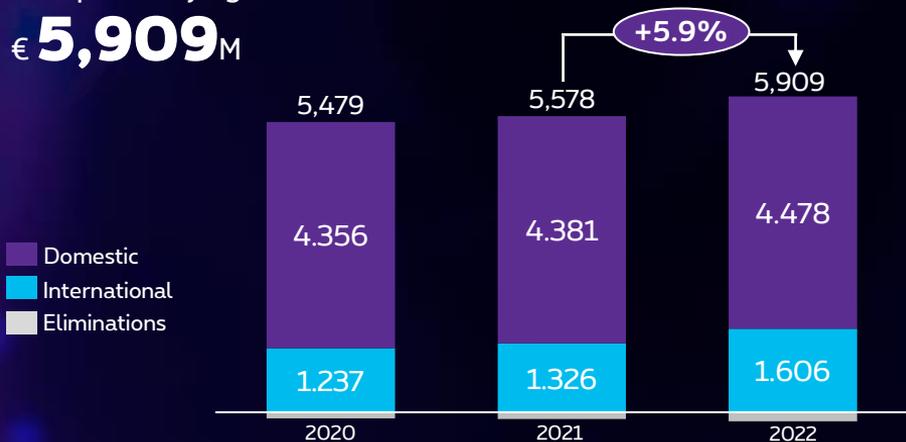
**2022**

**Industry recognition**  
4.5/5 peer score

# Proximus is a financially resilient and diversified Group

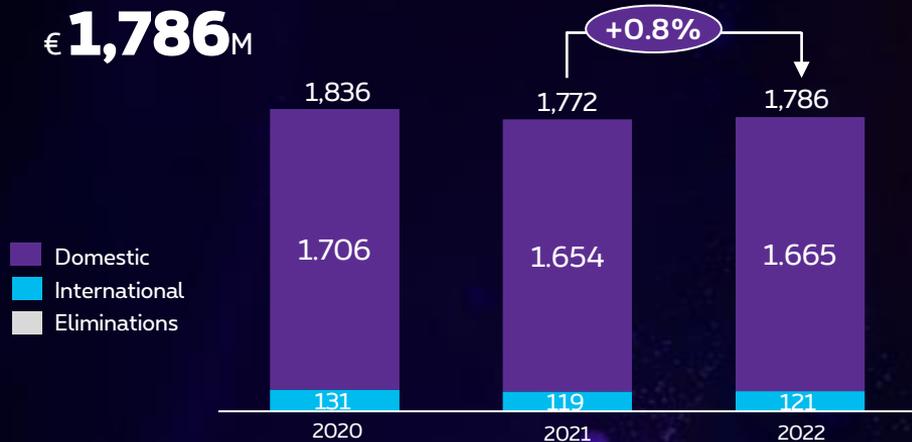
Group underlying revenue FY 2022

€ **5,909**M



Group underlying EBITDA FY 2022

€ **1,786**M



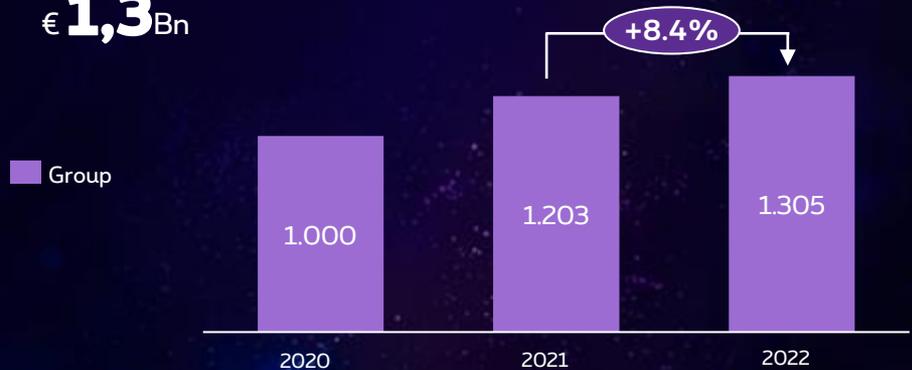
Domestic underlying revenue FY 2022

€ **4,478**M



Group CAPEX FY 2022

€ **1,3**Bn



We have set out our strategy for the next 3 years until 2025

**bold  
2025**

**“Boldly building  
a connected world  
that people trust  
so society blooms”**

**bold  
2025**

We deliver  
**great value** for  
our stakeholders

---



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



**Delight customers** with  
unrivalled experience



**Grow** profitably **locally** &  
**globally** through strong brands

through **exceptional**  
**strengths**

---



Roll out **#1 gigabit network**  
for Belgium



Engineer **technology assets**  
to enable digital ecosystems



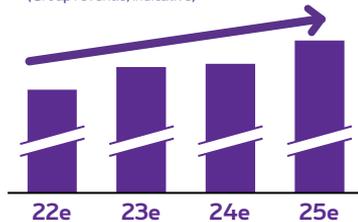
Foster an engaging **culture** &  
empowering ways of **working**

# bold2025 is a growth strategy for Proximus Group

While acting as a force for good in society and being a digital catalyst

Revenue growth on commercial momentum and pricing strategy

(Group revenue, indicative)

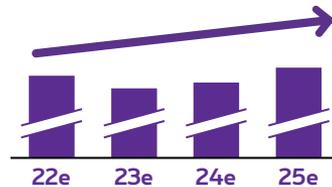


› Domestic revenue to grow across all customer segments:

- ✓ Leverage Fiber advantage, smart pricing, optimize value with multi-brands, convergence leadership.
- ✓ including impact of anticipated new market landscape

EBITDA growth, including 220M€ cost efficiencies

(Group EBITDA, indicative)



› Domestic EBITDA to grow as of '24

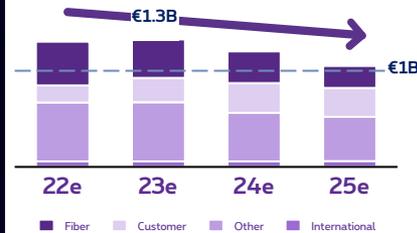
- ✓ Commercial momentum
- ✓ Delivering gross savings efficiency program of 220M€

› International providing unique growth pathway:

- ✓ Telesign to capture Direct Margin growth, improving mix towards Digital Identity
- ✓ BICS platform scale and mix to higher-margin services

CAPEX to return to normalized levels after 2023 peak

(Group CAPEX, indicative)



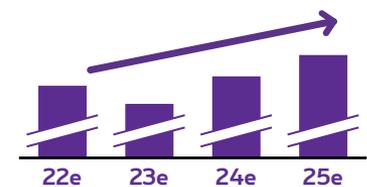
› Own Fiber build capex to decrease post-2023

› Customer capex higher (reflecting commercial success as customers move to fiber technology)

› Absorbing inflation impacts through continued CAPEX efficiencies

FCF to return back to growth, supported by asset sales

(Group adjusted FCF, indicative)



› Growing Group EBITDA as of 2024

› Returning to normalized CAPEX levels after peak in 2023

› Fiber JV equity injections rising as build progresses

› FCF trajectory includes at least €400M divestments

# First year of our strategy being executed very well with 2023 guidance raised above initial expectations

## Key 2023 Strategic Highlights



Very strong **commercial momentum** driven by product & network superiority



**Price indexation** landing well, supporting revenue growth

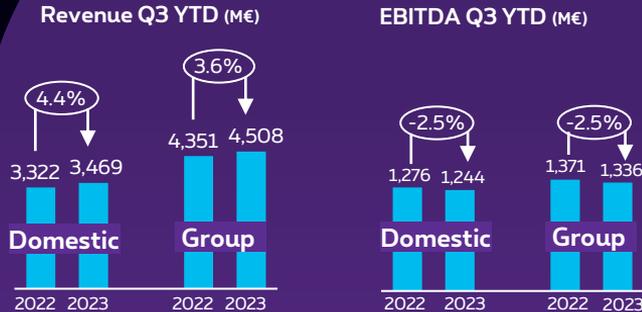


**Fiber deployed** across 26% of population. Collaboration discussion for rural zones ongoing

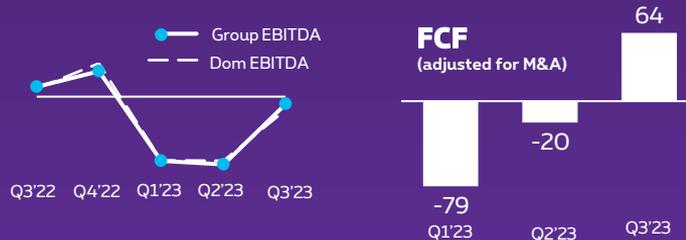


**Accelerating international growth** with acquisition majority stake of **Route Mobile**

## YTD strong revenue growth and EBITDA better than expected



## EBITDA and FCF YoY trend recovering



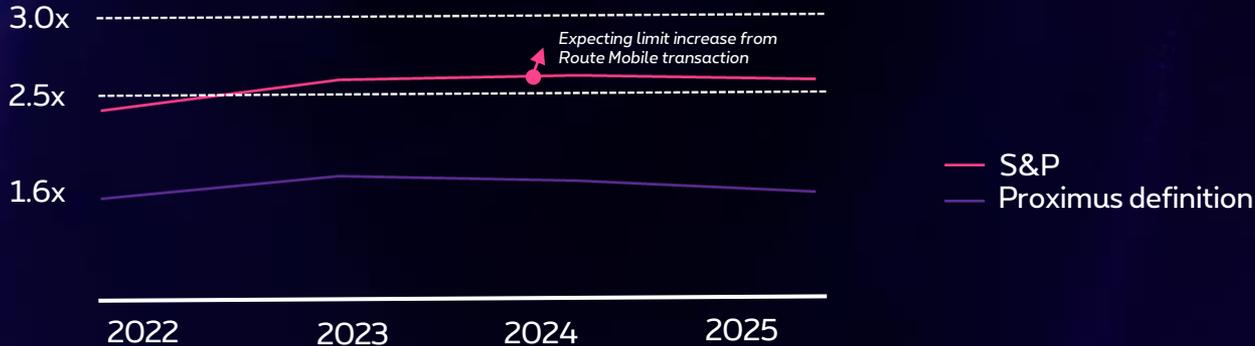
## Revised FY 2023 guidance

Metrics	Outlook FY 2023
Underlying Domestic revenue	Between +3.5% and +4% YoY
Underlying Domestic EBITDA	Around -2% YoY
International Direct Margin* (ex-currency effects)	Between +4% and +5% YoY
Underlying Group EBITDA	Around -2% YoY
Capex (excl. Spectrum & football rights)	Peak at around € 1.3Bn
Net debt / EBITDA	Around 2.6X (S&P)

\*International DM = Telesign DM plus BICS DM

# Keeping a sound financial position

## S&P net debt/EBITDA to stay well below 3.0x



**2,758M€** Adjusted Net Debt YE 22' (excl. Lease liabilities)

**>99%** of outstanding LT debt at fixed rate

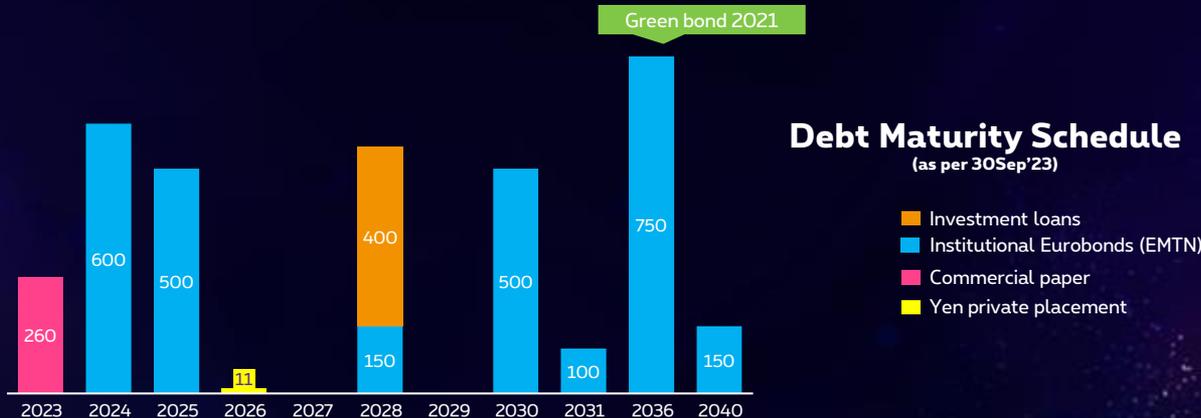
**Credit rating**  
S&P **BBB+** (stable outlook)  
Moody's **A2** (stable outlook)

**2%** Weighted average coupon (LT only)

**6.5Y** Weighted average debt duration (LT only)

 will be financed upon closing

## Debt Maturity Schedule (as per 30Sep'23)



- Investment loans
- Institutional Eurobonds (EMTN)
- Commercial paper
- Yen private placement

[More info on Route Mobile](#)

# Stable investment grade rating

**MOODY'S**  
INVESTORS SERVICE

**A2, Stable Outlook**

14 February 2023

- Proximus' A2 rating reflects the company's **solid retained cash flow and its low**, although deteriorating, **Leverage ratio**, which is expected to increase to around 2.4x in 2024 from 2.2x in 2022 and only decrease starting from 2025.
- It also incorporates negative free cash flow coverage metrics as a result of the fibre rollout in Belgium and high shareholder remuneration, which will result in a temporary increase in financial leverage.
- Proximus qualifies as a **government-related issuer (GRI)** given the Government of Belgium's 53,5% ownership of the company.

**S&P Global**  
Ratings

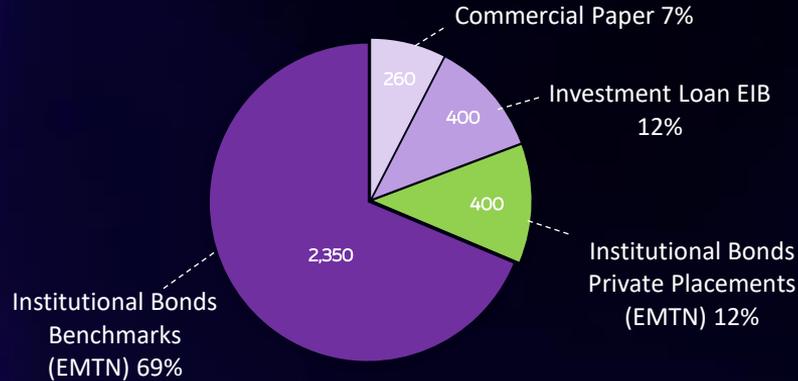
**BBB+, Stable Outlook**

7 February 2023

- Proximus holds a leading position in Belgium with an estimated market share of 45%-50%, thanks to its incumbent position, converged product offering, strong customer service, and multi-brand strategy. We think the company's **business position is strengthening** on the back of its future-proof investment in fiber and 5G.
- Proximus has a generally **supportive financial policy**, with **planned dividend reduction**.
- The stable outlook reflects our view that the company's planned price increases, ongoing cost-savings program, planned dividend reduction from 2025, and potential asset disposals would partly mitigate EBITDA and cash flow pressure, leading to **adjusted leverage below 3x in the next three years**.

# Strong financial position backed by solid liquidity

## Around €3,4B financing structure

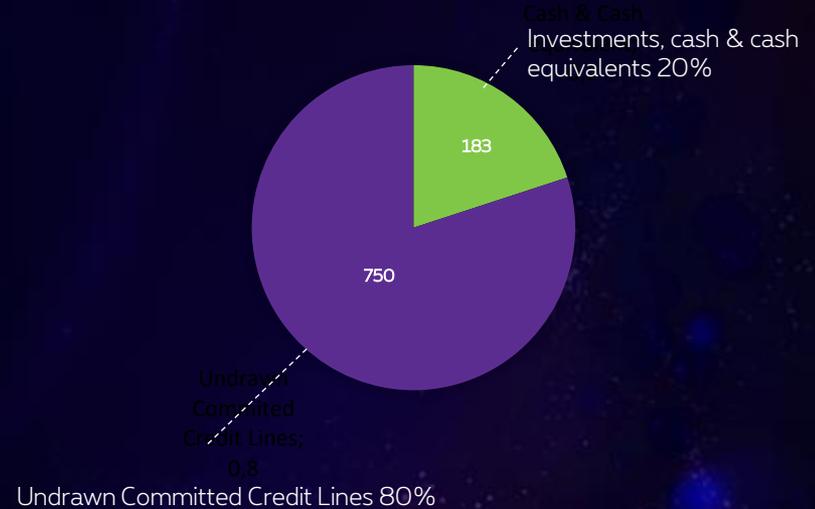


Stable debt financing structure with ca. 100% fixed debt

### Other funding sources

- Investment loan EIB €400m (€400m drawn)
- Commercial Paper €1,000M (€260M drawn)
- EMTN Program €5,000M (€2,750m drawn)
- Bridge Facility €850M (€0M drawn): Route Mobile acquisition

## Around €0,9B available liquidity



- 1 syndicated sustainable RCF: €700M (maturity '25)
- 1 sustainable bank bilateral: €50m (maturity '23)

# Societal responsibility



[\*More info\*](#)

# We achieved a series of major milestones over the last 3 years



**~1.6 million  
Fiber  
Homes Passed**  
(Q3'23)



Largest  
**spectrum**  
holder in  
Belgium



**100,000**  
registered Doktr  
users and 93%  
patient satisfaction  
rate  
(Q3'23)



**5 billion**  
mobile subscribers  
connected via  
BICS



**1<sup>st</sup> Belgian  
company**  
with net-zero  
targets validated by  
the SBTi



**First in Europe**  
to build  
disconnected  
Sovereign Cloud  
solution



**30+ million**  
fraudulent  
communications  
blocked monthly by  
Telesign



**Social  
responsibility  
charter** for fiber  
roll-out



Re-established a  
constructive **social  
dialogue** and signed  
new **collective  
agreement**



**274,000+**  
mobile phones  
collected for recycling  
or refurbishing  
(2020-2022)

# Boldly building...

...a connected world...

Building the best  **gigabit network** for Belgium

Developing **digital solutions** for everyday life

Connecting people and devices **worldwide**

...that people trust...

Ensuring **cybersecurity** for our **customers**

Supporting Europe in achieving **sovereignty**

Embedding highest **ethics and compliance** standards

...so society blooms.

Going all in in the  **fight against global warming**

Investing in **digital accessibility, inclusiveness and upskilling**

Stimulating an **inspiring and inclusive work environment**

A hand is shown in silhouette, holding a glowing globe. The globe is covered in a blue, wireframe network pattern, symbolizing global connectivity. The background features a soft sunset or sunrise over a body of water, with a bright sun on the right side. The overall color palette is dominated by blues and oranges.

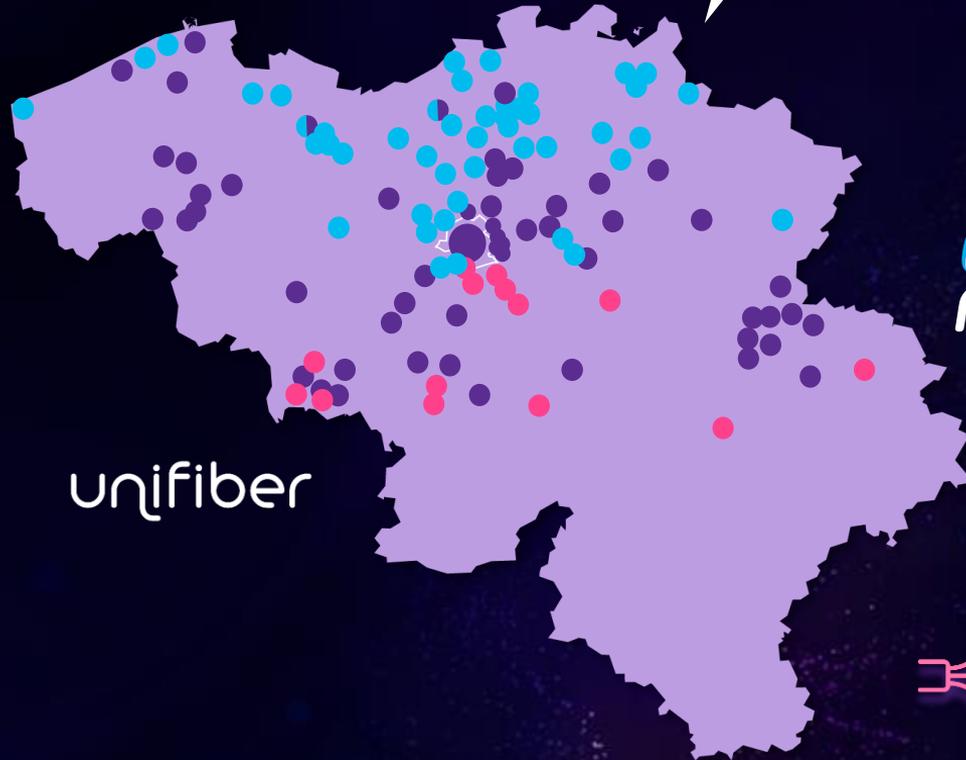
**Boldly building**

**a connected world**

**that people trust  
so society blooms**

Building the best gigabit network in the world

## Bringing Fiber to 26% of Belgian premises



**GO**  
**Fiber**  
GLASFASER  
OSTBELGIEN



- Proximus
- Fiberklaar
- Unifiber

Fiber is the future, green and circular by design

**-88%** GHG emissions per Gb transmitted through Fiber compared to legacy technologies\*

**Innovative** solutions to reach 100% high speed coverage in **rural areas**

\*Source FTTH Council European experience and practical consideration, November 2020

## Ambition of **100%** gigabit coverage

- Fiber, a **more durable** technology:
  - ✓ lower carbon impact vs copper
  - ✓ low production impact
  - ✓ **-15%** overall electricity use vs copper (user equipment included)
  - ✓ less truck rolls for maintenance and repair
- Offering **high speed & low latency**
- **Boosting local economy:** 8,000+ direct jobs for the next 5 years
- Call for a **Fiber collaboration & co-investment framework**

### Fiber coverage ambition

homes & businesses passed, cumulative (Proximus & partners)



Today



Mid term



Long term

## Ambition of 100% 5G coverage

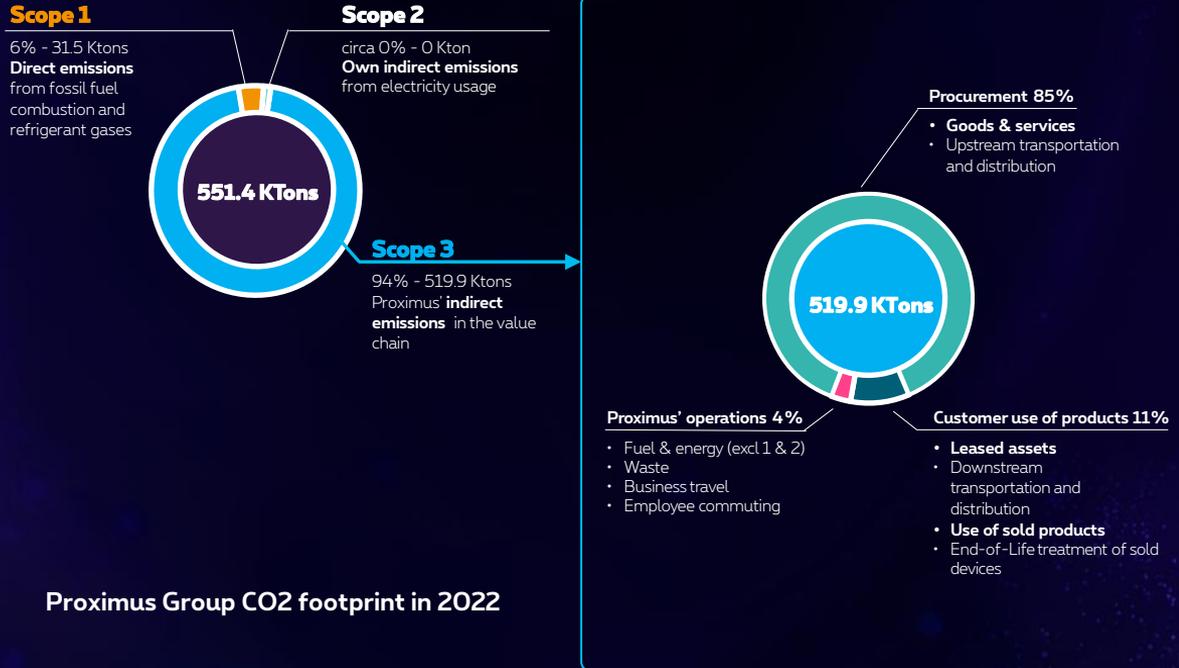
- Differential spectrum package secured for best indoor and outdoor experience over next 20 years
- To a more durable mobile network:
  - ✓ 5G energy efficient: **-80%** kWh/GB vs 4G, mitigating impact of data volume growth
  - ✓ Mobile active network sharing, **-40%** mobile sites needed (from 3800 standalone to 2300)
- European partners Nokia (RAN) and Ericsson (Core)
- Top mobile quality, also for rural areas
- Well below World Health Organization emission norms



**Boldy building  
a connected world  
that people trust  
so society blooms**



# Acting with an SBTi approved Net Zero target for 2040



Proximus Group CO2 footprint in 2022

## Targets

vs 2020 baseline

**-95%**  
scope 1&2 by 2030  
31.5 Ktons in 2022

**-60%**  
scope 3 by 2030  
519.9 Ktons in 2022

**-90%**  
scope 3 by 2040

SCIENCE BASED TARGETS  
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

THE NET ZERO STANDARD  
APPROVED NET ZERO TARGETS

## Scope 1 & 2: energy consumption control and shift to renewable



Keep electricity consumption under control

Efficiencies on fixed networks and buildings to compensate for expected 35% year over year data growth



Move away from fossil fuel in our operations

Fossil free heating in buildings  
Electrification of management fleet  
(only EV orders and green mobility plan)  
Proof of concept for electrical technical fleet  
Challenge of alternative for heavy duty vehicles



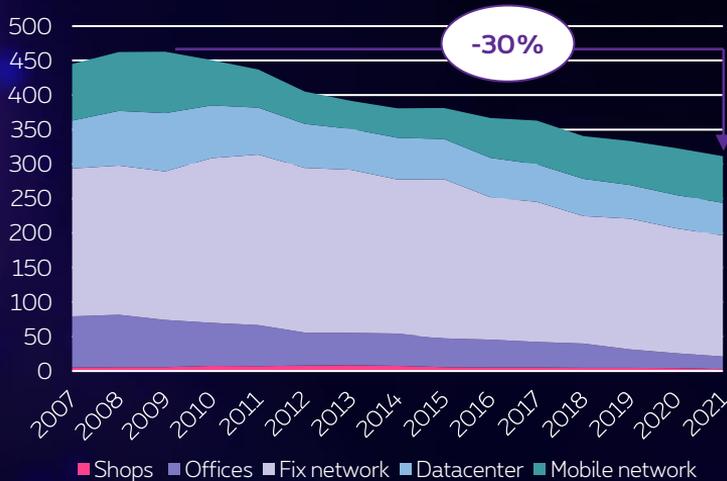
Maintain a strong green electricity sourcing strategy

Maximized self-production (solar panels)  
PPA sign-offs  
(preferably with additionality)  
Member of the RE100 initiative

## Our activities have an intensive electricity consumption profile

Electricity efficiency programs have delivered tangible consumption savings of 30% in the past...but forecasted consumption will remain flattish despite optimizations identified in prior years

Proximus consumption profile 2007-2021 (in GWh)



\*Excluding customer equipment in housing services  
\*\*source: invoiced electricity from GENY/CPB

Proximus consumption profile



### Mobile



Higher 5G traffic will increase consumption



### DC



Data use and digitalization will increase consumption in data centers



### Fix



Accelerated copper & street cabinet dismantling will reduce consumption



### Building



Phase-out of building and legacy network combined with efficiencies



## Engaging with suppliers on Scope 3

- **Select suppliers** according to emission intensity and long-term partnership towards 2030
- **Cluster suppliers** according to maturity level in terms of SBTi target setting and negotiation leverage which determines intensity of engagement
- **Engage with suppliers** to disclose their emissions, validate their targets and set up reduction plans

Supplier Engagement Program

**150**

Top suppliers representing 85% of 2022 scope 3 Category 1&2 emissions

**35%**

of scope 3 C.1&2 emissions represented by suppliers with validated targets by 2025

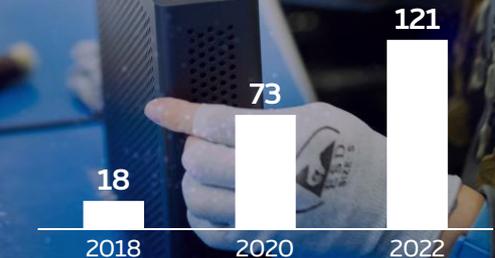
## Source less/right to be truly circular by 2030

- **Zero waste** by 2030: up to 90% reused, composted or recycled by 2025, vs 87% in 2022
- **Network** equipment shared, recycled or reused
- Network equipment shared, recycled or reused
  - ✓ +630T of copper cables recovered in 2022
- Circularity by design for **devices**
- New Internet Box: CO2 footprint **-30%**
  - ✓ Product-as-a-service (e.g. lease devices)
  - ✓ Modems, decoders,... refurbishment: 683,000+ in 2022
  - ✓ Mobile phones collection: 121,000+ in 2022
- Environmental criteria in requirements and in supplier evaluations

Waste Belgium in KTons



**121k Mobile phones** collected in 2022; **>22%** return rate on 535k devices sold, aligned with GSMA commitment



# Implementing our ESG strategy is value accretive

...a connected world...

Building the best **gigabit network** for Belgium



Developing **digital solutions** for everyday life



Connecting people and devices **worldwide**



...that people trust...

Ensuring **cybersecurity** for our **customers**



Supporting Europe in achieving **sovereignty**



Embedding highest **ethics and compliance** standards



...so society blooms.

Going all in in the **fight against global warming**



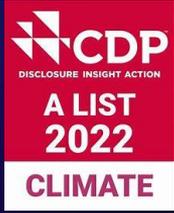
Investing in **digital accessibility, inclusiveness and upskilling**



Stimulating an **inspiring and inclusive work environment**



# Our 2022 ESG ratings



# Alliances, initiatives and awards



# Green Bond



[\*More info\*](#)

# Proximus' Sustainable Finance Framework

Released in 2021

## Use of Proceeds

Financing and/or refinancing of projects within **Energy Efficiency, Renewable Energy, Clean Transportation, Green Buildings, Circular Economy and Access to Essential Services**

## Management of Proceeds

- **Portfolio** approach
- **Look back** period of **3 years for CAPEX**
- **Full allocation within 24-36 months**

## Process for Project Evaluation and Selection

- A **Sustainable Finance Committee** in place
- Proximus has established a **clear decision-making process** to determine the eligibility of the nominated eligible green and social projects

## Reporting and Verification

- **Allocation and impact reporting** will be provided annually and **until full allocation**
- **Sustainalytics** provided a **Second Party Opinion, confirming alignment with the Principles**



[More info](#)

# Proximus' Sustainable Finance Framework

## Selected use of proceeds

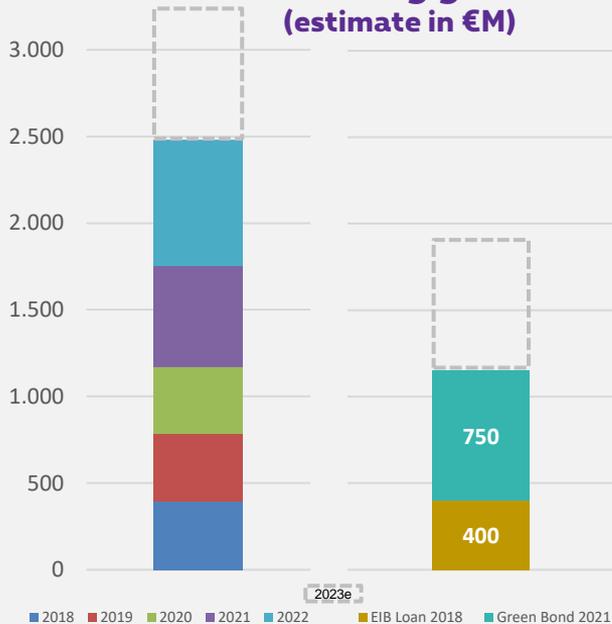
## GHG impact

## Other impact

GBP/GLP Category	Supported SDG's	Contribution to EU Environmental Objectives	Scope 1	Scope 2	Scope 3	Scope 4 (Enabling)	Sustainable impact
Clean transportation		Substantial contribution to Climate Change Mitigation (Article 10)	✓				Pollution reduction
Green buildings			✓	✓			Material efficiency embodied carbon
Renewable energy	 		✓				Pollution reduction
Energy efficiency	Fiber   		✓				Upskilling & reskilling Data privacy, Cyber security Smart cities
	5G  		✓			✓	Digital inclusion: 100% coverage
Circular	Fiber 		Substantial contribution to the Transition to a Circular Economy (Article 13)			✓	
	5G						

# Proceeds will be used to fund multiple green projects – with a clear impact reporting

## Selected green projects identified versus outstanding green liabilities (estimate in €M)

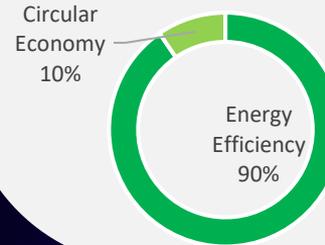


Material level of green CAPEX identified to cover potential benchmark issuances

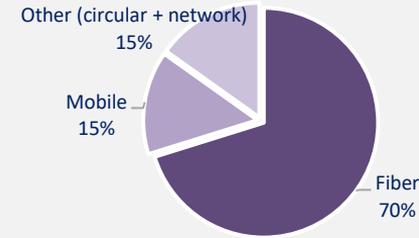
€750m green bond 2021 already fully allocated at the end of 2021

Projects within Energy Efficiency and Circular Economy

## Eligible Green Projects by Category (2020-2023)



## Eligible Green Projects by Type (2020-2023)



## Impact reporting

The impact report provide indicators such as:

Estimated annual CO2 emissions reduced/avoided (in tCO2 eq./year)

Abatement of Carbon Emissions through our Products & Services/year (in Kton CO2e)

**Energy Efficiency**

**Energy Efficiency**

% waste reused/recycled in Belgium

**Circular Economy**

# Transaction overview: Proximus Green Bond

<b>Issuer</b>	Proximus SA de Droit Public
<b>Issuer Rating</b>	A2 by Moody's (stable) / BBB+ by S&P (stable)
<b>Notes Rating (Expected)</b>	A2 by Moody's / BBB+ by S&P
<b>Form of the Notes</b>	Reg S, Belgian dematerialised
<b>Status</b>	Senior Unsecured
<b>Currency</b>	Euro
<b>Size</b>	Benchmark
<b>Tenor</b>	10 yrs
<b>Interest</b>	Fixed interest rate payable annually in arrear
<b>Negative Pledge</b>	Yes
<b>Cross Acceleration</b>	Yes
<b>Other Provision</b>	Tax Call, Clean-up Call (80%), Make-Whole Call and 3 Month Par Call
<b>Denominations</b>	EUR 100,000 + EUR 100,000
<b>Documentation</b>	Issued under the EMTN Programme dated 4 July 2023 as supplemented by the first supplement dated 6 November 2023
<b>Use of Proceeds</b>	An amount equivalent to the net proceeds of the issue of the Notes will be used by the Issuer to finance or refinance Eligible Green Projects in accordance with its Sustainable Finance Framework
<b>Listing</b>	Euronext Brussels
<b>Governing Law</b>	Belgian Law
<b>Joint Global Coordinators</b>	BNP Paribas and ING
<b>Joint Active Bookrunners</b>	ABN AMRO, Belfius, BNP Paribas, HSBC, ING, J.P Morgan

# Annexes

## **Q3 2023 Financials:**

- **Group Consolidated balance sheet**
- **Group Consolidated Income statement**
- **Group Consolidated Cash Flow statement**

## **Green Bond reporting:**

- **November 2021 transaction**
- **Allocation report**
- **Impact report**

# Consolidated Group balance sheet

As reported Q3 2023

(EUR million)	As of 31 December	As of 30 September
	2022	2023
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>8,589</b>	<b>8,751</b>
Goodwill	2,595	2,596
Intangible assets with finite useful life	1,779	1,701
Tangible assets: Property, plant and equipment	3,531	3,694
Right-of-use asset	277	300
Lease receivable	7	7
Contract costs	111	110
Investments in associates and JV	43	95
Equity investments measured at fair value	1	2
Deferred income tax assets	5	5
Pension assets	140	137
Other non-current assets	99	105
<b>Current assets</b>	<b>1,952</b>	<b>1,940</b>
Inventories	187	188
Trade receivables	938	957
Contract assets	137	151
Current tax assets	24	34
Other current assets	269	329
Cash and cash equivalents	299	183
Assets classified as held for sale	99	99
<b>TOTAL ASSETS</b>	<b>10,541</b>	<b>10,691</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Equity</b>	<b>3,308</b>	<b>3,384</b>
Shareholders' equity attributable to the parent	3,307	3,384
Non-controlling interests	1	0
<b>Non-current liabilities</b>	<b>4,231</b>	<b>4,085</b>
Interest-bearing liabilities	2,676	2,566
Lease liabilities	199	211
Liability for pensions, other post-employment benefits and termination benefits	361	342
Provisions	136	135
Deferred income tax liabilities	181	188
Other non current payables non-interest-bearing (*)	86	47
Other non current payables interest-bearing (*)	592	595
<b>Current liabilities</b>	<b>3,002</b>	<b>3,222</b>
Interest-bearing liabilities	588	871
Lease liabilities	73	77
Liability for pensions, other post-employment benefits and termination benefits	52	43
Trade payables (**)	1,483	1,372
Contract liabilities	127	129
Tax payables	16	65
Other current payables non-interest-bearing (*)	638	632
Other current payables interest-bearing (**)(**)	25	34
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>10,541</b>	<b>10,691</b>

(\*) "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 Group income statement

(EUR million)	3rd Quarter			Year-to-date		
	2022	2023	% Change	2022	2023	% Change
Net revenue	1,492	1,516	1.6%	4,306	4,472	3.9%
Other operating income	18	11	-39.3%	49	37	-25.8%
<b>Total income</b>	<b>1,511</b>	<b>1,527</b>	<b>1.1%</b>	<b>4,355</b>	<b>4,509</b>	<b>3.5%</b>
Costs of materials and services related to revenue	-571	-547	-4.3%	-1,563	-1,635	4.6%
Workforce expenses	-328	-336	2.4%	-954	-1,002	5.0%
Non workforce expenses	-143	-191	34.0%	-431	-526	22.3%
<b>Total operating expenses before depreciation &amp; amortization</b>	<b>-1,042</b>	<b>-1,074</b>	<b>3.1%</b>	<b>-2,947</b>	<b>-3,163</b>	<b>7.3%</b>
Operating income before depreciation & amortization	469	453	-3.4%	1,407	1,345	-4.4%
Depreciation and amortization	-289	-295	2.1%	-876	-884	0.9%
<b>Operating income</b>	<b>180</b>	<b>158</b>	<b>-12.2%</b>	<b>532</b>	<b>461</b>	<b>-13.3%</b>
Finance income	2	-1	<-100%	4	5	22.7%
Finance costs	-16	-49	>100%	-43	-104	>100%
<b>Net finance costs</b>	<b>-14</b>	<b>-50</b>	<b>&gt;100%</b>	<b>-39</b>	<b>-99</b>	<b>&gt;100%</b>
Share of loss on associates and JV	-3	-4	27.4%	-11	-10	-10.7%
<b>Income before taxes</b>	<b>163</b>	<b>104</b>	<b>-36.0%</b>	<b>482</b>	<b>353</b>	<b>-26.8%</b>
Tax expense	-37	-25	-32.2%	-113	-86	-24.3%
<b>Net Income</b>	<b>126</b>	<b>79</b>	<b>-37.2%</b>	<b>369</b>	<b>267</b>	<b>-27.5%</b>
Attributable to:						
Equity holders of the parent (Group share)	126	79	-37.1%	369	268	-27.4%
Non-controlling interests	0	0	26.3%	0	0	>100%

As reported Q3 2023

# Consolidated Group cash flow statement

As reported Q3 2023

(EUR million)	3rd Quarter			Year-to-date		
	2022	2023	Change	2022	2023	Change
<b>Cash flow from operating activities</b>						
Net income	126	79	-37.2%	369	267	-27.5%
Adjustments for:						
Depreciation and amortization	289	295	2.1%	876	884	0.9%
Deferred tax expense/ (income)	-11	1	>100%	-17	-1	-95.2%
Loss/(gain) from investments accounted for using the equity method	3	4	27.4%	11	10	-10.7%
Fair value adjustments on financial instruments	0	15	>100%	0	12	>100%
Adjustments for finance cost	0	-1	<-100%	0	-2	<-100%
Loss/(gain) on disposal of property, plant and equipment	-1	0	-91.6%	-4	0	-92.2%
<b>Operating cash flow before working capital changes</b>	<b>406</b>	<b>394</b>	<b>-3.0%</b>	<b>1,233</b>	<b>1,170</b>	<b>-5.2%</b>
Decrease/ (Increase) in inventories	-15	8	>100%	-55	0	-99.4%
Decrease/ (Increase) in trade receivables	-19	-19	-11%	-100	-14	-85.9%
Decrease/ (Increase) in other assets	53	27	-49.5%	96	-40	<-100%
Increase/(decrease) in trade payables	30	5	-83.3%	38	19	-48.6%
Increase/(decrease) in other liabilities	43	79	85.7%	69	63	-7.6%
Increase/(decrease) in net liability for pensions, other post-employment benefits and termination benefits	-6	-5	-17.6%	-28	-25	-10.7%
<b>Increase/(decrease) in working capital, net of acquisitions and disposals of subsidiaries</b>	<b>86</b>	<b>95</b>	<b>9.7%</b>	<b>20</b>	<b>4</b>	<b>-80.8%</b>
<b>Net cash flow provided by operating activities (1)</b>	<b>492</b>	<b>488</b>	<b>-0.8%</b>	<b>1,253</b>	<b>1,173</b>	<b>-6.4%</b>
<b>Cash flow from investing activities</b>						
Cash paid for acquisitions of intangible assets and property, plant and equipment	-361	-359	-0.5%	-1,101	-1,099	-0.1%
Cash paid for acquisitions of, and loan granted to other participating interests	-28	-62	>100%	-30	-87	>100%
Cash paid for acquisition of consolidated companies, net of cash acquired	-3	0	<-100%	-3	0	<-100%
Net cash received from sales of property, plant and equipment and other non-current assets	1	0	-63.2%	10	1	-86.8%
<b>Net cash used in investing activities</b>	<b>-387</b>	<b>-421</b>	<b>8.6%</b>	<b>-1,124</b>	<b>-1,185</b>	<b>5.5%</b>
<b>Cash flow before financing activities</b>	<b>105</b>	<b>67</b>	<b>-35.5%</b>	<b>129</b>	<b>-12</b>	<b>&lt;-100%</b>
Lease payments (excl. interest paid)	-21	-24	18.1%	-60	-69	14.2%
<b>Free cash flow (2)</b>	<b>84</b>	<b>43</b>	<b>-48.7%</b>	<b>69</b>	<b>-80</b>	<b>&lt;-100%</b>
<b>Cash flow from financing activities other than lease payments</b>						
Dividends paid to shareholders	0	0	-	-226	-226	-0.2%
Net sale/(purchase) of treasury shares	-1	1	>100%	-5	1	>100%
Cash received/(paid) for matured cash flow hedge instrument related to long term debt	1	0	-79.9%	0	20	-
Asset financing arrangements issuance	0	0	<-100%	65	0	<-100%
Asset financing arrangements repayment	-3	-2	-28.1%	-19	-7	-60.9%
Debt issuance	-110	0	>100%	315	497	57.5%
Debt repayment	-2	-112	>100%	-251	-319	26.8%
<b>Cash flows used in financing activities other than lease payments</b>	<b>-115</b>	<b>-114</b>	<b>-0.4%</b>	<b>-120</b>	<b>-35</b>	<b>-71.2%</b>
Exchange rate impact	1	0	-66.9%	3	0	-96.1%
<b>Net increase/(decrease) of cash and cash equivalents</b>	<b>-29</b>	<b>-71</b>	<b>&gt;100%</b>	<b>-48</b>	<b>-115</b>	<b>&gt;100%</b>

# Allocation reporting

## Proximus Green Finance Allocation Reporting

Portfolio date: 31st December 2021



Use of Proceeds for Eligible Green Projects Portfolio						
Eligible Green Projects Portfolio	Amount (EURm)	Instrument	ISIN	Issue Date	Due Date	Amount (EURm)
<i>Outstanding Portfolio as of 31st December 2021</i>						
<b>Green Use of Proceeds</b>						
Energy Efficiency	1566	Green Eurobond	BE0002830116	17/11/2021	17/11/2036	750
Circular Economy	191	EIB investment loan <sup>(1)</sup>	n/a	15/03/2018	15/03/2028	400
<b>Total Portfolio of Green Eligible Projects <sup>(2)</sup></b>	<b>1757</b>	<b>Total Green Finance Instruments Outstanding</b>				<b>1150</b>

Percentage of Eligible Green Projects Portfolio allocated to net proceeds of Green Funding: **65,4%** (usage)

Percentage of net proceeds of Green Finance Instruments allocated to Eligible Green Projects Portfolio: **100%**

Eligible Green Project Portfolio - to be allocated: **607**

Amount of eligible project added in 2021: **584**

New financing of eligible projects (amounts for 2021): **33%**

Refinancing of existing eligible projects (amounts for 2018-2019-2020): **67%**

### Notes

(1) EIB investment loan to fund 50% of fiber capex spending

(2) Proximus S.A. green eligible capex from 2018 to 2021  
+ equity contributions to the Fiber JVs (Fiberklaar & Unifiber)

# Impact reporting

## Proximus Green Finance Impact Reporting

Portfolio date: 31st December 2021.



Portfolio based Impact Report according to the June 2021 ICMA "Harmonized Framework for Impact Reporting" and GRI standards

Eligible Green Projects Category	Share of Total Financing	Eligibility for Green Financing	reduction in CO2e emissions scope 1 & scope 2 market based/year (Ktons)	abatement of Carbon Emissions through our products & services/year (in KTon CO2e)	% waste reused/recycled - Belgium	
a/	b/ Amount (EURm)	c/	d/	e/1	e/2	e/3
<b>Green Use of Proceeds</b>		100%				
Energy Efficiency	1.566	89%	100%	12,40	501,86	-
Circular Economy	191	11%	100%	-	-	89%
<b>Total Portfolio of Green Eligible Projects</b>	1.757 <sup>(1)</sup>	100%				

a/ Eligible category

b/ Amount committed by Proximus for the portfolio eligible for Green Funding

c/ Share of the total portfolio per Eligible Green Project Category

d/ Share of the total portfolio that is Green Financing eligible

e/ Impact indicators for Proximus Group 2021 - Green eligible projects are 40% of total group capex (from the period 2018 to 2021)

e/1 = Reduction in CO2e scope 1 & scope 2 market based, was 39,0 Ktons in 2018 versus 26,6 Kton in 2021 (-32%)

e/2 = Avoided emissions based on our products and solutions in Kton CO2e (for the year 2021)

e/3 = % of waste reused/recycled - Belgium (for the year 2021) - Proximus wants to reach zero waste by 2030

(1) 4.386 million euro total capex for the period 2018-2021

# Accelerating International growth

Majority stake in Route Mobile, creating a global leader in communication solutions and digital identity

(announced 17th July 2023)



## Transaction

- Agreement for the **acquisition of controlling interest of ~58% of Route Mobile** (closing expected end Q1 2024)



## Strategic rationale

- Proximus evolving from a **telco** towards a **tech-co**
- Creating a **global leader** in a large and rapidly growing **CPaaS market**



## Financial impact

- Significant revenue growth opportunities, positively impacting EBITDA and FCF of the group
- **Financing fully secured**, no meaningful impact on Net debt/EBITDA ratio for Proximus, remaining within comfort zone of **<3.0x**
- No impact on **ratings**



[More info](#)