Quarterly Report

Q2 2022

proximus

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Brussels, 29 July 2022, 7.00 am (CET)
Regulated Information

- **Q2 delivered continued growth and strong commercial traction.**
- **Fiber strategy scaling up: Fiber footprint >1 million HP, 194,000 activated Fiber lines end-June'22.**
- **Domestic revenue +1.9% to EUR 1,101 million, underlying Domestic EBITDA +0.3%.**
- **Internationally, Telesign and BICS posted revenue growth of +39.5% and +11.2% respectively.**
- **Proximus Group underlying revenue +4.9% YoY, underlying EBITDA +0.9% YoY.**
- **Upward revision of full-year 2022 guidance.**

1 Q2 2022 Highlights

- Proximus Group closed the second quarter of 2022 with **strong growth for its Mobile customer base**, adding +52,000 Mobile Postpaid cards. In a quarter where we saw lower commercial activity than last year, **Proximus added +8,000 Internet subscriptions** while **slower TV customer gain led to a net -1,000 TV subscriptions** in the quarter, in spite of good churn rates. The traction for **Residential convergent offers continued, growing by +11,000** customers to a total of 1,022,000, +5.5% compared to 12 months ago. On an enlarging footprint, Fiber offers gained further traction, adding **+23,000** active Residential and Business lines, bringing the total to 194,000 lines. With an additional +84,000 Residential and Business customers opting for a Flex offer in the second quarter, Proximus crossed the 1 million mark, with a total of 1,006,000 Flex subscriptions end-June. Reflecting changing customer needs, the Fixed Voice line base further eroded by -46,000 lines over the past three months.

- Proximus' **Domestic underlying revenue was up by +1.9% to EUR 1,101 million. Excluding low-margin Terminals revenue, the Domestic revenue grew by +1.8%** (excluding Mobile Vikings, +1.1%). The **Residential unit posted a +4.3% revenue increase,** largely driven by a strong +7.2% progress in Convergent revenue and a +10.8% increase in Mobile-only revenue, including the inorganic contribution of Mobile Vikings, which annualized 1 June 2022. The **Business unit revenue was up by +0.6%**, with the revenue increase from Fixed Data, Mobile and IT services and a strong quarter for IT products revenue, offsetting the ongoing Fixed Voice erosion. Proximus' **Wholesale unit posted overall a -2.3%** revenue decrease, with the decline in low-margin interconnect revenue more than offsetting a +20.1% growth in Fixed and Mobile wholesale services revenue.

- The second-quarter 2022 **Domestic EBITDA totaled EUR 431 million, a +0.3% increase** compared to the same period in 2021. The support from higher Direct Margin, up by +2.6%, was offset by higher operating expenses (+5.1%), with inflationary cost effects, customer and transformation costs partly mitigated by ongoing cost efficiencies.

- **Telesign** closed the quarter with a strong revenue and direct margin, with solid growth for both its Digital Identity and Communication segment. For the second quarter of 2022, Telesign's **revenue was up by +39.5%** (+24.0% on a constant currency basis), reaching a **total of EUR 107 million** and its **direct margin was up by +51.2%** reaching **EUR 27 million** (+18.5% on a constant currency basis). With investments in Telesign's growth ambitions further increasing its operational costs, the second quarter 2022 **EBITDA stood at EUR 0 million**.

- For the second quarter of 2022, **BICS grew its revenues by +11.2% to EUR 270 million**. BICS' Core services revenue was up +6.8% due to an increase in Mobility and Messaging, Growth services revenue more than doubled on strong traction for Cloud services, and Legacy services revenue increased by +8.1%. The **Direct margin was up by +21.9%,** and drove a +**25.5% EBITDA increase**, reaching a total of EUR 33 million for the second quarter of 2022.

- In aggregate, the Proximus **Group underlying revenue totaled EUR 1,437 million** for the second quarter of 2022, **a +4.9% growth** compared to the same period in 2021. The underlying **Group EBITDA totaled EUR 463 million, up by +0.9%**.

- Excluding spectrum and football broadcasting rights, the Proximus **Group CAPEX over the first six months was EUR 557 million,** with the year-on-year increase largely driven by Proximus' investments in Fiber, which counted for 37% of the total Capex. In the second quarter of 2022, Proximus passed an additional +122,000 homes and businesses with Fiber, bringing the total to 1,031,000 by end-June 2022, which represents a Fiber population coverage of over 17%.

- Over the first half of 2022, Proximus Group posted a **Free Cash Flow of EUR -15 million, or EUR -3 million when adjusted for M&A-related transaction costs**. The year-on-year decrease on a comparable basis mainly resulted from higher cash-out for Capex investments and an unfavorable year-on-year impact of business working capital needs, in part offset by less cash out for ongoing transformation plans and income tax payments.

Market situation

For the Residential market, the second quarter of the year is a typically lower intensity from a commercial perspective. Overall, Belgium remains very much a convergent market, with offers addressing all customer segments, from fully-fledged convergent offers including multi-mobile cards and entertainment propositions over skinny bundles to stand-alone offers. The industry headwind of Fixed Voice decline continues and cord cutting starts to show in Belgium. Mobile data allowances remain on the rise and with the evident inflation pressures in the Belgian market as elsewhere in Europe, the Belgian Telecom market has seen selective pricing increases to mitigate these impacts to its overall margins. The Business market remained very competitive, translated into continued pricing pressure, whilst there has been room for targeted pricing actions. Fiber connectivity and Professional IT services represent opportunities, while legacy Fixed services face ongoing erosion. IT hardware remained exposed to the global semi-conductor supply shortage.

Guillaume Boutin, CEO

Proximus continued to deliver growth in Q2 with Revenue and EBITDA up year-on-year, both domestically and internationally. With strong first half results, we raise our full-year guidance.

Looking back over the past three months, I am very pleased by Proximus' robustness, achieving good progress despite the more difficult economical context we are operating in. I am especially satisfied with the continued NPS improvements, across our three brands. Thanks to our customer satisfaction efforts over the past years, the inflation-driven price indexations landed well, with no material increase in churn.

With our recent launches, we are further addressing the needs of each customer segment: Flex XS for our Proximus brand and a fixed internet option – including Fiber – for Mobile Vikings in the digital savvy segment. Moreover, our newly launched internet box will significantly boost the in-home experience of our customers thanks to Wi-Fi 6, which enables both a faster and more stable wireless connection.

Digital technology has become essential, and it is important that our customers – both citizens and companies - can count on trustworthy digital partners who understand their concerns. For the B2B domain, Proximus and Microsoft are joining forces to meet the privacy and sovereignty challenges of companies in public and regulated sectors by developing a 'sovereign cloud' solution, combining Microsoft's Azure hyperscale capabilities and Proximus's hybrid capabilities. This solution will enable customers to use the most powerful public cloud capabilities while benefiting from the ultimate sovereign and privacy controls. For smaller businesses, we will be partnering with Odoo, providing access to its full suite of digital solutions, whether for managing their customer relations, sales, e-commerce, accounting or human resources.

From a technology point of view, Fiber is providing a future-proof, secure and reliable customer experience. We are proud to have reached two major milestones. First, in June, we crossed the 1 million mark of homes and business passed with Fiber, highlighting the fast expansion of our Fiber network. Over the second quarter we passed an additional 122,000 premises with Fiber, bringing us to a nation-wide coverage level of 17% end-June. Second, we announced our plan to broaden our Fiber coverage by agreeing an MoU with a consortium of Belgian financial partners aligned with our vision to bring high-speed connectivity to the country's low populated areas. Through this off-balance sheet structure, we aim to extend our Fiber coverage, with the goal of ultimately reaching 95% coverage by 2032. This partnership will have several benefits: it strengthens Proximus as the leading Fiber operator in Belgium, thereby generating financial benefits from a broader Fiber scale and copper decommissioning. It also supports our societal ambition with a major step towards covering 100% of the country with a gigabit network, leveraging fixed wireless access technology for the remaining 5%. We aim to reach a final agreement by year-end.

Aligned with our mobile strategy and cementing our position as the best mobile network in Belgium, we managed to secure a wide range of spectrum for the next 20 years, 285Mhz in total, a crucial asset that will make a considerable difference in network quality and hence offering the best mobile experience to our customers. The newly acquired spectrum in the 700Mhz and 3600 MHz band will finally make it possible to bring the benefits of 5G to the entire Belgian population.

Turning to our two international software platforms, both BICS and Telesign delivered another sequential quarter of strong growth. For BICS, the second quarter showed, once again, a double-digit EBITDA growth, up by 25.5%, driven by margin growth in its Core services, messaging and mobility services, and once again an excellent performance in Cloud services. Notably, the good results in Voice services underline BICS' continued relevance and ability to optimize value in this field. This was confirmed by the multi-year commercial agreement BICS has recently signed with international communications company Ooredoo Group, in which BICS is becoming the trusted communications partner. This innovative partnership underlines both Ooredoo's and BICS' commitment to fuel market-leading growth in this evolving telecommunications landscape. As the Voice market is consolidating, it is increasingly crucial to offer future-proof quality, stability and protection to both operator networks and subscribers.

Our second international business, Telesign, continued its strong commercial trajectory seen over the last quarters, posting revenue growth of 39.5%, thereby emphasizing the success of the strategic approach it has taken to reinforce its position in the Digital Identity and Communication market.

Given the wider economic context and impact this has had on financial markets, we did not reach the conditions that were necessary for Proximus to conclude the envisioned public listing of Telesign, despite such a strong commercial performance. We remain nonetheless as confident as ever, with regard to Telesign's future growth, sound strategy and strong value propositions. We are fully satisfied with Telesign's track record so far and reiterate our commitment to further supporting its growth trajectory. We are considering our options and will inform the market once this crystalizes.

Reflecting on what has been a continuation of the strong commercial performance in the first half of 2022 and our outlook for the rest of the year we raise our guidance for the year 2022, with Domestic Revenue expected to grow by 1% to 2% year-on-year and Domestic EBITDA at the upper range of our previous guidance of 'growing up to +1%. Including our strongly performing international businesses BICS and Telesign, we expect our Group EBITDA to grow up to +1% from the year before. Our Capex and Net Debt ratio expectations remain unchanged.

Table 1: **Key Figures**

Operationals ('000)	Net adds in the quarter			Park at end of quarter		
	2021	2022	%	2021	2022	%
Fiber						
Homes Passed	89	122		621	1,031	66.0%
Activated retail lines	14	23		111	194	75.0%
Residential customers						
Convergent	16	11		969	1,022	5.5%
Group (subscriptions/SIM cards)						
Internet	10	8		2,158	2,202	2.0%
TV	12	-1		1,702	1,731	1.7%
Fixed Voice	-49	-46		2,099	1,905	-9.3%
Mobile Postpaid (excl. M2M)	48	52		4,540	4,741	4.4%
M2M	507	154		3,046	3,701	21.5%
Prepaid	-11	-2		728	662	-9.1%

Financials (EUR million)	2nd Quarter			Year-to-date		
	2021	2022	% Change	2021	2022	% Change
Group Revenue (underlying)	**1,370**	**1,437**	**4.9%**	**2,737**	**2,841**	**3.8%**
of which Domestic	1,080	1,101	1.9%	2,164	2,198	1.5%
of which BICS	242	270	11.2%	477	515	7.9%
of which Telesign	77	107	39.5%	154	208	35.2%
Group Direct Margin (underlying)	**890**	**931**	**4.7%**	**1,784**	**1,848**	**3.6%**
of which Domestic	819	840	2.6%	1,644	1,677	2.0%
of which BICS	55	68	21.9%	109	127	16.8%
of which Telesign	18	27	51.2%	37	52	41.1%
Group Expenses (underlying)	**-430**	**-468**	**8.7%**	**-878**	**-937**	**6.7%**
of which Domestic	-390	-409	5.1%	-797	-826	3.7%
of which BICS	-30	-35	18.7%	-60	-68	12.4%
of which Telesign	-15	-28	89.8%	-27	-50	82.8%
Group EBITDA (underlying)	**459**	**463**	**0.9%**	**905**	**911**	**0.7%**
as % of revenue	**33.5%**	**32.2%**	**-1.3 p.p.**	**33.1%**	**32.1%**	**-1.0 p.p.**
of which Domestic	430	431	0.3%	848	850	0.3%
of which BICS	26	33	25.5%	48	59	22.3%
of which Telesign	4	0	nr	9	2	-78.5%
Group EBITDA (reported)	**476**	**473**	**-0.7%**	**936**	**938**	**0.2%**
Net income	**118**	**122**	**3.7%**	**241**	**243**	**0.6%**
Capex (excl. spectrum & football rights)	**272**	**287**	**5.8%**	**497**	**557**	**12.1%**
FCF (adjusted)	**119**	**-36**	**nr**	**262**	**-3**	**-101.1%**
Adjusted Net Debt (excl. lease liabilities)	**nr**	**nr**	**nr**	**-2,673**	**-2,846**	**-6.5%**

- Group revenue, Direct margin, Operating Expenses and EBITDA include intersegment eliminations
- Adjusted FCF excludes M&A impacts but includes Fiber equity injections.
- Mobile Vikings has been included in the Proximus Group consolidated financial statements as a fully consolidated subsidiary since 1 June 2021. This transaction affects the comparability of the figures for the current period with the prior-year figures. Where relevant, the comments in the report refer to the organic variance.

2 Proximus Group Financial Review

2.1 Group financials (underlying)

Table 2: Underlying Group P&L

	2nd Quarter			Year-to-date		
(EUR million)	2021	2022	% Change	2021	2022	% Change
Revenue[1]	**1,370**	**1,437**	**4.9%**	**2,737**	**2,841**	**3.8%**
Net Revenue	1,361	1,427	4.9%	2,718	2,813	3.5%
Other Operating Income	9	10	19.4%	18	28	51.9%
Cost of Sales[2]	**-480**	**-506**	**5.5%**	**-953**	**-993**	**4.2%**
Direct Margin	**890**	**931**	**4.7%**	**1,784**	**1,848**	**3.6%**
Direct Margin %	*65.0%*	*64.8%*	*-0.2 p.p.*	*65.2%*	*65.1%*	*-0.1 p.p.*
Expenses	**-430**	**-468**	**8.7%**	**-878**	**-937**	**6.7%**
EBITDA[3]	**459**	**463**	**0.9%**	**905**	**911**	**0.7%**
EBITDA Margin %	*33.5%*	*32.2%*	*-1.3 p.p.*	*33.1%*	*32.1%*	*-1.0 p.p.*

[1] Corresponds to "Total Income" excluding Adjustments
[2] Corresponds to "Cost of materials and charges to revenues" excluding Adjustments
[3] Corresponds to "Operating income before depreciation and amortization" excluding Adjustments
See section 6 for reported figures and section 7.2 for Adjustments details

2.1.1 Underlying Group revenue

Q2 2022

The **Proximus Group underlying revenue totaled EUR 1,437 million** for the second quarter of 2022, **a +4.9% growth** from the comparable period of 2021.

For its **Domestic** segment, Proximus grew its **underlying revenue to EUR 1,101 million, an increase by +1.9%** or EUR 21 million compared to the preceding year. **Excluding revenue from Terminals**, the second-quarter **Domestic revenue grew by +1.8%**. Excluding the remaining two months of inorganic revenue contribution from Mobile Vikings[1], this was +1.1%.

The **Residential**[2] revenue was up year-on-year by +**4.3% to EUR 562 million.** This included a strong +3.3% increase in Residential Customer Services revenue, with the inflation-driven price indexation of 1 May 2022 accelerating the growth in Convergent revenue. Revenue from Mobile-only customers was up, driven by Mobile Vikings, with the inorganic contribution annualizing 1 June 2022. Furthermore, revenue from Mobile Terminals were up from a low base in 2021. On organic basis, the Residential revenue was up by +2.3%.

The second-quarter 2022 revenue of the **Business unit ended +0.6% above the 2021** comparable basis. Business Services revenue was slightly down (-0.4%), with eroding revenue from Fixed Voice for a large part compensated for by higher revenue from Fixed Data, Mobile and IT services. Product revenue (terminals and IT equipment) was up for the second quarter of 2022, driven by a strong revenue quarter for IT products.

Proximus' **Wholesale unit** posted a second-quarter 2022 revenue of EUR 70 million, -**2.3% down** from the same period of 2021 due to interconnect revenue loss, with no meaningful margin impact. Revenue from Fixed and Mobile wholesale services was up by +20.1%, driven by an increased number of MVNO

[1] Following the approval of the Belgian Competition Authority, Proximus announced on 7 June 2021 having finalized the procedure with DPG Media to acquire Mobile Vikings.

[2] See section 7.1 for the reporting changes as of January 2022, impacting the customer units within the Domestic segment.

customers on Proximus' open network, further supported by a positive year-on-year evolution in Wholesale roaming revenue and increasing services towards Mwingz and Proximus' Fiber Joint Ventures.

Telesign posted EUR 107 million of revenue over the second quarter of 2022, a **year-on-year increase of +39.5%** (+24.0% on a constant currency basis[3]), with both the Communication and Digital Identity segment closing a strong quarter and the Net Revenue Retention (NRR) rate remaining solid at 125%.

For the second quarter of 2022, **BICS posted revenues of EUR 270 million. The year-on-year increase by +11.2%** from the comparable period in 2021 was primarily driven by additional revenue from BICS' Enterprise customer base, with revenue up +40.9%, while Telecom revenue also grew by +4.7% from the year before.

Table 3: Underlying Group Revenue

	2nd Quarter			Year-to-date		
(EUR million)	**2021**	**2022**	**% Change**	**2021**	**2022**	**% Change**
Group Underlying	**1,370**	**1,437**	**4.9%**	**2,737**	**2,841**	**3.8%**
Domestic	1,080	1,101	1.9%	2,164	2,198	1.5%
Residential	539	562	4.3%	1,081	1,115	3.1%
Business	465	468	0.6%	931	926	-0.5%
Wholesale	71	70	-2.3%	139	139	0.4%
Other (incl. eliminations)	6	2	-65.3%	14	18	28.1%
BICS	242	270	11.2%	477	515	7.9%
Telesign	77	107	39.5%	154	208	35.2%
Eliminations	-30	-41	-35.8%	-58	-79	-35.5%

2.1.2 Underlying Group direct margin

Table 4: Underlying Group Direct Margin

	2nd Quarter			Year-to-date		
(EUR million)	**2021**	**2022**	**% Change**	**2021**	**2022**	**% Change**
Group Underlying by Segment	**890**	**931**	**4.7%**	**1,784**	**1,848**	**3.6%**
Domestic	819	840	2.6%	1,644	1,677	2.0%
BICS	55	68	21.9%	109	127	16.8%
Telesign	18	27	51.2%	37	52	41.1%
Eliminations	-3	-4	-22.3%	-6	-7	-14.9%

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The second quarter 2022 underlying direct margin of the **Proximus Group totaled EUR 931 million, an increase by +4.7%** from the comparable period last year.

Proximus' **Domestic operations posted a direct margin of EUR 840 million, +2.6%** or EUR 21 million above the prior year. On an organic basis this was a +1.4% increase. For **BICS** a strong year-on-year increase in Direct Margin was posted, which was up by +21.9%, reaching EUR 68 million, driven by its Core and Growth services. Resulting from good growth for both Digital Identity and Communication services, the total **Telesign** direct margin increased **by +51.2%** year-on-year to EUR 27 million (on a constant currency basis, this was +18.5%).

[3] Provides a view on the business performance, filtering out the currency effects by using a constant currency.

2.1.3 Underlying Group expenses[4]

Table 5: Underlying Group expenses

	2nd Quarter			Year-to-date		
(EUR million)	2021	2022	% Change	2021	2022	% Change
Group Underlying	**430**	**468**	**8.7%**	**878**	**937**	**6.7%**
Workforce expenses	289	311	7.8%	580	616	6.2%
Non-workforce expenses	142	157	10.6%	298	321	7.6%
Domestic	**390**	**409**	**5.1%**	**797**	**826**	**3.7%**
Workforce expenses	262	273	4.2%	526	546	3.7%
Non-workforce expenses	127	136	6.9%	271	281	3.8%
BICS	**30**	**35**	**18.7%**	**60**	**68**	**12.4%**
Telesign	**15**	**28**	**89.8%**	**27**	**50**	**82.8%**
Eliminations	**-3**	**-4**	**-22.7%**	**-6**	**-7**	**-15.2%**

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The Proximus **Group underlying operating expenses** grew year-on-year to EUR 468 million in the second quarter of 2022, **up by +8.7% or EUR 38 million from the comparable basis in 2021.**

The **Domestic operating expenses totaled EUR 409 million, +5.1%** above the 2021 level. On an organic basis this was +4.0%, driven by the year-on-year impact of inflationary cost increases, including the effect of 4 inflation-based salary indexations[5]. This was partially offset by a lower Domestic headcount and other efficiencies. Moreover, Domestic Direct operating costs (billable operational costs) and other customer related costs were up, as well transformation costs, mainly related to the company's Datacenter transformation[6].

BICS' second quarter 2022 operating expenses **totaled EUR 35 million**, an increase by EUR 6 million, with wage indexation and HR-related provisions impacting the cost base.

Telesign posted EUR 28 million of operating expenses, up by EUR 13 million year-on-year from the year before, reflecting increased investments in its go to market and platform developments to support its growth plan.

Overall, including BICS and Telesign, **the Proximus Group employed 11,500 FTEs end-June 2022**, 60 FTE's more than twelve months ago. The Domestic headcount, including Mobile Vikings employees, was down by -124 FTEs, while the headcount of BICS and Telesign's rose following hiring of essential skills to realize growth ambitions.

4 Before D&A; excluding Cost of Sales; excluding incidentals.

5 Public wages in Belgium were automatically adjusted to the higher cost of living on 1 October 2021, 1 February 2022, 1 April 2022 and 1 June 2022, with a 2% increase in each instance.

6 Servicing costs related to Proximus' partnership with HCL Technologies to run and service its private cloud infrastructure. With HCL managing Proximus' IT infrastructure, Proximus realises savings in Capex, while paying services fees, overall leading to a significant decrease in the Total Cost of Ownership.

2.1.4 Group EBITDA - reported and underlying

Table 6: From reported to underlying EBITDA

(EUR million)	2nd Quarter 2021	2nd Quarter 2022	2nd Quarter % Change	Year-to-date 2021	Year-to-date 2022	Year-to-date % Change
Group reported EBITDA	**476**	**473**	**-0.7%**	**936**	**938**	**0.2%**
Adjustments	-17	-10	nr	-31	-27	nr
Group Underlying EBITDA	**459**	**463**	**0.9%**	**905**	**911**	**0.7%**
Domestic	430	431	0.3%	848	850	0.3%
BICS	26	33	25.5%	48	59	22.3%
Telesign	4	0	nr	9	2	-78.5%

Q2 2022

Underlying Group EBITDA

The **underlying Group EBITDA for the second quarter of 2022 totaled EUR 463 million,** up by 0.9% compared to the prior year.

For its **Domestic operations, Proximus posted an EBITDA of EUR 431 million** for the second quarter of 2022, +**0.3%** above the prior year. On an organic basis, the Domestic EBITDA was down by -0.9%, due to higher operating costs. Driven by its strong growth in direct margin, **BICS posted EBITDA of EUR 33 million** for the second quarter of 2022, **+25.5%** year-on-year

Telesign posted over the second quarter of 2022 EUR 0 million **EBITDA**, with the year-on-year decrease of EUR -4 million explained by the higher cost base, following the anticipated headcount investments to support its growth.

Total Reported Group EBITDA

The Proximus Group reported EUR 473 million EBITDA for the second quarter of 2022, a decrease by -0.7% or EUR-3 million from the comparable period in the previous year. The underlying EBITDA for the second quarter of 2022 included EUR -10 million negative adjustments. The main adjustment is on Lease depreciations, for EUR -20 million. For an overview of all adjustments, see section 7.2.

2.1.5 Net income

YTD 2022

Depreciation and amortization

The depreciation and amortization (including lease depreciation) over the first half of 2022 totaled EUR 587 million. This compares to EUR 590 million for the same period of 2021.

Net finance cost

The year-to-date June 2022 net finance cost remained nearly stable at EUR 25 million (including lease interests).

Tax expenses

The tax expenses over the first half year of 2022 amounted to EUR 76 million, leading to an effective tax rate of 23.8%. The difference with the Belgian statutory tax rate of 25% results from the application of general principles of Belgian tax law such as the patent income deduction and other R&D incentives.

Net income (Group share)

Higher Group EBITDA and lower D&A has led to a year-to-date Group net income (Group Share) of EUR 243 million, up by +0.6% from the comparable basis in 2021.

Table 7: From Group EBITDA to net income

	2nd Quarter			Year-to-date		
(EUR million)	**2021**	**2022**	**% Change**	**2021**	**2022**	**% Change**
Group reported EBITDA	**476**	**473**	**-0.7%**	**936**	**938**	**0.2%**
Depreciation and amortization	-301	-295	-1.9%	-590	-587	-0.4%
Operating income (EBIT)	**175**	**178**	**1.5%**	**347**	**351**	**1.3%**
Net finance costs	-13	-15	13.9%	-24	-25	3.5%
Share of loss on associates and JV	-3	-2	-20.6%	-4	-8	87.0%
Income before taxes	**159**	**160**	**0.9%**	**318**	**318**	**0.1%**
Tax expense	-41	-38	-7.3%	-77	-76	-1.6%
Net income	**118**	**122**	**3.7%**	**241**	**243**	**0.6%**
Non-controlling interests	0	0	-	1	0	<-100%
Net income (Group share)	**118**	**122**	**3.7%**	**240**	**243**	**1.2%**

2.1.6 Investments

YTD 2022

Excluding spectrum and football broadcasting rights, the Proximus **Group CAPEX totaled EUR 287 million over the second quarter of 2022**. This brings the **total CAPEX over the first six months of 2022 to EUR 557 million**, an increase by EUR 60 million from the same period in 2021. The year-on-year increase was in large part driven by Proximus' investments in Fiber, which counted for 37% of the total Capex. In the second quarter of 2022, Proximus passed an additional 122,000 homes and businesses with Fiber, bringing the total to 1,031,000 by end-June 2022, which represents a Fiber coverage of over 17%[7].

As for the Mobile network consolidation, the implementation by Mwingz is in progress, incurring capex for the sites have been enabled and shared between the two operators.

Besides Gigabit networks, Proximus's invested amount includes a rising level of customer-related capex in particular termination and activation costs for Fiber customers, as well as higher investment in the domain of IT transformation and Digitalization.

2.1.7 Cash flows

Table 8: CFL

	2nd Quarter			Year-to-date		
(EUR million)	2021	2022	% Change	2021	2022	**% Change**
Cash flows from operating activities	394	302	-23.4%	880	761	-13.6%
Cash paid for Capex (*)	-257	-334	30.0%	-550	-740	34.6%
Cash flows used and provided in other investing activities	-130	5	>100%	-160	4	>100%
Cash flow before financing activities	**8**	**-26**	**<-100%**	**170**	**24**	**-85.6%**
Lease payments	-19	-17	-9.0%	-41	-40	-2.4%
Free cash flow	**-11**	**-44**	**>100%**	**130**	**-15**	**<-100%**
Cash flows used and provided in financing activities other than lease payments	-34	-19	-43.8%	-210	-5	-97.4%
Exchange rate impact	0	1	>100%	0	2	>100%
Net increase/(decrease) of cash and cash equivalents	**-46**	**-62**	**34.1%**	**-80**	**-19**	**-76.7%**

*Cash paid for acquisitions of intangible assets and property, plant and equipment.

[7] Assuming a total of 6 million premises in Belgium.

Over the first half of 2022, Proximus Group posted a **Free Cash Flow** of EUR-15 million, **or EUR -3 million when adjusted for M&A-related transaction costs.** The decrease from the comparable adjusted 2021 FCF of EUR 262 million (EUR 130 million reported FCF) mainly resulted from higher cash-out for Capex, increasing by EUR 191 million following the higher Fiber investments and deposits ahead of the spectrum auction, as well as from an unfavorable year-on-year evolution of business working capital needs. This was in part offset by less Cash out for ongoing transformation plans[8] and income tax payments. In contrast to the first half of 2021, there were no equity injections in the Fiber joint ventures Fiberklaar or Unifiber, the two entities created to deploy Fiber in the Flanders and Walloon regions, respectively.

2.1.8 Balance sheet and shareholders' equity

Compared to year-end 2021, goodwill increased by EUR 11 million to EUR 2,599 million mainly due to the USD/EUR conversion of Telesign.

Tangible and intangible fixed assets amounted to EUR 4,943 million, an increase by EUR 519 million, mainly due to the capitalized spectrum for EUR 491 million and for other CAPEX being higher than D&A.

Pension assets increased by EUR 70 million to EUR 149 million due to a revision of the assumptions (discount and inflation rate and expected return of plan assets) and other non-current assets increased by EUR 137 million to EUR 160 million due to the remeasurement to fair value of the cash flow hedge instruments for future long-term debts.

Shareholders' equity increased from EUR 2,978 million at the end of December 2021 to EUR 3,231 million at the end of June 2022. This mainly results from the net income Group Share (EUR 243 million) and positive re-measurements being higher than the dividends distributed (EUR 226 million).

At the end of June 2022, Proximus' outstanding long-term debt (excluding lease liabilities and part maturing within one year) amounted to EUR 2,681 million, and its adjusted net financial position stood at EUR -2,846 million (including re-measurements to fair value).

Table 9: Net financial position

	As at 31 December	As at 30 June
(EUR million)	**2021**	**2022**
Investments, Cash and cash equivalents	249	230
Derivatives	3	142
Assets	**252**	**372**
Non-current liabilities (*)	-2,944	-2,886
Current liabilities (*)	-321	-610
Liabilities	**-3,265**	**-3,496**
Net financial position (*)	**-3,013**	**-3,124**
of which Leasing liabilities	-273	-278
Adjusted net financial position (**)	**-2,740**	**-2,846**

(*) Including derivatives and leasing liabilities

(**) The adjusted financial position excludes leasing liabilities

[8] Headcount plans ahead of retirement: Early leave plan and Fit for Purpose plan.

2.2 Regulation

Spectrum

The multi-band spectrum auction, including the renewal of the existing 2G/3G spectrum licenses (900MHz, 1800MHz and 2100MHz) as well as the granting of new 5G spectrum (700MHz, 1400MHz and 3600MHz), has been successfully closed on 20 July 2022. In total, Proximus has been able to secure 285MHz for EUR 600 million. All licenses will be valid for 20 years, except the 3600MHz band which will expire by 7 May 2040. The 700MHz and 3600MHz licenses will start as of 1 September 2022. Regarding the 1400MHz band, the BIPT is currently consulting the operators and proposes 1 October 2022 as starting date. There is no starting date defined yet for the 900MHz, 1800MHz and 2100MHz bands with the 3 MNOs having to agree first on how and by when they will be able to reshuffle their spectrum towards the new agreed spectrum positions. If no such agreement is reached, the BIPT will fix the starting date between 5 January and 5 July 2023. The current licenses have been extended until 15 September. If the starting date would be set somewhere after this date, an additional extension will be needed. The BIPT already launched a consultation on such a possible extension.

Termination rates

On 18 December 2020, the Commission adopted a binding decision setting single maximum EU-wide wholesale mobile and fixed termination rates (also referred to as Eurorates). This act establishes a three-year glidepath for mobile termination rates (MTR) and a transition period for fixed termination rates (FTR).

(€ cent/minute)	Previous	01/07/2021	01/01/2022	01/01/2023	As from 1/1/2024
MTR	0.99	0.70	0.55	0.40	0.20
FTR	0.116	0.093	0.070	0.070	0.070

Traffic originating from outside the EU is subject to the regulated EU-wide wholesale caps in cases where the non-EU termination rates are equal to or below the Euro rate. This regulation entered into force on 1 July 2021, with a minor impact expected on Wholesale revenue and neutral on Direct Margin.

International roaming

The Roaming Regulation including RLAH expired on 30 June 2022. On 4 April 2022, the European Council adopted a new legislative act. The revised EU roaming regulation applies from 1 July 2022 until 30 June 2032. RLAH is extended until 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, capped at EUR 2 per Gigabyte (Gb) from 2022 progressively down to EUR 1 in 2027. Furthermore, wholesale caps for voice and SMS are lowered based on a two-step glidepath in 2022 and 2025. If consumers exceed their contract limits when roaming, any additional charges cannot be higher than the wholesale roaming caps. Additional quality and transparency measures are introduced.

2.3 ESG Update

Proximus is strongly committed to a green and digital society, a commitment that is at the heart of its #Inspire2022 strategy. This section of the quarterly report puts the spotlight on a selection of achievements, along with recent launches and other company news in the Environmental, Social, and corporate Governance (ESG) domain.

In the spotlight

Cyber Security Resilience – 100% of the number of major cyber security incidents with a potential visible impact on the business were prevented in the second quarter of 2022, an improvement by 5p.p. from the second quarter of 2021.

Average hours of training – Proximus SA employees completed an average of 19 hours of training year-to-date, an increase by 4 hours compared to the same period in 2021.

Recently launched

Eco Rating. Proximus introduced the Eco Rating label in April 2022. This index, created by a global association of telecom operators, informs consumers looking to make an environmentally responsible choice when buying a new mobile phone. The Eco Rating label will help Proximus to achieve its ambitions of being a truly circular company by 2030 and enable its customers to reduce their impact on the environment now.

DigitAll. Digitizing many daily tasks becomes an insurmountable challenge if one does not have the required digital knowledge and skills. Just think of making a doctor's appointment, registering children in school, applying for a job, filling out forms on Tax-on-web, and so on. That is why no fewer than 46 organizations and companies made a strong commitment by signing the Digital Inclusion Charter. They did so at the launch of DigitAll's awareness campaign, in June 2022, because digital exclusion can affect anyone, yet few people give it much thought. DigitAll is a coalition of more than 70 private, social and public companies, with BNP Paribas Fortis and Proximus as key partners.

Extra charge points for EVs. Determined to play a leading role in accelerating the electrification of the Belgian car fleet, Proximus ambitions, with a partnership model, to provide at least 15,000 additional charging points for electric vehicles by 2028. In July, Proximus announced its plans to equip three cities with charging stations linked to its street cabinets by the end of 2022.

Recognition for sustainability

Lean & Green 3 stars. In May 2022, Proximus has been awarded the prestigious "Lean & Green 3 stars" label, a first in Belgium. After receiving the 2-star status in 2021, this label is a confirmation of Proximus' ambition to continue reducing its $CO2$ emissions for its distribution center in Courcelles. Proximus managed to reduce its $CO2$ emissions per order by 55% compared to 2015, with the goal of becoming the first company with a $CO2$-neutral supply chain by 2030.

"Green" ISO Certification. Proximus has been ISO 14001 certified for environmental management and specifically for the Machelen Data Center since June 2022. This ISO 14001 certification is an internationally recognized standard that defines the requirements for an environmental management system. It allows Proximus to improve its environmental performance by making more efficient use of natural resources and to increase sustainability. This certification is proof that Proximus is committed to reducing its impact on the environment by managing energy consumption and air emissions more efficiently, as well as reducing waste.

2.4 Outlook & Shareholder return

Revised full-year 2022 guidance

Based on the strong results of the first half of 2022 and the best estimate for the remainder of the year, Proximus expects for year-end 2022:

- Underlying **Domestic revenue excluding Terminals to grow by 1%-2%** from the preceding year, an improvement from the previous outlook of 'growing up to 1% year-on-year'.

- The domestic revenue growth is expected to run ahead of EBITDA due to some inflationary cost increases, including automatic wage indexation effects. The full-year 2022 **Domestic EBITDA is expected to land at the upper range of the set guidance** (grow up to 1% year-on-year).

- In terms of the Proximus Group EBITDA, it's expected to end the year 2022 positively, with **Group EBITDA growing up to 1% compared** to the year before, improving from the previous outlook of 'Around -1% year-on-year'. Besides slightly better projections on Domestic EBITDA, this includes also the **very strong first-half 2022 EBITDA achieved by BICS**, driven by strong travel uptake supporting BICS' messaging, roaming and legacy Voice products, reinforced by a favorable destination mix over the first six months. Also, global Cloud communication services are achieving a sustained strong performance, supported by increasing Enterprise demand.
  Telesign also closed a better than expected first-half of 2022 and anticipates posting for 2022 a more moderate year-on-year EBITDA decline versus its announced projections in the December 2021 investor presentation.[9] (www.Telesign.com/investors).

- With Proximus' Fiber deployment program well on track, the 2022 Group **CAPEX expectations remain unchanged, i.e., to go up to close to EUR 1.3Bn** (excl. spectrum and football rights).

- The expected **net debt ratio for 2022** remains unchanged at **around 1.6X** underlying EBITDA.

Table 10: outlook 2022

Guidance metric	FY21 Actuals	FY22 Guidance (18/02/2022)	H1'22 Actuals	FY22 Revised (29/07/2022)
Underlying Domestic revenue (excluding terminals)	€ 4,075M	Growing up to 1% YoY	+2.0%	Growing by 1%-2% YoY
Domestic underlying EBITDA	€ 1,654M	Growing up to 1% YoY	+0.3%	Upper range of 'Growing up to 1% YoY'
Underlying Group EBITDA	€ 1,772M	Around -1% YoY	+0.7%	Growing up to 1% YoY
Capex (excluding Spectrum & football rights)	€ 1,203M	Close to € 1.3Bn	€ 557M	Reiterating 'Close to € 1.3Bn'
Net debt / EBITDA	1.55X	Around 1.6X	nr	Reiterating 'Around 1.6X'

[9] As part of Telesigns' listing process, announced on 16 December 2021, it disclosed a multi-year strategy and financial projection in its investor presentation: www.Telesign.com/investors. For 2022 this included an estimated EBITDA of USD -23 million for 2022 under USGAAP. Proximus' underlying EBITDA estimates, for Telesign, under IFRS and including adjustments for Share Based Remuneration, was around USD -15 million.

Shareholder return 2022

Proximus remains committed to an attractive remuneration for its shareholders and intends to return over the result of 2022, an annual gross dividend of € 1.2 per share, in line with Proximus' announced three-year dividend policy over the period 2020-2022.

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.

3 Domestic

Table 11: Domestic P&L

(EUR million)	2nd Quarter 2021	2nd Quarter 2022	2nd Quarter % Change	Year-to-date 2021	Year-to-date 2022	Year-to-date % Change
Revenue*	**1,080**	**1,101**	**1.9%**	**2,164**	**2,198**	**1.5%**
Residential	539	562	4.3%	1,081	1,115	3.1%
Business	465	468	0.6%	931	926	-0.5%
Wholesale	71	70	-2.3%	139	139	0.4%
Other (incl. eliminations)	6	2	-65.3%	14	18	28.1%
Cost of Sales	**-261**	**-261**	**0.0%**	**-520**	**-521**	**0.2%**
Direct Margin	**819**	**840**	**2.6%**	**1,644**	**1,677**	**2.0%**
Direct Margin %	*75.9%*	*76.3%*	*0.5 p.p.*	*76.0%*	*76.3%*	*0.3 p.p.*
Expenses	**-390**	**-409**	**5.1%**	**-797**	**-826**	**3.7%**
Workforce expenses	-262	-273	4.2%	-526	-546	3.7%
Non Workforce expenses	-127	-136	6.9%	-271	-281	3.8%
EBITDA	**430**	**431**	**0.3%**	**848**	**850**	**0.3%**
EBITDA Margin %	*39.8%*	*39.1%*	*-0.7 p.p.*	*39.2%*	*38.7%*	*-0.5 p.p.*

** refers to total income*

3.1 Residential Revenue

- Good customer growth in quarter with lower commercial activity: +32,000 Mobile Postpaid cards; +7,000 Internet.
- Residential convergent customer base +11,000 in Q2'22, Convergent revenue +7.2% year-on-year.
- Flat ARPC year-on-year, excl. Mobile Vikings organic ARPC up by +3.7%
- Customer churn levels kept low, in spite of price indexations.
- Posting +4.3% year-on-year revenue increase for the second quarter, +2.3% on an organic basis.

Second quarter revenue +4.3%.

For the second quarter of 2022 Proximus posted for its Residential unit a revenue of **EUR 562 million, a +4.3% or EUR 23 million increase from the year before**. This was primarily related to an increase in Residential Customer services revenue, with the price indexation of 1 May 2022 accelerating the growth in Convergent revenue. Revenue from Mobile-only customers was up driven by Mobile Vikings, with the inorganic contribution annualizing on 1 June 2022. Furthermore, revenue Mobile Terminals were up from a low base in 2021. On an organic basis, the Residential revenue was up by +2.3%, sequentially improving from -1.3% year-on-year for the first quarter of 2022.

Continued good customer growth in soft commercial quarter

In a slower commercial market, the second-quarter 2022 internet line growth for the Residential unit was roughly stable compared to the same period in 2021, adding +7,000 internet lines. This brought Proximus' Residential internet base to 1,721,000 lines, a +2.1% increase from 12 months back, supported by Proximus' Fiber deployment in 62 cities and municipalities.

The Residential unit stepped up its growth in Mobile Postpaid, adding +32,000 cards over the second quarter of 2022, (+28,000 in the second quarter of 2021), supported by the continued success of Proximus Flex, the Mobile Vikings brand and strong uptake of subscriptions combined with mobile devices. By end-June 2022, Proximus' Residential Mobile Postpaid base reached a total of 2,673,000 Mobile Postpaid cards.
Reflecting the ongoing change in customer needs, the Fixed Voice line continued its steady decline, with the second quarter of 2022 posting a loss of -27,000 lines.

Customer services revenue growth sequentially improved to +3.3% YoY.

The revenue generated by customers subscribing to Proximus' Residential different product lines is referred to as Customer Services revenue or X-Play revenue. **Residential Customer Services revenue amounted to EUR 444 million,** +3.3% above the comparable period in 2021, a sequential improvement on prior quarters. The residential customer services revenue on comparable base (excl. Mobile Vikings) was up by +1.6%, improving from the slightly declining trend seen in the previous quarters.

Organic ARPC +3.7%.

As a result of the inclusion of the Mobile Vikings customer base (June 2021), which were all Mobile-Postpaid only customers, the overall ARPC has been mathematically down since that date. For the second quarter of 2022, the overall ARPC rose to EUR 52.3, flat compared to the same period in 2021. The Mobile Vikings effect aside, the organic ARPC was up by +3.7% year-on-year, with the accelerated growth compared to previous quarters resulting from the price indexation on 1 May 2022 coming on top of the ongoing benefit of customers moving to convergent offers at higher ARPC.

The continued success of Proximus' convergent Flex[10] offers further grew the number of multi-mobile customers, driving the overall RGU to 2.51 RGUs for the second quarter of 2022, showing a sequential and year-on-year improvement (+1.6%).

+11,000 convergent customers in Q2'22

In the mix, **revenue from Convergent customers increased further, up by +7.2% year-on-year reaching EUR 259 million**. Over the second quarter of the year, Proximus grew its convergent base by +11,000 customers, reaching a total of 1,022,000 or +5.5% from 12 months back.

Convergent 3-Play revenue +31.0% YoY

The **growth driver of the Convergent revenue is the ongoing strong increase in convergent 3-Play customers**. Over the second quarter of 2022, the residential convergent 3-Play base grew by +13,000 customers, to reach 407,000 customers by end-June 2022. As result, the 3-Play convergent revenue grew by 31.0%, reaching EUR 100 million for the second quarter of 2022. The ARPC of a convergent 3-Play customer was EUR 83.0, +4.4% up from the second quarter of 2021, mainly reflecting the May price indexation, as well as the ongoing favorable impact of the rising uptake of multiple mobile subscriptions in Proximus Flex offers.

Following the successful launch of new 2-play offers combining Mobile with Internet, the dual-play customer net adds turned positive, growing by +5,000 customers.

With a decreasing relevance of the Fixed Voice line, the 4-Play customer base continued its steady decline, down by -6,000 for the second quarter of 2022.

Rising convergence continued to lower the Fixed-only base.

With the number of customers subscribing to Proximus' convergent offers rising, the **Fixed-only customer base** decreased further. The remaining base of Fixed-only customers, 932,000 end-June 2022, generated an ARPC of EUR 44.7, -0.5% below the previous year.

1P-Mobile results reflecting inclusion of Mobile Vikings.

Over the second quarter of 2022, the Residential unit posted EUR 59 million revenue from the **Mobile Postpaid-only customers**, an increase by +10.8% from the year before, with the inorganic impact from Mobile Vikings gradually wearing off. **Over the past three months, the Mobile-only customer base grew by +2,000**, a result mainly driven by the Mobile Vikings brand. All brands combined, the residential Mobile Postpaid-only base totaled 875,000 customers, generating an ARPC of EUR 22.7, -

[10] Reported on Domestic segment level

1.6% year-on-year.   Organically, the Mobile-only ARPC sequentially improved its positive trend, driven by a favorable price tiering and some returning roaming revenue.

In addition to the above-described revenue from Residential Customer Services, the Residential unit revenue also includes revenue from Terminals, Mobile Prepaid, its Luxembourg telecom business and Other revenue.

Revenue Terminals + EUR 7 million YoY, at low margin.

The total **revenue from Terminals** totaled EUR 57 million over the second quarter of 2022, a year-on-year increase by EUR 7 million, from a low comparable base and was supported by a strong uptake of subscriptions combined with high-end mobile devices.

Over the second quarter of 2022, revenue from Mobile Prepaid totaled EUR 10 million, -7% year-on-year, with the inorganic Prepaid revenue contribution by Mobile Vikings tailing off. In contrast to the decline in prior quarters, the Prepaid base remained rather stable over the second quarter. This was largely the result of a solidarity action for Ukrainian refugees, with 15,000 prepaid cards offered by Proximus by-end June, with 10 GB of data each, as well as unlimited SMS and calls in Belgium.

Proximus' Luxembourg telecom revenue for the residential unit totaled for the second quarter of 2022 EUR 31 million, up by +5.4%, mainly resulting from a higher number of mobile and fixed subscriptions.

Proximus Residential posted a stable **EUR 14 million in Other revenue**, mainly covering reminder, reconnection and installation fees, as well as Mobile Vikings interconnection revenue.

Table 12: Residential revenue

	2nd Quarter			Year-to-date		
(EUR million)	**2021**	**2022**	**% Change**	**2021**	**2022**	**% Change**
Revenue	**539**	**562**	**4.3%**	**1,081**	**1,115**	**3.1%**
Other Operating Income	**5**	**4**	**-14.9%**	**10**	**9**	**-9.0%**
Net Revenue	**534**	**557**	**4.5%**	**1,072**	**1,106**	**3.2%**
Customer services revenues (X-play)	*430*	*444*	*3.3%*	*859*	*883*	*2.8%*
Prepaid	11	10	-7.0%	19	21	7.1%
Terminals (fixed and mobile)	50	57	14.4%	109	110	1.2%
Luxembourg Telco	30	31	5.4%	60	62	4.0%
Others*	13	14	11.4%	24	29	22.4%

** mainly relates to reminder, reconnection, installation & Mobile Vikings interconnection revenue*

Table 13: Residential operationals by product

	2nd Quarter			Year-to-date		
	2021	**2022**	**% Change**	**2021**	**2022**	**% Change**
Park (000's)						
Fixed Voice	1,311	1,193	-9.0%	1,311	1,193	-9.0%
Internet	1,686	1,721	2.1%	1,686	1,721	2.1%
Mobile Postpaid excl. M2M	2,547	2,673	4.9%	2,547	2,673	4.9%
Mobile prepaid	709	643	-9.3%	709	643	-9.3%
Net adds (000's)						
Fixed Voice	-30	-27		-72	-59	
Internet	8	7		16	19	
Mobile Postpaid excl. M2M	28	32		55	56	
Mobile prepaid	-11	-1		-32	-26	

Table 14: Residential X-Play financials

	2nd Quarter			Year-to-date		
	2021	2022	% Change	2021	2022	% Change
Customer Services Revenues (EUR million)	**430**	**444**	**3.3%**	**859**	**883**	**2.8%**
Convergent	**241**	**259**	**7.2%**	**481**	**510**	**6.0%**
4-Play	154	147	-4.2%	311	295	-5.3%
3-Play	76	100	31.0%	148	193	30.8%
2-Play	11	11	1.7%	23	22	-1.9%
Fixed only	**135**	**126**	**-6.6%**	**274**	**255**	**-7.0%**
3-Play	66	58	-12.0%	135	119	-12.0%
2-Play	39	39	-0.2%	78	78	-1.0%
1P Fixed Voice	13	11	-16.6%	27	23	-16.6%
1P internet	16	18	8.1%	33	35	7.6%
Mobile Postpaid only	**54**	**59**	**10.8%**	**104**	**118**	**13.6%**
ARPC (in EUR)	**52.3**	**52.3**	**0.0%**	**52.7**	**52.0**	**-1.3%**
Convergent	**83.7**	**84.8**	**1.3%**	**84.2**	**84.1**	**-0.1%**
4-Play	89.4	89.5	0.1%	90.0	88.9	-1.2%
3-Play	79.5	83.0	4.4%	79.7	81.9	2.8%
2-Play	55.5	56.9	2.6%	55.4	56.4	1.9%
Fixed only	**44.9**	**44.7**	**-0.5%**	**45.1**	**44.9**	**-0.5%**
3-Play	54.6	53.2	-2.6%	54.7	53.6	-2.1%
2-Play	51.4	52.9	3.0%	51.6	52.7	2.0%
1P Fixed Voice	27.1	27.2	0.4%	27.4	27.5	0.4%
1P internet	30.2	30.4	0.8%	30.3	30.6	1.0%
Mobile Postpaid only	**23.1**	**22.7**	**-1.6%**	**23.0**	**22.6**	**-2.0%**

Table 15: Residential X-Play operationals

	2nd Quarter			Year-to-date		
	2021	2022	% Change	2021	2022	% Change
Customers - Total (000's)	**2,849**	**2,829**	**-0.7%**	**2,849**	**2,829**	**-0.7%**
Convergent	**969**	**1,022**	**5.5%**	**969**	**1,022**	**5.5%**
4-Play	572	546	-4.5%	572	546	-4.5%
3-Play	330	407	23.1%	330	407	23.1%
2-Play	66	69	3.8%	66	69	3.8%
Fixed only	**991**	**932**	**-6.0%**	**991**	**932**	**-6.0%**
3-Play	400	362	-9.5%	400	362	-9.5%
2-Play	252	244	-3.2%	252	244	-3.2%
1P Fixed Voice	158	131	-17.0%	158	131	-17.0%
1P internet	181	195	7.4%	181	195	7.4%
Mobile Postpaid only	**888**	**875**	**-1.5%**	**888**	**875**	**-1.5%**
% Convergent Customers - Total *	**60%**	**63%**	**3.0 p.p.**	**60%**	**63%**	**3.0 p.p.**
Average #RGUs per Customer - Total	**2.47**	**2.51**	**1.6%**	**2.47**	**2.51**	**1.6%**
Convergent	**4.12**	**4.13**	**0.1%**	**4.12**	**4.13**	**0.1%**
4-Play	4.67	4.71	0.9%	4.67	4.71	0.9%
3-Play	3.56	3.67	2.9%	3.56	3.67	2.9%
2-Play	2.19	2.22	1.4%	2.19	2.22	1.4%
Fixed only	**2.05**	**2.02**	**-1.3%**	**2.05**	**2.02**	**-1.3%**
3-Play	3.00	3.00	0.0%	3.00	3.00	0.0%
2-Play	1.97	1.97	-0.4%	1.97	1.97	-0.4%
1P Fixed Voice	1.01	1.01	0.0%	1.01	1.01	0.0%
1P internet	1.00	1.00	0.0%	1.00	1.00	0.0%
Mobile Postpaid only	**1.14**	**1.14**	**0.1%**	**1.14**	**1.14**	**0.1%**
Annualized full churn rate (Customer) - Total	**14.0%**	**14.4%**	**0.4 p.p.**	**14.9%**	**15.1%**	**0.2 p.p.**
4-Play	4.4%	5.3%	0.9 p.p.	4.7%	5.6%	0.9 p.p.
3-Play	11.3%	9.9%	-1.4 p.p.	11.8%	10.5%	-1.3 p.p.
2-Play	12.9%	13.9%	1.0 p.p.	14.1%	14.2%	0.2 p.p.
1-Play	21.2%	21.6%	0.4 p.p.	22.7%	22.7%	0.0 p.p.

* (i.e. % of Customers having Mobile + Fixed component)

3.2 Business Revenue

- Business posts second quarter revenue of EUR 468 million, +0.6%
- Fixed Voice losing support from the temporary vaccination center related traffic, though nearly offset by growth in Fixed Data, Mobile and IT services. Total Services revenue -0.4%.
- Revenue Fixed data services +3.6%, mainly due to growing Internet base and +3.4% ARPU increase, in competitive setting.
- Mobile revenue +1.1% with growing base offsetting ARPU decline.
- IT services revenue +1.2% with especially a good performance in Cloud services.

The second-quarter 2022 **revenue of the Business unit totaled EUR 468 million, a +0.6% increase from the 2021 comparable basis.** Revenue from **Business Services totaled EUR 399 million, slightly down by -0.4%** year-on-year. The eroding revenue from Fixed Voice was in large part compensated for by higher revenue from Fixed Data, Mobile and IT services. Product revenue (terminals and IT equipment, at lower margin) was up for the second quarter of 2022, driven by a strong IT product revenue.

Fixed data revenue +3.6%.

The Business Services revenue from **Fixed Data services totaled EUR 115 million, an increase by +3.6%** compared to the second quarter of 2021.

Internet ARPU +3.4%, Internet base +1.4% YoY.

Within the Fixed Data revenue mix, the revenue growth **was mainly driven by good progress in Internet services**. This was explained by a further improved Broadband ARPU of EUR 42.9 for the second quarter of 2022, +3.4% up from the previous year, mainly benefitting from the price indexations, improved price tiering and a growing share of Fiber in the total internet park. Moreover, Proximus saw a favorable trend in its total Business Internet base, +1.4% up compared to one year back, including +1,000 in the second quarter 2022, and closing June with a total of 439,000 Internet lines.

Besides growing Internet revenue, **Data connectivity revenue** remained relatively stable. The growing Fiber park supported Proximus' Explore solutions, partly offset by the ongoing legacy outphasing and SDWAN offering more attractive customer connectivity pricing.

Mobile revenue +1.1%. Growing base offsetting ARPU decline.

Over the second quarter of 2022, Proximus' Business unit posted **Mobile Services revenue of EUR 117 million, up by +1.1% from the same period in 2021**. A main revenue driver remains the solid growth of the Mobile customer base, up by +62,000 Postpaid cards over the past twelve months or +3.6%. This includes a strong increase by +17,000 cards over the past three months, including 7,000 cards from a one-off project with a key customer expected to reverse in the next quarter, bringing the total to 1,776,000 cards, excluding M2M. At the same time, the ongoing competitive pricing pressure in the B2B market was reflected in the mobile ARPU, with for the second quarter of 2022 a -3.8% decline from the previous year to EUR 19.3.

Proximus maintaining its M2M leadership position.

The Business unit continued to grow its M2M park with an additional 152,000 M2M cards activated over the past three months, covering amongst others smart-metering and road user charging. At end-June 2022, Proximus M2M base totaled 3,689,000 M2M cards. This is an increase by 21.4% from one year back.

IT services revenue +1.2%.

Proximus' Business unit posted further growth for its IT Services, with revenue of EUR 98 million, an increase of +1.2% compared to the previous year. This was related to revenue growth from high-value services, with especially a good performance in Cloud services. The sequential growth in IT services reflects the ongoing transformation of the Business unit into a convergent player, with focus on higher-margin next generation IT services.

Fixed Voice revenue down on base erosion and lower ARPU.

Revenue **from Fixed Voice declined by -10.6%** or EUR -8 million in the second quarter of 2022. The favorable evolution of PABX services was more than offset by the Fixed Voice revenue decline. The Fixed Voice park continued its steady decrease, -10.4% over the past 12 months, including a line loss by -19,000 for the second quarter of 2022. The ARPU evolution turned negative by -4.1% over the second quarter, to EUR 26.9, with the non-structural support from vaccination centers related traffic, i.e. call routing via VAS[11] numbers (toll-free) in the framework of the COVID-19 campaign, largely disappearing. The reducing Fixed Voice line usage and competitive price pressure offset the benefit from the 1 January 2022 price indexation.

Product revenue up by EUR 3 million YoY.

The revenue from Products for the second quarter of 2022 was up by EUR 3 million from the comparable period in 2021, or +5.0%. This resulted from high IT hardware revenue, with the quarter including a partial catch-up on some previously delayed product contracts, and a large exceptional product deal. This aside, IT hardware remains exposed to a more difficult chip supply chain. Revenue from Mobile Terminals was sequentially rather stable, totaling EUR 17 million for the second quarter of 2022. This was EUR 5 million less from one year back, with the second quarter of 2021 benefitting from large mobile handset customer deals.

Table 15: Business revenue

	2nd Quarter			Year-to-date		
(EUR million)	**2021**	**2022**	**% Change**	**2021**	**2022**	**% Change**
Revenue	**465**	**468**	**0.6%**	**931**	**926**	**-0.5%**
Other Operating Income	**1**	**2**	**64.8%**	**2**	**3**	**48.3%**
Net Revenue	**464**	**466**	**0.5%**	**929**	**923**	**-0.6%**
Services	400	399	-0.4%	799	795	-0.4%
Fixed Voice	76	68	-10.6%	154	140	-9.1%
Fixed Data	111	115	3.6%	223	230	3.0%
Mobile	116	117	1.1%	231	232	0.3%
IT	97	98	1.2%	190	193	1.6%
Products	58	61	5.0%	118	114	-3.1%
Terminals (fixed and mobile)	22	17	-22.0%	42	34	-20.6%
IT	36	44	21.7%	75	80	6.8%
Luxembourg Telco	6	7	23.1%	12	14	17.2%

[11] VAS – Value Added Services, e.g. 0800 numbers and VMS – Value Managed Services, i.e. call routing to ensure business continuity

Table 16: Business operationals

	2nd Quarter			Year-to-date		
	2021	2022	% Change	2021	2022	% Change
Park (000's)						
Fixed Voice	743	665	-10.4%	743	665	-10.4%
Internet	433	439	1.4%	433	439	1.4%
Mobile Postpaid excl. M2M	1,714	1,776	3.6%	1,714	1,776	3.6%
M2M cards	3,038	3,689	21.4%	3,038	3,689	21.4%
Net adds (000's)						
Fixed Voice	-19	-19		-43	-41	
Internet	2	1		4	4	
Mobile Postpaid excl. M2M	17	17		25	30	
M2M cards	507	152		679	334	
ARPU (EUR)						
Fixed voice	28.0	26.9	-4.1%	28.1	27.5	-1.9%
Broadband	41.4	42.9	3.4%	41.4	42.6	2.7%
Mobile postpaid	20.1	19.3	-3.8%	20.2	19.3	-4.1%

3.3 Wholesale Revenue

Table 17: Wholesale revenue

	2nd Quarter			Year-to-date		
(EUR million)	**2021**	**2022**	**% Change**	**2021**	**2022**	**% Change**
Revenue	**71**	**70**	**-2.3%**	**139**	**139**	**0.4%**
Other Operating Income	**0**	**0**	**nr**	**0**	**0**	**nr**
Net Revenue	**71**	**70**	**-2.3%**	**139**	**139**	**0.3%**
Fixed & Mobile wholesale services	29	35	20.1%	56	67	21.2%
Interconnect	42	35	-17.5%	83	72	-13.7%

Proximus posted for its Wholesale unit, a second-quarter 2022 **revenue of EUR 70 million, a -2.3% decrease** compared to the same period of 2021. The Revenue generated by **Fixed and Mobile wholesale services** was up from the previous year by +20.1%, totaling EUR 35 million. Within the mix, revenue from wholesale Mobile services showed strong growth with an increased number of MVNO customers on Proximus' open network and was further supported by a positive year-on-year evolution in Wholesale roaming revenue and increasing services towards Mwingz & Proximus' Fiber joint ventures.

Revenue from **Interconnect** decreased to EUR 35 million, **-17.5%** or EUR -7 million lower compared to the same period of 2021, with no material margin impact. The revenue decline reflects the EU regulation which lowered the Fixed & Mobile Termination rates as from 1 July 2021 and with a second decrease as from 1 January 2022.

3.4 Domestic Opex and EBITDA

The second-quarter 2022 **Domestic EBITDA totaled EUR 431 million, a +0.3% increase from the comparable period in 2021**. On an organic basis, this was -0.9%.

Domestic underlying expenses increased by +5.1% year-on-year to EUR 409 million, or +4.0% on an organic basis. Proximus continued cost efficiencies mitigated in part the year-on-year effects of inflationary cost increases, transformation cost and higher customer-related direct Opex. The second quarter of 2022 also included the cost effect from the signed infrastructure partnership to run and service Proximus' IT datacenter infrastructure. Overall, this agreement will result in a lower Total Cost of Ownership (cash saving) of the related IT activities, with the higher operational expenses more than offset by a reduced capex need.

Within the mix, the Domestic **workforce expenses were up by +4.2% to EUR 273 million,** mainly driven by the year-on-year effect of 4 inflation-based salary increases since 1 October 2021. The Domestic headcount, including Mobile Vikings employees, was down by -124 FTEs from end-June 2021, resulting from natural outflow and pensions, more than offsetting new hiring.
The **Domestic non-workforce expenses were up by +6.9%** for the second quarter of 2022.

The **indirect expenses of Proximus' Domestic operations,** i.e. excluding the billable ICT workforce expenses in the B2B domain, were up for the second quarter by +4.3%.

4 Telesign

- **Q2'22 revenue +39.5% YoY, with strong growth for both Digital Identity and Communication.**
- **Direct margin +51.2%, reflecting continued strong profitability of both segments.**
- **Net revenue retention was 125%, up from 122% in Q2 2021.**
- **Sales pipeline continues to be strong and new product launches underpin strong progress in journey to become a global Digital Identity leader.**
- **Ongoing investments in growth ambitions increased Telesign's operating expenses.**

Telesign posted EUR 107 million of revenue over the second quarter of 2022, a **year-on-year increase of +39.5%** (+24.0% on a constant currency basis[12]). The **Direct margin was up by +51.2%** year-on-year to EUR 27 million (on a constant currency basis, this was +18.5%). Both the Communication and Digital Identity segments have closed a strong quarter.

Revenue and Direct margin from **Communications services** was positively impacted by price increases in certain markets, volume growth at some large multi-vendor customers, as well as favorable currency movements.

The growth in the **Digital Identity segment** reflected the strong volume growth driven by increases during the quarter with Telesign's key customers. Overall, the Net Revenue Retention (NRR) rate remained solid at 125%, an increase from 122% in the same period of last year. The momentum was also supported by further geographical expansion and the launch of the new services Age Verify and Silent Verification within the Digital Identity suite.

Telesign's **Direct margin as a percentage of revenue** increased to 25.5% from 23.6% in the same quarter last year.

Following the anticipated investments to support Telesign's growth ambitions, with hiring of specifically skilled talents, higher marketing expenses, and product investments for Digital Identity, Telesign's operating expenses increased by EUR 13 million year-on-year to a total of EUR 28 million for the second quarter of 2022.

These growth investments were fully offset by the strong Direct Margin growth, leading to a second quarter EBITDA of EUR 0 million, or EUR -4 million from one year ago.

Table 18: Telesign P&L

	2nd Quarter			Year-to-date		
(EUR million)	**2021**	**2022**	**% Change**	**2021**	**2022**	**% Change**
Revenue*	**77**	**107**	**39.5%**	**154**	**208**	**35.2%**
Costs of Sales	-59	-80	35.9%	-117	-156	33.4%
Direct Margin	**18**	**27**	**51.2%**	**37**	**52**	**41.1%**
Direct Margin %	*23.6%*	*25.5%*	*2.0 p.p.*	*23.8%*	*24.9%*	*1.0 p.p.*
Expenses	**-15**	**-28**	**89.8%**	**-27**	**-50**	**82.8%**
Workforce Expenses	-10	-17	67.3%	-19	-32	63.5%
Non-workforce Expenses	-4	-11	141.7%	-8	-18	131.2%
EBITDA	**4**	**0**	**nr**	**9**	**2**	**-78.5%**
EBITDA Margin %	*4.7%*	*-0.1%*	*-4.8 p.p.*	*6.2%*	*1.0%*	*-5.2 p.p.*

* Refers to total income

[12] Provides a view of the business performance, filtering out the currency effects by using a constant currency.

5 BICS

- **Q2'22 revenue +11.2%, primarily driven by growing revenue from Enterprise customers.**
- **Core services revenue up +6.8% driven by increased travelling and strong Messaging revenue.**
- **Cloud communication services main driver of doubling of Growth revenue.**
- **Direct Margin +21.9%, including strong contribution of Core and Growth services.**
- **Q2'22 EBITDA up by +25.5%, reaching EUR 33 million.**

For the second quarter of 2022, **BICS posted revenues of EUR 270 million. The year-on-year increase by +11.2%** from the comparable period in 2021 was primarily driven by additional revenue from BICS' Enterprise customer base with revenue up +40.9%, while Telecom revenue also grew by +4.7% from the year before.

BICS' total year-on-year revenue increase was driven by a solid growth for all its three revenue groups, Growth, Core and Legacy services.

+6.8% Core revenue

The revenue from **Core services** was up by EUR +7 million or +6.8% from its comparable basis in 2021, driven by higher mobility services revenue thanks to post-Covid related travel uptake as well as a good performance in Messaging.

Growth revenue more than doubling

For BICS' **Growth services**, a total revenue of EUR 19 million was posted, more than double from the comparable period in 2021. This resulted primarily from a strong traction for cloud communication amongst world leading digital companies, further complemented by growing revenue from IoT and Fraud prevention services.

Legacy revenue +8.1%

For **Legacy services**, BICS increased its revenue **to EUR 147 million, up by +8.1%,** driven by a year-on-year favorable revenue destination mix, and some travel related traffic coming back post-COVID-19.

Direct margin +21.9%

BICS grew its second-quarter 2022 underlying **Direct margin to EUR 68 million, up by +21.9%**, with the Direct margin growth in particular coming from Core and Growth services. Especially BICS' Enterprise Cloud services did well, driven by large volumes. Despite being a lower-margin business, Legacy services also contributed to the Direct margin increase.

Q2 EBITDA +25.5%

BICS' EBITDA totaled EUR 33 million for the second quarter of 2022. This compares to EUR 26 million with the +25.5% year-on-year progress resulting from the higher Direct margin, in part offset by higher expenses. Workforce related expenses in particular were up year-on-year as a result of inflation-based wage indexation and HR-related provisions, partly timing related.

Table 19: BICS P&L

(EUR million)	2nd Quarter 2021	2nd Quarter 2022	2nd Quarter % Change	Year-to-date 2021	Year-to-date 2022	Year-to-date % Change
Revenue by nature*	**242**	**270**	**11.2%**	**477**	**515**	**7.9%**
Core	97	104	6.8%	184	200	8.5%
Growth	9	19	102.6%	19	33	76.1%
Legacy	136	147	8.1%	274	282	2.8%
Revenue by customer segment*	**242**	**270**	**11.2%**	**477**	**515**	**7.9%**
Enterprise	44	62	40.9%	86	117	35.3%
Telecom	199	208	4.7%	391	398	1.8%
Costs of Sales	-187	-202	8.1%	-368	-387	5.3%
Direct Margin	**55**	**68**	**21.9%**	**109**	**127**	**16.8%**
Direct Margin %	*22.9%*	*25.1%*	*2.2 p.p.*	*22.8%*	*24.7%*	*1.9 p.p.*
Expenses	**-30**	**-35**	**18.7%**	**-60**	**-68**	**12.4%**
Workforce Expenses	-17	-21	25.0%	-35	-40	12.0%
Non-workforce Expenses	-12	-14	9.9%	-25	-28	13.0%
EBITDA	**26**	**33**	**25.5%**	**48**	**59**	**22.3%**
EBITDA Margin %	*10.7%*	*12.1%*	*1.4 p.p.*	*10.1%*	*11.5%*	*1.4 p.p.*

* Refers to total income

6 Consolidated Financial Statements

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 as adopted for use in the European Union. The cumulative half-year figures have been subject to a limited review by an independent auditor.

6.1 Accounting policies

The accounting policies and methods of the Group used as of 2022 are consistent with those applied in the 31 December 2021 consolidated financial statements, with the exception that the Group applied the new standards, interpretations and revisions that became mandatory for the Group on 1 January 2022. These have no impact on the Group's financial statements.

6.2 Judgements and estimates

The Group does not make any significant judgments and estimates other than those mentioned under Note 2 in the 31 December 2021 consolidated financial statements, and other than those mentioned below in this report.

6.3 Significant events or transactions in 2022

Redevelopment of the Proximus Towers in Brussels

On 14 March 2022, Proximus and Immobel reached a binding agreement regarding the redevelopment of Proximus' headquarters in Brussels. The works should start in 2024 and should be finished by the end of 2026. The renovated building will not only be used by Proximus, but also by other companies and will also contain residential spaces, public accommodation, retail, etc.

As a result of the agreement, Proximus acquired rights and gave commitments to dispose of property, plant and equipment (end 2023) for a sales price of EUR 143 million, in that case followed by a lease-back of part of the renovated building (as from 2027) with a significant contribution of EUR 20 million of Immobel in the fit-out and multiple months of free lease. Proximus will defer the gain on the sale of the headquarters over the lease duration (20 years). This gain will materialize through a reduction of the Right of Use asset, hence the D&A charges.

Partnership with HCL Technologies

In 2021 Proximus entered into 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 datacenters and under Proximus control.

Interest rate swap

In order to refinance its existing long term debt portfolio in the coming years and to hedge its exposure to the variability in cash flows that is attributable to long-term interest rate risk associated with these high probable forecasted transactions (bond maturities in 2024 and 2025), the group entered in 2022 into 10 year forward starting interest rate swaps for a notional amount of 1.1 billion EUR. The group applies hedge accounting for these derivatives.

Acquisition Spectrum Rights

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.

Business combination Telesign and NAAC has been terminated

The business combination agreement between Proximus' fast-growing US-based subsidiary Telesign and NAAC, dated December 16, 2021, has been terminated, as the customary conditions required to close the transaction were not met by June 30 as stipulated in the business combination agreement. As a consequence the costs related to the transaction were recognized in P&L. The funding needs of Telesign to realise its published growth trajectory are estimated to be around USD 90 million, spread over the 2022-2024 timeframe. Proximus will be considering different routes for this funding.

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.

Remeasurement pension asset and other post-employment benefit liability

The actuarial assumptions used in the 2021 financial statements for defined benefit plans have been updated to reflect the impact of the significant evolutions in the assumptions and returns as per 30 June 2022. Per 30th June, 2022, the discount rate increased to 3.20% versus 1.05% per 31th December, 2021. The related impact was partly offset by an increase in inflation rate from 2.15% per 31th December 2021 to 2.40% per 30th June 2022 and lower than expected return of plan assets. The net impact resulted in an increase of EUR 70 million of the defined benefit pension plan surplus and a decrease EUR 71 million of the net liability for post-employment benefits other than pensions.

6.4 Consolidated income statement

(EUR million)	2nd Quarter 2021	2nd Quarter 2022	% Change	Year-to-date 2021	Year-to-date 2022	% Change
Net revenue	1,361	1,427	4.9%	2,718	2,813	3.5%
Other operating income	9	12	41.8%	19	31	66.6%
Total income	**1,370**	**1,440**	**5.1%**	**2,737**	**2,844**	**3.9%**
Costs of materials and services related to revenue	-479	-506	5.5%	-952	-992	4.2%
Workforce expenses	-289	-317	9.7%	-584	-626	7.3%
Non workforce expenses	-125	-144	14.8%	-265	-288	8.5%
Total operating expenses before depreciation & amortization	**-894**	**-967**	**8.2%**	**-1,801**	**-1,906**	**5.8%**
Operating income before depreciation & amortization	**476**	**473**	**-0.7%**	**936**	**938**	**0.2%**
Depreciation and amortization	-301	-295	-1.9%	-590	-587	-0.4%
Operating income	**175**	**178**	**1.5%**	**347**	**351**	**1.3%**
Finance income	0	1	>100%	3	3	-10.9%
Finance costs	-14	-16	18.3%	-27	-28	2.0%
Net finance costs	**-13**	**-15**	**13.9%**	**-24**	**-25**	**3.5%**
Share of loss on associates and JV	-3	-2	-20.6%	-4	-8	87.0%
Income before taxes	**159**	**160**	**0.9%**	**318**	**318**	**0.1%**
Tax expense	-41	-38	-7.3%	-77	-76	-1.6%
Net Income	**118**	**122**	**3.7%**	**241**	**243**	**0.6%**
Attributable to:						
Equity holders of the parent (Group share)	118	122	3.7%	240	243	1.2%
Non-controlling interests	0	0	-	1	0	<-100%
Basic earnings per share	0.37	0.38	3.8%	0.74	0.75	1.2%
Diluted earnings per share	0.37	0.38	3.8%	0.74	0.75	1.2%
Weighted average number of outstanding shares	322,793,089	322,611,851	-0.1%	322,765,314	322,704,212	0.0%
Weighted average number of outstanding shares for diluted earnings per share	322,793,089	322,611,851	-0.1%	322,765,314	322,704,212	0.0%

6.5 Consolidated statements of other comprehensive income

	2nd Quarter		Year-to-date	
(EUR million)	**2021**	**2022**	**2021**	**2022**
Net income	**118**	**122**	**241**	**243**
Other comprehensive income:				
Items that may be reclassified to profit and loss:				
Exchange differences on translation of foreign operations	-3	12	7	15
Cash flow hedges:				
Gain/(Loss) taken to equity	-5	102	-5	140
Transfer to profit or loss for the period	0	0	-1	0
Other	0	0	0	-1
Total before related tax effects	**-8**	**113**	**2**	**155**
Related tax effects				
Cash flow hedges:				
Gain/(Loss) taken to equity	0	-26	1	-35
Income tax relating to items that may be reclassified	**0**	**-26**	**1**	**-35**
Total of items that may be reclassified to profit and loss, net of related tax effects	**-8**	**88**	**3**	**120**
Items that will not be reclassified to profit and loss:				
Remeasurement of net defined benefit obligations	0	142	0	142
Total before related tax effects	**0**	**142**	**0**	**142**
Related tax effects				
Remeasurement of defined benefit obligations	0	-22	0	-22
Income tax relating to items that will not be reclassified	**0**	**-22**	**0**	**-22**
Total of items that will not be reclassified to profit and loss, net of related tax effects	**0**	**120**	**0**	**120**
Total comprehensive income	**110**	**330**	**244**	**482**
Attributable to:				
Equity holders of the parent	111	330	242	482
Non-controlling interests	0	0	2	0

6.6 Consolidated balance sheet

(EUR million)	As of 31 December 2021	As of 30 June 2022
ASSETS		
Non-current assets	**7,548**	**8,282**
Goodwill	2,588	2,599
Intangible assets with finite useful life	1,113	1,546
Property, plant and equipment	3,311	3,398
Right-of-use asset	274	278
Lease receivable	6	7
Contract costs	110	111
Investments in associates and JV	34	26
Equity investments measured at fair value	1	3
Deferred income tax assets	6	5
Pension assets	80	149
Other non-current assets	24	160
Current assets	**1,685**	**1,751**
Inventories	132	172
Trade receivables	879	962
Contract assets	120	126
Current tax assets	166	85
Other current assets	140	176
Cash and cash equivalents	249	230
TOTAL ASSETS	**9,233**	**10,034**
LIABILITIES AND EQUITY		
Equity	**2,978**	**3,231**
Shareholders' equity attributable to the parent	**2,978**	**3,231**
Non-current liabilities	**3,779**	**4,133**
Interest-bearing liabilities	2,737	2,681
Lease liabilities	204	203
Liability for pensions, other post-employment benefits and termination benefits	447	361
Provisions	153	155
Deferred income tax liabilities	136	186
Other non-current payables	102	546
Current liabilities	**2,475**	**2,670**
Interest-bearing liabilities	252	536
Lease liabilities	69	75
Liability for pensions, other post-employment benefits and termination benefits	62	53
Trade payables	1,515	1,403
Contract liabilities	135	142
Tax payables	11	11
Other current payables	432	451
TOTAL LIABILITIES AND EQUITY	**9,233**	**10,034**

6.7 Consolidated cash flow statement

(EUR million)	2nd Quarter 2021	2nd Quarter 2022	Change	Year-to-date 2021	Year-to-date 2022	Change
Cash flow from operating activities						
Net income	118	122	3.7%	241	243	0.6%
Adjustments for:						
Depreciation and amortization	301	295	-1.9%	590	587	-0.4%
Impairment on current and non-current assets	1	0	-98.1%	0	0	-61.3%
Increase/(decrease) of provisions	-1	0	-99.9%	4	0	<-100%
Deferred tax expense	0	-5	>100%	-6	-7	16.7%
Loss from investments accounted for using the equity method	3	2	-20.6%	4	8	87.0%
Gain on disposal of property, plant and equipment	0	-2	>100%	-1	-3	>100%
Operating cash flow before working capital changes	**420**	**413**	-1.8%	**832**	**827**	-0.6%
Decrease/ (increase) in inventories	4	-20	<-100%	-13	-40	>100%
Decrease/ (increase) in trade receivables	39	-20	<-100%	44	-81	<-100%
Decrease/ (increase) in other assets	34	33	-2.3%	36	43	18.7%
Increase/ (decrease) in trade payables	-43	-49	12.2%	21	7	-66.7%
Increase/ (decrease) in other liabilities	-37	-44	18.2%	3	26	>100%
Increase/ (decrease) in net liability for pensions, other post-employment benefits and termination benefits	-23	-11	-50.1%	-42	-21	-49.8%
Increase/ (decrease) in working capital, net of acquisitions and disposals of subsidiaries	**-26**	**-110**	**>100%**	**48**	**-67**	**<-100%**
Net cash flow provided by operating activities (1)	**394**	**302**	**-23.4%**	**880**	**761**	**-13.6%**
Cash flow from investing activities						
Cash paid for acquisitions of intangible assets and property, plant and equipment	-257	-334	30.0%	-550	-740	34.6%
Cash paid for investments in associates and joint ventures	-2	-2	3.1%	-33	-2	-94.3%
Cash paid for acquisition of consolidated companies, net of cash acquired	-128	3	>100%	-130	0	<-100%
Cash received for sales of consolidated companies, net of cash disposed of	0	-3	-	0	-3	-
Net cash received from sales of property, plant and equipment and other non-current assets	0	7	>100%	2	8	>100%
Net cash used in investing activities	**-387**	**-329**	**-15.0%**	**-710**	**-736**	**3.7%**
Cash flow before financing activities	**8**	**-26**	**<-100%**	**170**	**24**	**-85.6%**
Lease payments (excl. interest paid)	-19	-17	**-9.0%**	-41	-40	**-2.4%**
Free cash flow (2)	**-11**	**-44**	**>100%**	**130**	**-15**	**<-100%**
Cash flow from financing activities other than lease payments						
Dividends paid to shareholders	-226	-226	0.0%	-226	-226	0.0%
Dividends to and transactions with non-controlling interests	0	0	-	-217	0	<-100%
Net purchase of treasury shares	-3	-4	35.7%	0	-4	<-100%
Cash paid for matured cash flow hedge instrument related to long term debt	0	0	47.0%	0	-1	26.6%
Asset financing arrangements	0	-5	-	0	50	-
Repayment/ (issuance) of long term debt	0	-7	-	0	3	-
Issuance/ (repayment) of long term debt	0	10	>100%	-2	0	-78.2%
Issuance of short term debt	196	214	9.5%	235	173	-26.3%
Cash flows used in financing activities other than lease payments	**-34**	**-19**	**-43.8%**	**-210**	**-5**	**-97.4%**
Exchange rate impact	0	1	>100%	0	2	>100%
Net increase/(decrease) of cash and cash equivalents	**-46**	**-62**	**34.1%**	**-80**	**-19**	**-76.7%**
Cash and cash equivalents at 1 January				310	249	-19.9%
Cash and cash equivalents at the end of the period				230	230	0.0%
(1) Net cash flow from operating activities includes the following cash movements :						
Interest paid				-31	-30	
Interest received				0	1	
Income taxes paid				-24	2	
(2) Free cash flow: cash flow before financing activities and after lease payments						

6.8 Consolidated statements of changes in equity

(EUR million)	Issued capital	Treasury shares	Restricted reserve	Equity instruments and hedge reserve	Other remeasure-ment reserve	Foreign currency translation	Stock Compen-sation	Retained Earnings	Shareholders' Equity	Non-controlling interests	Total Equity
Balance as at 1 January 2021	**1,000**	**-423**	**100**	**4**	**-208**	**-8**	**3**	**2,434**	**2,903**	**123**	**3,026**
Total comprehensive income	**0**	**0**	**0**	**-4**	**0**	**6**	**0**	**240**	**242**	**3**	**244**
Dividends to shareholders (relating to 2020)	0	0	0	0	0	0	0	-226	-226	0	-226
Changes in shareholders' equity	0	0	0	0	0	0	0	-91	-91	-126	-217
Treasury shares											
Sale of treasury shares	0	0	0	0	0	0	0	1	0	0	0
Stock options											
Stock forfeited	0	0	0	0	0	0	-3	3	0	0	0
Total transactions with equity holders	**0**	**0**	**0**	**0**	**0**	**0**	**-3**	**-313**	**-317**	**-126**	**-443**
Balance as at 30 June 2021	**1,000**	**-424**	**100**	**0**	**-208**	**-2**	**0**	**2,361**	**2,827**	**0**	**2,827**
Balance at 1 January 2022	**1,000**	**-422**	**100**	**-7**	**-102**	**7**	**0**	**2,403**	**2,978**	**0**	**2,978**
Total comprehensive income	**0**	**0**	**0**	**105**	**120**	**15**	**0**	**243**	**482**	**0**	**482**
Dividends to shareholders (relating to 2021)	0	0	0	0	0	0	0	-226	-226	0	-226
Other changes in shareholders' equity	0	0	0	0	0	0	0	1	1	0	1
Treasury shares											
Sale of treasury shares	0	-5	0	0	0	0	0	0	-5	0	-5
Total transactions with equity holders	**0**	**-4**	**0**	**0**	**0**	**0**	**0**	**-226**	**-230**	**0**	**-230**
Balance as at 30 June 2022	**1,000**	**-427**	**100**	**97**	**18**	**22**	**0**	**2,420**	**3,231**	**0**	**3,231**

6.9 Segment reporting

See reconciliation of reported and underlying figures in section 7.2.

	As at 30 June 2022							
	Proximus Group				Underlying by segment			
(EUR million)	Reported (IFRS 16)	Lease depreciation and interest	Incidental	Underlying	Domestic	BICS	Telesign	Eliminations
Net revenue	2,813	0	0	2,813	2,167	514	207	-75
Other operating income	31	0	-3	28	31	1	0	-4
Total income	**2,844**	**0**	**-3**	**2,841**	**2,198**	**515**	**208**	**-79**
Costs of materials and services related to revenue	-992	-1	0	-993	-521	-387	-156	72
Direct margin	**1,852**	**-1**	**-3**	**1,848**	**1,677**	**127**	**52**	**-7**
Workforce expenses	-626	0	10	-616	-546	-40	-32	1
Non workforce expenses	-288	-40	7	-321	-281	-28	-18	6
Total other operating expenses	**-914**	**-40**	**17**	**-937**	**-826**	**-68**	**-50**	**7**
Operating income before depreciation & amortization	**938**	**-41**	**14**	**911**	**850**	**59**	**2**	**0**
Depreciation and amortization	-587							
Operating income	**351**							
Net finance costs	-25							
Share of loss on associates	-8							
Income before taxes	**318**							
Tax expense	-76							
Net income	**243**							
Attributable to:								
Equity holders of the parent (Group share)	243							
Non-controlling interests	0							

As at 30 June 2021								
	Proximus Group				Underlying by segment			
(EUR million)	Reported (IFRS 16)	Lease depreciation and interest	Incidental	Underlying	Domestic	BICS	Telesign	Eliminations
Net revenue	2,718	0	0	2,718	2,143	476	153	-54
Other operating income	19	0	0	18	21	1	1	-4
Total income	**2,737**	**0**	**0**	**2,737**	**2,164**	**477**	**154**	**-58**
Costs of materials and services related to revenue	-952	-1	0	-953	-520	-368	-117	52
Direct margin	**1,785**	**-1**	**0**	**1,784**	**1,644**	**109**	**37**	**-6**
Workforce expenses	-584	0	4	-580	-526	-35	-19	1
Non workforce expenses	-265	-40	7	-298	-271	-25	-8	5
Total other operating expenses	**-849**	**-40**	**10**	**-878**	**-797**	**-60**	**-27**	**6**
Operating income before depreciation & amortization	**936**	**-41**	**10**	**905**	**848**	**48**	**9**	**0**
Depreciation and amortization	-590							
Operating income	**347**							
Net finance costs	-24							
Share of loss on associates	-4							
Income before taxes	**318**							
Tax expense	-77							
Net income	**241**							
Attributable to:								
Equity holders of the parent (Group share)	240							
Non-controlling interests	1							

6.10 Disaggregation of net revenue

As from 2022, some reporting changes have been implemented following the organizational steering of the company. Domestic revenue is now split into three reporting units being Residential, Business and Wholesale. The quarterly results of 2021 have been restated accordingly.

See reconciliation of the former Consumer, Entreprise and Wholesale revenue with the Residential, Business and Wholesale revenue of this year in section 7.1.

		As at 30 June	
(EUR million)		**2021**	**2022**
Domestic			
Residential			
	Customer services revenues (X-play)	859	884
	Prepaid	19	21
	Terminals	109	110
	Luxembourg Telco	60	62
	Other	24	28
	Total Residential	*1,072*	*1,106*
Business			
	Services	799	795
	Products	118	114
	Luxembourg Telco	12	14
	Total Business	*929*	*923*
Wholesale			
	Fixed & Mobile wholesale services	56	67
	Interconnect	83	72
	Total Wholesale	*139*	*139*
Other		*4*	*-1*
Total Domestic		**2,143**	**2,167**
BICS		**476**	**514**
Telesign		**153**	**207**
Eliminations		**-54**	**-75**
Total Net Revenue		**2,718**	**2,813**

6.11 Group financing activities related to interest-bearing liabilities

(EUR million)	As at 31 December 2021	Cash flows issuance	Cash flows repayments	Non-cash changes	As at 30 June 2022
Non-current					
Unsubordinated debts	2,337	0	0	-99	2,238
Credit institutions	401	0	0	0	401
Other loans	0	54	-11	0	43
Derivatives held for trading	3	0	0	-1	1
Current portion of amounts payable > one year					
Unsubordinated debentures	0	0	0	100	100
Credit institutions held to maturity	1	0	0	0	0
Other current interest bearing liabilities					
Credit institutions	150	0	-150	0	0
Subordinated loan	0	0	0	0	0
Unsubordinated debts	100	425	-100	0	425
Other loans	1	12	-2	0	10
Total liabilities from financing activities excluding lease liabilities	**2,992**	**490**	**-263**	**0**	**3,219**
Lease liabilities current and non-current	273	0	-40	45	278
Total liabilities from financing activities including lease liabilities	**3,265**	**490**	**-303**	**45**	**3,496**

(EUR million)	As at 31 December 2020	Cash flows issuance	Cash flows repayments	Non-cash changes	As at 30 June 2021
Non-current					
Unsubordinated debentures	2,104	0	0	-499	1,605
Credit institutions	401	0	0	0	401
Other loans	1	0	-1	0	0
Derivatives held for trading	4	0	0	-1	3
Current portion of amounts payable > one year					
Unsubordinated debentures	0	0	0	500	500
Credit institutions held to maturity	1	0	0	0	0
Other financial debts					
Unsubordinated debts	150	395	-150	0	395
Other loans	12	2	-12	0	2
Total liabilities from financing activities excluding lease liabilities	**2,673**	**397**	**-163**	**0**	**2,907**
Lease liabilities current and non current	284	0	-41	37	280
Total liabilities from financing activities including lease liabilities	**2,957**	**397**	**-204**	**37**	**3,187**

6.12 Financial instruments

IAS 34 16 A (j) requires the interim reporting to provide specific fair value disclosures and in particular the following information:

- the carrying amounts and fair values of the financial instruments.
- the categorization of the fair valued financial instruments within the fair value hierarchy.
- the fair valuation techniques used.

The Group's main financial instruments comprise unsubordinated debentures, trade receivables and trade payables. The Group has an interest rate and currency swap (IRCS) to manage its exposure to interest rate risk and to foreign currency risk on its remaining non-current interest-bearing liability yielded in foreign currency. The Group entered in 2022 into interest rate swaps (IRS) to mitigate the risk of interest rate variations between the hedge inception dates and the issuance date of a highly probable fixed-rate long-term debts. The typical financial instruments used to hedge foreign currency risk are forward foreign exchange contracts and currency options.

Fair Value and Fair Value Hierarchy

The following table shows the measurement categories under IFRS 9 for each class of assets and financial liabilities. It also includes the fair value hierarchy of the financial instruments and the valuation levels.

(EUR million)	As at 30 June 2022			
	Classification	Carrying amount	Fair value	Level
ASSETS				
Non-current assets				
Equity instruments	FVTOCI	3	3	Level 3
Other non-current assets				
Derivatives held for trading	FVTPL	2	2	Level 2
Derivatives held-for-hedging	FVTOCI	140	140	Level 2
Other financial assets	Amortized cost	7	7	
Current assets				
Trade receivables	Amortized cost	962	962	
Interest bearing				
Other receivables	Amortized cost	4	4	
Non-interest bearing				
Other receivables	Amortized cost	25	25	
Derivatives held for trading	FVTPL	3	3	Level 1
Cash and cash equivalents				
Short-term deposits	Amortized cost	34	34	
Cash at bank and in hand	Amortized cost	193	193	
LIABILITIES				
Non-current liabilities				
Interest-bearing liabilities				
Unsubordinated debts	Amortized cost	2,238	2,043	Level 2
Credit institutions	Amortized cost	401	366	Level 2
Other loans	Amortized cost	43	43	Level 2
Non-interest-bearing liabilities				
Derivatives held for trading	FVTPL	1	1	Level 2
Other non-current payables	Amortized cost	544	544	
Current liabilities				
Interest-bearing liabilities, current portion				
Unsubordinated debentures not in a hedge relationship	Amortized cost	100	0	Level 2
Other loans	Amortized cost	10	10	
Interest-bearing liabilities				
Unsubordinated debts	Amortized cost	425	425	Level 2
Trade payables	Amortized cost	1,401	1,401	
Other current payables				
Derivatives held for trading	FVTPL	1	1	Level 1
Other debt	FVTPL	3	3	Level 3
Other amounts payable	Amortized cost	253	253	

FVTPL : fair value through profit and loss
FVTOCI : fair value through other comprehensive income

(EUR million)	As at 30 June 2021			
	Classification	Carrying amount	Fair value	Level
ASSETS				
Non-current assets				
Equity instruments	FVTOCI	1	1	Level 3
Other non-current assets				
Other derivatives	FVTPL	4	4	Level 2
Other financial assets	Amortized cost	9	9	
Current assets				
Trade receivables	Amortized cost	841	841	
Interest bearing				
Other receivables	Amortized cost	3	3	
Non-interest bearing				
Other receivables	Amortized cost	15	15	
Derivatives held for trading	FVTPL	1	1	Level 1
Cash and cash equivalents				
Short-term deposits	Amortized cost	33	33	
Cash at bank and in hand	Amortized cost	197	197	
LIABILITIES				
Non-current liabilities				
Interest-bearing liabilities				
Unsubordinated debts	Amortized cost	1,605	1,746	Level 2
Credit institutions	Amortized cost	401	429	Level 2
Other derivatives	FVTPL	3	3	Level 2
Non-interest-bearing liabilities				
Other non-current payables	Amortized cost	99	99	
Current liabilities				
Interest-bearing liabilities, current portion				
Unsubordinated debentures not in a hedge relationship	Amortized cost	500	503	Level 2
Interest-bearing liabilities				
Unsubordinated debts	Amortized cost	395	395	Level 2
Other loans	Amortized cost	2	2	Level 2
Trade payables	Amortized cost	1,208	1,208	
Other current payables				
Derivatives held-for-hedging	FVTPL	5	5	Level 1
Other debt	FVTPL	1	1	Level 3
Other amounts payable	Amortized cost	236	236	

FVTPL : fair value through profit and loss

FVTOCI : fair value through other comprehensive income

Valuation technique

The Group holds financial instruments classified as Level 1, 2 and 3.

The valuation techniques for fair value measuring the Level 2 & 3 financial instruments are:

Other derivatives in Level 2

Other derivatives include the interest rate swaps (IRS) and interest rate and currency swaps (IRCS) the Group entered into to reduce the interest rate and currency fluctuations on some of its long-term debentures (including their current portion). 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 costs.

In case of anticipated settlement, in the context of a Group portfolio restructuring, those debentures are measured at their transaction price once the transaction is binding for the Group. Their fair values, calculated for each debenture separately, were obtained by discounting the interest rates at which the Group could borrow at period end for similar debentures with the same remaining maturities.

Other debts in level 3

Level 3 financial instruments valuation is not based on observable market data. Instead, its fair value is derived using financial models and other valuation methods. To the extent possible, the underlying assumptions take into account market pricing information. Valuation changes due to new information could impact the income statement.

6.13 Contingent liabilities and commitments

Compared to the 2021 consolidated financial statements, no change occurred in 2022 in the contingent liabilities and commitments other than those mentioned below:

Claim from the Indian tax authorities

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 2017. BICS filed appeals against the assessments for the period 1 April 2007 to 31 March 2012, with the competent Indian Courts opposing the view of the Indian tax authorities that Indian withholding taxes are due on the payments. For the period 1 April 2012 to 31 March 2017, BICS initiated so-called dispute resolution panel procedures prior to filing appeals with the competent Indian Courts. Furthermore, BICS is opposing the assessments in relation to the period from 1 April 2008 to 31 March 2011 on procedural grounds. The amount of the contingent liability, including late payment interest relating to this case should not exceed EUR 34 million. BICS has not paid the assessed amounts and has not recorded a tax provision. Management assesses that the position as recognized in the financial statements reflects the best estimate of the probable outcome.

6.14 Post balance sheet events

There are no other significant post balance sheet events.

6.15 Others

There has been no material change to the information disclosed in the 2021 annual consolidated financial statements in connection with related parties that would require disclosure under the Financial Reporting Framework.

7 Additional information

7.1 Reporting changes and remarks

Rounding
In general, all figures are rounded. Variances are calculated from the source data before rounding, and therefore some variances may not add up.

Reporting changes as of 2022
As of January 2022, some reporting changes have been implemented following the organizational steering of the company. The quarterly results of 2021 and 2020 have been restated accordingly and are published on the Proximus website.

The main change concerns the move of the entire Small Enterprise (SE) customer base from the former Consumer unit to the former Enterprise unit, impacting the revenue and operational data of both units, without affecting the total Domestic view. More concretely:

- Following an organizational change within the company, the Proximus **'Business'** unit **now also covers the SE customers (businesses with less than 10 employees)** in addition to the Medium Enterprises (ME) and the Corporate customer base of the former Enterprise unit.
- The revenue of the **'Business'** unit is **reported under a new structure**, better reflecting the company strategy. For the definitions of the new product groups: section 7.3.
  Moreover, the **Business Mobile ARPU** does **no longer include the revenue generated by Mobile Network Services,** for which the generated revenue is independent from the number of mobile postpaid cards. The restated Mobile ARPU for the Business unit is hence affected by both the removal of Network Services revenue and the inclusion of SE customers in the Mobile base.
- The **new 'Residential'** unit reflects the former Consumer unit excluding SE customers.
- **Revenue from Mobile Vikings** is reported in the respective residential product groups:
  - The **Mobile Vikings postpaid customers and related revenue is now part of the Residential Customer Services structure (X-Play),** i.e. increasing the Mobile-only base as of June 2021. As a consequence of the integration of this Mobile-only customer base, the overall ARPC becomes lower. It also explains the year-on-year decrease in the overall ARPC and the Mobile only (Postpaid) ARPC for Q3'21 and Q4'21.
  - The **Mobile Vikings Prepaid revenue** is included in the Residential Prepaid revenue category.
  - Mobile Vikings revenue remaining in 'Other' is related to interconnect revenue.

7.2 From Reported to Underlying

GROUP - Adjustments	GROUP Revenue		GROUP EBITDA		GROUP Revenue		GROUP EBITDA	
(EUR million)	Q2 '21	Q2 '22	Q2 '21	Q2 '22	YTD '21	YTD '22	YTD '21	YTD '22
Reported	1,370	1,440	476	473	2,737	2,844	936	938
Adjustments	0	-2	-17	-10	0	-3	-31	-27
Underlying	1,370	1,437	459	463	2,737	2,841	905	911
Adjustments	0	-2	-17	-10	0	-3	-31	-27
Lease Depreciations			-20	-20			-40	-41
Lease Interest							-1	-1
Transformation			1	6			3	11
Acquisitions, mergers and disposals		-2	3	3		-3	8	5
Litigation/regulation				2				-1

7.3 Definitions

A2P: Application to Person messages

Adjusted Net Financial Position: refers to the total interest-bearing debt (short term + long term) minus short-term investments, cash and cash equivalents, including related derivatives and excluding lease liabilities

ARPC: Average underlying revenue per (residential) customer.

Adjusted Free Cash Flow: adjusted for M&A transactions related cash effects

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 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, Depreciations and Amortization; corresponds to Revenue minus Cost of sales, workforce and non-workforce expenses.

Adjustments (Revenue/EBITDA):

- **The IFRS16 related reclass of lease depreciations and interests in the Operating Expenses.**
- **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
- **Telesign Stock-Based** compensation
- **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 depreciations and amortizations.

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, but after lease payments as from 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.

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 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 total interest-bearing debt (short term + long term) minus short-term investments, cash and cash equivalents, including related derivatives.

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.

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).

7.4 Management statement

The Proximus Executive Committee declares that, to the best of its knowledge, the interim condensed consolidated financial statements, established in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU, give a true and fair view of the assets, financial position and results of Proximus and of the entities included in the consolidation. The financial report gives an accurate overview of the information that needs to be disclosed. The Proximus leadership squad is represented by Guillaume Boutin, CEO, Mark Reid, Finance Lead, Anne-Sophie Lotgering, Business Market lead, Jim Casteele, Residential Market Lead, Geert Standaert, Network and Wholesale Lead, Antonietta Mastroianni, Digital & IT Lead, Renaud Tilmans, Customer Operations Lead, Jan Van Acoleyen, Human Capital Lead, and Dirk Lybaert, Corporate Affairs Lead.

7.5 Financial calendar

(dates could be subject to change)

28 October 2022	Announcement of Q3 2022 results
17 February 2023	Announcement of Q4 2022 results
19 April 2023	Annual general shareholders' meeting (AGM)
28 April 2023	Announcement of Q1 2023 results
28 July 2023	Announcement of Q2 2023 results
27 October 2023	Announcement of Q3 2023 results

7.6 Contact details

Investor relations
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7.7 Investor and Analyst Conference Call

Analyst conference call details

Proximus will host a conference call for investors and analysts on Friday, 29 July 2022.
Time 02.00pm Brussels – 01.00pm London – 08.00am New York

Dial-in UK	**+44 207 194 3759**
Dial-in USA	**+1 646 722 4916**
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Code	**14090008#**