Quarterly Report

Q3 2023

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- Domestic revenue +4.3% to EUR 1,173 million in Q3, with Residential revenue up +5.5% and Business revenue +4.1%.
- Fiber strategy further scaling: 26% population coverage and 353,000 activated Fiber lines end-September 2023.
- Sustained excellent commercial performance on all product lines: Mobile postpaid growing by +60,000, Internet by +11,000 and convergent customers by +16,000, net loss in TV customer base remains contained (-12,000).
- Underlying Domestic EBITDA trend sequentially improved to -0.7% year-on-year.
- EBITDA for International segments BICS at EUR 33 million and Telesign at EUR 2 million, returning to positive EBITDA sooner than expected.
- Proximus Group Q3 underlying revenue +1.1% YoY, underlying EBITDA -0.4% YoY.
- Year-to-Date Capex at EUR 904 million, on track for full-year outlook. Nine-month adjusted FCF at EUR -35 million.
- Raising FY'23 Domestic revenue guidance and EBITDA guidance for both Domestic and Group, while moderating expectations for International Direct margin growth.
- Board of Directors approved interim dividend of EUR 0.50 per share, payable on 8 December 2023.

1 Q3 2023 Highlights

- Proximus' Domestic segment closed the third quarter of 2023 with further **excellent growth in Mobile Postpaid, +60,000 net adds**, with ongoing traction for its new Mobile Portfolios. As Proximus' Fiber footprint enlarges, it sustained a strong growth for its **Internet base (+11,000),** in a slowly growing market. **Residential convergent offers grew by +16,000** customers to a total of 1,094,000, a +5.7% year-on-year increase. End-September 2023, the number of **active Residential and Business Fiber lines totaled 353,000**, of which +31,000 were added in the third quarter 2023. Over the past quarter, the overall churn remained broadly in line with the 2022 comparable base, which also converted into a **well contained net erosion for both TV subscriptions**, limited to -12,000, **and Fixed Voice subscriptions** (-37,000).

- Proximus' third quarter 2023 **Domestic underlying revenue was up by +4.3% to EUR 1,173 million**. The **Residential unit posted a +5.5%** revenue increase, with its Customer Services revenue sequentially improving to a +6.2% growth (a EUR 28 million increase) and revenue from Terminals higher by EUR 10 million. Convergent revenue was up +10.0%, driven by further customer growth and the inflation-based price adjustments. The **Business unit grew revenue by +4.1% year-on-year,** including a +3.4% increase in Business Services revenue, driven by a +10.2% increase in Business IT services and +5.6% in Fixed Data. Revenue from products was up by EUR 7 million. Proximus' **Wholesale unit posted an overall -9.0% revenue decrease**, mainly driven by low margin interconnect revenue (EUR -5 million), while Wholesale Services revenue was down by EUR -1 million, or -3.2%.

- The third-quarter 2023 **Domestic EBITDA totaled EUR 423 million, a -0.7% decrease** from the same period in 2022. The sequential improvement from the previous two quarters reflects the higher direct margin, up by +4.8%, ongoing company-wide cost efficiencies and inflationary effects on wages that are gradually softening.

- **Telesign** closed the third quarter with **revenue growing +5.2% to EUR 132 million** and **direct margin +7.9% to EUR 30 million,** including adverse currency effects. On constant currency basis, this was +13.4% and +25.3% respectively. Growth is continuing for the Digital Identity segment, driven by the expansion of the customers base outside the US, and the Communication segment, supported by a strong increase of omnichannel volumes. With material investments in Telesign's growth strategy beyond their peak, year-on-year the OPEX was -4.1% lower and the EBITDA turned positive in the third quarter 2023 to a total of EUR 2 million.

- For the third quarter of 2023, **BICS posted revenue of EUR 266 million**, a -13.3% decrease from an exceptionally strong 2022. This reflects a USD currency headwind (-10.1% at constant currency), lower messaging volumes and legacy Voice services returning to their inherently declining trend. This was reinforced by a change in destination mix, though with neglectable margin impact. BICS' Direct Margin stood at EUR 68 million, down -4.1% from a high base (-1.4% at constant currency). BICS' EBITDA totaled EUR 33 million, -6.2% from the same period in 2022 and stable to the previous quarter.

- In aggregate, the Proximus **Group underlying revenue totaled EUR 1,527 million** for the third quarter of 2023, **up +1.1%.** The underlying **Group EBITDA totaled EUR 458 million, down by -0.4%**.

- The **Proximus Group CapEx** for the first nine months of 2023 totaled EUR 904 million, compared to EUR 841 million one year back, excluding spectrum and football rights. Capex remains on track for the full-year 2023 estimate of around EUR 1.3 billion, with this year's investments less back-end loaded. Fiber related investments accounted for 28% of the total CapEx, with capex for Proximus' own fiber build coming down from its peak in 2022, while the capex to connect and activate customers increases. Moreover, the Mobile network (RAN) consolidation is ongoing, and Proximus increased its investments in digitalization.

- **Year-to-date 2023, the FCF stood at EUR -80 million, or EUR -35 million when adjusting for M&A related cash-out.** This includes adjusted FCF of EUR 64 million for the third quarter 2023. On adjusted basis, the year-to-date 2023 FCF decreased by EUR 117 million compared to 2022. This was mainly the result of higher payments in 2023 related to taxes, equity injections in the Fiber JVs and spectrum, in addition to the lower Group EBITDA. This was in part offset by lower Business Working Capital needs.

Market situation

For the Residential market, 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 emerged in Belgium. While the Fixed internet market is slowly growing, Fiber connectivity increasingly creates opportunities. The current economic situation increases the addressable market for price-seeker brands. At the same time, 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. Whereas the Mobile headline pricing is keeping a more prudent approach, with data allowances remaining on the rise, the market continues to see selective promo-driven competition. As the market is readying itself for the announced newcomer, all network players in Belgium apply a multi-brand strategy, generally at beneficial pricing to the main brand. 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.


Guillaume Boutin, CEO

Proximus's Domestic segment sustained an outstanding commercial momentum in Q3, driving an upward revision of the 2023 guidance for Domestic revenue as well as for Domestic and Group EBITDA, whilst moderating expectations for International Direct margin growth.

"We are delighted to report an excellent domestic performance for the third quarter 2023, marked by 31,000 new active Fiber customers and 60,000 new Mobile Postpaid customers. Our continued commercial momentum is driven by our multi-brand strategy and our network and product superiority. These elements, along with our well-calibrated pricing strategy, contributed to a notable 4.3% rise in Domestic revenue.

Our Gigabit Fiber network is making good progress and now covers 26% of the Belgian population, connecting nearly 1.6 million homes and businesses in 133 cities to our Fiber network at the end of September. We also welcome BIPT's recent announcement, stating it is ready to evaluate Fiber cooperation between the different operators in Belgium. A more efficient Fiber rollout, making fiber accessible to all citizens and businesses would be beneficial for all stakeholders and for the competitiveness of Belgian society.

As a last point for our Domestic operations, we were pleased to announce the signing of a Mobile Wholesale agreement with the new market entrant. This agreement, in conjunction with our preparation across our multi-brand offerings and our product superiority, positions us well for the evolving market structure in Belgium.

Looking at our international activities, currency effects aside, Telesign's business performance remains strong, achieving double digit revenue and direct margin growth. BICS is now cycling against strong performances in the same quarter last year, with in particular legacy voice revenue being affected by a change in destination mix linked to one specific country, yet with limited impact on margin.

With the announcement to buy a majority stake in Route Mobile, we have laid solid foundations to accelerate the company's global growth. Since signing, preparation activities for closing confirm estimated synergies of at least EUR 90 million on an annual runrate basis. In a 3-year timeframe we estimate that the combination of Telesign and Route Mobile should generate a total revenue of around USD 2 billion and align the EBITDA margin to best-in-class peers, i.e. 13-15% and cash conversion in the 50%-75% range. Subject to obtaining all regulatory clearances and MTO completion, we reasonably expect the closing of the transaction to happen by the end of the first quarter of 2024.

Reflecting on the first 9 months, thanks to our ability to manage both revenue growth and cost mitigation, we are confident of raising our Domestic and Group guidance. For the full-year 2023, we expect our Domestic revenue to be up between +3.5% and +4% while the Domestic EBITDA decline will be limited to around -2%. For the Group EBITDA, we are also improving the 2023 outlook to a year-on-year decline of around -2%. For our international segments BICS and Telesign, we are mitigating our Direct Margin expectations for the year 2023 to a growth between 4% and 5% for the two companies combined, excluding currency effects. This is primarily due to voice and messaging traffic at BICS where we experienced elevated volume levels in 2022 on certain volatile destinations which did not reach the expected levels for 2023. At the same time, Telesign is beyond its peak of OPEX investments in its growth strategy and turning to positive EBITDA sooner than expected.

As a final point, I'm pleased to announce that the Proximus Board of Directors has approved the payment of the interim dividend over the result of 2023 for an amount of EUR 0.50 per share, in line with our 3-year remuneration policy."

Table 1: **Key Figures**

Operationals ('000)	**Net adds in the quarter**			**Park at end of quarter**		
	2022	**2023**	**%**	**2022**	**2023**	**%**
Fiber						
Homes Passed	93	96		1,124	1,579	40.5%
Activated retail lines	27	31		220	353	60.4%
Residential customers						
Convergent	12	16		1,035	1,094	5.7%
Group (subscriptions/SIM cards)						
Internet	6	11		2,207	2,251	2.0%
TV	-13	-12		1,718	1,682	-2.1%
Fixed Voice	-42	-37		1,863	1,690	-9.3%
Mobile Postpaid (excl. M2M)	33	60		4,775	4,935	3.4%
M2M	212	40		3,913	4,221	7.9%
Prepaid	-22	-14		640	568	-11.2%

Financials (EUR million)	**3rd Quarter**			**Year-to-date**		
	2022	**2023**	**% Change**	**2022**	**2023**	**% Change**
Group Revenue (underlying)	**1,510**	**1,527**	**1.1%**	**4,351**	**4,508**	**3.6%**
of which Domestic	1,125	1,173	4.3%	3,322	3,469	4.4%
of which BICS	307	266	-13.3%	821	795	-3.2%
of which Telesign	126	132	5.2%	333	380	13.9%
Group Direct Margin (underlying)	**939**	**980**	**4.4%**	**2,787**	**2,878**	**3.3%**
of which Domestic	844	885	4.8%	2,521	2,603	3.2%
of which BICS	71	68	-4.1%	198	203	2.7%
of which Telesign	28	30	7.9%	80	86	8.2%
Group Expenses (underlying)	**-479**	**-522**	**9.0%**	**-1,416**	**-1,541**	**8.8%**
of which Domestic	-418	-461	10.3%	-1,245	-1,359	9.2%
of which BICS	-36	-35	-2.1%	-104	-106	2.5%
of which Telesign	-29	-28	-4.1%	-79	-90	14.3%
Group EBITDA (underlying)	**460**	**458**	**-0.4%**	**1,371**	**1,336**	**-2.5%**
as % of revenue	**30.4%**	**30.0%**	**-0.4 p.p.**	**31.5%**	**29.6%**	**-1.9 p.p.**
of which Domestic	426	423	-0.7%	1,276	1,244	-2.5%
of which BICS	35	33	-6.2%	94	97	2.9%
of which Telesign	-1	2	nr	1	-4	nr
Group EBITDA (reported)	**469**	**453**	**-3.4%**	**1,407**	**1,345**	**-4.4%**
Net income	**126**	**79**	**-37.2%**	**369**	**267**	**-27.5%**
Accrued capex (excl. spectrum & football rights)	**283**	**293**	**3.3%**	**841**	**904**	**7.5%**
FCF (adjusted)	**85**	**64**	**-24.2%**	**82**	**-35**	**nr**
Adjusted net fin position (excl. lease liabilities)	**n.r.**	**n.r.**		**-2,710**	**-3,046**	**-12.4%**

- Group revenue, Direct margin, Operating Expenses and EBITDA include intersegment eliminations
- Adjusted FCF excludes M&A impacts but includes Fiber equity injections.

2 Proximus Group Financial Review

2.1 Group financials (underlying)

Table 2: Underlying Group P&L

	3rd Quarter			Year-to-date		
(EUR million)	**2022**	**2023**	**% Change**	**2022**	**2023**	**% Change**
Revenue[1]	**1,510**	**1,527**	**1.1%**	**4,351**	**4,508**	**3.6%**
Net Revenue	1,492	1,516	1.6%	4,306	4,472	3.9%
Other Operating Income	18	11	-37.4%	45	36	-20.4%
Cost of Sales[2]	**-571**	**-547**	**-4.3%**	**-1,564**	**-1,630**	**4.2%**
Direct Margin	**939**	**980**	**4.4%**	**2,787**	**2,878**	**3.3%**
Direct Margin %	*62.2%*	*64.2%*	*2.0 p.p.*	*64.1%*	*63.8%*	*-0.2 p.p.*
Expenses	**-479**	**-522**	**9.0%**	**-1,416**	**-1,541**	**8.8%**
EBITDA[3]	**460**	**458**	**-0.4%**	**1,371**	**1,336**	**-2.5%**
EBITDA Margin %	*30.4%*	*30.0%*	*-0.4 p.p.*	*31.5%*	*29.6%*	*-1.9 p.p.*

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

2.1.1 Underlying Group revenue

Q3 2023

The **Proximus Group underlying revenue totaled EUR 1,527 million** for the third quarter of 2023, **a year-on-year increase by +1.1%** or EUR 17 million resulting from a strong increase in Domestic revenue.

Proximus' **Domestic** segment grew its **underlying revenue to EUR 1,173 million, an increase by +4.3%** or EUR 49 million compared to the preceding year.

The **Residential** revenue **totaled EUR 601 million,** up year-on-year by **+5.5%**. This was mainly driven by a +6.2% increase for revenue from Customer Services, with customer growth and price indexations[1] driving a +10.0% increase in Convergent revenue. Moreover, revenue from Terminals was up by EUR 10 million from the year before.

The third-quarter 2023 revenue of the **Business unit ended +4.1% above the 2022** comparable base. Business Services revenue improved its positive trend in the third quarter, up by +3.4%, with higher revenue from IT Services (+10.2%), Fixed Data (+5.6%) and Mobile services (+0.9%) more than offsetting the ongoing but moderate Fixed Voice revenue erosion. It was also a strong quarter for customer IT equipment installations, posting a year-on-year revenue increase of +16.3%.

Proximus' **Wholesale unit** posted a third-quarter 2023 revenue of EUR 66 million, **-9.0% or EUR -6 million** down from the same period of 2022. This includes a EUR -5 million decrease in low-margin interconnect revenue. Revenue generated by **Fixed and Mobile wholesale services** was down by -3.2%, due to the annualization of a large contract in the last quarter of 2022.

Telesign posted EUR 132 million of revenue over the third quarter of 2023, a **year-on-year increase of +5.2%** (+13.4% on a constant currency basis[2]), resulting from growing revenue from both Digital Identity

[1] 1 January 2023 and 1 July 2023

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

and Communications services. Overall, Telesign's regional diversification strategy is progressing with strong performance across all regions.

BICS is coming back from an exceptional 2022, which benefitted from elevated post-Covid travel. **For the third quarter 2023, BICS posted revenues of EUR 266 million, sequentially stable, while down year-on-year by -13.3% or EUR -41 million.** This partly reflects USD currency headwinds on BICS' topline (-10.1% on constant currency basis). BICS' year-on-year revenue decrease was primarily driven by the loss of high volume-low margin traffic in Legacy Voice services and to a lesser degree by lower Core services revenue, while posting an increase in Growth services revenue.

Table 3: Underlying Group Revenue

	3rd Quarter			Year-to-date		
(EUR million)	**2022**	**2023**	**% Change**	**2022**	**2023**	**% Change**
Group Underlying	**1,510**	**1,527**	**1.1%**	**4,351**	**4,508**	**3.6%**
Domestic	1,125	1,173	4.3%	3,322	3,469	4.4%
Residential	570	601	5.5%	1,684	1,772	5.2%
Business	471	490	4.1%	1,397	1,459	4.4%
Wholesale	72	66	-9.0%	211	195	-7.9%
Other (incl. eliminations)	12	16	32.5%	30	44	47.9%
BICS	307	266	-13.3%	821	795	-3.2%
Telesign	126	132	5.2%	333	380	13.9%
Eliminations	-47	-45	4.7%	-126	-136	-7.8%

2.1.2 Underlying Group direct margin

Table 4: Underlying Group Direct Margin

	3rd Quarter			Year-to-date		
(EUR million)	**2022**	**2023**	**% Change**	**2022**	**2023**	**% Change**
Group Underlying by Segment	**939**	**980**	**4.4%**	**2,787**	**2,878**	**3.3%**
Domestic	844	885	4.8%	2,521	2,603	3.2%
BICS	71	68	-4.1%	198	203	2.7%
Telesign	28	30	7.9%	80	86	8.2%
Eliminations	-4	-2	40.6%	-11	-14	-24.0%

Q3 2023

The third quarter 2023 underlying direct margin of the **Proximus Group totaled EUR 980 million, an increase by +4.4% or EUR 41 million** from the comparable period last year.

Proximus' **Domestic operations posted a direct margin of EUR 885 million, +4.8%** or EUR 40 million above the prior year and sequentially improving from the previous quarter.

For the third quarter 2023 the **direct margin for BICS totaled EUR 68 million**. With the revenue decline for BICS mainly driven by low-margin services, and the structural natural hedging on Direct margin level limiting USD currency effects, the Direct margin pressure was limited to a -4.1% year-on-year decrease, from a high comparable base.

Resulting from good growth for both Digital Identity and Communication services, **Telesign posted** EUR 30 million **Direct Margin** for the third quarter of 2023, up year-on-year by +**7.9%** (on a constant currency basis, this was +25.3%, improving from +8.2% for the second quarter 2023).

2.1.3 Underlying Group expenses[3]

Table 5: Underlying Group expenses

	3rd Quarter			Year-to-date		
(EUR million)	**2022**	**2023**	**% Change**	**2022**	**2023**	**% Change**
Group Underlying	**479**	**522**	**9.0%**	**1,416**	**1,541**	**8.8%**
Workforce expenses	320	331	3.6%	936	991	5.9%
Non-workforce expenses	159	191	19.7%	480	550	14.5%
Domestic	**418**	**461**	**10.3%**	**1,245**	**1,359**	**9.2%**
Workforce expenses	280	291	3.8%	826	868	5.1%
Non-workforce expenses	138	170	23.6%	419	491	17.2%
BICS	**36**	**35**	**-2.1%**	**104**	**106**	**2.5%**
Telesign	**29**	**28**	**-4.1%**	**79**	**90**	**14.3%**
Eliminations	**-4**	**-2**	**41.1%**	**-11**	**-14**	**-24.3%**

Q3 2023

The Proximus **Group underlying operating expenses** grew year-on-year to EUR 522 million in the third quarter of 2023, **up by +9.0% or EUR 43 million from the comparable basis in 2022.**

The **Domestic operating expenses totaled EUR 461 million, +10.3%** with the year-on-year rise mainly reflecting inflationary cost increases (wage indexations, higher electricity costs and other costs such as rental and maintenance). In line with the company's ongoing strong customer gain, Proximus' customer related cost was up year-on-year, including amongst others higher contact center volumes, commercial means and billable manpower related to delivered customer IT-services.

Regarding workforce related costs, year-on-year wages were impacted by the accumulating effect of in total 3 inflation-based salary indexations[4]. With part of the 2022 wage indexations having annualized, the inflation effect on wages is gradually coming down from its peak.

Proximus continues to realize significant cost efficiencies, offsetting a large part of the year-on-year inflation impact. As part of its cost efficiency program, Proximus manages its headcount outflow, with internal headcount down by -30 FTEs to a total of 10,373 FTEs, in addition to a lower number of external employees.

BICS' third quarter 2023 operating expenses **totaled EUR 35 million**, down -2.1% year-on-year with the 1 January 2023 wage inflation impact offset by a favorable year-on-year impact of performance-related labour expenses.

Telesign posted EUR 28 million of operating expenses, -4.1% below the year before, in spite of an increased headcount, up year-on-year by 116 FTEs. Overall the trend change reflects Telesign being beyond its peak of substantial investments to support its growth objectives.

[3] Before D&A; excluding Cost of Sales; excluding incidentals.

4 Public wages in Belgium were automatically adjusted to the higher cost of living on 1 September, 1 December 2022 and 1 January 2023, with a 2% increase in each instance.

2.1.4 Group EBITDA - reported and underlying

Table 6: From reported to underlying EBITDA

	3rd Quarter			Year-to-date		
(EUR million)	**2022**	**2023**	**% Change**	**2022**	**2023**	**% Change**
Group reported EBITDA	**469**	**453**	**-3.4%**	**1,407**	**1,345**	**-4.4%**
Adjustments	-10	5	nr	-37	-9	nr
Group Underlying EBITDA	**460**	**458**	**-0.4%**	**1,371**	**1,336**	**-2.5%**
Domestic	426	423	-0.7%	1,276	1,244	-2.5%
BICS	35	33	-6.2%	94	97	2.9%
Telesign	-1	2	nr	1	-4	nr

Underlying Group EBITDA

Q3 2023

The **underlying Group EBITDA for the third quarter of 2023 totaled EUR 458 million,** down by -0.4% compared to the prior year.

For its **Domestic operations, Proximus posted an underlying EBITDA of EUR 423 million** for the third quarter of 2023, -0.7**%**, and resulting from the higher operating cost, partly offset by the year-on-year increase in Domestic Direct margin.

In a normalizing post-Covid comparable context, **BICS posted EBITDA of EUR 33 million** for the third quarter of 2023, **-6.2%** year-on-year and sequentially stable to the previous quarter. For the third quarter of 2023, **Telesign** EBITDA turned positive, totaling EUR 2 million.

Total Reported Group EBITDA

Q3 2023

The Proximus Group reported EUR 453 million EBITDA for the third quarter of 2023, a decrease by -3.4% or EUR -16 million from the comparable period in the previous year. There was a EUR 5 million adjustment from reported to underlying Group EBITDA for the third quarter of 2023. This is the net effect of adjustments to the EBITDA for lease depreciation and lease interest (reducing the underlying EBITDA by respectively EUR 21 million and EUR 2 million) and incidental costs related to M&A (increasing the underlying EBITDA for a total of EUR 24 million), amongst others related to the ongoing acquisition of a majority stake in Route Mobile. For an overview of all adjustments, see section 7.2).

2.1.5 Net income

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Depreciation and amortization

The **depreciation and amortization** (including lease depreciation) over the first three quarters of 2023 totalled EUR 884 million. This compares to EUR 876 million for the same period of 2022.

Net finance cost

The YTD September 2023 **net finance cost** of **EUR 99 million**, was up by EUR 60 million from the year before, mainly due to interests on spectrum rights (EUR 20 million), interests on loans and short-term positions (EUR 15 million) and the remeasurement of a hedging instrument (EUR 12 million).

Tax expenses

The **tax expenses** amounted in the first nine months of 2023 to **EUR 86 million**, leading to an **effective tax rate of 24.3%**. 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)

The **Proximus Net income** (Group share) over the first 9 months of 2023 **decreased by -27.4%,** due lower EBITDA and higher net finance costs (incl. the remeasurement of a hedging instrument), partly offset by lower tax expenses.

Table 7: From Group EBITDA to net income

(EUR million)	3rd Quarter 2022	3rd Quarter 2023	3rd Quarter % Change	Year-to-date 2022	Year-to-date 2023	Year-to-date % Change
Group reported EBITDA	**469**	**453**	**-3.4%**	**1,407**	**1,345**	**-4.4%**
Depreciation and amortization	-289	-295	2.1%	-876	-884	0.9%
Operating income (EBIT)	**180**	**158**	**-12.2%**	**532**	**461**	**-13.3%**
Net finance costs	-14	-50	>100%	-39	-99	>100%
Share of loss on associates and JV	-3	-4	27.4%	-11	-10	-10.7%
Income before taxes	**163**	**104**	**-36.0%**	**482**	**353**	**-26.8%**
Tax expense	-37	-25	-32.2%	-113	-86	-24.3%
Net income	**126**	**79**	**-37.2%**	**369**	**267**	**-27.5%**
Non-controlling interests	0	0	26.3%	0	0	>100%
Net income (Group share)	**126**	**79**	**-37.1%**	**369**	**268**	**-27.4%**

2.1.6 Investments

The Proximus Group CapEx[5] totaled EUR 293 million over the third quarter of 2023, EUR 9 million above the comparable period in 2022. This brings the **total CapEx over the first nine months of 2023 to EUR 904 million**, compared to EUR 841 million for the same period in 2022.

Over the first 9 months of 2023, Proximus own Fiber deployment counted for 28% of the total CapEx against 36% for the comparable period of 2022. By end-September 2023, Proximus was deploying Fiber in 133 cities and municipalities in Belgium. Over the past twelve months, Proximus increased its footprint by about 40%, reaching 1,579,000 premises with fiber, which represents a 26% Fiber footprint in Belgium. While the capex for Proximus' own fiber build is coming down from its peak in 2022, the customer termination and activation capex is rising. Moreover, the Mobile network (RAN) consolidation between Proximus and Orange Belgium is ongoing, led by the created joint-operation Mwingz with CapEx incurring following the pace of the mobile site consolidation. Finally, in line with its strategy, Proximus increased its investments in Digital customer experience.

[5] Accrued capex, excluding capex for Spectrum and Football broadcasting rights

2.1.7 Cash flows

Table 8: Cash flows

(EUR million)	3rd Quarter 2022	3rd Quarter 2023	% Change	Year-to-date 2022	Year-to-date 2023	% Change
Cash flows from operating activities	492	488	-0.8%	1,253	1,173	-6.4%
Cash paid for Capex (*)	-361	-359	-0.5%	-1,101	-1,099	-0.1%
Cash flows used and provided in other investing activities	-27	-62	>100%	-23	-86	>100%
Cash flow before financing activities	**105**	**67**	**-35.5%**	**129**	**-12**	**<-100%**
Lease payments	-21	-24	18.1%	-60	-69	14.2%
Free cash flow	**84**	**43**	**-48.7%**	**69**	**-80**	**<-100%**
Cash flows used and provided in financing activities other than lease payments	-115	-114	-0.4%	-120	-35	-71.2%
Exchange rate impact	1	0	-66.9%	3	0	-96.1%
Net increase/(decrease) of cash and cash equivalents	**-29**	**-71**	**>100%**	**-48**	**-115**	**>100%**

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

In the third quarter of 2023 Proximus Group posted a **Free Cash Flow** of **EUR 43 million**, or **EUR 64 million when adjusted for acquisitions and M&A-related transaction costs**. Cumulated **Free Cash Flow** over the first 9 months of 2023 amounted to **EUR -80 million**, or **EUR -35 million for adjusted Free Cash Flow.** For 2023, adjustments to FCF consist of acquisitions (EUR 27 million) and M&A-related transaction costs (EUR 18 million).

Compared to the first nine months of 2022 the **adjusted Free Cash Flow** decreased by EUR 117 million. Apart from the lower underlying EBITDA (EUR -34 million), the year-on-year decrease was mainly related to higher tax related payments (EUR -120 million), interest-related payments on spectrum rights (EUR -21 million) and capital injections in the fiber joint ventures (EUR -30 million), compensated by lower year over year working capital needs (EUR 74 million) and payments reduction for headcount transformation plans (EUR 14 million).

The issuance of a new bond (EUR 500 million) in March 2023 resulted in a positive **Cash Flow used and provided in financing activities other than lease payments**.

2.1.8 Balance sheet and shareholders' equity

Due to capex being higher than depreciations, **tangible and intangible fixed assets** have increased by EUR 86 million (compared to December 2022) to EUR 5,395 million.

Current tax and other current assets increased from EUR 293 million to EUR 363 million at end of September 2023. The increase of EUR 70 million relates to interests paid on spectrum rights (EUR 9 million), increased deferred charges (EUR 33 million) and a new currency rate hedge (EUR 23 million).

Shareholders' equity increased by EUR 76 million from EUR 3,307 million at the end of December 2022 to EUR 3,384 million at the end of September 2023. This mainly results from dividends distribution (EUR -226 million), the **net income Group Share** (EUR 268 million) and the re-measurements of cash-flow hedges (EUR 34 million).

At the end of September 2023, Proximus' outstanding **long-term interest-bearing liabilities** (excluding lease liabilities and part maturing within one year) amounted to EUR 2,566 million, a decrease by EUR 110 million, mainly resulting from issuance of a bond of EUR 500 million in March and reclassification to short-term interest-bearing liabilities of a bond maturing within one year (EUR 600 million). **Adjusted net financial position** reaches EUR 3,046 million (including re-measurements to fair value).

Table 9: Net financial position

	As at 31 December	As of 30 September
(EUR million)	**2022**	**2023**
Investments, Cash and cash equivalents	299	183
Derivatives	208	208
Current assets	2	0
Assets	**509**	**391**
Non-current liabilities (*)	-2,876	-2,778
Current liabilities (*)	-662	-948
Liabilities	**-3,538**	**-3,726**
Net financial position (*)	**-3,030**	**-3,335**
of which Leasing liabilities	-272	-289
Adjusted net financial position (**)	**-2,758**	**-3,046**

(*) Including derivatives and leasing liabilities

(**) The adjusted financial position excludes leasing liabilities

2.2 Regulation

The multi-band spectrum auction, including the renewal of the existing 2G/3G spectrum licenses (900 MHz, 1800 MHz and 2100 MHz) as well as the granting of new 5G spectrum (700 MHz, 1400 MHz and 3600 MHz), has been closed on 20 July 2022. In total, Proximus has been able to secure 285 MHz for € 600 million. All licenses will be valid for 20 years, except the 3600 MHz band which will expire by 7 May 2040. The 700 MHz and 3600 MHz bands license date started on 1 September 2022, the 900 MHz, 1800 MHz and 2100 MHz bands started on 1 January 2023 and the 1400 MHz band started on 1 July 2023.

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 to extend the roaming regulation until 30 June 2032. In addition, the wholesale roaming charges, the prices that operators charge each other when their customers use other networks when roaming in the EU, are capped at 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. The Commission has been tasked with reviewing the regulation and its first report is scheduled for 30 June 2025.

€ excl. VAT	1/7/2022-31/12/2022	2023	2024	2025	2026	2027 -2032
Voice call/min	0,022	0,022	0,022	0,019	0,019	0,019
SMS	0,004	0,004	0,004	0,003	0,003	0,003
Data/GB	2	1,8	1,55	1,3	1,1	1

2025 tariffs and beyond subject to Commission review by 30 June 2025

Fiber developments

On 10 October 2023, BIPT adopted a Communication in which they acknowledge the need for further collaboration between operators to roll-out FTTH in Belgium since duplicating FTTH infrastructures may have a significant economic impact. BIPT is prepared to assess any agreement or draft agreement the operators would intend to conclude, concerning all possible geographical areas, be it limited or not to less densely populated areas of the territory. The BIPT will pay particular attention to the fact that these agreements are designed in such a way as to ensure effective and sustainable competition for the benefit of end-users.

All such developments between now and mid-May 2024 (possible prolongable) will be taken into account by BIPT in its ongoing market analysis that is assessing the need for regulation and/or the form that regulation should take in the following years.

2.3 ESG Update

Proximus goes all-in in the fight against global warming and is strongly committed to an inclusive society. It aims for net zero CO_2 emissions across its value chain by 2040 and commits to be truly circular by 2030. Proximus also acts as a digital catalyst by promoting digital trust and fighting the digital divide.

This section of the quarterly report highlights a selection of achievements and other company news in the area of sustainability, i.e. environmental, social and corporate governance (ESG).

In the spotlight

- **# Mobile phones collected for reuse and recycling** – 99,482 mobile phones were collected for reuse and recycling in Q3 2023, 21,672 more versus the same period in 2022.
- **Cyber Security Resilience** – 94% of the number of potential major cyber security incidents with a visible impact on the business were prevented in Q3 2023.
- **Average hours of training by FTE** – 35 hours of training on average for the third quarter of the year. To be compared with 24 hours of training for the same period in 2022.

Fight against climate change

Proximus is strongly engaged in fight against climate change and continues to work on different fronts. First, by keeping energy consumption under control and shifting to renewable energy sources. Proximus recently tested on the ground solar panels, batteries, and biofuel in specific events such as concerts. Proximus also signed a Corporate "PPA" (Power Purchase Agreement) to accelerate the transition to net zero. Second, Proximus signed the GSMA pledge with 12 other leading global operators on phone recycling. This is a step-further for more circular economy in the Telcos ecosystem. In the same spirit, Proximus launched a trade-in program to nudge customers to recycle their old devices in its shops.

Supporting the education system in all its forms

Proximus, and its partner VIVES, collaborate on 5G applications benefiting to all in the frame of 5G labs. These 5G labs are also made available to students and researchers giving them an opportunity to gain experience in advanced technological field and collaborate on industrial projects.

Showing solidarity with Morocco

Moved by the devastating images of the disaster, Proximus has decided to react and support all customers with links to Morocco. Therefore, Proximus decided to make mobile and fixed calls and text messages from Belgium to Morocco free of charge of all its customers. This was applied to all three residential brands: Proximus, Scarlet and Mobile Vikings.

2.4 Outlook & Shareholder return

Revising 2023 full-year guidance

Based on the strong financial result over the first nine months of 2023 and the company's best estimate for the remainder of the year, the **guidance for the full-year 2023 is being adjusted upwards for the Domestic revenue,** with the **full-year 2023 growth expected to land in the range of "+3.5% to +4%".** Following better than anticipated Domestic revenue growth, Proximus expects the decline in **underlying Domestic EBITDA to be limited to around -2%**. Proximus' cost savings program remains on track and successfully mitigates inflationary cost effects.

Proximus lowers its direct margin expectations for its International segments with **BICS and Telesign to deliver combined a direct margin growth of 4% to 5% for 2023** excluding currency headwinds. At BICS this is lowered primarily due to voice and messaging traffic where the company experienced elevated volume levels in 2022 on certain volatile destinations which did not reach the expected levels for 2023. In addition, for Telesign, messaging and digital identity experienced some slightly lower demand levels related to the current macro-economic environment. At the same time, Telesign is beyond its peak of OPEX investments in its growth strategy and turning to positive EBITDA sooner than expected.

In aggregate, Proximus expects to end the year 2023 with a decline in **Group underlying EBITDA of around -2%, improving from its earlier expectation of around -3%.**

Proximus year-to-date CapEx is in line with its expectations and reiterates it will reach its **peak of around EUR 1.3 billion in 2023**. The **Net Debt/EBITDA ratio for 2023 is expected to be around 2.6X**.

Table 10: outlook 2023

Guidance metric	FY22 Actuals	YTD23 Actuals	FY23 Outlook	FY23 Outlook revised 27 Oct 2023
Underlying Domestic revenue	€ 4,478M	+4.4% YoY	Upper end of +1% to +3% YoY	Between +3.5% and +4% YoY
Domestic underlying EBITDA	€ 1,665M	-2.5% YoY	Around -3% YoY	Around -2% YoY
International Direct Margin	€ 377M	+6.3% YoY (in cc)	High single digit growth	Between +4% and +5% YoY
Underlying Group EBITDA	€ 1,786M	-2.5% YoY	Around -3% YoY	Around -2% YoY
Capex (excluding Spectrum & football rights)	€ 1,3Bn	€904M	Peak at around € 1.3Bn	Peak at around € 1.3Bn
Net debt / EBITDA	1.5x (Proximus) 2.3X (S&P)	NR	Around 2.6X (S&P)	Around 2.6X (S&P)

Shareholders return policy 2023-2025

In line with the bold2025 strategy and deriving shareholder return policy, Proximus intends to return over the result of 2023 a stable gross dividend of EUR 1.2 per share, provided a financial performance delivery in line with its strategic plan.

As was announced in January 2023, over the result of 2024 and 2025, Proximus will rebase its dividend level to EUR 0.60 per share. The rebased sustainable dividend level incorporates all currently known macro and inflationary headwinds, as well as expected changes in market structure. The proposed dividend is reviewed and submitted to the Board of Directors on an annual basis, 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.

Interim dividend over the result of 2023

The Proximus Board of Directors approved on 25 October 2023 to pay the interim dividend over the 2023 accounting year, EUR 0.50 gross per share, on 8 December 2023.

Coupon #: 37

Gross dividend: EUR 0.50/share

Net dividend (30% withholding tax assumed): EUR 0.35/share

- Ex-coupon date: 6 December 2023
- Record date: 7 December 2023
- Payment date: 8 December 2023

3 Domestic

Table 11: Domestic P&L

(EUR million)	3rd Quarter 2022	3rd Quarter 2023	3rd Quarter % Change	Year-to-date 2022	Year-to-date 2023	Year-to-date % Change
Revenue*	**1,125**	**1,173**	**4.3%**	**3,322**	**3,469**	**4.4%**
Residential	570	601	5.5%	1,684	1,772	5.2%
Business	471	490	4.1%	1,397	1,459	4.4%
Wholesale	72	66	-9.0%	211	195	-7.9%
Other (incl. eliminations)	12	16	32.5%	30	44	47.9%
Cost of Sales	**-280**	**-289**	**3.0%**	**-801**	**-867**	**8.1%**
Direct Margin	**844**	**885**	**4.8%**	**2,521**	**2,603**	**3.2%**
Direct Margin %	*75.1%*	*75.4%*	*0.3 p.p.*	*75.9%*	*75.0%*	*-0.9 p.p.*
Expenses	**-418**	**-461**	**10.3%**	**-1,245**	**-1,359**	**9.2%**
Workforce expenses	-280	-291	3.8%	-826	-868	5.1%
Non Workforce expenses	-138	-170	23.6%	-419	-491	17.2%
EBITDA	**426**	**423**	**-0.7%**	**1,276**	**1,244**	**-2.5%**
EBITDA Margin %	*37.9%*	*36.1%*	*-1.8 p.p.*	*38.4%*	*35.9%*	*-2.6 p.p.*

** refers to total income*

3.1 Residential Revenue

- Excellent customer growth, Q3 Internet and Mobile postpaid respectively up by +10,000 and +49,000.
- Convergent customer base grew by +16,000 in Q3'23, Convergent revenue was up +10% YoY.
- The overall ARPC increased by +6.1% YoY; benefitting from price indexations and convergent growth.
- Total Q3'23 residential revenue grew +5.5% YoY, including a +6.2% revenue increase for Customer Services revenue.

For the third quarter of 2023 Proximus posted for its Residential unit a revenue of **EUR 601 million, a +5.5% or EUR 32 million increase from the year before**. The key Residential revenue driver, Customer Services revenue, was up for the third quarter 2023 by +6.2%. The Services revenue was supported by price indexations with a "more for more" approach that were effective since 1 January 2023 and 1 July 2023, as well as by the ongoing customer growth, especially in the Convergent base. This resulted in a year-over-year increase by +10% in Convergent revenue. Revenue from Terminals for the third quarter was up by EUR +10 million year-on-year, driven by the take up of high-end devices, with volumes remaining roughly equal.

Fiber and new Mobile portfolio driving strong customer growth.

The Residential unit sustained an excellent commercial momentum, adding over the past 3 months +10,000 internet lines. As such the total Proximus Residential internet base totaled 1,768,000 lines, a +2.4% increase from 12 months back, supported by the expanding Proximus' Fiber footprint and the multi-brand approach.

Regarding Mobile, supported by the multi-brand strategy and continued traction of the newly launched portfolios at Mobile Vikings (mid-march 2023) and Proximus (early May 2023), the Mobile Postpaid base grew by +49,000 cards over the third quarter of 2023. By end-September 2023, Proximus'

Residential Mobile Postpaid base reached a total of 2,819,000 cards, a +4.5% increase versus end-September 2022.

Reflecting the ongoing change in customer needs, the Fixed Voice line continued to decline. Churn levels were still low in the third quarter of 2023, resulting in a mitigated net loss of -23,000 lines.

Customer **services** revenue growth of **+6.2%** YoY.

Residential Customer Services[6] revenue amounted to EUR 480 million, +6.2% above the comparable period in 2022.

Overall ARPC EUR 56.5, +6.1%.

For the third quarter of 2023, the overall ARPC rose to EUR 56.5, up by +6.1% from the same period in 2022, resulting from the price indexations coming on top of the ongoing benefit of customers moving to convergent offers at higher ARPC. In spite of the success of 2P-offers, combining internet and mobile, the overall RGU per customer remained stable at 2.51.

Total convergent revenue +**10.0%** YoY, with ARPC +4.3%.

The third quarter **revenue from Convergent customers increased by +10.0%** year-on-year reaching EUR 291 million. Proximus grew its convergent base by +16,000 customers, reaching a total of 1,094,000 or +5.7% from 12 months back. The convergent ARPC was up by +4.3% to EUR 89.4 driven by price indexations and growing fiber customer base.

Convergent **3-Play ARPC +6.4%,** revenue +14.2% YoY.

Within the growing convergent revenue, the main contributor is the ongoing increase in **3-Play convergent** revenue. The convergent 3-Play customer base increased over the third quarter of 2023 by +5,000 customers, bringing the total to 442,000 customers by end-September 2023, a year-on-year growth by +7.2%. This was combined with a +6.4% increase in the 3-Play convergent ARPC, mainly reflecting the January 2023 and July 2023 price indexations and growing fiber customer base. The increase in the customer base and ARPC drove the 3-Play convergent revenue +14.2% higher to reach EUR 118 million for the third quarter of 2023.

+15,000 Convergent **2-Play** customers in Q3. ARPC +7.6%.

Following the success of **2-play** offers combining Mobile with Internet, the dual-play customer base continued to grow over the third quarter, adding +15,000 customers. The customer growth combined with a +7.6% rise in ARPC led to a +78.0% revenue increase from the same period in 2022, to total EUR 24 million for the third quarter of 2023.

-5,000 Convergent **4-Play** customers in Q3

The success of 3-Play and 2-Play offers, marking the decreasing relevance of the Fixed Voice line, is reflected in the **4-Play** customer base. The 4-Play declined by -5,000 customers for the third quarter of 2023. The 4-Play ARPC, supported by the increased pricing, was up by +5.5%. Overall, this resulted in an increase in 4-Play revenue of +0.8%.

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, 874,000 end-September 2023, generated an ARPC of EUR 48.0, +6.3% on the previous year driven by price indexations and customers tiering up.

Mobile-only revenue +0.9%

Over the third quarter of 2023, the Residential unit posted EUR 62 million revenue from **Mobile-only customers, up by 0.9%**. Although the brands Proximus, Scarlet and Mobile Vikings are all offering convergent solutions, the total base of Mobile-only customers was up by +8,000 over the third quarter of the year. All brands combined, the residential Mobile-only base totaled 870,000 customers, generating an ARPC of EUR 23.9, +1.5% year-on-year, driven by price indexations and a favorable customer mix.

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.

[6] This is revenue generated by customers subscribing to Proximus' Residential different product lines, also referred to X-Play revenue.

Terminals revenue EUR +10 million YoY

Third quarter **revenue from Terminals** totaled EUR 63 million, up by EUR +10 million from the comparable period in 2022. The increase was driven by the take-up of high-end devices, whereas volumes remained broadly the same.

Over the third quarter of 2023, revenue from **Mobile Prepaid** totaled EUR 9 million, -14.2% year-on-year. The Prepaid base decreased by -14,000 cards over the third quarter, with the total at 552,000 end-September 2023.

Proximus' Luxembourg telecom revenue for the residential unit totaled for the third quarter 2023, up by +1.1% year-over-year, EUR 33 million, mainly resulting from a higher number of mobile and fixed subscriptions and a price indexation.

Other revenue EUR -3 million YoY.

Proximus Residential posted sequentially fairly stable **Other revenue of EUR 11 million** mainly covering reminder, reconnection and installation fees and Mobile Vikings Interconnection revenues. As from November 2022 Mobile Vikings interconnect revenue moved to the Wholesale business unit, explaining largely the year-on-year decrease by EUR -3 million.

Table 12: Residential revenue

	3rd Quarter			Year-to-date		
(EUR million)	**2022**	**2023**	**% Change**	**2022**	**2023**	**% Change**
Revenue	**570**	**601**	**5.5%**	**1,684**	**1,772**	**5.2%**
Other Operating Income	**7**	**5**	**-30.7%**	**16**	**15**	**-3.5%**
Net Revenue	**563**	**596**	**6.0%**	**1,668**	**1,757**	**5.3%**
Customer services revenues (X-play)	*451*	*480*	*6.2%*	*1,335*	1,402	*5.1%*
Prepaid	11	9	-14.2%	31	27	-13.8%
Terminals (fixed and mobile)	54	63	18.0%	164	194	18.6%
Luxembourg Telco	33	33	1.1%	95	99	3.5%
Others*	14	11	-20.1%	43	34	-20.5%

** relates to other products and non recurring/non customer related revenues (e.g. decoder penalties, TV Enterprise, webadvertising, , ...)*

Table 13: Residential operationals by product

	3rd Quarter			Year-to-date		
	2022	**2023**	**% Change**	**2022**	**2023**	**% Change**
Park (000's)						
Fixed voice lines	1,165	1,062	-8.8%	1,165	1,062	-8.8%
Broadband	1,727	1,768	2.4%	1,727	1,768	2.4%
Mobile postpaid cards excl. M2M	2,698	2,819	4.5%	2,698	2,819	4.5%
Mobile prepaid cards	622	552	-11.2%	622	552	-11.2%
Net adds (000's)						
Fixed voice lines	-28	-23		-87	-74	
Broadband	6	10		24	33	
Mobile postpaid cards excl. M2M	25	49		81	99	
Mobile prepaid cards	-22	-14		-47	-52	

Table 14: Residential X-Play financials

	3rd Quarter			Year-to-date		
	2022	2023	% Change	2022	2023	% Change
Customer Services Revenues (EUR million)	**451**	**480**	**6.2%**	**1,335**	**1,402**	**5.1%**
Convergent	**265**	**291**	**10.0%**	**774**	**844**	**9.0%**
4-Play	147	149	0.8%	442	439	-0.7%
3-Play	104	118	14.2%	297	342	15.1%
2-Play	13	24	78.0%	36	64	78.3%
Fixed only	**125**	**126**	**0.8%**	**380**	**377**	**-0.8%**
3-Play	58	56	-3.9%	177	168	-5.0%
2-Play	39	39	0.9%	116	117	0.1%
1P Fixed Voice	10	10	-8.6%	33	29	-12.1%
1P internet	18	22	21.6%	53	63	18.4%
Mobile Postpaid only	**62**	**62**	**0.9%**	**180**	**181**	**0.6%**
ARPC (in EUR)	**53.3**	**56.5**	**6.1%**	**52.4**	**55.2**	**5.4%**
Convergent	**85.7**	**89.4**	**4.3%**	**84.7**	**87.7**	**3.6%**
4-Play	90.5	95.5	5.5%	89.5	93.4	4.4%
3-Play	84.4	89.8	6.4%	82.8	87.6	5.8%
2-Play	58.7	63.2	7.6%	57.3	62.0	8.1%
Fixed only	**45.2**	**48.0**	**6.3%**	**45.0**	**47.1**	**4.7%**
3-Play	54.3	57.8	6.5%	53.8	56.7	5.5%
2-Play	53.4	58.7	9.9%	52.9	56.7	7.3%
1P Fixed Voice	27.1	29.8	10.0%	27.4	29.0	5.9%
1P internet	30.4	32.2	5.9%	30.5	31.8	4.3%
Mobile Postpaid only	**23.6**	**23.9**	**1.5%**	**22.9**	**23.3**	**1.9%**

Table 15: Residential X-Play operationals

	3rd Quarter			Year-to-date		
	2022	2023	% Change	2022	2023	% Change
Customers - Total (000's)	**2,823**	**2,837**	**0.5%**	**2,823**	**2,837**	**0.5%**
Convergent	**1,035**	**1,094**	**5.7%**	**1,035**	**1,094**	**5.7%**
4-Play	538	516	-4.1%	538	516	-4.1%
3-Play	413	442	7.2%	413	442	7.2%
2-Play	84	135	61.6%	84	135	61.6%
Fixed only	**919**	**874**	**-4.9%**	**919**	**874**	**-4.9%**
3-Play	352	319	-9.5%	352	319	-9.5%
2-Play	241	219	-8.8%	241	219	-8.8%
1P Fixed Voice	126	105	-16.9%	126	105	-16.9%
1P internet	200	231	15.3%	200	231	15.3%
Mobile Postpaid only	**870**	**870**	**0.0%**	**870**	**870**	**0.0%**
% Convergent Customers - Total *	**64%**	**67%**	**3.4 p.p.**	**64%**	**67%**	**3.4 p.p.**
Average #RGUs per Customer - Total	**2.51**	**2.51**	**0.0%**	**2.51**	**2.51**	**0.0%**
Convergent	**4.11**	**4.03**	**-1.8%**	**4.11**	**4.03**	**-1.8%**
4-Play	4.71	4.73	0.4%	4.71	4.73	0.4%
3-Play	3.68	3.72	0.9%	3.68	3.72	0.9%
2-Play	2.27	2.39	5.4%	2.27	2.39	5.4%
Fixed only	**2.01**	**1.96**	**-2.5%**	**2.01**	**1.96**	**-2.5%**
3-Play	3.00	3.00	0.0%	3.00	3.00	0.0%
2-Play	1.97	1.96	-0.3%	1.97	1.96	-0.3%
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**	**1.15**	**0.6%**	**1.14**	**1.15**	**0.6%**
Annualized full churn rate (Customer) - Total	**15.9%**	**15.2%**	**-0.7 p.p.**	**15.4%**	**15.1%**	**-0.3 p.p.**
4-Play	5.7%	6.1%	0.4 p.p.	5.6%	6.2%	0.6 p.p.
3-Play	10.2%	9.5%	-0.7 p.p.	10.4%	9.8%	-0.6 p.p.
2-Play	14.8%	14.3%	-0.4 p.p.	14.4%	14.4%	0.0 p.p.
1-Play	24.5%	23.0%	-1.5 p.p.	23.3%	22.5%	-0.8 p.p.

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

3.2 Business Revenue

- Business posts Q3'23 revenue of EUR 490 million, +4.1% YoY including a +3.4% in Services.
- IT Services driving a +10.2% revenue growth.
- Revenue Fixed Data Services +5.6% driven by Internet, with ARPU +8.0% and stable client base.
- Growing Mobile revenue +0.9% on larger customer base, + 1.4% YoY, and ARPU improving by +0.5% YoY, driven by price increases.
- Managing Fixed Voice revenue decline, -5.5% YoY, supported by pricing with a growing ARPU for two consecutive quarters and mitigated churn.

The third-quarter 2023 **revenue of the Business unit totaled EUR 490 million, a +4.1% increase from the 2022 comparable basis.** Revenue from **Business Services totaled EUR 408 million, growing for the third quarter in a row, up by +3.4%** year-on-year. The eroding revenue from Fixed Voice was more than compensated for by higher revenue from Fixed Data, IT services and Mobile Services. IT products revenue was up strongly, reflecting a robust third quarter performance.

Fixed Data revenue +5.6%.

The revenue from Business **Fixed Data Services totaled EUR 122 million for the third-quarter 2023, improving its positive trajectory with a +5.6% increase** compared to the third quarter of 2022.

Internet ARPU +8.0%, Internet base stable YoY.

Within the Fixed Data revenue mix, the revenue growth **was mainly driven by continued strong revenue growth from Internet Services**. This resulted from a progressing Broadband ARPU, EUR 46.7 for the third-quarter 2023, +8.0% up from the previous year, mainly benefitting from the price increases, improved price tiering and a growing share of Fiber in the total internet park. The Business Internet base remained stable at 439,000.

Besides growing Internet revenue, **Data connectivity revenue** was slightly up year-on-year. The growing Fiber park supported Proximus' Explore Solutions and price indexation, offset the ongoing legacy out phasing. SDWAN is also offering more attractive customer connectivity pricing.

Growing Mobile revenue, YoY growing base, ARPU trend improving.

Over the third-quarter 2023, Proximus' Business unit posted **Mobile Services revenue of EUR 119 million, up +0.9% year-on-year.** The Mobile customer base grew by +9,000 cards, with the total standing at 1,808,000 cards, excluding M2M. The third quarter ARPU of EUR 19.7 improved year-on-year by +0.5%, relecting the net positive impact of price indexations and the new mobile portfolio with a "more for more" approach.

Over 4.2million active M2M cards.

The Business unit continued to grow its M2M park with an additional 41,000 M2M cards activated over the past three months. At end-September 2023, Proximus M2M base totaled 4,202,000 M2M cards. This is an increase of +7.8% from one year back.

IT services revenue +10.2%.

Proximus' Business unit posted for its IT Services revenue of EUR 104 million, +10.2% compared to the previous year, with all areas growing year-over-year. Recurring services growth was mainly driven by Cloud, Security and Smart Mobility, while one-shot services growth was mostly led by Smart Network and Advanced Workplace.

Mitigated Fixed Voice revenue decline.

Fixed Voice revenue decline mitigated to -5.5% year-on-year or EUR -4 million compared to the third quarter of 2022. The Fixed Voice park continued its steady decrease, -10.9% year-on-year, including a line loss of -13,000 for the third-quarter 2023. The ARPU was up (+3.3%) at EUR 27.6 benefiting from price increases.

Product revenue up by EUR 7 million YoY.

The **revenue from Products for the third quarter of 2023 was up by EUR 7 million** from the comparable period in 2022, or +10.6%. This increase was fully driven by IT hardware revenue up by EUR 8 million with a return to a normal business trend.

Table 15: Business revenue

(EUR million)	3rd Quarter 2022	3rd Quarter 2023	3rd Quarter % Change	Year-to-date 2022	Year-to-date 2023	Year-to-date % Change
Revenue	**471**	**490**	**4.1%**	**1,397**	**1,459**	**4.4%**
Other Operating Income	**3**	**2**	**-37.0%**	**6**	**6**	**-2.2%**
Net Revenue	**468**	**489**	**4.4%**	**1,391**	**1,453**	**4.5%**
Services	394	408	3.4%	1,189	1,209	1.7%
Fixed Voice	66	62	-5.5%	206	191	-7.3%
Fixed Data	116	122	5.6%	346	358	3.7%
Mobile	118	119	0.9%	350	352	0.8%
IT	95	104	10.2%	288	308	6.8%
Products	68	75	10.6%	182	226	23.8%
Terminals (fixed and mobile)	16	15	-7.4%	50	50	-0.5%
IT	52	60	16.3%	132	176	33.0%
Luxembourg Telco	6	6	-5.0%	20	18	-7.8%

Table 16: Business operationals

	3rd Quarter 2022	3rd Quarter 2023	3rd Quarter % Change	Year-to-date 2022	Year-to-date 2023	Year-to-date % Change
Park (000's)						
Fixed Voice lines	651	580	-10.9%	651	580	-10.9%
Broadband	439	439	0.0%	439	439	0.0%
Mobile postpaid cards excl. M2M	1,782	1,808	1.4%	1,782	1,808	1.4%
M2M cards	3,898	4,202	7.8%	3,898	4,202	7.8%
Net adds (000's)						
Fixed Voice lines	-14	-13		-55	-47	
Broadband	0	0		3	1	
Mobile postpaid cards excl. M2M	6	9		36	11	
M2M cards	209	41		543	241	
ARPU (EUR)						
Fixed Voice	26.7	27.6	3.3%	27.2	27.6	1.5%
Broadband	43.2	46.7	8.0%	42.8	45.9	7.4%
Mobile postpaid	19.6	19.7	0.5%	19.4	19.4	0.0%

3.3 Wholesale Revenue

Table 17: Wholesale revenue

	3rd Quarter			Year-to-date		
(EUR million)	2022	2023	% Change	2022	2023	% Change
Revenue	**72**	**66**	**-9.0%**	**211**	**195**	**-7.9%**
Other Operating Income	**0**	**0**	**nr**	**0**	**0**	**nr**
Net Revenue	**72**	**65**	**-9.0%**	**211**	**194**	**-7.9%**
Fixed & Mobile wholesale services	38	37	-3.2%	105	106	0.5%
Interconnect	34	29	-15.5%	106	88	-16.2%

Proximus posted for its Wholesale unit a third quarter 2023 **revenue of EUR 66 million, a -9.0% or EUR -6 million decrease** compared to the same period of 2022. The decrease was mostly related to low-margin interconnect revenue.

Revenue generated by **Fixed and Mobile wholesale services** decreased from the previous year by -3.2%, totaling EUR 37 million. Within the mix, revenue from visitor roaming was up, as well as services revenue from JVs while the annualization of a large contract in the third quarter of 2023 negatively impacted revenue year-over-year.

For the third quarter of 2023 **Interconnect revenue totaled EUR 29 million** a **-15.5%** or EUR -5 million decrease compared to the same period of 2022, with no meaningful margin impact. The year-on-year revenue decline reflects the ongoing in traditional messaging and the EU regulation which lowered the Fixed & Mobile Termination rates as from 1 January 2023.

3.4 Domestic OpEx and EBITDA

Q3 2023

For its Domestic operations, Proximus posted an **EBITDA of EUR 423 million** for the third quarter of 2023 **-0.7%** from the comparable period in 2022, resulting from higher operating costs partly offset by the year-on-year increase in Domestic direct margin.

The third quarter **Domestic operating expenses totaled EUR 461 million, +10.3%** compared to the third quarter of 2022. The year-on-year rise was mainly driven by inflationary cost increases, including the effect of 3 inflation-based salary indexations, as well higher electricity costs and other inflationary effects. Moreover, the strong commercial performance led to higher customer-related costs. This was partially offset by efficiencies achieved through the company's wider cost reduction program.

4 Telesign

- **Q3'23 revenue +5.2% YoY, 13.4% at constant currency. Both DI and CPaaS contributing.**
- **Telesign expanding omnichannel reach with launch of email-channel.**
- **Direct Margin growth of +7.9%, +25.3% excluding the currency impact.**
- **Healthy Net Revenue Retention of 112% for the third quarter of 2023.**
- **Sales bookings, indicator of direct margin opportunity, continued to grow YoY.**
- **Growth investments reached their peak, EBITDA turning positive.**

Q3 2023

Telesign closed the third quarter **with revenue** of **EUR 132 million**, a **year-on-year increase of +5.2%** (on constant currency +13.4%[7]). The **Direct Margin** was up +7.9% year-on-year. The currency effect aside, this was +25.3%, sequentially improving from the second quarter (+8.2% on constant currency). Telesign's **direct margin as a percentage of revenue** was 22.8%.

Revenue and direct margin from **Communications services** was positively impacted by strong performance of Telesign's largest US customers. The growth in the **Digital Identity segment** was driven by the expansion of the customers base outside the US.

The Net Revenue Retention (NRR) rate remaining at a healthy 112% compared with 122% in the same period of 2022, consistently remaining above the 100% mark. Robust 16.5% volume growth supporting retention metrics with strong increase on omnichannel volume.

Overall, Telesign's regional diversification strategy is progressing, with strong performance across all regions.

Telesign's operating expenses decreased by EUR 1 million year-on-year to a total of EUR 28 million for the third quarter of 2023. With Telesign's investments in growth having reached their peak, the increase in operating costs is expected to further moderate going forward.

With opex lower year-on-year and Direct Margin growing, the EBITDA turned positive in the third quarter 2023, totaling EUR 2 million.

Table 18: Telesign P&L

	3rd Quarter			Year-to-date		
(EUR million)	**2022**	**2023**	**% Change**	**2022**	**2023**	**% Change**
Revenue*	**126**	**132**	**5.2%**	**333**	**380**	**13.9%**
Costs of Sales	-98	-102	4.5%	-254	-293	15.7%
Direct Margin	**28**	**30**	**7.9%**	**80**	**86**	**8.2%**
Direct Margin %	*22.2%*	*22.8%*	*0.6 p.p.*	*23.9%*	*22.7%*	*-1.2 p.p.*
Expenses	**-29**	**-28**	**-4.1%**	**-79**	**-90**	**14.3%**
Workforce Expenses	-18	-20	12.1%	-50	-63	26.6%
Non-workforce Expenses	-11	-8	-31.3%	-29	-27	-7.1%
EBITDA	**-1**	**2**	**nr**	**1**	**-4**	**nr**
EBITDA Margin %	*-1.0%*	*1.6%*	*2.6 p.p.*	*0.2%*	*-1.0%*	*-1.3 p.p.*

* Refers to total income

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

5 BICS

- **Q3'23 revenue -13.3% to EUR 266 million, including a USD currency headwind**
- **Growth services posted a +6.7% increase YoY.**
- **Limited impact of revenue decline on Direct Margin with -1.4% YoY at constant currency**
- **Growth rates in general are normalizing from an exceptional 2022 boosted by post-Covid travel uptake.**
- **Q3'23 EBITDA -6.2% YoY to EUR 33 million, while sequentially stable to Q2'23.**

Q3 2023

For the third quarter of 2023, **BICS posted revenue of EUR 266 million. The decrease by -13.3%** from the comparable period in 2022 reflects a USD currency headwind on BICS' topline (-10.1% at constant currency), while growth rates are normalizing from an exceptional 2022 boosted by post-Covid travel uptake. BICS' year-on-year revenue decrease was primarily driven by Legacy services, and to a lesser degree by lower Core services revenue, while posting an increase in Growth services revenue.

The revenue from **Core services** decreased by -8.9% or EUR -10 million from its comparable base in 2022, leading to a total of EUR 108 million. The decline was mostly driven by lower messaging volumes.

For BICS' **Growth services**, a total revenue of **EUR 18 million** was posted a **+6.7%** increase from the same period in 2022. This was evenly driven by Cloud Communications, IoT and CPaaS.

Legacy services revenue totaled EUR 140 million for the third quarter of 2023, down by -18.3%, coming back from an exceptional 2022. This is linked to currency headwind, the impact of the roll-out of VoLTE in roaming by Mobile operators which accelerates the erosion of international voice volumes and a change in destination mix. This was linked to one specific country which impacted revenue though with negligeable margin impact.

BICS third-quarter 2023 underlying **Direct Margin stood at EUR 68 million, down -4.1%** year-over-year from an exceptionally high third quarter 2022 base, though was sequentially stable to the first two quarters of 2023. With BICS having a structural natural hedging on Direct Margin level, the USD headwind remains mitigated (-1.4% year-on-year at constant currency).

BICS' **EBITDA totaled EUR 33 million** for the third quarter of 2023, a **-6.2% decrease** from the same period in 2022 and sequentially stable to the previous quarter. Despite inflation and the effect of the 1 January 2023 wage indexation, operating expenses were down year-on-year by -2.1% following good cost containment initiatives and a favorable year-on-year impact of performance-related labour expenses.

Table 19: BICS P&L

	3rd Quarter			Year-to-date		
(EUR million)	**2022**	**2023**	**% Change**	**2022**	**2023**	**% Change**
Revenue by nature*	**307**	**266**	**-13.3%**	**821**	**795**	**-3.2%**
Core	118	108	-8.9%	318	327	2.8%
Growth	17	18	6.7%	50	53	6.0%
Legacy	172	140	-18.3%	454	415	-8.4%
Revenue by customer segment*	**307**	**266**	**-13.3%**	**821**	**795**	**-3.2%**
Enterprise	63	60	-5.5%	180	185	2.6%
Telecom	243	206	-15.3%	641	610	-4.8%
Costs of Sales	-236	-198	-16.0%	-623	-592	-5.1%
Direct Margin	**71**	**68**	**-4.1%**	**198**	**203**	**2.7%**
Direct Margin %	*23.0%*	*25.4%*	*2.4 p.p.*	*24.1%*	*25.5%*	*1.5 p.p.*
Expenses	**-36**	**-35**	**-2.1%**	**-104**	**-106**	**2.5%**
Workforce Expenses	-22	-20	-6.1%	-62	-62	0.9%
Non-workforce Expenses	-14	-15	3.9%	-42	-44	4.8%
EBITDA	**35**	**33**	**-6.2%**	**94**	**97**	**2.9%**
EBITDA Margin %	*11.3%*	*12.2%*	*0.9 p.p.*	*11.4%*	*12.2%*	*0.7 p.p.*

* Refers to total income

6 Consolidated Financial Statements

The condensed consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted for use in the European Union. They have not been subject to a review by an independent auditor.

6.1 Accounting policies

The accounting policies and methods of the Group used as of 2023 are consistent with those applied in the 31 December 2022 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 2023. 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 2022 consolidated financial statements, and other than those mentioned below in this report.

6.3 Significant events or transactions in 2023

Interest rate swap and new bond

On 1 March 2023, Proximus issued an EUR 500 million bond that carries an annual fixed coupon of 4.00% with a 7-year maturity due 8 March 2030. The cash flow hedge for a nominal amount of EUR 500 million was unwound at that date and resulted in a payment of EUR 20 million received from the hedge counterparty. The effective portion of changes in the fair value of this hedging instruments, that was recognized in other comprehensive income, will be gradually reclassified to Profit or Loss in the same period as the hedged item.

Acquisition EDPNET

EDPNET offers nationwide fixed internet connections, fixed voice solutions and mobile solutions in Belgium and the Netherlands and has been a wholesale customer of Proximus for many years. It has grown to become the largest independent fixed internet player on the Belgian market, mainly appealing to the growing consumer segment of tech-savvy cord cutters and gamers, looking for high-quality product specifications (high internet speeds, extensive data volumes, …) at a favorable price. Today, the company serves around 46,000 fixed internet and 13,500 mobile customers (excl. M2M).

In October 2022, EDPNET filed for protection from its creditors. As key service provider and one of EDPNET's main creditors, Proximus closely followed the evolution of the file. The court decision of 12 January 2023 to open a judicial reorganization procedure type 3, with the prospect of organizing a potential transfer of activities under judicial authority, led Proximus to introduce a binding offer of EUR 20.5 million.

On the 21st of March 2023, the offer of Proximus to acquire the activities of EDPNET in Belgium and the Netherlands has been validated by the Enterprise Court of Dendermonde on the 21st of March 2023 at a Purchase Price of EUR 20.5M. The closing of the transaction took place on the 1st of April 2023, with the activities related to EDPNET being formally transferred to two newly created legal entities, Proximus Newco BV and Proximus Newco Nederland B.V

On the 22nd of March 2023, the Belgian Competition Authority (BCA) however informed Proximus of the opening of an ex officio investigation into a possible abuse of dominance by Proximus by means of the acquisition, in application of the "Towercast" Judgment of the Court of Justice of the European Union (Case C-449/21) of 16 March 2023.

Proximus, which contests the allegations of abuse of dominance, will cooperate in good faith with the investigators of the Belgian Competition Authority.

On 21st of June 2023, the BCA imposed interim measures on Proximus, which to a major extent confirm Proximus' decision to keep the activities of EDPNET fully independent. As a consequence Proximus assessed that it currently does not control EDPNET. The investment in the entity was accounted as a financial participation with remeasurements to fair value through OCI.

GDPR case Telesign

On 23rd June 2023, NOYB (a non-profit privacy activist organisation) representing 9 (currently unnamed) complainants has made public that it has filed a complaint in connection with the activities of Telesign before the Belgian Data Protection Authority (BDPA).

In its complaint, NOYB alleges that Proximus failed to answer adequately and timely the access requests of 2 complainants, that BICS did not properly inform data subjects about the processing of their personal data, misused electronic communication data for other purposes than those allowed by the regulatory framework and transferred personal data to a US company without respecting the conditions set after the so-called "Schrems II decision", and that Telesign did not properly inform data subjects about the processing of their personal data, lacks a valid legal basis, applies unlawful profiling and automated decision making, and does not respect the conditions of the aforementioned "Schrems II decision" when transferring personal data to the US and further to their customers.

To date, Proximus neither any of its subsidiaries has received any communication from the BDPA in relation to this complaint.

Although we are still at a very preliminary stage, Proximus Group already wishes to stress its continued commitment to act in accordance with relevant data protection regulation, and it can already state that Telesign has a data privacy program in place that considers global laws and regulations, including the General Data Protection Regulation (GDPR) and the California Consumer Protection Act (CCPA). Proximus, BICS and Telesign also constantly review internal policies and practices, for compliance with the evolving regulatory landscape.

Proximus, BICS and Telesign are examining each of the allegations, and they believe that they have objective arguments to counter the complaint on the merits. Based on the facts and information available, management recorded no provision for this case.

Virtual Power Purchase Agreement VPPA

In the context of further greenifying its electricity supply, Proximus, member of RE100, entered a VPPA contract (live end of 2023) - RE100 compliant for 20% of its consumption for the upcoming 5 years.

Proximus recognises the fair value of this instrument through its P&L. The acquired Guarantees of Origin will be expensed as incurred.

Acquisition Route Mobile

Proximus Group has signed a definitive agreement to acquire through Proximus Opal, a ~58% interest in Route Mobile, a global company specialized in CPaaS services, listed on NSE and BSE in India with a market capitalization of EUR 1.1 billion. As a part of the agreement, some of the founding shareholders of Route Mobile will reinvest in a minority stake in Proximus Opal, a subsidiary of the Proximus Group and the holding company of Telesign, Proximus' US-based affiliate. Building on the combined strengths of Route Mobile and Telesign, the Group is paving the way to become one of the worldwide leaders in the fields of digital communications (CPaaS) and digital identity (DI).

The agreement consists of the acquisition by Proximus Opal of a controlling stake (57.56%) in Route Mobile from the founding shareholders of the company, followed by a reinvestment by some of the founding Route Mobile shareholders into Proximus Opal. More specifically:

- Proximus Group will acquire 57.56% of the shares (on a fully diluted basis) in Route Mobile through Proximus Opal, for an initial INR 59,224 million (EUR ~643,0 million) cash consideration for a price per share of 1,626.40 INR.

- The acquisition of the majority stake in Route Mobile will, in accordance with Indian regulations, trigger a mandatory takeover offer ("MTO") for up to 26% of the total shares outstanding of Route Mobile at the same price per share. Depending on the outcome of the MTO, the stake held by Proximus Opal could further increase to around 75% of Route Mobile's shares (If MTO is fully adopted, the stake could rise to around 84%, but as Indian regulator SEBI prescribes a minimum threshold of 25% public shareholding for all listed companies, Proximus Opal would need to sell stakes back to 75% within 12 months). Total cash consideration for this part of the operation, will be determined by the effective MTO take-up.

- The acquisition of the majority stake in Route Mobile and the MTO will be followed by a reinvestment of EUR ~299.6 million by some of the founding shareholders of Route Mobile, for up to 14.5% of the shares of Proximus Opal.

Considering the reinvestment, the net cash consideration for Proximus prior to MTO amounts to EUR ~343.4 million.

The agreement remains conditional upon realization of the conditions provided for in the agreement, including the receipt of regulatory and anti-trust approvals and the completion of the mandatory takeover offer on certain shares of Route Mobile. Proximus reasonably expects to close the transaction by the end of the first quarter 2024.

Proximus will finance the deal through bridge financing followed by the issuance of a new bond upon closing of the transaction. The Group entered into a deal contingent foreign exchange forward transaction on July 2023 with the objective to limit its exposure to the variability in cash flows that is attributable to the currency risk related to the acquisition of the 57.56% shares in Route Mobile to be paid to complete the acquisition As the outcome of the MTO part is very unpredictable, Proximus did not hedge the foreign exchange risk related to this part of the transaction. As of September, the fair value of this instrument amounted to EUR 23 million (asset). The Group applies hedge accounting to this transaction.

Route Mobile offers omnichannel communication solutions to its customers, including notably automated SMS or WhatsApp notifications for order updates, appointment reminders and promotions, as well as voice-based and email solutions. Route Mobile also offers AI based firewall analytics solutions to mobile network operators across the globe. It serves more than 3,000 customers worldwide (enterprises, OTTs, and mobile operators). Over the course of full year 2022-2023 (fiscal year ended March 2023), Route Mobile realized a total reported revenue of INR 35,692 million (EUR 427 million), 55% Revenue CAGR FY 2020 – FY2023, while the EBITDA stood at INR 4,566 million (EUR 55 million), 66% EBITDA CAGR FY2020 – FY2023). The consolidated net assets value of Route Mobile is INR 18,284 million (EUR 199 million).

InSky

In the framework of a Mobile Wholesale agreement, Proximus will also propose mobile sites to be decommissioned in the context of the ongoing consolidation (around 400) for acquisition to InSky, the company responsible for deploying the infrastructure of Digi and Citymesh. As negotiations are still ongoing, there is no impact on the Q3 financials.

6.4 Consolidated income statement

(EUR million)	3rd Quarter 2022	3rd Quarter 2023	% Change	Year-to-date 2022	Year-to-date 2023	% Change
Net revenue	1,492	1,516	1.6%	4,306	4,472	3.9%
Other operating income	18	11	-39.3%	49	37	-25.8%
Total income	**1,511**	**1,527**	**1.1%**	**4,355**	**4,509**	**3.5%**
Costs of materials and services related to revenue	-571	-547	-4.3%	-1,563	-1,635	4.6%
Workforce expenses	-328	-336	2.4%	-954	-1,002	5.0%
Non workforce expenses	-143	-191	34.0%	-431	-526	22.3%
Total operating expenses before depreciation & amortization	**-1,042**	**-1,074**	**3.1%**	**-2,947**	**-3,163**	**7.3%**
Operating income before depreciation & amortization	**469**	**453**	**-3.4%**	**1,407**	**1,345**	**-4.4%**
Depreciation and amortization	-289	-295	2.1%	-876	-884	0.9%
Operating income	**180**	**158**	**-12.2%**	**532**	**461**	**-13.3%**
Finance income	2	-1	<-100%	4	5	22.7%
Finance costs	-16	-49	>100%	-43	-104	>100%
Net finance costs	**-14**	**-50**	**>100%**	**-39**	**-99**	**>100%**
Share of loss on associates and JV	-3	-4	27.4%	-11	-10	-10.7%
Income before taxes	**163**	**104**	**-36.0%**	**482**	**353**	**-26.8%**
Tax expense	-37	-25	-32.2%	-113	-86	-24.3%
Net Income	**126**	**79**	**-37.2%**	**369**	**267**	**-27.5%**
Attributable to:						
Equity holders of the parent (Group share)	126	79	-37.1%	369	268	-27.4%
Non-controlling interests	0	0	26.3%	0	0	>100%
Basic earnings per share	0.39	0.25	-37.1%	1.14	0.83	-27.4%
Diluted earnings per share	0.39	0.25	-37.1%	1.14	0.83	-27.4%
Weighted average number of outstanding shares	322,414,116	322,376,181	0.0%	322,606,451	322,406,305	-0.1%
Weighted average number of outstanding shares for diluted earnings per share	322,414,116	322,376,181	0.0%	322,606,451	322,406,305	-0.1%

6.5 Consolidated statements of other comprehensive income

	3rd Quarter		Year-to-date	
(EUR million)	2022	2023	2022	2023
Net income	**126**	**79**	**369**	**267**
Other comprehensive income:				
Items that may be reclassified to profit and loss:				
Exchange differences on translation of foreign operations	10	3	25	0
Available-for-sale investments:				
Valuation gain/(loss) taken to equity	0	0	0	0
Transfer to profit or loss on sale	0	0	0	0
Cash flow hedges:				
Gain/(Loss) taken to equity	52	61	192	46
Transfer to profit or loss for the period	0	-1	0	-2
Other	1	0	0	0
Total before related tax effects	**64**	**64**	**218**	**45**
Related tax effects				
Equity investments:				
Valuation gain/(loss) taken to equity	0	0	0	0
Transfer to profit or loss on sale	0	0	0	0
Cash flow hedges:				
Gain/(Loss) taken to equity	-13	-15	-48	-11
Transfer to profit or loss for the period	0	0	0	0
Other (describe)	0	0	0	0
Income tax relating to items that may be reclassified	**-13**	**-15**	**-48**	**-11**
Total of items that may be reclassified to profit and loss, net of related tax effects	**50**	**49**	**170**	**34**
Items that will not be reclassified to profit and loss:				
Change in the fair value of equity instruments	0	0	0	0
Remeasurement of net defined benefit obligations	0	0	142	0
Total before related tax effects	**0**	**0**	**142**	**0**
Related tax effects				
Change in the fair value of equity instruments	0	0	0	0
Remeasurement of defined benefit obligations	0	0	-22	0
Adjustment resulting from change in Belgian tax rate	0	0	0	0
Income tax relating to items that will not be reclassified	**0**	**0**	**-22**	**0**
Total of items that will not be reclassified to profit and loss, net of related tax effects	**0**	**0**	**120**	**0**
Total comprehensive income	**176**	**128**	**659**	**301**
Attributable to:				
Equity holders of the parent	176	128	659	301
Non-controlling interests	0	0	0	0

6.6 Consolidated balance sheet

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

(*) "Other non-current payables" have been split into "Other non-current payables non-interest-bearing and interest bearing"; "Other current payables" have been split into "Other current payables non-interest-bearing and interest-bearing"

(**) The "Trade payables" that are interest bearing payables have been reclassified into "Other current payables interest-bearing"

6.7 Consolidated cash flow statement

(EUR million)	3rd Quarter 2022	3rd Quarter 2023	3rd Quarter Change	Year-to-date 2022	Year-to-date 2023	Year-to-date Change
Cash flow from operating activities						
Net income	126	79	-37.2%	369	267	-27.5%
Adjustments for:						
Depreciation and amortization	289	295	2.1%	876	884	0.9%
Deferred tax expense/ (income)	-11	1	>100%	-17	-1	-95.2%
Loss/(gain) from investments accounted for using the equity method	3	4	27.4%	11	10	-10.7%
Fair value adjustments on financial instruments	0	15	>100%	0	12	>100%
Adjustments for finance cost	0	-1	<-100%	0	-2	<-100%
Loss/(gain) on disposal of property, plant and equipment	-1	0	-91.6%	-4	0	-92.2%
Operating cash flow before working capital changes	**406**	**394**	-3.0%	**1,233**	**1,170**	-5.2%
Decrease/ (Increase) in inventories	-15	8	>100%	-55	0	-99.4%
Decrease/ (Increase) in trade receivables	-19	-19	-1.1%	-100	-14	-85.9%
Decrease/ (Increase) in other assets	53	27	-49.5%	96	-40	<-100%
Increase/(decrease) in trade payables	30	5	-83.3%	38	19	-48.6%
Increase/(decrease) in other liabilities	43	79	85.7%	69	63	-7.6%
Increase/(decrease) in net liability for pensions, other post-employment benefits and termination benefits	-6	-5	-17.6%	-28	-25	-10.7%
Increase/(decrease) in working capital, net of acquisitions and disposals of subsidiaries	**86**	**95**	**9.7%**	**20**	**4**	**-80.8%**
Net cash flow provided by operating activities (1)	**492**	**488**	**-0.8%**	**1,253**	**1,173**	**-6.4%**
Cash flow from investing activities						
Cash paid for acquisitions of intangible assets and property, plant and equipment	-361	-359	-0.5%	-1,101	-1,099	-0.1%
Cash paid for acquisitions of, and loan granted to other participating interests	-28	-62	>100%	-30	-87	>100%
Cash paid for acquisition of consolidated companies, net of cash acquired	-3	0	<-100%	-3	0	<-100%
Net cash received from sales of property, plant and equipment and other non-current assets	1	0	-63.2%	10	1	-86.8%
Net cash used in investing activities	**-387**	**-421**	**8.6%**	**-1,124**	**-1,185**	**5.5%**
Cash flow before financing activities	**105**	**67**	**-35.5%**	**129**	**-12**	**<-100%**
Lease payments (excl. interest paid)	-21	-24	**18.1%**	-60	-69	**14.2%**
Free cash flow (2)	**84**	**43**	**-48.7%**	**69**	**-80**	**<-100%**
Cash flow from financing activities other than lease payments						
Dividends paid to shareholders	0	0	-	-226	-226	-0.2%
Net sale/(purchase) of treasury shares	-1	1	>100%	-5	1	>100%
Cash received/(paid) for matured cash flow hedge instrument related to long term debt	1	0	-79.9%	0	20	-
Asset financing arrangements issuance	0	0	<-100%	65	0	<-100%
Asset financing arrangements repayment	-3	-2	-28.1%	-19	-7	-60.9%
Debt issuance	-110	0	>100%	315	497	57.5%
Debt repayment	-2	-112	>100%	-251	-319	26.8%
Cash flows used in financing activities other than lease payments	**-115**	**-114**	**-0.4%**	**-120**	**-35**	**-71.2%**
Exchange rate impact	1	0	-66.9%	3	0	-96.1%
Net increase/(decrease) of cash and cash equivalents	**-29**	**-71**	**>100%**	**-48**	**-115**	**>100%**
Cash and cash equivalents at 1 January				249	299	20.1%
Cash and cash equivalents at the end of the period				201	183	-8.7%
(1) Net cash flow from operating activities includes the following cash movements :						
Interest paid				-30	-30	
Interest received				1	2	
Income taxes paid				0	-52	
(2) Free cash flow: cash flow before financing activities and after lease payments						

6.8 Consolidated statements of changes in equity

	Issued capital	Treasury shares	Restricted reserve	Equity instruments and hedge reserve	Other remeasure -ment reserve	Foreign currency translation	Stock Compen -sation	Retained Earnings	Shareholder s' Equity	Non-controlling interests	Total Equity
Balance as at 1 January 2022	**1,000**	**-422**	**100**	**-7**	**-102**	**7**	**0**	**2,403**	**2,978**	**0**	**2,978**
Total comprehensive income	**0**	**0**	**0**	**145**	**120**	**25**	**0**	**369**	**659**	**0**	**659**
Dividends to shareholders (relating to 2019)	0	0	0	0	0	0	0	-226	-226	0	-226
Dividends of subsidiaries to non-controlling interests	0	0	0	0	0	0	0	0	0	0	0
Sale of treasury shares	0	-4	0	0	0	0	0	-1	-5	0	-5
Total transactions with equity holders	**0**	**-4**	**0**	**0**	**0**	**0**	**0**	**-225**	**-229**	**1**	**-229**
Balance as at 30 September 2022	**1,000**	**-426**	**100**	**138**	**18**	**32**	**0**	**2,546**	**3,408**	**1**	**3,409**
Balance as at 1 January 2023	**1,000**	**-425**	**100**	**147**	**4**	**16**	**0**	**2,465**	**3,307**	**1**	**3,308**
Total comprehensive income	**0**	**0**	**0**	**34**	**0**	**0**	**0**	**268**	**301**	**0**	**301**
Transfer of loss on disposal of equity instruments at fair value through other comprehensive income to retained earnings	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
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	0	0	0	0
Treasury shares											
Sale of treasury shares	0	5	0	0	0	0	0	-4	1	0	1
Stock options											
Stock options forfeited	0	0	0	0	0	0	0	0	0	0	0
Total transactions with equity holders	**0**	**5**	**0**	**0**	**0**	**0**	**0**	**-230**	**-225**	**0**	**-225**
Balance as at 30 September 2023	**1,000**	**-420**	**100**	**180**	**4**	**16**	**0**	**2,503**	**3,384**	**0**	**3,384**

6.9 Segment reporting

See reconciliation of reported and underlying figures in section 7.2.

	YTD 3rd Quarter 2023							
	Proximus Group				Underlying by segment			
(EUR million)	Reported (IFRS 16)	Lease depreciation and interest	Incidental	Underlying	Domestic	BICS	TeleSign	Eliminations
Net revenue	4,472	0	0	4,472	3,429	794	378	-129
Other operating income	37	0	0	36	41	1	1	-7
Total income	**4,509**	**0**	**0**	**4,508**	**3,469**	**795**	**380**	**-136**
Costs of materials and services related to revenue	-1,635	-1	6	-1,630	-867	-592	-293	122
Direct margin	**2,873**	**-1**	**5**	**2,878**	**2,603**	**203**	**86**	**-14**
Workforce expenses	-1,002	0	10	-991	-868	-62	-63	2
Non workforce expenses	-526	-64	40	-550	-491	-44	-27	12
Total other operating expenses	**-1,528**	**-64**	**50**	**-1,541**	**-1,359**	**-106**	**-90**	**14**
Operating income before depreciation & amortization	**1,345**	**-64**	**56**	**1,336**	**1,244**	**97**	**-4**	**0**
Depreciation and amortization	-884							
Operating income	**461**							
Net finance costs	-99							
Share of loss on associates	-10							
Income before taxes	**353**							
Tax expense	-86							
Net income	**267**							
Attributable to:	**0**							
Equity holders of the parent (Group share)	268							
Non-controlling interests	0							

	YTD 3rd Quarter 2022							
	Proximus Group				Underlying by segment			
(EUR million)	Reported (IFRS 16)	Lease depreciation and interest	Incidental	Underlying	Domestic	BICS	TeleSign	Eliminations
Net revenue	4,306	0	0	4,306	3,273	820	333	-119
Other operating income	49	0	-4	45	50	1	0	-6
Total income	**4,355**	**0**	**-4**	**4,351**	**3,322**	**821**	**333**	**-126**
Costs of materials and services related to revenue	-1,563	-1	0	-1,564	-801	-623	-254	114
Direct margin	**2,792**	**-1**	**-4**	**2,787**	**2,521**	**198**	**80**	**-11**
Workforce expenses	-954	0	18	-936	-826	-62	-50	2
Non workforce expenses	-431	-61	11	-480	-419	-42	-29	10
Total other operating expenses	**-1,384**	**-61**	**29**	**-1,416**	**-1,245**	**-104**	**-79**	**11**
Operating income before depreciation & amortization	**1,407**	**-62**	**25**	**1,371**	**1,276**	**94**	**1**	**0**
Depreciation and amortization	-876							
Operating income	**532**							
Net finance costs	-39							
Share of loss on associates	-11							
Income before taxes	**482**							
Tax expense	-113							
Net income	**369**							
Attributable to:	**0**							
Equity holders of the parent (Group share)	369							
Non-controlling interests	0							

6.10 Disaggregation of net revenue

(EUR million)		YTD-September 2022	YTD-September 2023
Domestic			
Residential			
	Customer services revenues (X-play)	1,335	1,402
	Prepaid	31	27
	Terminals	164	194
	Luxembourg Telco	95	99
	Other	43	34
	Total Residential	*1,668*	*1,757*
Business			
	Services	1,189	1,209
	Products	182	226
	Luxembourg Telco	20	18
	Total Business	*1,391*	*1,453*
Wholesale			
	Fixed & Mobile wholesale services	105	106
	Interconnect	106	88
	Total Wholesale	*211*	*194*
Other		*2*	*24*
Total Domestic		**3,273**	**3,429**
BICS		**820**	**794**
Telesign		**333**	**378**
Eliminations		**-119**	**-129**
Total Net Revenue		**4,306**	**4,472**

6.11 Group financing activities related to interest-bearing liabilities

(EUR million)	As at 31 December 2022	Cash flows issuance	Cash flows repayments	Non-cash changes	As of 30 September 2023
Non-current					
Unsubordinated debts	2,239	495	0	-597	2,137
Credit institutions	400	0	0	0	400
Other loans	37	0	0	-7	30
Derivatives held for trading	1	0	0	11	12
Current portion of amounts payable > one year					
Unsubordinated debentures	100	0	-100	600	600
Credit institutions held to maturity	1	0	-1	0	0
Other current interest bearing liabilities					
Credit institutions	0	2	0	0	2
Unsubordinated debts	477	0	-218	0	259
Other loans	10	0	-8	7	10
Total liabilities from financing activities excluding lease liabilities	**3,265**	**497**	**-326**	**13**	**3,449**
Lease liabilities current and non-current	272	0	-69	86	289
Total liabilities from financing activities including lease liabilities	**3,536**	**497**	**-395**	**99**	**3,738**

(EUR million)	As at 31 December 2021	Cash flows issuance	Cash flows repayments	Non-cash changes	As of 30 September 2022
Non-current					
Unsubordinated debentures	2,337	0	0	-98	2,239
Credit institutions	401	0	0	0	401
Other loans	0	54	-14	0	39
Derivatives held for trading	3	0	0	-2	1
Current portion of amounts payable > one year					
Unsubordinated debentures	0	0	0	100	100
Credit institutions held to maturity	1	0	-1	0	0
Other current interest bearing liabilities					
Credit institutions	150	0	-150	0	0
Subordinated loan	0	0	0	0	0
Unsubordinated debts	100	315	-100	0	315
Other loans	1	10	-1	0	10
Total liabilities from financing activities excluding lease liabilities	**2,992**	**379**	**-266**	**0**	**3,105**
Lease liabilities current and non current	273	0	-60	57	270
Total liabilities from financing activities including lease liabilities	**3,265**	**379**	**-326**	**58**	**3,375**

6.12 Financial instruments

Valuation techniques

The Group holds financial instruments classified in Level 1, 2 and 3. Compared to December 2022, no changes in the valuation techniques occurred. None of these instruments were reclassified from one level to another.

VPPA

The valuation of the VPPA is based on a discounted cash flow valuation model using historical information to simulate the production output and market forward power prices throughout the lifetime of the VPPA.

The valuation technique considers the relevant inputs that are consistent with the terms and conditions of the VPPA contract and that other market participants would consider when setting a transaction price in an orderly transaction.

Financial instruments measured at fair value

The fair value of the financial assets measured at fair value in Proximus consolidated balance sheet increased by EUR 25 million compared to their fair value as of December 2022. This increase is mainly due to the changes in the fair value of the hedges entered by the Group, partially offset by the settlement in March 2023 of an interest rate hedge.

As of September 30, 2023, the carrying amounts of the other financial assets were not substantially different from their fair values.

The fair value of the non-current interest-bearing liabilities (EUR 2,754 million including their current portions) increased by EUR 368 million, essentially due to the issuance in March 2023 of a EUR 500 million bond (net proceed of EUR 495 million) partially offset by the repayment of a EUR 100 million bond that matured in May 2023, and the decrease of the fair values of the remaining interest-bearing liabilities due to the further increase of interest rates.

The fair value of the swaption collar entered by the Group in May 2023 to protect the value of its existing pre-hedging interest rate swap settling in 2025 amounted to EUR 12 million as of September 2023. This amount is a liability and is not included in the above-mentioned fair value of the non-current interest-bearing liabilities.

6.13 Contingent liabilities and commitments

Compared to the 2022 consolidated financial statements, no significant change occurred in 2023 in the contingent liabilities and commitments other than those mentioned in this report.

6.14 Post balance sheet events

There are no post-balance sheet events.

6.15 Others

There has been no material change to the information disclosed in the 2022 annual consolidated financial statements in connection with related parties that would require disclosure under the Financial Reporting Framework.

7 Additional information

7.1 Rounding of figures

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

7.2 From Reported to Underlying

GROUP - Adjustments	GROUP Revenue		GROUP EBITDA		GROUP Revenue		GROUP EBITDA	
(EUR million)	Q3 '22	Q3 '23	Q3 '22	Q3 '23	YTD '22	YTD '23	YTD '22	YTD '23
Reported	**1,511**	**1,527**	**469**	**453**	**4,355**	**4,509**	**1,407**	**1,345**
Adjustments	-1	0	-10	5	-4	0	-37	-9
Underlying	**1,510**	**1,527**	**460**	**458**	**4,351**	**4,508**	**1,371**	**1,336**
Adjustments	**-1**	**0**	**-10**	**5**	**-4**	**0**	**-37**	**-9**
Lease Depreciations			-20	-21			-61	-60
Lease Interest				-2			-1	-4
Transformation			9	3			19	11
Acquisitions, mergers and disposals	-1		2	24	-4		7	40
Litigation/regulation							-1	5

7.3 Definitions

A2P: Application to Person messages

Adjusted Net Financial Position: is the Net Financial Position from which lease liabilities are excluded.

ARPC: Average underlying revenue per (residential) customer.

Adjusted Free Cash Flow: Free Cash Flow adjusted to exclude M&A transactions and M&A related transaction costs.

Annualized full churn rate of X-play: a cancellation of a customer is only taken into account when the customer cancels all its plays.

ARPU: Average Revenue per Unit.

BICS: 100% subsidiary of Proximus. Global voice carrier and leading provider of mobile data services worldwide. Providing global mobile connectivity, seamless roaming experiences, fraud prevention and authentication, global messaging and the Internet of Things.

- **BICS legacy:** represents mainly voice services.
- **BICS core:** represents messaging, mobility (roaming, signaling & Mobile IP) and infrastructure services.

- **BICS growth:** represents cloud communication enablement, SIM for things (travel SIM & IOT services) and fraud services.

Business: unit addressing the professional market including Corporates, Medium and Small Enterprises (including businesses with less than 10 employees).

CapEx: this corresponds to the acquisitions of intangible assets and property, plant and equipment, excluding Right of Use assets (leasing).

Convergence rate: convergent residential customers taking both Fixed and Mobile services of Proximus. The convergence rate refers to the percentage of convergent customers on the total of multi-play customers.

Cost of Sales: the costs of materials and charges directly related to revenues.

Direct margin: the result of cost of sales subtracted from the revenues, expressed in absolute value or in % of revenues.

Direct OpEx: refers to billable OpEx, for example OpEx directly linked to revenues of a Business project.

Domestic: segment defined as the Proximus Group excluding BICS, Telesign and Eliminations.

EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortization; corresponds to Revenue minus Cost of sales, workforce and non-workforce expenses.

Adjustments (Revenue/EBITDA):

- **The lease depreciations and interests in the Operating Expenses,** with the exception of leases that would qualify as finance leases on the basis of the criteria applied to a lessor under IFRS 16.
- **Transformation**: costs of employee transformation programs, the effect of settlements of post-employment benefit plans with impacts for the beneficiaries, or pre-identified material(*) one-shot projects (such as rebranding costs)
- **Acquisitions, mergers and disposals**: gains and losses on disposal of buildings or consolidated companies, M&A-related transaction costs, deferred M&A purchase price and impairment losses on goodwill.
- **Litigation/regulation:** Material (*) financial impacts of litigation files, fines and penalties and of law changes (one-off impacts relative to previous years)

(*) The materiality threshold is met when exceeding individually EUR 5 million. No threshold is used for adjustments in a subsequent quarter if the threshold was met in a previous quarter.

EBIT: Earnings Before Interest & Taxes, corresponds to EBITDA minus depreciation and amortization.

Fixed Data Services (Business): Total revenues from Fixed Data, consisting of Broadband, Data Connectivity (including Explore solutions and SD-WAN) and TV.

Fixed Voice park: PSTN, ISDN and IP lines. For Business specifically, this also contains the number of Business Trunking lines (solution for the integration of Voice and Data traffic on one single Data network).

Fixed Voice Services (Business): Total revenues from Fixed Voice access lines and traffic, as well as fixed telephony systems installed at customer premise or serviced from the cloud.

Free Cash Flow: this is cash flow before financing activities and after lease payments (since 2019).

Internet ARPU (Business): total Internet underlying revenue, excluding activation and installation fees, divided by the average number of Internet lines for the period considered, divided by the number of months in that same period.

Internet park: ADSL, VDSL and Fiber lines. For Residential, this also includes Scarlet and Mobile Vikings.

IT Services revenue (Business): Information Technology (IT) Services, including Managed, Integration and Consultative services, which enable users to access, store, transmit, and manipulate information, with the help of unified communications, computers, as well as necessary enterprise software, middleware, storage, and audio-visual systems. Proximus' IT solutions include, but are not limited to, Security, Cloud, Smart Network, Advanced Workplace and Smart Mobility solutions. It also includes recurring equipment sales to support these services.

IT Products revenue (Business): Revenues from one-shot IT products (boxes, hardware) or one-shot licenses, with the change of ownership towards the customer.

Mobile ARPU (Business): monthly ARPU is equal to total Mobile services revenues (excl. M2M & network services), divided by the average number of active cards for that period, divided by the number of months of that same period.

Mobile cards: refers to active Voice and Data cards, excluding free Data cards. Postpaid customers paying a monthly subscription are by default active. Prepaid customers are considered active when having made or received at least one call and/or sent or received at least one SMS message in the last three months. An M2M card is considered active if at least one Data connection has been made in the last month.

Mobile-only (Residential): Refers to Mobile Postpaid whereby no other recurring subscriptions are bought. Mobile Prepaid is not included in the Customer services revenue but reported separately.

Mobile Services revenue (Business): Total revenues from Mobile Services including traditional mobile services, using the mobile network connectivity, as well as IoT (including M2M) and Next Generation Communication (including network services as well as new innovative solutions).

Multi-play customer: two or more Plays, not necessarily in a Pack.

Net Financial Position: refers to the net amount of investments, cash and cash equivalents minus any interest-bearing financial liabilities and related derivatives, including re-measurement to fair value and lease liabilities. The net financial position does not include the "other current & non-current payables interest-bearing".

Network Services (Business): focuses on optimizing the interaction between Enterprise customers and its stakeholders, for which revenues are independent from the number of Postpaid cards.

Non-workforce expenses: all operating expenses excluding workforce expenses and excluding depreciation and amortization.

Net Revenue Retention rate (NRR): success indicator of the existing customer base, calculating the percentage of recurring revenue retained from existing customers compared to 12 months back.

Other Operating Income: this relates to income from, for example, reimbursements from damages, employees, insurances, gain on disposal, etc.

Luxembourg Telco: including fixed & mobile services, terminals & other

Play: a subscription to either Fixed Voice, Fixed Internet, dTV or Mobile Postpaid (paying Mobile cards). A 4-Play customer subscribes to all four services.

Reported revenues: this corresponds to the TOTAL INCOME.

Residential: unit addressing the residential market, including the Customer Operations Unit.

Revenue-Generating Unit (RGU): for example, a customer with Fixed Internet and 2 Mobile Postpaid cards is considered as a 2-Play customer with 3 RGUs.

Sales Booking: defined as the estimated monthly direct margin value of a won opportunity recorded within the CRM system. The nature of these bookings can vary between monthly recurring opportunities or short-term commercial opportunities.

Terminals: this corresponds to devices for Fixed Voice, Data, Mobile and related accessories. This excludes PABX, IT products and TV CPE.

Underlying: refers to revenue and EBITDA (Total Income and Operating Income before Depreciation and Amortization) corrected for the EBITDA Adjustments in order to properly assess the ongoing business performance.

Wholesale: unit addressing the telecom wholesale market including other telecom operators (incl. MVNOs) and ISPs.

Wholesale fixed & mobile services includes all solutions that Proximus offers to other operators. These services include fixed internet and data connectivity services, fixed telephony and mobile (incl. MVNO and Roaming) services (excl. Interconnect)

Wholesale Interconnect is the process of connecting an operator network with another operator network. This then allows the customers of one operator to communicate with the customers of another operator. Interconnect includes fix voice, mobile voice and mobile SMS/MMS services.

Workforce expenses: expenses related to own employees (personnel expenses and pensions) as well as to external employees.

X-Play: the sum of single play (1-play) and multi-play (2-play + 3-play + 4-play).

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 Ben Appel, Corporate Affairs Lead.

7.5 Financial calendar

(dates could be subject to change)

15 January 2024	Start of quiet period ahead of Q4 2023 results
23 February 2024	Announcement Q4 2023 results
10 April 2024	Start of quiet period ahead of Q1 2024 results
17 April 2024	Annual General Meeting (AGM)
26 April 2024	Announcement Q1 2024 results
10 July 2024	Start of quiet period ahead of Q2 2024 results
26 July 2024	Announcement Q2 2024 results
9 October 2024	Start of quiet period ahead of Q3 2024 results
25 October 2024	Announcement Q3 2024 results

7.6 Contact details

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7.7 Investor and Analyst Webcast

Proximus will host a webcast for investors and analysts on Friday, 27 October 2023. Time 02.00pm Brussels – 01.00pm London – 08.00am New York	
Follow the webcast and register to ask questions in the Q&A session:	https://www.proximus.com/investors/reports-and-results.html