Quarterly Report

Q4 2023

proximus

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- Sustained excellent commercial performance in Q4: Mobile postpaid +38,000, Internet +16,000 and convergent customers +19,000, net loss in TV base contained, -8,000.
- Fiber scaling: ~34% coverage in the street, +44,000 activated Fiber lines in Q4, total of 397,000 end-2023.
- Domestic revenue +3.5% to EUR 1,196 million in Q4, incl. Residential Services +6.7% and Business +3.6%.
- Q4'23 underlying Domestic EBITDA of EUR 392 million, YoY trend turning positive with +0.9%.
- Q4'23 EBITDA for International segments BICS at EUR 30 million and Telesign at EUR -1 million.
- Proximus Group Q4'23 underlying revenue of EUR 1,534 million, -1.6% YoY, underlying EBITDA of EUR 421 million, +1.4%.
- FY'23 Domestic revenue +4.2% YoY, Domestic EBITDA -1.7% YoY, Group EBITDA -1.6% YoY.
- FY'23 Capex at EUR 1,325 million and adjusted FCF at EUR 61 million, including EUR 96 million for Q4.
- Board proposes gross dividend over 2023 result of EUR 1.20/share, EUR 0.70 to be paid in April 2024.
- For 2024, Proximus confirms its bold2025 ambition to return to growth for Domestic and Group EBITDA.

1 Q4 2023 Highlights

- Proximus' Domestic segment closed the fourth quarter of 2023 with continued **strong growth in Mobile Postpaid, +38,000 net adds,** supported by the new mobile portfolio released in May 2023 and a superior mobile network. Proximus' Fiber footprint reaches meaningful coverage levels of 1,748,000 homes and businesses passed by end-2023, supporting an excellent growth for its **Internet base (+16,000)**. **Residential convergent offers grew by +19,000** customers to a total of 1,112,000, a +6.2% year-on-year increase. End-December 2023, the number of **active Residential and Business Fiber lines totalled 397,000**, of which +44,000 were added in the fourth quarter 2023. The **net subscription loss for both TV and Fixed Voice remained contained,** down respectively by -8,000, and -39,000.
- Proximus' fourth quarter 2023 **Domestic underlying revenue was up by +3.5% to EUR 1,196 million**. The **Residential unit posted a +8.3%** revenue increase, with its Customer Services revenue sequentially improving to a +6.7% growth, and revenue from Terminals year-on-year higher by EUR 18 million. Convergent revenue was up +10.7%, driven by further customer growth and the inflation-based price increases. The **Business unit revenue was down by -0.5% year-on-year,** impacted by low-margin Products revenue which was EUR -17 million below a high comparable base in 2022. Business Services revenue sustained its solid growth trend, up by +3.6%. This was driven by IT Services (+7.1%), Fixed Data (+6.3%) and Mobile Services (+2.2%), more than compensating a moderating Fixed Voice revenue erosion. Proximus' **Wholesale unit posted an overall -8.3% revenue decrease** resulting from the loss of low margin interconnect revenue (EUR -6 million), while Wholesale Services revenue was up by +2.3%.
- The fourth-quarter 2023 **Domestic EBITDA totaled EUR 392 million, a +0.9% increase** from the same period in 2022. The sequential improvement from the previous three quarters reflects the higher direct margin, up by +4.7%, ongoing company-wide cost efficiencies and softening inflationary effects on wages.
- The fourth quarter 2023 saw Telesign cycling against an elevated 2022 comparable, while facing some macro headwinds and an accelerated move of customers to omnichannel message delivery. **Telesign's revenue was down -15.8% year-on-year to EUR 118 million, with EUR 31 million Direct Margin.** This was the highest quarterly margin of 2023, though down by -9.3% from a high basis. On constant currency basis, Revenue was down -11.6% and Direct margin nearly stable (-0.1%). With material investments in Telesign's growth strategy beyond their peak, year-on-year the OPEX was -4.9% lower, overall resulting in an EBITDA negative by EUR -1 million over the fourth quarter 2023.
- For the fourth quarter of 2023, **BICS posted revenue of EUR 256 million, a -17.7%** decrease from an exceptionally strong fourth quarter of 2022. In addition to a USD currency headwind (-15.5% at constant currency), the decrease resulted from lower messaging volumes and legacy Voice services returning to their inherently declining trend. This was reinforced by a change in destination mix, though with limited margin impact. BICS' Direct Margin stood at EUR 65 million, down -0.6% from a high base (+0.9% at constant currency). **BICS' EBITDA totaled EUR 30 million, +15.0%** from a low base in 2022.
- In aggregate, the Proximus **Group underlying revenue totaled EUR 1,534 million** for the fourth quarter of 2023, **down -1.6%** due to lower International revenue, with limited impact on direct margin. The underlying **Group EBITDA totaled EUR 421 million, up by +1.4%**.
- The **Proximus Group CapEx** for the full year 2023 totaled EUR 1,325 million, compared to EUR 1,305 million one year back, excluding spectrum and football broadcasting rights. The Group CapEx over the last 3 months of 2023 was EUR 421 million, EUR 43 million below the comparable period in 2022. CapEx for Proximus' own fiber build is coming down from its peak in 2022, while the CapEx to connect and activate customers increases.
- **At year-end, the FCF when adjusting for M&A related cash-out stood at EUR +61 million (EUR +18 million, on reported basis),** including adjusted FCF of EUR 96 million for the fourth quarter 2023. On adjusted basis, the 2023 FCF decreased by EUR 119 million compared to 2022. Apart from the lower underlying EBITDA, the year-on-year decrease was mainly related to higher tax related payments, interest-related payments incl. on spectrum rights and higher capital injections in the fiber joint ventures. This was partly compensated by lower year over year business working capital needs and the irrevocable payment of EUR 30 million received from Immobel related to the sales process of the Proximus headquarters.

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 moderated cord cutting emerged in Belgium. While the Fixed internet market is slowly growing, Fiber connectivity increasingly creates opportunities. 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. 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

We are closing the foundation year of our bold2025-strategy on a strong note, with outstanding commercial results driving better than expected Domestic revenue and EBITDA.

"We are delighted to report once again an excellent domestic commercial performance. The last quarter of 2023 was marked by a continued traction of our Mobile portfolios, resulting in a strong growth for our Mobile Postpaid base by 38,000. For Internet, we achieved the best quarterly growth in 5 years, adding 16,000 new Internet customers. We also welcomed no less than 44,000 active customers on our Fiber network over the fourth quarter of 2023, bringing the total to 397.000.

Our commercial achievements reflect the substantial progress made in deploying our Gigabit networks. Today we undoubtedly have the best mobile and fixed products on the Belgian market. We finished 2023 with over 1.7 million homes and businesses across 147 cities passed with Fiber. Overall, including the contribution of our joint ventures, we brought "Fiber in the street" of 34%[1] of Belgian homes and businesses, encouraging innovation and supporting an attractive Belgium. Another supportive factor is the ongoing discussions towards achieving fiber cooperation agreements in the country following the Belgian regulator's comments in October.

As for our Mobile network upgrade, we have been stepping up our pace in 2023, and achieved a 40% 5G coverage by year-end. We are proud that our mobile network continues to be recognized as the fastest in Belgium by independent speed tests. The most speaking being Ookla that revealed Proximus download speeds were up to 50% above our mobile network competitors.

The core strengths of our Fiber and Mobile networks, along with an effective multi-brand strategy and well-calibrated value management, contributed to a 3.5% rise in the fourth quarter 2023 Domestic revenue, including a notable 8.3% growth for the Residential unit. Our ongoing cost efficiency program met our expectations in 2023 and enabled the Domestic business to return to EBITDA growth by 0.9% in the fourth quarter 2023.

On the International front, the fourth quarter 2023 financial performance cycled against a strong comparative in 2022 and faced some global macro headwinds end-2023. Moreover, the last quarter of 2023 was impacted at the topline level by an accelerated shift from SMS as a main channel of communication towards omnichannel delivery models (SMS, WhatsApp, Viber, Voice, RCS) with limited impact on Direct margin. At Telesign, Digital Identity continued to grow, with strong performance among FinTech customers. For 2024, Telesign is confident to deliver a double-digit Direct margin growth, thanks to a continued strong sales performance.

The agreement signed in July 2023 to acquire a majority stake in Route Mobile provides the building blocks needed to move towards becoming one of the worldwide leaders in digital communications and digital identity. With remaining regulatory approvals anticipated to be granted in the near term, we expect the transaction closure in the April-May timeframe.

Summing up for the year 2023, I am very pleased that we were able to exceed the initial financial objectives we had set, despite the challenging inflationary macroeconomic environment. Proximus Domestic 2023 revenue grew by +4.2%, our underlying Domestic EBITDA decline from 2022 was limited to -1.7% and the Group EBITDA decline to -1.6%. We closed 2023 with CapEx of EUR 1.325 billion excluding spectrum and football broadcasting rights, and a Net Debt-to-EBITDA ratio of 2.6X.

The closing of 2023 also marks the successful completion of the first year of our strategic plan, bold2025. The focused execution in 2023 set us firmly on track to meet our Market commitments. Going forward, we expect a growth of up to 1% for our Domestic segment revenue and EBITDA in 2024, in spite of anticipated initial headwinds from the new entrant. Including BICS and Telesign, we confirm our ambition to return the Group EBITDA to growth, up to 1% for 2024 on an organic basis. We will update the market on our International and Group expectations post-closure of the Route Mobile transaction. As for our annual Group CapEx, we have now passed the peak in 2023 and we project the 2024 CapEx to moderate to around EUR 1.2 billion.

To conclude, our Board of Directors approved to propose to the Annual General Shareholders' Meeting to return a gross dividend of EUR 1.20 per share over the result of 2023, with EUR 0.70 per share to be paid in April 2024. Furthermore, in line with our 3-year dividend policy, we expect to return over the result of 2024 a gross dividend of EUR 0.60 per share."

[1] 1.75M HP + JV's fiber in the street funnel of 300K LU

Table 1: **Key Figures**

Operationals ('000)	Net adds in the quarter			Park at end of quarter		
	2022	2023	%	2022	2023	%
Fiber						
Homes Passed	158	169		1,282	1,748	36.3%
Activated retail lines	31	44		252	397	57.5%
Residential customers						
Convergent	13	19		1,048	1,112	6.2%
Group (subscriptions/SIM cards)						
Internet	9	16		2,216	2,267	2.3%
TV	-9	-8		1,710	1,674	-2.1%
Fixed Voice	-53	-39		1,810	1,651	-8.8%
Mobile Postpaid (excl. M2M)	43	38		4,817	4,973	3.2%
M2M	63	26		3,976	4,247	6.8%
Prepaid	-19	-20		621	548	-11.8%

Financials (EUR million)	4th Quarter			Year-to-date		
	2022	2023	% Change	2022	2023	% Change
Group Revenue (underlying)	**1,558**	**1,534**	**-1.6%**	**5,909**	**6,042**	**2.2%**
of which Domestic	1,155	1,196	3.5%	4,478	4,665	4.2%
of which BICS	311	256	-17.7%	1,132	1,051	-7.2%
of which Telesign	140	118	-15.8%	473	497	5.1%
Group Direct Margin (underlying)	**935**	**971**	**3.9%**	**3,722**	**3,849**	**3.4%**
of which Domestic	839	878	4.7%	3,360	3,481	3.6%
of which BICS	66	65	-0.6%	263	268	1.9%
of which Telesign	34	31	-9.3%	114	117	3.0%
Group Expenses (underlying)	**-520**	**-550**	**5.8%**	**-1,936**	**-2,091**	**8.0%**
of which Domestic	-450	-486	8.0%	-1,695	-1,845	8.9%
of which BICS	-40	-35	-10.9%	-143	-142	-1.2%
of which Telesign	-34	-32	-4.9%	-112	-122	8.6%
Group EBITDA (underlying)	**415**	**421**	**1.4%**	**1,786**	**1,757**	**-1.6%**
as % of revenue	**26.6%**	**27.4%**	**0.8 p.p.**	**30.2%**	**29.1%**	**-1.1 p.p.**
of which Domestic	389	392	0.9%	1,665	1,636	-1.7%
of which BICS	26	30	15.0%	120	127	5.5%
of which Telesign	0	-1	nr	1	-5	nr
Group EBITDA (reported)	**419**	**441**	**5.4%**	**1,826**	**1,786**	**-2.2%**
Net income	**81**	**90**	**10.7%**	**450**	**357**	**-20.6%**
Accrued CapEx (excl. spectrum & football rights)	**464**	**421**	**-9.3%**	**1,305**	**1,325**	**1.6%**
FCF (adjusted)	**99**	**96**	**-2.7%**	**181**	**61**	**-66.0%**
Adjusted net fin position (excl. lease liabilities)	**n.r.**	**n.r.**		**-2,758**	**-3,131**	**-13.5%**

- 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

	4th Quarter			Year-to-date		
(EUR million)	**2022**	**2023**	**% Change**	**2022**	**2023**	**% Change**
Revenue[1]	**1,558**	**1,534**	**-1.6%**	**5,909**	**6,042**	**2.2%**
Net Revenue	1,548	1,521	-1.8%	5,853	5,993	2.4%
Other Operating Income	10	13	26.8%	56	49	-11.6%
Cost of Sales[2]	**-623**	**-563**	**-9.7%**	**-2,187**	**-2,193**	**0.3%**
Direct Margin	**935**	**971**	**3.9%**	**3,722**	**3,849**	**3.4%**
Direct Margin %	*60.0%*	*63.3%*	*3.3 p.p.*	*63.0%*	*63.7%*	*0.7 p.p.*
Expenses	**-520**	**-550**	**5.8%**	**-1,936**	**-2,091**	**8.0%**
EBITDA[3]	**415**	**421**	**1.4%**	**1,786**	**1,757**	**-1.6%**
EBITDA Margin %	*26.6%*	*27.4%*	*0.8 p.p.*	*30.2%*	*29.1%*	*-1.1 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

The **Proximus Group underlying revenue totaled EUR 1,534 million** for the fourth quarter of 2023, **a year-on-year decrease of -1.6%** or EUR -24 million driven by International segments, with only minor impact on Direct Margin.

Proximus' **Domestic** segment grew its **underlying revenue to EUR 1,196 million, an increase of +3.5%** or EUR 40 million compared to the preceding year.

The **Residential** revenue **totaled EUR 624 million,** up year-on-year by **+8.3%**. This was mainly driven by a +6.7% increase for Customer Services revenue, sequentially improving from the 2 preceding quarters. The strong growth resulted from a +10.7% year-on-year increase in Convergent revenue, with a sustained increase in the convergent customer base (+ 6.2%) further supported by price indexations[2]. Moreover, revenue from Terminals was up by EUR 18 million from the year before.

The fourth-quarter 2023 revenue of the **Business unit ended -0.5% below the 2022** comparable base. Business Services revenue improved its positive trend in the fourth quarter, up by +3.6%, with higher revenue from IT Services (+7.1%), Fixed Data (+6.3%) and Mobile services (+2.2%) more than offsetting the ongoing but moderate Fixed Voice revenue erosion (-4.2%). Revenue from Products was however down year-on-year by EUR -17 million, impacted by IT equipment (-22.3%), cycling against an excellent fourth quarter 2022 which benefitted from the catch up on Customer installations of IT equipment.

Proximus' **Wholesale unit** posted a fourth-quarter 2023 revenue of EUR 63 million, **-8.3% or EUR -6 million** down from the same period of 2022. This decline is fully attributed to a EUR -6 million decrease in low-margin interconnect revenue. Revenue generated by **Fixed and Mobile wholesale services was up +2.3%.**

Telesign posted EUR 118 million of revenue over the fourth quarter of 2023, a **year-on-year decrease of -15.8%** (-11.6% on a constant currency basis[3]). While Digital Identity grew year-on-year, revenue from

[2] January 1, 2023 and July 1, 2023

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

Communications services was down, cycling against an exceptional end of year 2022, which benefited from traffic peaks amongst others driven by some game launches, and a favorable destination mix. In addition, general macro trends led to key online customers implementing tighter cost management, resulting in a more muted seasonal year-end uplift for 2023.

For the fourth quarter 2023, BICS posted revenues of EUR 256 million, down year-on-year by -17.7% or EUR -55 million, coming back from an exceptional 2022. In addition to some USD currency headwinds (-15.5% 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

	4th Quarter			Year-to-date		
(EUR million)	**2022**	**2023**	**% Change**	**2022**	**2023**	**% Change**
Group Underlying	**1,558**	**1,534**	**-1.6%**	**5,909**	**6,042**	**2.2%**
Domestic	1,155	1,196	3.5%	4,478	4,665	4.2%
Residential	576	624	8.3%	2,261	2,396	6.0%
Business	497	494	-0.5%	1,894	1,953	3.1%
Wholesale	69	63	-8.3%	280	258	-8.0%
Other (incl. eliminations)	13	14	9.8%	43	58	36.3%
BICS	311	256	-17.7%	1,132	1,051	-7.2%
Telesign	140	118	-15.8%	473	497	5.1%
Eliminations	-49	-36	25.7%	-174	-172	1.5%

2.1.2 Underlying Group direct margin

Table 4: Underlying Group Direct Margin

	4th Quarter			Year-to-date		
(EUR million)	**2022**	**2023**	**% Change**	**2022**	**2023**	**% Change**
Group Underlying by Segment	**935**	**971**	**3.9%**	**3,722**	**3,849**	**3.4%**
Domestic	839	878	4.7%	3,360	3,481	3.6%
BICS	66	65	-0.6%	263	268	1.9%
Telesign	34	31	-9.3%	114	117	3.0%
Eliminations	-4	-4	8.0%	-15	-18	-15.9%

The fourth quarter 2023 underlying direct margin of the **Proximus Group totaled EUR 971 million, an increase of +3.9% or EUR 36 million** from the comparable period last year.

Proximus' **Domestic operations posted a direct margin of EUR 878 million, +4.7%** or EUR 39 million above the prior year.

For the fourth quarter 2023 the **direct margin for BICS totaled EUR 65 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 well contained to a -0.6% year-on-year decrease. (+0.9% year-on-year at constant currency).

Telesign posted EUR 31 million Direct Margin for the fourth quarter of 2023, a seasonal increase from previous quarters. With cost savings by online customers resulting in a more moderate year-end uplift in 2023, the total direct margin was down by -9.3% (on a constant currency basis nearly stable at -0.1%), from a high comparable base in 2022.

2.1.3 Underlying Group expenses[4]

Table 5: Underlying Group expenses

	4th Quarter			Year-to-date		
(EUR million)	**2022**	**2023**	**% Change**	**2022**	**2023**	**% Change**
Group Underlying	**520**	**550**	**5.8%**	**1,936**	**2,091**	**8.0%**
Workforce expenses	329	338	2.6%	1,265	1,329	5.1%
Non-workforce expenses	190	212	11.4%	671	762	13.6%
Domestic	**450**	**486**	**8.0%**	**1,695**	**1,845**	**8.9%**
Workforce expenses	285	298	4.4%	1,111	1,166	4.9%
Non-workforce expenses	165	188	14.2%	584	679	16.3%
BICS	**40**	**35**	**-10.9%**	**143**	**142**	**-1.2%**
Telesign	**34**	**32**	**-4.9%**	**112**	**122**	**8.6%**
Eliminations	**-4**	**-4**	**8.1%**	**-15**	**-17**	**-16.1%**

The Proximus **Group underlying operating expenses** grew year-on-year to EUR 550 million in the fourth quarter of 2023, **up by +5.8% or EUR 30 million from the comparable basis in 2022.**

The **Domestic operating expenses totaled EUR 486 million, +8.0%** with the year-on-year rise mainly reflecting inflationary cost increases (wage indexations, higher electricity costs and other costs such as rental and maintenance) and higher costs related to acquiring and migrating customers. In line with the company's ongoing strong commercial results, 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 inflation-based salary indexations[5], resulting in a +4.4% year-on-year cost increase.

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 -69 FTEs year-over-year to a total of 10,358 FTEs, in addition to a lower number of external employees.

BICS' fourth quarter 2023 operating expenses **totaled EUR 35 million**, down -10.9% 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 32 million of operating expenses, -4.9% below the year before, despite an increased headcount, up year-on-year by 78 FTEs. Overall, the trend change reflects the fact that Telesign is beyond its peak of substantial investments to support its growth objectives.

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

5 Public wages in Belgium were automatically adjusted to the higher cost of living. Year-on-year the fourth quarter 2023 was impacted by the wage indexation on December 1 2022, January 1 2023 and December 1 2023 , with a 2% increase for each instance.

2.1.4 Group EBITDA - reported and underlying

Table 6: From reported to underlying EBITDA

	4th Quarter			Year-to-date		
(EUR million)	**2022**	**2023**	**% Change**	**2022**	**2023**	**% Change**
Group reported EBITDA	**419**	**441**	**5.4%**	**1,826**	**1,786**	**-2.2%**
Adjustments	-4	-20	nr	-40	-29	nr
Group Underlying EBITDA	**415**	**421**	**1.4%**	**1,786**	**1,757**	**-1.6%**
Domestic	389	392	0.9%	1,665	1,636	-1.7%
BICS	26	30	15.0%	120	127	5.5%
Telesign	0	-1	nr	1	-5	nr

Underlying Group EBITDA

The **underlying Group EBITDA for the fourth quarter of 2023 totaled EUR 421 million,** up by +1.4% compared to the prior year. For its **Domestic operations, Proximus posted an underlying EBITDA of EUR 392 million** for the fourth quarter of 2023, **+0.9%,** with the increase in Direct Margin more than offsetting the higher operating costs with inflationary pressures on wages starting to moderate. **BICS posted EBITDA of EUR 30 million** for the fourth quarter of 2023, **+15.0%** compared to the last quarter of 2022, which included a one-off cost headwind. For the fourth quarter of 2023, **Telesign posted** EBITDA of EUR -1 million.

Total Reported Group EBITDA

The Proximus Group reported EUR 441 million EBITDA for the fourth quarter of 2023, an increase of +5.4% or EUR 22 million from the comparable period in the previous year. There was a EUR -20 million adjustment from reported to underlying Group EBITDA for the fourth quarter of 2023. This was mainly the net effect of adjustments to the EBITDA for lease depreciation and lease interest (reducing the underlying EBITDA by EUR 24 million and EUR 2 million respectively) and incidental costs related to M&A (increasing the underlying EBITDA for a total of EUR 9 million). For an overview of all adjustments, see section 7.2).

2.1.5 Net income

Depreciation and amortization

For the full-year 2023, the **depreciation and amortization** (including lease depreciation) totalled EUR 1.185 million, a +0.5% increase from the EUR 1.179 million depreciation & amortization for 2022.

Net finance cost

The full-year 2023 **net finance cost** of **EUR 110 million**, was up by EUR 60 million from the year before, mainly due to higher interests on spectrum rights and the remeasurement of financial instruments (incl. VPPA).

Tax expenses

The **tax expenses** amounted in 2023 to **EUR 104 million**, leading to an **effective tax rate of 22.6%**. 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) of EUR 357 million for 2023 decreased by **-20.6%,** due to lower EBITDA, higher net finance costs and higher share of loss on associates, partly offset by lower tax expenses.

Table 7: From Group EBITDA to net income

(EUR million)	4th Quarter 2022	4th Quarter 2023	% Change	Year-to-date 2022	Year-to-date 2023	% Change
Group reported EBITDA	**419**	**441**	**5.4%**	**1,826**	**1,786**	**-2.2%**
Depreciation and amortization	-303	-301	-0.6%	-1,179	-1,185	0.5%
Operating income (EBIT)	**116**	**140**	**21.0%**	**647**	**601**	**-7.1%**
Net finance costs	-10	-11	9.3%	-49	-110	>100%
Share of loss on associates and JV	-9	-20	>100%	-20	-30	52.0%
Income before taxes	**96**	**108**	**12.4%**	**578**	**461**	**-20.2%**
Tax expense	-15	-19	21.5%	-128	-104	-18.8%
Net income	**81**	**90**	**10.7%**	**450**	**357**	**-20.6%**
Non-controlling interests	0	0	nr	0	0	nr
Net income (Group share)	**81**	**90**	**10.6%**	**450**	**357**	**-20.6%**

2.1.6 Investments

The Proximus Group CapEx[6] totaled EUR 421 million over the fourth quarter of 2023, EUR -43 million below the comparable period in 2022. The year-on-year decrease mainly reflects the anticipated slow-down of Proximus' own fiber build. While in line with the company's announced Fiber roll-out, the Fiber Joint-Ventures Fiberklaar and Unifiber are scaling up their pace.

The total CapEx over the year 2023 totaled EUR 1,325 million, compared to EUR 1,305 million for 2022, spectrum and football broadcasting rights excluded. Proximus own Fiber deployment accounted for 29% of the total CapEx against 35% for 2022. By end- 2023, Proximus was deploying Fiber in 147 cities and municipalities in Belgium. Over the past twelve months, Proximus increased its footprint by 36%, reaching 1,748,000 premises with fiber. 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 in line with the pace of the mobile site consolidation. Finally, in line with its strategy, Proximus increased its investments in Digital customer experience.

2.1.7 Cash flows

In the last quarter of 2023 Proximus Group posted a **Free Cash Flow** of **EUR 99 million**, or **EUR 96 million when adjusted for acquisitions and M&A-related transaction costs**. Cumulated **Free Cash Flow** over the full year of 2023 amounted to **EUR 18 million**, or **EUR 61 million when adjusted.** For 2023, adjustments to FCF consist of acquisitions (EUR 15 million) and M&A-related transaction costs (EUR 28 million).

Compared to 2022, the **adjusted Free Cash Flow** decreased by EUR 119 million. Apart from the lower underlying EBITDA (EUR -29 million), the year-on-year decrease was mainly related to higher tax related payments (EUR -134 million), interest-related payments (EUR -63 million incl. spectrum rights), higher capital injections in the fiber joint ventures (EUR -45 million), and higher cash CapEx (EUR -12 million), partly compensated by lower year over year business working capital needs (EUR 154 million, of which more than half related to a favorable year-on-year move in inventory) and the irrevocable payment of EUR 30 million received from Immobel in December 2023.

The issuance of two new bonds (EUR 500 million in March 2023, EUR 750 million in November 2023) resulted in a positive **Cash Flow used and provided in financing activities other than lease payments**.

[6] Booked CapEx, excluding CapEx for Spectrum and Football broadcasting rights

Table 8: Cash flows

(EUR million)	4th Quarter 2022	4th Quarter 2023	% Change	Year-to-date 2022	Year-to-date 2023	% Change
Cash flows from operating activities	465	447	-3.8%	1,717	1,620	-5.7%
Cash paid for Capex (*)	-341	-354	3.8%	-1,441	-1,453	0.8%
Cash flows used and provided in other investing activities	3	29	>100%	-20	-57	>100%
Cash flow before financing activities	**127**	**122**	**-3.8%**	**256**	**110**	**-56.9%**
Lease payments	-29	-23	-18.6%	-89	-92	3.6%
Free cash flow	**98**	**99**	**0.5%**	**167**	**18**	**-89.0%**
Cash flows used and provided in financing activities other than lease payments	1	434	>100%	-119	399	>100%
Exchange rate impact	-2	-1	-61.0%	1	-1	<-100%
Net increase/(decrease) of cash and cash equivalents	**98**	**532**	**>100%**	**50**	**417**	**>100%**

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

2.1.8 Balance sheet and shareholders' equity

Due to CapEx being higher than depreciations, **tangible and intangible fixed assets** have increased by EUR 227 million (compared to December 2022) to EUR 5,536 million.

Current tax and other current assets decreased from EUR 293 million to EUR 215 million at the end of 2023. The decrease was mainly driven by the expiration of 2 interest rate hedge contracts linked to the issuance of 2 new bonds and the remeasurement of a contingent foreign currency hedge contract (EUR -123 million), compensated by an increase of accrued spectrum expenses (EUR +50 million).

Shareholders' equity decreased by EUR 7 million from EUR 3,307 million at the end of December 2022 to EUR 3,300 million at the end of 2023. This mainly results from dividends distribution (EUR -389 million), the **net income Group Share** (EUR 357 million), the remeasurement of pension assets & liabilities (EUR +38 million) and the re-measurements of hedge contracts (EUR -13 million).

At the end of 2023, Proximus' outstanding **long-term interest-bearing liabilities** (excluding lease liabilities and part maturing within one year) amounted to EUR 3,308 million, an increase of EUR 632 million, mainly resulting from the issuance of 2 bonds (EUR 500 million in March, EUR 750 million in November) and reclassification to short-term interest-bearing liabilities of a bond maturing within one year (EUR 600 million). **Adjusted net financial position** reaches EUR 3,131 million (including re-measurements to fair value).

Table 9: Net financial position.

(EUR million)	As at 31 December 2022	As at 31 December 2023
Investments, Cash and cash equivalents	299	716
Derivatives	208	72
Current assets	2	0
Assets	**509**	**787**
Non-current liabilities (*)	-2,876	-3,518
Current liabilities (*)	-662	-699
Liabilities	**-3,538**	**-4,217**
Net financial position (*)	**-3,030**	**-3,429**
of which Leasing liabilities	-272	-298
Adjusted net financial position (**)	**-2,758**	**-3,131**

(*) 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 licenses (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 May 7, 2040. The 700 MHz and 3600 MHz bands license date started on September 1, 2022, the 900 MHz, 1800 MHz and 2100 MHz bands started on January 1, 2023 and the 1400 MHz band started on July 1, 2023.

Termination rates

On December 18, 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 July 1 2021, with a minor impact expected on Wholesale revenue and neutral on direct margin.

International roaming

The Roaming Regulation including RLAH expired on June 30, 2022. On 4 April 2022, the European Council adopted a new legislative act to extend the roaming regulation until June 30, 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 June 30, 2025

Fiber developments

On October 10, 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 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 when it comes to 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 – Belgium and Proximus Luxembourg** – 128,002 mobile phones were collected for reuse and recycling at the end of 2023, 7,000 more versus the same period in 2022.
- **# Refurbished fix devices – Belgium** – 799,432 fix devices refurbished at year-end 2023, 140,000 more than during the full year 2022.
- **63% of employees attended 5 training days or more in 2023**, our ambition is to reach 95% of employees having attended 5 training days or more in 2025.
- **Employee engagement survey** – Proximus is proud to see that the score in the employee engagement survey keeps on increasing. With 77% at year-end 2023, Proximus is 6% higher than the engagement survey conducted in 2022.

Proximus earned a place on the CDP A list for the 8th time

Proximus is strongly engaged in the fight against climate change and continues to work on different fronts. This engagement is recognized, as Proximus is proud to have earned for the 8th time a place on CDP's A list for its leadership in environmental transparency and action on climate change. Proximus set several initiatives, in its goal to become net zero, progressively eradicating the use of fossil fuels from its buildings and fleet. Proximus engages with its top 150 suppliers in establishing emission reduction targets and action plans that are as ambitious as those applicable in-house. Proximus has also adopted circular principles, with more than 90% of our modems and decoders being repaired and updated to be reusable.

Gigabit networks sustained deployment to connect all people & businesses country-wide

Proximus continues to roll-out fiber across Belgium to connect all people and businesses, encouraging the country's capacity for innovation and attractiveness. Key milestones have been reached in this field at year-end 2023. We reached the target of 1.7 million homes passed, with a nearly 30% footprint, 34% including "fiber in the street". Fiber is now available in 147 cities across Belgium and Proximus will continue to roll-out its latest technology to the benefit of our end-users: the Belgian population.

2.4 Outlook & Shareholder return

2.4.1 Beating revised 2023 revenue and EBITDA guidance

Supported by bold2025, the new 3-year strategy Proximus Group embarked on this year, all guidance metrics set for 2023 were achieved, with Domestic revenue and EBITDA even outperforming initial estimates.
Proximus Domestic revenue for full-year 2023 grew by +4.2%, while the decline from 2022 in underlying Domestic EBITDA was limited to -1.7% and for the Group EBITDA to -1.6%.
With the Fiber rollout progressing well, Proximus ended 2023 with CapEx of EUR 1.325 million excl. spectrum and football broadcasting rights. The 2023 net debt-to-EBITDA ratio reached 2.6X (S&P definition).

Table 10.1: Outlook 2023

Guidance metric	FY22 Actuals	FY23 Outlook	FY23 Outlook revised 27 Oct 2023	FY23 Actuals
Underlying Domestic revenue	€ 4,478M	Upper end of +1% to +3% YoY	+3.5% to +4% YoY	4.2% YoY
Domestic underlying EBITDA	€ 1,665M	Around -3% YoY	Around -2% YoY	-1.7% YoY
International Direct Margin	€ 377M	High single digit growth	+4% to +5% YoY	+4.90%
Underlying Group EBITDA	€ 1,786M	Around -3% YoY	Around -2% YoY	-1.6% YoY
Capex (ex. Spectrum & football rights)	€ 1,3Bn	Peak at around € 1.3Bn	Peak at around € 1.3Bn	1.325bn€
Net debt / EBITDA (As per S&P definition)	1.5x (Proximus) 2.3X (S&P)	Around 2.6X	Around 2.6X	2.6X

2.4.2 Guidance 2024

In line with its bold2025 ambitions, **Proximus** expects its **Domestic revenue to grow by up to 1% in 2024** compared to the previous year, driven by continued commercial momentum fuelled by its 1st mover advantage in Fiber, effective value management, convergence leadership and its multi-brand strategy, while anticipating some initial headwinds from the new market entrant.
In line with the Domestic revenue growth, Proximus expects the **underlying Domestic EBITDA to grow by up to 1% from 2023**. The inflationary headwind on operating expenses is expected to come down from its peak in 2023, driven in part by a more moderate inflation on wages and with energy costs fully hedged for 2024. Proximus will further progress in its cost efficiency program, targeting a total of EUR 220 million savings over the 3-year period 2023-2025. This will continue to mitigate remaining inflationary cost effects as well as customer-acquisition driven costs.

As for the Group underlying EBITDA, Proximus confirms its bold2025 ambition **to return to growth, up to +1% for 2024**, on an organic basis. On this same basis, the **Group Net Debt to EBITDA ratio is expected to be around 2.7X**. With the closing of the transaction with Route Mobile, in which Proximus Group will obtain a majority stake, expected in the April-May timeframe, **Proximus will update the market post-closing with its financial expectations for its International segment, Group EBITDA and Net Debt/EBITDA ratio,** including the Route Mobile consolidation, and expected initial synergies.

Reflecting a further decrease in Proximus' own Fiber build, while Fiber JVs are increasing their pace, the Group **Capex** is expected to decrease from its peak in 2023 and be **around EUR 1.2 billion for 2024.**

Table 10.2: outlook 2024

Guidance metric	**FY23 Actuals**	**FY24 Outlook**
Underlying Domestic revenue	€ 4,665M	Growing up to 1%
Domestic underlying EBITDA	€ 1,636M	Growing up to 1%
Underlying Group EBITDA	€ 1,757M	Growing up to 1%*
Capex (excluding Spectrum & football rights)	€ 1,325M	Around 1.2bn€
Net debt / EBITDA (as per S&P definition)	2.6x	Around 2.7*

*After closure of Route Mobile acquisition, these metrics will be updated to reflect the full parameters of that acquisition

2.4.3 Shareholder remuneration

Dividend over the result of 2023

The Proximus Board of Directors approved on 22 February 2024 to propose to the Annual General meeting of 17 April 2024 to return a total gross dividend of EUR 1.2 per share over the result of 2023. Subject to this approval, the normal dividend of EUR 0.7 per share will be payable in April 2024, and completes the interim dividend of EUR 0.50 gross per share which was paid on 8 December 2023. This brings the total declared dividend over the 2023 result to EUR 387 million.
Coupon #: 38

Gross dividend: EUR 0.70/share

Net dividend (30% withholding tax assumed): EUR 0.49/share

- Ex-coupon date: 24 April 2024
- Record date: 25 April 2024
- Payment date: 26 April 2024

Shareholders return policy 2024-2025

In line with the Capital Markets Day announcement in January 2023, **Proximus will rebase its dividend level to EUR 0.60 per share for the years 2024 and 2025**. The rebased 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.
The **dividend of EUR 0.6 per share over the result of 2024** is expected to be returned in two tranches, with a gross interim dividend of EUR 0.5 per share payable in December 2024 and the remaining normal gross dividend of EUR 0.1 per share in April 2025.

3 Domestic

Table 11: Domestic P&L

(EUR million)	4th Quarter 2022	4th Quarter 2023	4th Quarter % Change	Year-to-date 2022	Year-to-date 2023	Year-to-date % Change
Revenue*	**1,155**	**1,196**	**3.5%**	**4,478**	**4,665**	**4.2%**
Residential	576	624	8.3%	2,261	2,396	6.0%
Business	497	494	-0.5%	1,894	1,953	3.1%
Wholesale	69	63	-8.3%	280	258	-8.0%
Other (incl. eliminations)	13	14	9.8%	43	58	36.3%
Cost of Sales	**-316**	**-318**	**0.4%**	**-1,118**	**-1,184**	**5.9%**
Direct Margin	**839**	**878**	**4.7%**	**3,360**	**3,481**	**3.6%**
Direct Margin %	*72.6%*	*73.5%*	*0.8 p.p.*	*75.0%*	*74.6%*	*-0.4 p.p.*
Expenses	**-450**	**-486**	**8.0%**	**-1,695**	**-1,845**	**8.9%**
Workforce expenses	-285	-298	4.4%	-1,111	-1,166	4.9%
Non-Workforce expenses	-165	-188	14.2%	-584	-679	16.3%
EBITDA	**389**	**392**	**0.9%**	**1,665**	**1,636**	**-1.7%**
EBITDA Margin %	*33.6%*	*32.8%*	*-0.9 p.p.*	*37.2%*	*35.1%*	*-2.1 p.p.*

** refers to total income*

3.1 Residential Revenue

- Excellent Internet customer growth, up by +15,000, Mobile postpaid robust at +36,000 supported by year-end promotions.
- Convergent customer base grew by +19,000 in Q4'23, Convergent revenue was up +10.7%YoY.
- Overall ARPC +6.1% YoY; benefiting from price indexations and convergent customer growth.
- Total Q4'23 residential revenue grew +8.3% YoY, including a +6.7% revenue increase for Customer Services revenue.

For the fourth quarter of 2023 Proximus posted for its Residential unit a revenue of **EUR 624 million, a +8.3% or EUR 48 million increase from the year before**. The key Residential revenue driver, Customer Services revenue, was up for the fourth quarter 2023 by +6.7%. The Services revenue was supported by price indexations with a "more for more" approach that were effective since January 1, 2023 and July 1, 2023, as well as by the ongoing customer growth, especially in the Convergent base. This resulted in a year-over-year increase of +10.7% in Convergent revenue. Revenue from Terminals for the fourth quarter was up by EUR +18 million year-on-year, driven by the take-up of high-end devices, as well as joint offer volumes.

Fiber and new Mobile portfolio driving strong customer growth.

The Residential unit sustained an excellent commercial momentum, adding over the past 3 months +15,000 internet lines, up from +9,000 for the comparable period in 2022. As such, the total Proximus Residential internet base totaled 1,783,000 lines, a +2.7% 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 +36,000 cards over the fourth quarter of 2023. This compares to +23,000 for the same period in 2022. By end-December 2023, Proximus' Residential Mobile Postpaid base reached a total of 2,855,000 cards, a +5.0% increase versus end-December 2022.

The Fixed Voice line declined following the continued trend over the past years, reflecting the change in customer needs resulting in a mitigated net loss of -25,000 lines.

Customer **services** revenue growth of **+6.7%** YoY.

Residential Customer Services[7] revenue amounted to EUR 478 million, +6.7% above the comparable period in 2022.

Overall ARPC EUR 56.0, +6.1%.

For the fourth quarter of 2023, the overall ARPC rose to EUR 56.0, 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. Despite the success of 2P-offers, combining internet and mobile, the overall RGU per customer remained stable at 2.51.

Total convergent revenue **+10.7%** YoY, with ARPC +4.4%.

The fourth quarter **revenue from Convergent customers increased by +10.7%** year-on-year reaching EUR 293 million. Proximus grew its convergent base by +19,000 customers, reaching a total of 1,112,000 or +6.2% from 12 months back. The convergent ARPC was up by +4.4% to EUR 88.5 driven by price indexations and a growing fiber customer base.

Convergent **3-Play ARPC +6.2%,** revenue +13.7% YoY.

Within the growing convergent revenue, the largest contributor is the ongoing increase in **3-Play convergent** revenue. The convergent 3-Play customer base increased over the fourth quarter of 2023 by +9,000 customers, bringing the total to 452,000 customers by end-December 2023, a year-on-year growth of +7.0%. This was combined with a +6.2% 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 +13.7% higher to reach EUR 119 million for the fourth quarter of 2023.

+15,000 Convergent **2-Play** customers in Q4. ARPC +7.1%.

Following the success of **2-play** offers combining Mobile with Internet, the dual-play customer base continued to grow over the fourth quarter, adding: +15,000 customers. The customer growth combined with a +7.1% rise in ARPC led to a +71.6% revenue increase from the same period in 2022, to total EUR 27 million for the fourth quarter of 2023.

-5,000 Convergent **4-Play** customers in Q4.

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, showing a steady decline of -5,000 customers for the fourth quarter of 2023. The 4-Play ARPC, supported by the increased pricing, was up by +6.0% to EUR 95. Overall, this resulted in an increase in 4-Play revenue of +1.9% to a total of EUR 146 million.

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, 860,000 end-December 2023, generated an ARPC of EUR 47.8, +6.2% on the previous year driven by price indexations and fiber uptake.

Mobile-only revenue +1.1%.

Over the fourth quarter of 2023, the Residential unit posted EUR 60 million revenue from **Mobile-only customers, up by 1.1%**. The total base of Mobile-only customers was down by -2,000 over the fourth quarter of the year. All brands combined, the residential Mobile-only base totaled 868,000 customers, generating an ARPC of EUR 23.1, +1.1% year-on-year, driven by price indexations.

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.

Terminals revenue EUR +18 million YoY.

Fourth quarter **revenue from Terminals** totaled EUR 85 million, up by EUR +18 million from the comparable period in 2022. The increase was driven by the take-up of high-end devices, as well as higher joint offer volumes.

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

Over the fourth quarter of 2023, revenue from **Mobile Prepaid** totaled EUR 8 million, -17.5% year-on-year. The Prepaid base decreased by -20,000 cards over the fourth quarter, with the total at 533,000 end-December 2023.

Proximus' Luxembourg telecom revenue for the residential unit totaled EUR 36 million for the fourth quarter 2023, up by +1.0% year-over-year, driven by price indexations and the positive impact from customer value management.

Proximus Residential posted sequentially fairly stable **Other revenue of EUR 12 million** mainly covering reminder, reconnection and installation fees.

Table 12: Residential revenue

	4th Quarter			Year-to-date		
(EUR million)	**2022**	**2023**	**% Change**	**2022**	**2023**	**% Change**
Revenue	**576**	**624**	**8.3%**	**2,261**	**2,396**	**6.0%**
Other Operating Income	**4**	**6**	**49.0%**	**20**	**21**	**6.9%**
Net Revenue	**572**	**618**	**8.0%**	**2,241**	**2,375**	**6.0%**
Customer services revenues (X-play)	*448*	*478*	*6.7%*	*1,782*	1,880	*5.5%*
Prepaid	10	8	-17.5%	41	35	-14.7%
Terminals (fixed and mobile)	67	85	26.7%	231	279	20.9%
Luxembourg Telco	36	36	1.0%	131	135	2.8%
Others*	12	12	-5.8%	56	46	-17.3%

** Relates to other products and non-recurring/non customer related revenues (e.g. decoder penalties, TV Enterprise, web advertising...)*

Table 13: Residential operationals by product

	4th Quarter			Year-to-date		
	2022	**2023**	**% Change**	**2022**	**2023**	**% Change**
Park (000's)						
Fixed voice lines	1,136	1,038	-8.6%	1,136	1,038	-8.6%
Broadband lines	1,736	1,783	2.7%	1,736	1,783	2.7%
Mobile postpaid cards excl. M2M	2,720	2,855	5.0%	2,720	2,855	5.0%
Mobile prepaid cards	604	533	-11.8%	604	533	-11.8%
Net adds (000's)						
Fixed voice lines	-29	-25		-116	-98	
Broadband lines	9	15		34	47	
Mobile postpaid cards excl. M2M	23	36		103	135	
Mobile prepaid cards	-18	-20		-65	-71	

Table 14: Residential X-Play financials

	4th Quarter			Year-to-date		
	2022	2023	% Change	2022	2023	% Change
Customer Services Revenues (EUR million)	**448**	**478**	**6.7%**	**1,782**	**1,880**	**5.5%**
Convergent	**264**	**293**	**10.7%**	**1,039**	**1,137**	**9.4%**
4-Play	144	146	1.9%	586	585	-0.1%
3-Play	105	119	13.7%	402	461	14.7%
2-Play	16	27	71.6%	51	90	76.3%
Fixed only	**124**	**124**	**0.7%**	**504**	**502**	**-0.4%**
3-Play	57	54	-3.8%	234	223	-4.7%
2-Play	38	38	-0.1%	155	155	0.1%
1P Fixed Voice	10	9	-8.8%	43	38	-11.4%
1P internet	19	23	21.4%	72	85	19.2%
Mobile Postpaid only	**60**	**60**	**1.1%**	**240**	**241**	**0.7%**
ARPC (in EUR)	**52.8**	**56.0**	**6.1%**	**52.5**	**55.4**	**5.6%**
Convergent	**84.7**	**88.5**	**4.4%**	**84.7**	**87.9**	**3.8%**
4-Play	89.7	95.0	6.0%	89.5	93.8	4.8%
3-Play	84.0	89.3	6.2%	83.1	88.0	5.9%
2-Play	58.4	62.6	7.1%	57.6	62.1	7.8%
Fixed only	**45.0**	**47.8**	**6.2%**	**45.0**	**47.3**	**5.1%**
3-Play	54.1	57.7	6.6%	53.9	57.0	5.7%
2-Play	53.6	59.0	10.2%	53.1	57.3	8.0%
1P Fixed Voice	27.3	30.0	10.0%	27.4	29.2	6.8%
1P internet	30.2	32.0	5.7%	30.4	31.9	4.7%
Mobile Postpaid only	**22.9**	**23.1**	**1.1%**	**22.9**	**23.3**	**1.7%**

Table 15: Residential X-Play operationals

	4th Quarter 2022	4th Quarter 2023	4th Quarter % Change	Year-to-date 2022	Year-to-date 2023	Year-to-date % Change
Customers - Total (000's)	**2,823**	**2,841**	**0.6%**	**2,823**	**2,841**	**0.6%**
Convergent	**1,048**	**1,112**	**6.2%**	**1,048**	**1,112**	**6.2%**
4-Play	531	511	-3.7%	531	511	-3.7%
3-Play	422	452	7.0%	422	452	7.0%
2-Play	95	150	58.3%	95	150	58.3%
Fixed only	**908**	**860**	**-5.2%**	**908**	**860**	**-5.2%**
3-Play	343	309	-10.0%	343	309	-10.0%
2-Play	237	214	-9.6%	237	214	-9.6%
1P Fixed Voice	120	100	-17.2%	120	100	-17.2%
1P internet	208	238	14.6%	208	238	14.6%
Mobile Postpaid only	**868**	**868**	**0.0%**	**868**	**868**	**0.0%**
% Convergent Customers - Total *	**64%**	**68%**	**3.7 p.p.**	**64%**	**68%**	**3.7 p.p.**
Average #RGUs per Customer - Total	**2.51**	**2.51**	**0.1%**	**2.51**	**2.51**	**0.1%**
Convergent	**4.08**	**4.01**	**-1.8%**	**4.08**	**4.01**	**-1.8%**
4-Play	4.71	4.74	0.5%	4.71	4.74	0.5%
3-Play	3.69	3.72	0.8%	3.69	3.72	0.8%
2-Play	2.30	2.41	4.8%	2.30	2.41	4.8%
Fixed only	**2.00**	**1.94**	**-2.7%**	**2.00**	**1.94**	**-2.7%**
3-Play	3.00	3.00	0.0%	3.00	3.00	0.0%
2-Play	1.96	1.96	-0.3%	1.96	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**	**0.7%**	**1.14**	**1.15**	**0.7%**
Annualized full churn rate (Customer) - Total	**15.9%**	**17.0%**	**1.1 p.p.**	**15.5%**	**15.5%**	**0.0 p.p.**
4-Play	5.9%	7.1%	1.3 p.p.	5.7%	6.4%	0.7 p.p.
3-Play	10.4%	11.5%	1.1 p.p.	10.4%	10.2%	-0.2 p.p.
2-Play	15.3%	14.9%	-0.3 p.p.	14.6%	14.6%	-0.1 p.p.
1-Play	24.0%	25.2%	1.2 p.p.	23.5%	23.2%	-0.3 p.p.

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

3.2 Business Revenue

- Business posts Q4'23 revenue of EUR 494 million, -0.5% YoY, with Services revenue up +3.6%, while IT product revenue was down from an exceptionally high comparable base.
- IT Services revenue growth remained strong, with +7.1% for the last quarter of 2023.
- Fixed Data revenue growth improved to +6.3% YoY.
- Mobile revenue +2.2% on larger customer base and ARPU improving by +0.8% YoY.
- Managing Fixed Voice revenue decline, -4.2% YoY, supported by pricing with a growing ARPU for three consecutive quarters.

The fourth-quarter 2023 **revenue of the Business unit totaled EUR 494 million**, **a -0.5% decrease from the 2022 comparable basis.** Revenue from **Business Services totaled EUR 412 million, growing for the fourth quarter in a row, up by +3.6%** year-on-year. Erosion in Fixed Voice revenue was more than compensated for by higher revenue from Fixed Data, IT Services and Mobile Services. IT products revenue was down by -22.3% or EUR -15 million from a high comparable base.

Fixed Data revenue +6.3%.

The revenue from **Business Fixed Data Services totaled EUR 123 million** for the fourth-quarter 2023, improving its positive trajectory with a **+6.3% increase year-on-year**.

Internet ARPU +7.8%, Internet base +0.4% 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 46.8 for the fourth-quarter 2023, +7.8% 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 compared to the previous quarter, at 440,000.

Besides growing Internet revenue, **Data connectivity revenue** was up year-on-year. The growing Fiber park supported Proximus' Explore Solutions and price indexation, offset the ongoing legacy out phasing. SDWAN uptake continued to increase during the last quarter of the year.

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

Over the fourth-quarter 2023, Proximus' Business unit posted **Mobile Services revenue of EUR 119 million, up +2.2% year-on-year.** The Mobile customer base increased year-on-year by +0.6%, with the total standing at 1,808,000 cards, excluding M2M. Including an initial impact of -7k cards (at low ARPU compared to the average of the park) related to the loss of the contract with the Flemish Government, the mobile base of Proximus' business unit remained stable compared to the previous quarter. The fourth quarter ARPU of EUR 19.3 improved year-on-year by +0.8%, reflecting the net positive impact of price indexations and the new mobile portfolio with a "more for more" approach.

Over 4.2 million active M2M cards.

The Business unit continued to grow its M2M park with an additional 23,000 M2M cards activated over the past three months. At end-December 2023, Proximus' M2M base totaled 4,225,000 cards. This is an increase of +6.7% from one year back.

IT Services revenue +7.1%.

Proximus' Business unit posted for its IT Services revenue of EUR 110 million, +7.1% compared to the previous year. This was led by recurring services where growth was mainly driven by Smart Network, Cloud, Security, Smart Mobility and Advanced Workplace.

Mitigated Fixed Voice revenue decline.

Fixed Voice revenue decline mitigated to -4.2% year-on-year or EUR -3 million compared to the fourth quarter of 2022. The Fixed Voice park continued its steady decrease, -9.8% year-on-year, including a line loss of -14,000 for the fourth-quarter 2023. The ARPU was up +4.6% at EUR 27.7 benefiting from price increases.

Product revenue EUR -17 million YoY.

The **revenue from Products for the fourth quarter of 2023 was down by EUR -17 million** from the comparable period in 2022, or -18.7%. This is almost fully driven by IT Products now cycling against a strong fourth quarter 2022 that benefitted from post-Covid backlog uptake.

Table 15: Business revenue

(EUR million)	4th Quarter 2022	4th Quarter 2023	4th Quarter % Change	Year-to-date 2022	Year-to-date 2023	Year-to-date % Change
Revenue	**497**	**494**	**-0.5%**	**1,894**	**1,953**	**3.1%**
Other Operating Income	**2**	**2**	**29.6%**	**8**	**8**	**5.5%**
Net Revenue	**495**	**492**	**-0.7%**	**1,887**	**1,945**	**3.1%**
Services	398	412	3.6%	1,587	1,622	2.2%
Fixed Voice	64	61	-4.2%	270	252	-6.6%
Fixed Data	115	123	6.3%	461	481	4.4%
Mobile	116	119	2.2%	466	471	1.2%
IT	103	110	7.1%	391	417	6.8%
Products	90	73	-18.7%	272	299	9.8%
Terminals (fixed and mobile)	21	19	-6.7%	71	69	-2.3%
IT	69	53	-22.3%	201	229	14.1%
Luxembourg Telco	8	7	-11.5%	27	25	-8.8%

Table 16: Business operationals

	4th Quarter 2022	4th Quarter 2023	4th Quarter % Change	Year-to-date 2022	Year-to-date 2023	Year-to-date % Change
Park (000's)						
Fixed Voice lines	627	566	-9.8%	627	566	-9.8%
Broadband lines	438	440	0.4%	438	440	0.4%
Mobile postpaid cards excl. M2M	1,797	1,808	0.6%	1,797	1,808	0.6%
M2M cards	3,960	4,225	6.7%	3,960	4,225	6.7%
Net adds (000's)						
Fixed Voice lines	-24	-14		-79	-61	
Broadband lines	0	1		3	2	
Mobile postpaid cards excl. M2M	15	0		51	10	
M2M cards	62	23		606	264	
ARPU (EUR)						
Fixed Voice	26.4	27.7	4.6%	27.1	27.6	2.2%
Broadband	43.4	46.8	7.8%	42.9	46.2	7.5%
Mobile postpaid	19.1	19.3	0.8%	19.4	19.4	0.2%

3.3 Wholesale Revenue

Table 17: Wholesale revenue

	4th Quarter			Year-to-date		
(EUR million)	**2022**	**2023**	**% Change**	**2022**	**2023**	**% Change**
Revenue	**69**	**63**	**-8.3%**	**280**	**258**	**-8.0%**
Other Operating Income	**0**	**0**	**nr**	**0**	**0**	**nr**
Net Revenue	**69**	**63**	**-8.2%**	**280**	**258**	**-7.9%**
Fixed & Mobile wholesale services	35	36	2.3%	140	142	0.9%
Interconnect	34	28	-19.0%	140	116	-16.9%

Proximus posted for its Wholesale unit a fourth quarter 2023 **revenue of EUR 63 million, a -8.3% or EUR -6 million decrease** compared to the same period of 2022. The decrease was fully related to low-margin interconnect revenue.

Revenue generated by **Fixed and Mobile wholesale services** increased from the previous year by +2.3%, totaling EUR 36 million. Within the mix, revenue from visitor roaming was up, as well as services revenue from JVs.

For the fourth quarter of 2023, **Interconnect revenue totaled EUR 28 million** a **-19.0%** or EUR -6 million decrease compared to the same period of 2022, with no meaningful margin impact. The year-on-year revenue decline reflects the ongoing fall in traditional messaging and the EU regulation which lowered the Fixed & Mobile Termination rates as from January 1, 2023.

3.4 Domestic OpEx and EBITDA

For its Domestic operations, Proximus posted an **EBITDA of EUR 392 million** for the fourth quarter of 2023 **+0.9%** from the comparable period in 2022, resulting from higher Domestic direct margin.

The fourth quarter **Domestic operating expenses totaled EUR 486 million, +8.0%** compared to the fourth quarter of 2022. The year-on-year rise was mainly driven by inflationary cost increases, including the effect of 3 inflation-based salary indexations[8], 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.

[8] Year-on-year impact in the fourth quarter 2023 of wage indexation on 1 December 2022, 1 January 2023 and 1 December 2023

4 Telesign

- **Q4'23 revenue cycling against an exceptional Q4'22, -15.8% (-11.6% at constant currency).**
- **DI contributing positively, Communication down YoY on the back of a very strong 2022 comparable.**
- **Direct Margin decreasing by -9.3% YoY, nearly stable excluding currency impacts.**
- **Growth investments beyond peak, OPEX down -4.9% YoY.**
- **Fourth quarter 2023 EBITDA stands at EUR -1 million.**

Q4 2023

Telesign closed the fourth quarter **with revenue** of **EUR 118 million**, a **year-on-year decrease of -15.8%** (in constant currency -11.6%[9]). The fourth quarter of 2023 cycled against an exceptional end of year 2022, which benefited from traffic peaks, driven amongst others by some game launches, and a favorable destination mix. Moreover, in line with general macro trends, Telesign experienced tighter cost control by some of its key online customers on their communication spend and increased uptake of omnichannel solutions driving healthy volume growth. These elements drove a lower-than-usual seasonal revenue uplift in the last 3 months of 2023. The moderate seasonal uplift was also reflected in the NRR (Net Revenue Retention) rate of the fourth quarter 2023, going below the 100% mark at 87%. Overall, Direct Margin was less impacted as **Digital Identity** sustained a continued revenue growth in the fourth quarter 2023, at higher margin, mostly driven by FinTech customers.

Overall, with a Direct Margin of EUR 31 million in the fourth quarter 2023, Telesign continued to show growth on previous quarters, though with a more limited seasonal year-end increase in 2023, year-on-year the fourth quarter **Direct Margin** was down by -9.3%. This included meaningful currency effects. These aside, the Direct Margin remained nearly stable (-0.1%). Telesign's **direct margin as a percentage of revenue** was 26.2%, year-on-year up by 2pp.

Continuing the trend inflection of the previous quarter, the **fourth quarter 2023 OPEX was down year-on-year by EUR 2 million**, benefiting from lower non-workforce OPEX, while its workforce OPEX stabilized. With the Direct Margin remaining just below the total OPEX, Telesign posted a negative EBITDA by EUR 1 million for the fourth quarter 2023.

Table 18: Telesign P&L

	4th Quarter			Year-to-date		
(EUR million)	**2022**	**2023**	**% Change**	**2022**	**2023**	**% Change**
Revenue*	**140**	**118**	**-15.8%**	**473**	**497**	**5.1%**
Costs of Sales	-106	-87	-17.9%	-360	-380	5.8%
Direct Margin	**34**	**31**	**-9.3%**	**114**	**117**	**3.0%**
Direct Margin %	*24.3%*	*26.2%*	*1.9 p.p.*	*24.0%*	*23.5%*	*-0.5 p.p.*
Expenses	**-34**	**-32**	**-4.9%**	**-112**	**-122**	**8.6%**
Workforce Expenses	-21	-21	-0.3%	-71	-84	18.6%
Non-workforce Expenses	-13	-11	-12.4%	-41	-38	-8.7%
EBITDA	**0**	**-1**	**nr**	**1**	**-5**	**nr**
EBITDA Margin %	*0.2%*	*-1.0%*	*-1.2 p.p.*	*0.2%*	*-1.0%*	*-1.3 p.p.*

* Refers to total income

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

5 BICS

- **Q4'23 revenue -17.7% (-15.5% at constant currency) decline from an exceptionally strong Q4'22.**
- **Revenue decline only partially flowing down to Direct Margin -0.6%, (+0.9% at constant currency).**
- **Core revenue down -22.0% due to lower Messaging volumes and change in destination mix.**
- **Legacy services revenue declined -18%, no longer benefiting from elevated traffic volumes from one specific country, adding to the inherently declining trend and currency impacts.**
- **Growth services posted a strong +14.7% increase YoY.**
- **Q4'23 EBITDA of EUR 30 million, +15.0% from a low comparable base.**

For the fourth quarter of 2023, **BICS posted revenue of EUR 256 million. The decrease by -17.7%** from the comparable period in 2022 reflects a USD currency headwind on BICS' topline (-15.5% at constant currency), while growth rates are normalizing from an exceptional 2022. BICS' year-on-year revenue decrease was driven by both lower Legacy services (Voice) and lower Core services revenue (Messaging), while posting an increase in Growth services revenue.

With messaging volumes being impacted by a change in destination mix and, to a lesser extent, by a structural change in the messaging market with a move to OTT solutions, the revenue from **Core services** decreased by -22.0% or EUR -26 million from its comparable base in 2022, leading to a total of EUR 92 million.

For BICS' **Growth services**, a total revenue of **EUR 19 million** was posted, a **+14.7%** increase from the same period in 2022. This was evenly driven by services such as Cloud Communications and IoT.

Legacy services revenue totaled EUR 145 million for the fourth quarter of 2023, down by -18.0%, on the back of an exceptional 2022. This is linked to a currency headwind and the impact of the roll-out of VoLTE in roaming by Mobile operators which accelerates the erosion of international voice volumes. Furthermore, Legacy services revenue decline was impacted by a change in the destination mix whereby a specific country generated high revenue in 2022 but with negligible margin contribution.

With revenue decline only partially flowing down to Direct Margin, BICS' fourth-quarter 2023 underlying **Direct Margin stood at EUR 65 million, down -0.6%** year-over-year. With BICS having a structural natural hedging on a part of its Direct Margin, the USD headwind remained mitigated (+0.9% year-on-year at constant currency).

Despite pressures on Revenue and Direct Margin, BICS EBITDA totaled EUR 30 million for the fourth quarter of 2023, a +15.0% increase from a lower base in 2022, which included a non-structural provision for performance related workforce expenses. Moreover, BICS' strong cost control compensated for inflationary cost effects.

Table 19: BICS P&L

(EUR million)	4th Quarter 2022	4th Quarter 2023	4th Quarter % Change	Year-to-date 2022	Year-to-date 2023	Year-to-date % Change
Revenue by nature*	**311**	**256**	**-17.7%**	**1,132**	**1,051**	**-7.2%**
Core	118	92	-22.0%	436	419	-3.9%
Growth	17	19	14.7%	66	72	8.2%
Legacy	177	145	-18.0%	630	561	-11.1%
Revenue by customer segment*	**311**	**256**	**-17.7%**	**1,132**	**1,051**	**-7.2%**
Enterprise	68	53	-22.4%	249	238	-4.3%
Telecom	243	203	-16.4%	884	813	-8.0%
Costs of Sales	-246	-191	-22.3%	-869	-783	-9.9%
Direct Margin	**66**	**65**	**-0.6%**	**263**	**268**	**1.9%**
Direct Margin %	*21.1%*	*25.5%*	*4.4 p.p.*	*23.2%*	*25.5%*	*2.3 p.p.*
Expenses	**-40**	**-35**	**-10.9%**	**-143**	**-142**	**-1.2%**
Workforce Expenses	-24	-20	-16.6%	-85	-82	-4.0%
Non-workforce Expenses	-16	-16	-2.4%	-58	-60	2.8%
EBITDA	**26**	**30**	**15.0%**	**120**	**127**	**5.5%**
EBITDA Margin %	*8.4%*	*11.7%*	*3.3 p.p.*	*10.6%*	*12.0%*	*1.5 p.p.*

* Refers to total income

6 Consolidated Financial Statements

The statutory auditor confirmed that the audit of the company's consolidated financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium, is substantially completed. The statutory auditor confirmed the condensed consolidated financial statements are derived from the consolidated financial statements at December 31, 2023, which were authorized for issue by the Board of Directors on February 22, 2024. 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.

6.1 Accounting policies

The accounting policies and methods of the Group used as of 2023 are consistent with those applied in the December 31, 2022 consolidated financial statements, with the exception that the Group applied the new standards, interpretations and revisions that became mandatory for the Group on January 1, 2023. These have no impact on the Group's financial statements.

The Group assessed its potential exposure to Pillar Two income taxes and does not expect material impact. The assessment excludes future acquisitions, including the potential Route Mobile transaction. This potential transaction, which would bring new jurisdictions into the Group with potential impacts, is not part of the current assessment.

6.2 Judgements and estimates

The Group does not make any significant judgments and estimates other than those mentioned under Note 2 in the December 31, 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 November 10, 2023, Proximus issued an EUR 750 million green bond that carries an annual fixed coupon of 4,125% with a 10-year maturity due November 17, 2033. The cash flow hedge for a nominal amount of EUR 600 million was unwound at that date and resulted in a payment of EUR 111 million received from the hedge counterparty. The effective portion of changes in the fair value of this hedging instrument, that was recognized in other comprehensive income, will be gradually reclassified to Profit or Loss in the same period as the hedged item.

Acquisition & divestment of EDPNET

In March 2023 Proximus acquired the activities and assets of Belgian and Dutch EDPNET. Immediately after this acquisition, the Belgian Competition Authority (BCA) however informed Proximus of the opening of an ex officio investigation into a possible abuse of dominance by Proximus by means of the acquisition. Proximus, which contested the allegations of abuse of dominance, cooperated in good faith with the investigators of the BCA. Eventually and to avoid a lengthy procedure, Proximus and Citymesh entered in November 2023 into and completed an agreement pursuant to which Proximus divested EDPnet Belgium to Citymesh. Further to this agreement, the BCA has terminated its abuse of dominance proceeding. The appeal filed by Citymesh against the assignment of EDPNET to Proximus was terminated.

GDPR case

On June 23, 2023, NOYB (a non-profit privacy activist organization) representing 9 (currently unnamed) complainants 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, neither Proximus nor any of its subsidiaries have received any communication from the BDPA in relation to this complaint.

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

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

Virtual Power Purchase Agreement VPPA

In the context of its efforts to further greenify its electricity supply, Proximus, a member of RE100, entered into a VPPA contract (live end of 2023) - RE100 compliant for 20% of its consumption for the upcoming 5 years.
Proximus recognizes 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 part of the agreement, some of the founding shareholders of Route Mobile will reinvest in a minority stake in Proximus Opal, a subsidiary of the Proximus Group and the holding company of Telesign, Proximus' US-based affiliate. Building on the combined strengths of Route Mobile and Telesign, the Group is paving the way to become one of the worldwide leaders in the fields of digital communications (CPaaS) and digital identity.
More specifically:

- Proximus Group will acquire 57.56% of the shares (on a fully diluted basis) in Route Mobile through Proximus Opal, for an initial INR 59,224 million (EUR ~643,0 million) cash consideration for a price per share of INR 1,626.40
- The acquisition of the majority stake in Route Mobile will, in accordance with Indian regulations, trigger a mandatory takeover offer ("MTO") for up to 26% of the total shares outstanding of Route Mobile at the same price per share. Depending on the outcome of the MTO, the stake held by Proximus Opal could further increase. The resultant stake needs to be compliant with the minimum public shareholding threshold of 25% for all listed companies, as per the extant Indian regulations.

Total cash consideration for this part of the operation, will be determined by the effective MTO take-up. The acquisition of the majority stake in Route Mobile and the MTO will be followed by a reinvestment of EUR ~299.6 million by some of the founding shareholders of Route Mobile, for up to 14.5% of the shares of Proximus Opal. Considering the reinvestment, the net cash consideration for Proximus prior to MTO amounts to EUR ~343.4 million.

The agreement remains conditional upon realization of the conditions provided for in the agreement, including the receipt of regulatory and anti-trust approvals and the completion of the MTO on certain shares of Route Mobile. Proximus expects to launch the MTO in March, with estimated transaction closure in the April-May timeframe.

Currency option in relation with Route Mobile transaction

The acquisition of the majority stake in Route Mobile will, in accordance with Indian regulations, trigger a Mandatory Takeover Offer (MTO) for up to 26% of the total shares outstanding. Proximus Group entered in December 2023 an EUR/INR option to hedge the currency risk in relation with this MTO process. The Group does not apply hedge accounting to this hedging transaction. This hedging instrument is remeasured to Fair Value through P&L (financial result).

6.4 Consolidated income statement

	4th Quarter			Year-to-date		
(EUR million)	**2022**	**2023**	**% Change**	**2022**	**2023**	**% Change**
Net revenue	1,548	1,521	-1.8%	5,853	5,993	2.4%
Other operating income	11	19	73.7%	60	56	-7.6%
Total income	**1,559**	**1,540**	**-1.2%**	**5,914**	**6,048**	**2.3%**
Costs of materials and services related to revenue	-623	-562	-9.7%	-2,186	-2,198	0.5%
Workforce expenses	-347	-341	-1.7%	-1,301	-1,343	3.2%
Non workforce expenses	-170	-195	14.8%	-601	-722	20.1%
Total operating expenses before depreciation & amortization	**-1,140**	**-1,099**	**-3.6%**	**-4,088**	**-4,262**	**4.3%**
Operating income before depreciation & amortization	**419**	**441**	**5.4%**	**1,826**	**1,786**	**-2.2%**
Depreciation and amortization	-303	-301	-0.6%	-1,179	-1,185	0.5%
Operating income	**116**	**140**	**21.0%**	**647**	**601**	**-7.1%**
Finance income	0	4	>100%	4	10	>100%
Finance costs	-10	-15	55.6%	-53	-119	>100%
Net finance costs	**-10**	**-11**	**9.3%**	**-49**	**-110**	**>100%**
Share of loss on associates and JV	-9	-20	>100%	-20	-30	52.0%
Income before taxes	**96**	**108**	**12.4%**	**578**	**461**	**-20.2%**
Tax expense	-15	-19	21.5%	-128	-104	-18.8%
Net Income	**81**	**90**	**10.7%**	**450**	**357**	**-20.6%**
Attributable to:						
Equity holders of the parent (Group share)	81	90	10.6%	450	357	-20.6%
Non-controlling interests	0	0	nr	0	0	nr
Basic earnings per share	0.25	0.28	10.6%	1.40	1.11	-20.5%
Diluted earnings per share	0.25	0.28	10.6%	1.40	1.11	-20.5%
Weighted average number of outstanding shares	322,392,270	322,548,700	0.0%	322,552,465	322,442,197	0.0%
Weighted average number of outstanding shares for diluted earnings per share	322,392,270	322,548,700	0.0%	322,552,465	322,442,197	0.0%

6.5 Consolidated statements of other comprehensive income

	4th Quarter		Year-to-date	
(EUR million)	**2022**	**2023**	**2022**	**2023**
Net income	**81**	**90**	**450**	**357**
Other comprehensive income:				
Items that may be reclassified to profit and loss:				
Exchange differences on translation of foreign operations	-16	-5	10	-5
Cash flow hedges:				
Gain/(Loss) taken to equity	12	-60	204	-14
Transfer to profit or loss for the period	0	-2	0	-4
Total before related tax effects	**-4**	**-67**	**215**	**-22**
Related tax effects				
Cash flow hedges:				
Gain/(Loss) taken to equity	0	0	-51	3
Transfer to profit or loss for the period	0	1	0	1
Income tax relating to items that may be reclassified	**0**	**1**	**-51**	**4**
Total of items that may be reclassified to profit and loss, net of related tax effects	**-4**	**-67**	**163**	**-18**
Items that will not be reclassified to profit and loss:				
Remeasurement of net defined benefit obligations	-17	50	125	50
Total before related tax effects	**-17**	**50**	**125**	**50**
Related tax effects				
Remeasurement of defined benefit obligations	3	-12	-19	-12
Income tax relating to items that will not be reclassified	**3**	**-12**	**-19**	**-12**
Total of items that will not be reclassified to profit and loss, net of related tax effects	**-14**	**38**	**106**	**38**
Total comprehensive income	**63**	**61**	**719**	**377**
Attributable to:				
Equity holders of the parent	60	76	719	378

6.6 Consolidated balance sheet

(EUR million)	As of 31 December 2022	As of 31 December 2023
ASSETS		
Non-current assets	**8,589**	**8,932**
Goodwill	2,595	2,592
Intangible assets with finite useful life	1,779	1,702
Tangible assets: Property, plant and equipment	3,531	3,834
Right-of-use asset	277	307
Lease receivable	7	10
Contract costs	111	111
Investments in associates and JV	43	90
Equity investments measured at fair value	1	3
Deferred income tax assets	5	4
Pension assets	140	187
Other non-current assets	99	92
Current assets	**1,952**	**2,220**
Inventories	187	159
Trade receivables	938	866
Contract assets	137	167
Current tax assets	24	12
Other current assets	269	202
Cash and cash equivalents	299	716
Assets classified as held for sale	99	99
TOTAL ASSETS	**10,541**	**11,153**
LIABILITIES AND EQUITY		
Equity	**3,308**	**3,300**
Shareholders' equity attributable to the parent	3,307	3,300
Non-controlling interests	1	0
Non-current liabilities	**4,231**	**4,794**
Interest-bearing liabilities	2,676	3,308
Lease liabilities	199	210
Liability for pensions, other post-employment benefits and termination benefits	361	337
Provisions	136	137
Deferred income tax liabilities	181	197
Other non current payables non-interest-bearing (*)	86	45
Other non current payables interest-bearing (*)	592	559
Current liabilities	**3,002**	**3,059**
Interest-bearing liabilities	588	611
Lease liabilities	73	88
Liability for pensions, other post-employment benefits and termination benefits	52	40
Trade payables (**)	1,483	1,433
Contract liabilities	127	126
Tax payables	16	58
Other current payables non-interest-bearing (*)	638	666
Other current payables interest-bearing (*)(**)	25	37
TOTAL LIABILITIES AND EQUITY	**10,541**	**11,153**

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

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

6.7 Consolidated cash flow statement

(EUR million)	4th Quarter 2022	4th Quarter 2023	4th Quarter Change	Year-to-date 2022	Year-to-date 2023	Year-to-date Change
Cash flow from operating activities						
Net income	81	90	10.7%	450	357	-20.6%
Adjustments for:						
Depreciation and amortization	303	301	-0.6%	1,179	1,185	0.5%
Increase/(decrease) of provisions	-18	2	>100%	-19	2	>100%
Deferred tax expense/ (income)	-7	9	>100%	-24	8	>100%
Loss/(gain) from investments accounted for using the equity method	9	20	>100%	20	30	52.0%
Fair value adjustments on financial instruments	0	-14	<-100%	1	-2	<-100%
Adjustments for finance cost and (income) (1)	0	0	>100%	0	-1	<-100%
Gain on disposal of other participating interests and enterprises accounted for using the equity method	0	9	-	0	9	-
Loss/(gain) on disposal of property, plant and equipment	0	-6	>100%	-4	-6	51.5%
Operating cash flow before working capital changes	**368**	**412**	11.8%	**1,602**	**1,581**	-1.3%
Decrease/ (Increase) in inventories	0	29	>100%	-55	28	>100%
Decrease/ (Increase) in trade receivables	38	88	>100%	-62	74	>100%
Decrease/ (Increase) in other assets	25	-38	<-100%	120	-78	<-100%
Increase/(decrease) in trade payables	15	-9	<-100%	52	10	-81.2%
Increase/(decrease) in other liabilities	23	-27	<-100%	92	37	-59.9%
Increase/(decrease) in net liability for pensions, other post-employment benefits and termination benefits	-3	-7	>100%	-31	-32	3.5%
Decrease/(increase) in working capital, net of acquisitions and disposals of subsidiaries	**96**	**35**	**-63.4%**	**116**	**39**	**-66.3%**
Net cash flow provided by operating activities (A)	**465**	**447**	**-3.8%**	**1,717**	**1,620**	**-5.7%**
Cash flow from investing activities						
Cash paid for acquisitions of intangible assets and property, plant and equipment	-341	-354	3.8%	-1,441	-1,453	0.8%
Cash paid for acquisitions of, and loan granted to other participating interests	0	-3	-	-30	-90	>100%
Cash paid for acquisition of consolidated companies, net of cash acquired	0	0	-	-3	0	<-100%
Net cash received from sales of property, plant and equipment and other non-current assets	3	32	>100%	13	33	>100%
Net cash used in investing activities	**-337**	**-325**	**-3.8%**	**-1,461**	**-1,510**	**3.3%**
Cash flow before financing activities	**127**	**122**	**-3.8%**	**256**	**110**	**-56.9%**
Lease payments (excl. interest paid)	-29	-23	**-18.6%**	-89	-92	**3.6%**
Free cash flow (B)	**98**	**99**	**0.5%**	**167**	**18**	**-89.0%**
Cash flow from financing activities other than lease payments						
Dividends paid to shareholders	-161	-161	0.0%	-387	-387	-0.1%
Dividends to and transactions with non-controlling interests	0	0	-	2	0	<-100%
Net sale/(purchase) of treasury shares	0	1	>100%	-5	2	>100%
Decrease/(increase) of shareholders' equity	2	1	-14.7%	0	0	>100%
Asset financing arrangements issuance	0	0	<-100%	65	0	<-100%
Asset financing arrangements repayment	1	-3	<-100%	-18	-10	-44.2%
Cash received/(paid) for matured cash flow hedge instrument related to long term debt	0	111	>100%	0	132	>100%
Debt issuance (2)	161	742	>100%	477	1,239	>100%
Debt repayment (2)	-2	-258	>100%	-253	-577	>100%
Cash flows used in financing activities other than lease payments	**1**	**434**	**>100%**	**-119**	**399**	**>100%**
Exchange rate impact	-2	-1	-61.0%	1	-1	<-100%
Net increase/(decrease) of cash and cash equivalents	**98**	**532**	**>100%**	**50**	**417**	**>100%**
Cash and cash equivalents at 1 January				249	299	20.1%
Cash and cash equivalents at the end of the period				299	716	>100%
(A) Net cash flow from operating activities includes the following cash movements :						
Interest paid				-51	-101	
Interest received				2	8	
Income taxes paid				-4	-49	
(B) Free cash flow: cash flow before financing activities and after lease payments						

(1) The recycling of gains and losses on interest rate swaps from OCI to P&L is reported as non-cash movement

(2) Debt include non-current and current debts

6.8 Consolidated statements of changes in equity

(EUR million)	Issued capital	Treasury shares	Restricted reserve	Equity instruments and hedge reserve	Other remeasure-ment reserve	Foreign currency translation	Stock Compen-sation	Retained Earnings	Shareholders' Equity	Non-controlling interests	Total Equity
Balance as at 1 January 2022	**1,000**	**-422**	**100**	**-7**	**-102**	**7**	**0**	**2,403**	**2,978**	**0**	**2,978**
Total comprehensive income	**0**	**0**	**0**	**154**	**106**	**10**	**0**	**450**	**719**	**0**	**719**
Dividends to shareholders (relating to 2021)	0	0	0	0	0	0	0	-226	-226	0	-226
Interim dividends to shareholders (relating to 2022)	0	0	0	0	0	0	0	-161	-161	0	-161
Changes in shareholders' equity	0	0	0	0	0	0	0	2	2	1	3
Treasury shares											
Sale of treasury shares	0	-3	0	0	0	0	0	-2	-5	0	-5
Total transactions with equity holders	**0**	**-3**	**0**	**0**	**0**	**0**	**0**	**-388**	**-390**	**1**	**-390**
Balance as at 31 December 2022	**1,000**	**-425**	**100**	**147**	**4**	**16**	**0**	**2,465**	**3,307**	**1**	**3,308**
Total comprehensive income	**0**	**0**	**0**	**-13**	**38**	**-5**	**0**	**357**	**378**	**0**	**377**
Dividends to shareholders (relating to 2022)	0	0	0	0	0	0	0	-226	-226	0	-226
Interim dividends to shareholders (relating to 2023)	0	0	0	0	0	0	0	-161	-161	0	-161
Treasury shares											
Sale of treasury shares	0	6	0	0	0	0	0	-4	2	0	2
Total transactions with equity holders	**0**	**6**	**0**	**0**	**0**	**0**	**0**	**-391**	**-385**	**0**	**-385**
Balance as at 31 December 2023	**1,000**	**-419**	**100**	**134**	**42**	**11**	**0**	**2,432**	**3,300**	**0**	**3,300**

6.9 Segment reporting

See reconciliation of reported and underlying figures in section 7.2.

	YTD 4th Quarter 2023							
	Proximus Group				Underlying by segment			
(EUR million)	Reported (IFRS 16)	Lease depreciation and interest	Incidental	Underlying	Domestic	BICS	TeleSign	Eliminations
Net revenue	5,993	0	0	5,993	4,610	1,050	496	-163
Other operating income	56	0	-7	49	55	1	2	-9
Total income	**6,048**	**0**	**-7**	**6,042**	**4,665**	**1,051**	**497**	**-172**
Costs of materials and services related to revenue	-2,198	-1	6	-2,193	-1,184	-783	-380	154
Direct margin	**3,851**	**-1**	**-1**	**3,849**	**3,481**	**268**	**117**	**-18**
Workforce expenses	-1,343	0	14	-1,329	-1,166	-82	-84	3
Non workforce expenses	-722	-89	49	-762	-679	-60	-38	15
Total other operating expenses	**-2,064**	**-89**	**62**	**-2,091**	**-1,845**	**-142**	**-122**	**17**
Operating income before depreciation & amortization	**1,786**	**-90**	**62**	**1,757**	**1,636**	**127**	**-5**	**0**
Depreciation and amortization	-1,185	0	0	-1,185	-1,123	-43	-19	0
Operating income	**601**	**-90**	**62**	**572**	**513**	**84**	**-25**	**0**
Net finance costs	-110							
Share of loss on associates	-30							
Income before taxes	**461**							
Tax expense	-104							
Net income	**357**							
Attributable to:	**0**							
Equity holders of the parent (Group share)	357							
Non-controlling interests	0							

	YTD 4th Quarter 2022							
	Proximus Group				Underlying by segment			
(EUR million)	**Reported (IFRS 16)**	**Lease depreciation and interest**	**Incidental**	**Underlying**	**Domestic**	**BICS**	**TeleSign**	**Eliminations**
Net revenue	5,853	0	0	5,853	4,416	1,130	473	-166
Other operating income	60	0	-5	56	62	2	1	-9
Total income	**5,914**	**0**	**-5**	**5,909**	**4,478**	**1,132**	**473**	**-174**
Costs of materials and services related to revenue	-2,186	-1	0	-2,187	-1,118	-869	-360	159
Direct margin	**3,728**	**-1**	**-5**	**3,722**	**3,360**	**263**	**114**	**-15**
Workforce expenses	-1,301	0	36	-1,265	-1,111	-85	-71	2
Non workforce expenses	-601	-83	13	-671	-584	-58	-41	13
Total other operating expenses	**-1,902**	**-83**	**49**	**-1,936**	**-1,695**	**-143**	**-112**	**15**
Operating income before depreciation & amortization	**1,826**	**-84**	**44**	**1,786**	**1,665**	**120**	**1**	**0**
Depreciation and amortization	-1,179							
Operating income	**647**							
Net finance costs	-49							
Share of loss on associates	-20							
Income before taxes	**578**							
Tax expense	-128							
Net income	**450**							
Attributable to:	**0**							
Equity holders of the parent (Group share)	450							
Non-controlling interests	0							

6.10 Disaggregation of net revenue

(EUR million)		As of 31 December 2022	2023
Domestic			
Residential			
	Customer services revenues (X-play) (1)	1,782	1,880
	Prepaid	41	35
	Terminals (2)	231	279
	Lux Telco (3)	131	135
	Other	56	46
	Total Residential	*2,241*	*2,375*
Business			
	Services (4)	1,587	1,622
	Products (5)	272	299
	Lux Telco (6)	27	25
	Total Business	*1,887*	*1,945*
Wholesale			
	Fixed & Mobile wholesale services	140	142
	Interconnect (7)	140	116
	Total Wholesale	*280*	*258*
Other		*9*	*32*
Total Domestic		**4,416**	**4,610**
BICS		**1,130**	**1,050**
Telesign		**473**	**496**
Eliminations		**-166**	**-163**
Total Net Revenue		**5,853**	**5,993**

(1) Customer services revenues (X-play): 'Play' is a subscription to either Fixed Voice, Fixed Internet, dTV or Mobile Postpaid (paying Mobile cards). A 4-Play customer subscribes to all four services. 'X-Play' is the sum of single play (1-play) and multi-play (2-play + 3-play + 4-play).

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

(3) Luxembourg Telco: including Fixed & Mobile services, Terminals & Other

(4) Business Services: corresponds to Fixed Data, Fixed Voice, Mobile & IT

(5) Business Products: corresponds to Terminals & IT

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

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

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 31 December 2023
Non-current					
Unsubordinated debts	2,239	1,238	0	-597	2,881
Credit institutions	400	0	0	0	400
Other loans	37	0	0	-10	27
Derivatives held for trading	1	0	0	1	3
Current portion of amounts payable > one year					
Unsubordinated debentures	100	0	-100	600	600
Credit institutions held to maturity	1	0	-1	0	0
Other current interest bearing liabilities					
Credit institutions	0	1	0	0	1
Unsubordinated debts	477	0	-477	0	0
Other loans	10	0	-10	10	10
Total liabilities from financing activities excluding lease liabilities	**3,265**	**1,239**	**-588**	**5**	**3,921**
Lease liabilities current and non-current	272	0	-92	119	298
Total liabilities from financing activities including lease liabilities	**3,536**	**1,239**	**-680**	**123**	**4,219**

(EUR million)	As at 31 December 2021	Cash flows issuance	Cash flows repayments	Non-cash changes	As of 31 December 2022
Non-current					
Unsubordinated debentures	2,337	0	0	-97	2,239
Credit institutions	401	0	-1	0	400
Other loans	0	54	-17	0	37
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	0	0	1
Other current interest bearing liabilities					
Credit institutions	150	0	-150	0	0
Subordinated loan	0	0	0	0	0
Unsubordinated debts	100	477	-100	0	477
Other loans	1	12	-3	0	10
Total liabilities from financing activities excluding lease liabilities	**2,992**	**543**	**-270**	**1**	**3,265**
Lease liabilities current and non current	273	0	-89	87	272
Total liabilities from financing activities including lease liabilities	**3,265**	**543**	**-359**	**88**	**3,536**

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 power component of the Virtual Power Purchase Agreement, entered in 2023, is an embedded derivative instrument where Proximus has agreed to pay a fixed price for the associated electricity and to receive the electricity spot price with a monthly net settlement in cash. There is no physical delivery of electricity.

The valuation of the power component of the VPPA is considered as a ‘level 3’ fair value. It is determined using a discounted cash flow model. The main factors determining the fair value of the VPPA agreement are the discount rates (level 2), the estimated electricity volume based on the historical power production of the windfarm (level 3) and the forward market prices of electricity (level 2 & level 3).

Financial instruments measured at fair value

The fair value of financial assets measured at fair value in the Proximus consolidated balance sheet decreased by EUR 131 million compared with their fair value at December 2022. This decrease is mainly due to the change in fair value of the hedge entered by the Group in relation to a highly probable bond issue in 2025 and the settlement of hedges in relation to bonds issued in March and November 2023.

As of December 31, 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 3,688 million including their current portions) increased by EUR 1,302 million compared to their fair value at December 2022, essentially due to the issuance in March and November 2023 of a EUR 1.250 million bond (net proceed of EUR 1,238 million) and the increase of the interest rates, compared to year end 2022, used to fair value the non-current interest-bearing liabilities.

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 13 million as of December 2023. This amount is an asset and is included in the above-mentioned fair value of financial assets measured at fair value.

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)	Q4 '22	Q4 '23	Q4 '22	Q4 '23	YTD '22	YTD '23	YTD '22	YTD '23
Reported	**1,559**	**1,540**	**419**	**441**	**5,914**	**6,048**	**1,826**	**1,786**
Adjustments	-1	-6	-4	-20	-5	-7	-40	-29
Underlying	**1,558**	**1,534**	**415**	**421**	**5,909**	**6,042**	**1,786**	**1,757**
Adjustments	**-1**	**-6**	**-4**	**-20**	**-5**	**-7**	**-40**	**-29**
Lease Depreciations			-22	-24			-83	-84
Lease Interest			-1	-2			-2	-7
Transformation			19	3			39	14
Acquisitions, mergers and disposals	-1	-6		9	-5	-6	7	48
Litigation/regulation			-1	-6			-2	-1

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: FCF 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)

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

Investor Relations
Nancy Goossens +32 2 202 82 41
Adrien Peillon +32 471 48 16 20
investor.relations@proximus.com
www.proximus.com/en/investors

7.7 Investor and Analyst Webcast

Proximus will host a webcast for investors and analysts on Friday, 23 February 2024. Time **01.00pm** Brussels – **12.00pm** London – **07.00am** New York	
Follow the webcast and register to ask questions in the Q&A session:	**https://www.proximus.com/investors/reports-and-results.html**