

# Quarterly Report

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Q1 2022

proximus

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- Robust commercial quarter: +38,000 Mobile Postpaid, +15,000 Internet, and +11,000 TV subscriptions.
- Fiber strategy reaching scale: 909,000 Homes and Businesses passed, 170,000 lines activated.
- Proximus delivers topline growth across all segments with group revenue of EUR 1,404 million, +2.7%.
- Domestic revenue +1.2% to EUR 1,097 million, +2.2% excluding low-margin Terminals revenue.
- Internationally, TeleSign and BICS posted revenue growth of +30.9% and 4.5% respectively.
- Value management and cost efficiency program mitigate inflation effects in Q1.
- Underlying Group EBITDA of EUR 448 million, +0.4%.
- Reiterating 2022 guidance on all metrics.

## 1 Highlights Q1 2022

- Proximus Group closed the first quarter of 2022 with **good growth for its main customer bases**, +38,000 Mobile postpaid cards, +15,000 Internet and +11,000 TV subscriptions. The traction for higher-value offers continued, growing the Residential convergent base by +15,000 customers to a total of 1,011,000, +6.1% compared to 12 months ago. On an enlarging footprint, Fiber offers gained further traction, adding +25,000 Residential and Business lines, bringing the total to 170,000. Over the first quarter, +88,000 customers opted for a Flex offer, bringing the total Flex subscriptions to 922,000. Reflecting changing customer needs, the Fixed Voice line base further eroded by -53,000 lines over the first three months of 2022.
- Proximus' **Domestic underlying revenue was up by +1.2% to EUR 1,097 million. Excluding low-margin Terminals revenue, the Domestic revenue grew by +2.2% (+0.7% organic).** The Residential unit posted a **+1.9% revenue increase**, largely driven by a strong progress in Convergent revenue and Mobile Vikings contributing to the Mobile-only revenue growth. The **Business unit revenue was -1.6% lower**, with the revenue increase from IT services & Fixed Data offset by lower-margin Product revenue and the ongoing Fixed Voice erosion. Proximus' **Wholesale unit posted a +3.3% revenue increase** on strong growth in Fixed and Mobile wholesale services.
- The first-quarter 2022 **Domestic EBITDA totaled EUR 419 million, a +0.3% increase** from the comparable period in 2021. The support from higher Direct Margin was largely offset by an increase in operating expenses. Proximus delivered considerable cost efficiencies mitigating inflationary cost increases, transformation cost and higher customer related Opex.
- **TeleSign** posted strong revenue growth for both its Digital Identity and Communication segment, with a **total revenue of EUR 100 million** over the first quarter of 2022. The year-on-year increase by **+30.9%** (+ 22.7% on a constant currency basis) was driven by new customers and by keeping a strong Net Revenue Retention rate of 124%. TeleSign's first-quarter 2022 **direct margin was up by 31.3% to EUR 24 million**. On a constant currency basis, this was + 9.4%. TeleSign's **EBITDA remained positive at EUR 2 million** for the first quarter of 2022, including significant investments made to support its growth ambitions
- For the first quarter of 2022, **BICS grew its revenue by +4.5% to EUR 245 million**. The Core services revenue was up +10.4% from a low comparable base in 2021, with the first months of 2021 still impacted by the global Covid19-related travel restrictions. BICS' Growth services revenue increased by +49.5%, on a strong traction for cloud communication amongst world leading digital companies. The resulting higher Direct margin drove a **+18.6% EBITDA increase**, to a total of EUR 27 million for the first quarter of 2022.
- In aggregate, the Proximus **Group underlying revenue totaled EUR 1,404 million** for the first quarter of 2022, a **+2.7% growth** from the comparable period of 2021. The underlying **Group EBITDA totaled EUR 448 million, up by 0.4%**.
- Excluding spectrum and football broadcasting rights, the **Proximus Group CAPEX over the first quarter of 2022 totaled EUR 270 million**. The year-on-year increase was in large part driven by Fiber investments, making up 33% of the total Capex. In the first three months of the year, Proximus passed an additional 95,000 homes and businesses with Fiber, bringing the total to 909,000. Furthermore, CAPEX increased amongst others for customer activations and timing effects of TV content renewal.
- Over the first quarter of 2022, Proximus Group posted a **Free Cash Flow of EUR 29 million, or EUR 33 million when adjusted for M&A-related transaction costs**. The decrease from the first quarter 2021 FCF was mainly a result of higher cash-out for Capex, including a significant carry-over effect from year-end 2021 Fiber investments, as well as from higher business working capital needs, including timing effects.
- Proximus keeps a **sound financial position** and actively manages its long-term debt portfolio by having hedged its interest rate exposure of the bonds maturing in 2024 and 2025.

## Market situation

For the Residential market, the first quarter of the year is typically less intense from a commercial perspective after the highly promotional year-end period. 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. While the industry headwind of Fixed Voice decline continues, cord cutting stayed limited in Belgium. Mobile data allowances remain on the rise and with the evident inflation pressures in the Belgian market as elsewhere in Europe, the Belgian Telecom market has seen selective pricing increases to mitigate these impacts to its overall margins. The Business market remained very competitive, translated into continued pricing pressure, whilst there has been room for targeted pricing actions. Fiber connectivity and Professional IT services represent opportunities, while legacy Fixed services face ongoing erosion. IT hardware remained exposed to the global semi-conductor supply shortage.



Guillaume Boutin, CEO

### Keeping a strong commercial momentum and reiterating full-year guidance

The first months of this year have brought massive disruption – and sadness – across the world. Since some months now, a massive war is happening on our continent, devastating Ukrainian families, and deeply touching all of us. As highlighted by the numerous solidarity efforts observed across the world, this dramatic situation has left no one unaffected. We decided to help where we could, with Proximus taking up its societal role by launching a series of actions to support the Ukrainian people: providing free calls and SMS to and from Ukraine for our customers; distributing pre-paid cards to refugees with data, unlimited calls and SMS in Belgium; or providing buildings to accommodate Ukrainian families in the next months.

This war has also impacted the conditions in which Proximus operates, accentuating the steep inflation trend and further impacting global supply chains, which were already fragile after the Covid crisis. Nonetheless, over the first three months of 2022, we have kept our focus, as highlighted by a series of achievements. On the network side, we have further pushed our fiber roll-out, now being deployed in 50 cities across the country. Our Fiber technology is now passing 909,000 homes and businesses, and we are confident to reach the symbolic 1 million milestone in June, keeping us fully on track to reach our ambition of 22% coverage of the country by the end of this year.

On the commercial side, I am also pleased with our performance in the first quarter of 2022, at both domestic and international levels. Our main Domestic customer bases continued their healthy growth, with net additions of 15,000 Internet and 11,000 TV subscriptions as well as 38,000 Postpaid cards. Our Residential convergent base continued its growth trajectory, adding 15,000 customers over the first quarter of 2022. Furthermore, we see good progress regarding our fiber uptake with our Residential and Business units having activated an additional 25,000 fiber lines, bringing the total to 170,000 by end-March 2022.

We also introduced new products that will help fuel our growth over the coming months. Scarlet, our price-seeker provider, launched a new triple play pack, combining Internet, TV and a mobile subscription, for a monthly subscription of EUR 50, the lowest price in Belgium. I am happy to share that all Mobile Vikings customers have now switched to the Proximus network, allowing them to benefit from the best mobile network in Belgium, and bringing, as of April, the anticipated cost synergies for the Proximus Group.

Proximus' Business unit has been affected by the global supply shortages but has nonetheless shown good progress on its transformation journey, with revenue from IT services growing by 2.0%, with especially a strong performance in Cloud and Security services.

Turning to our international segments, our two subsidiaries BICS and TeleSign both posted good results for the first three months of 2022. BICS closed the quarter with a very strong performance, increasing its EBITDA by 18.6% compared to the same period last year. Growing revenue in Core services led to a higher margin, because of an incremental recovery in world-wide travel, which drove strong volumes in messaging and roaming. Furthermore, BICS achieved significant progress in its Growth services, thanks to a strong performance in cloud offers, for which it onboarded major new enterprise customers.

TeleSign has delivered a first-quarter financial performance in line with its previously disclosed targets, with a strong revenue increase driven by a solid NRR in Communications and strong volume growth in Digital Identity. Based on a robust sales pipeline and the launch of several new products within the Identity suite, we expect the momentum to continue. In a tough setting with markets affected by rising geo-political tensions, TeleSign's listing process is following on course, with targeted closure in the second quarter. We remain fully committed to bringing TeleSign to the public market.

Finally, we also progressed on our Group transformation. First, we reached a major milestone with the launch of Proximus Ada, a new center of excellence dedicated to the fields of artificial intelligence and cybersecurity. The expertise of this fully owned subsidiary will serve all entities of the Proximus Group by providing innovative solutions across multiple sectors.

Second, on digital innovation, we progressed well thanks to the signing of a strategic collaboration between our teleconsultation app Doktr and major actors of the ecosystem: the doctors' association Domus Medica, and the health insurance funds CM and Solidaris. Finally, from an internal perspective, we made very concrete progress towards our objective to create, for our employees, a sustainable and inspiring digital campus through the binding agreement with ImmoBel for the redevelopment of Proximus' headquarters. Proximus acquired rights and gave commitments to dispose of property, plant and equipment for approximately EUR 143 million, in that case followed by a lease-back of part of the renovated building with a significant contribution of EUR 20 million of ImmoBel in the fit-out and multiple months of free lease.

To conclude, I am overall very pleased with our achievements over the first three months of the year: progressing on our strategy while delivering financial results in line with our expectations, allowing us to reiterate our full-year guidance for 2022.

Table 1: Key Figures

Operational ( '000)	Net adds in the quarter			Park at end of quarter		
	2021	2022	%	2021	2022	%
<b>Fiber</b>						
Homes Passed	73	95		533	909	70.6%
Activated retail lines	13	25		96	170	76.8%
<b>Residential customers</b>						
Convergent	20	15		953	1,011	6.1%
<b>Group (subscriptions/SIM cards)</b>						
Internet	12	15		2,148	2,193	2.1%
TV	13	11		1,690	1,732	2.5%
Fixed Voice	-65	-53		2,148	1,951	-9.2%
Mobile Postpaid (excl. M2M)	37	38		4,301	4,689	9.0%
M2M	173	182		2,539	3,547	39.7%
Prepaid	-22	-25		596	664	11.5%
<b>Financials (EUR million)</b>						
				1st Quarter		
	2021	2022	% Change	2021	2022	% Change
<b>Group Revenue (underlying)</b>				<b>1,367</b>	<b>1,404</b>	<b>2.7%</b>
of which Domestic				1,084	1,097	1.2%
of which BICS				235	245	4.5%
of which TeleSign				77	100	30.9%
<b>Group Direct Margin (underlying)</b>				<b>894</b>	<b>917</b>	<b>2.6%</b>
of which Domestic				825	836	1.4%
of which BICS				53	60	11.6%
of which TeleSign				18	24	31.3%
<b>Group Expenses (underlying)</b>				<b>-448</b>	<b>-469</b>	<b>4.7%</b>
of which Domestic				-407	-417	2.4%
of which BICS				-31	-33	6.5%
of which TeleSign				-13	-22	74.8%
<b>Group EBITDA (underlying)</b>				<b>446</b>	<b>448</b>	<b>0.4%</b>
<b>as % of revenue</b>				<b>32.6%</b>	<b>31.9%</b>	<b>-0.7 p.p.</b>
of which Domestic				418	419	0.3%
of which BICS				22	27	18.6%
of which TeleSign				6	2	-63.0%
<b>Group EBITDA (reported)</b>				<b>460</b>	<b>465</b>	<b>1.1%</b>
<b>Net income</b>				<b>123</b>	<b>120</b>	<b>-2.4%</b>
<b>Accrued capex (excl. spectrum &amp; football rights)</b>				<b>225</b>	<b>270</b>	<b>19.7%</b>
<b>FCF (adjusted)</b>				<b>143</b>	<b>33</b>	<b>-76.7%</b>
<b>Adjusted Net Debt (excl. lease liabilities)</b>				<b>-2,431</b>	<b>-2,674</b>	<b>-10.0%</b>

- Group revenue, Direct margin, Operating Expenses and EBITDA include intersegment eliminations
- Adjusted FCF excludes M&A impacts but includes Fiber equity injections.
- Mobile Vikings has been included in the Proximus Group consolidated financial statements as a fully consolidated subsidiary since 1 June 2021. This transaction affects the comparability of the figures for the current period with the prior-year figures. Where relevant, the comments in the report refer to the organic variance.
- The mobile park includes customers acquired on 1 June 2021 related to the acquisition of Mobile Vikings, raising the Mobile Postpaid base by 191,000 and the Prepaid base by 144,000.

**Note** - This report includes reporting changes compared to the latest Proximus Group results disclosure. Further information on these reporting changes is included in section 7.1. In this report, all figures for 2021 have been restated to allow for a correct comparable base.

## 2 Proximus Group Financial Review

### 2.1 Group financials (underlying)

Table 2: Underlying Group P&L

(EUR million)	1st Quarter		
	2021	2022	% Change
Revenue <sup>1</sup>	1,367	1,404	2.7%
Net Revenue	1,357	1,386	2.1%
Other Operating Income	10	18	80.6%
Cost of Sales <sup>2</sup>	-473	-487	2.9%
Direct Margin	894	917	2.6%
Direct Margin %	65.4%	65.3%	-0.1 p.p.
Expenses	-448	-469	4.7%
EBITDA <sup>3</sup>	446	448	0.4%
EBITDA Margin %	32.6%	31.9%	-0.7 p.p.

<sup>1</sup> Corresponds to "Total Income" excluding Incidentals

<sup>2</sup> Corresponds to "Cost of materials and charges to revenues" excluding Incidentals

<sup>3</sup> Corresponds to "Operating income before depreciation and amortization" excluding Incidentals  
See section 6 for reported figures and section 7.2 for incidental details

#### 2.1.1 Underlying Group revenue

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The **Proximus Group underlying revenue totaled EUR 1,404 million** for the first quarter of 2022, a **+2.7% growth** from the comparable period of 2021. Other operating income was positively impacted in the first quarter 2022 by a one-time transaction success fee of about EUR 6 million, related to the signed infrastructure partnership to run and service Proximus' IT datacenter infrastructure.<sup>1</sup>

For its **Domestic** segment, Proximus grew its **underlying revenue to EUR 1,097 million, an increase by +1.2%** or EUR 13 million on the preceding year. **Excluding revenue from Terminals**, which was down year-on-year by about EUR -10 million, the first quarter **Domestic revenue grew by +2.2%**. On an organic basis, i.e. the revenue contribution from Mobile Vikings<sup>2</sup> aside, this was +0.7%.

The **Residential<sup>3</sup>** revenue was up year-on-year by **+1.9% to EUR 553 million**. The revenue growth was mainly related to an increase in Residential Customer Services revenue, with a strong progress in Convergent revenue and Mobile Vikings contributing to the Mobile-only revenue growth. This was partly offset by lower Terminals revenue, at low margin.

The first quarter 2022 revenue of the **Business unit ended -1.6% below the 2021** comparable base, with Business Services revenue slightly down (-0.5%), driven by the eroding Fixed Voice base offsetting higher revenue from IT services and Fixed Data. Lower-margin Product revenue (terminals and IT equipment) was down by EUR -6 million, in part reflecting the continued headwinds in the chip supply chain.

<sup>1</sup> Press announcement 29 September 2021

<sup>2</sup> Following the approval of the Belgian Competition Authority, Proximus announced on 7 June 2021 having finalized the procedure with DPG Media to acquire Mobile Vikings.

<sup>3</sup> See section 7.1 for the reporting changes impacting the customer units within the Domestic segment.

Proximus' **Wholesale unit** posted a first quarter 2022 revenue of EUR 70 million, a +3.3% increase compared to the same period of 2021, including a +22.4% increase in **Fixed and Mobile wholesale services**.

**TeleSign** posted EUR 100 million of revenue over the first quarter of 2022, a year-on-year increase of +30.9% (+22.7% on a constant currency basis), driven by new customers and by keeping a strong Net Revenue Retention (NRR) rate of 124%.

For the first quarter of 2022, **BICS** posted revenues of EUR 245 million, a year-on-year increase by +4.5% from the comparable period in 2021, driven by additional revenue from BICS' Enterprise customer base. The Core services revenue was up +10.4% from a low comparable base in 2021, with the first months of 2021 still impacted by the global covid-related travel bans. BICS' Growth services revenue increased by +49.5% or EUR 5 million, on a strong traction for cloud communication amongst world leading digital companies. This was partly offset by a -2.3% revenue decrease in Legacy services in a declining market.

Table 3: Underlying Group Revenue

(EUR million)	1st Quarter		
	2021	2022	% Change
<b>Group Underlying</b>	<b>1,367</b>	<b>1,404</b>	<b>2.7%</b>
Domestic	1,084	1,097	1.2%
Residential	543	553	1.9%
Business	466	459	-1.6%
Wholesale	67	70	3.3%
Other (incl. eliminations)	8	16	91.0%
BICS	235	245	4.5%
TeleSign	77	100	30.9%
Eliminations	-28	-38	-35.2%

## 2.1.2 Underlying Group direct margin

Table 4: Underlying Group Direct Margin

(EUR million)	1st Quarter		
	2021	2022	% Change
<b>Group Underlying by Segment</b>	<b>894</b>	<b>917</b>	<b>2.6%</b>
Domestic	825	836	1.4%
BICS	53	60	11.6%
TeleSign	18	24	31.3%
Eliminations	-3	-3	-6.3%

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The first quarter 2022 underlying direct margin of the Proximus Group totaled EUR 917 million, an increase by +2.6% from the comparable period last year.

Proximus' **Domestic operations** posted a direct margin of EUR 836 million, +1.4% or EUR 11 million above the prior year. On an organic basis this was positive by +0.5%. For **BICS** a strong year-on-year increase in Direct Margin was posted, up by 11.6% from a low comparable base, reaching EUR 60 million, driven by its Core and Growth services. Driven by good growth for both Digital Identity and Communication services; the total **TeleSign's** direct margin increased to EUR 24 million over the first quarter of 2022, a +31.3% increase from the comparable period in 2021 or +9.4% on a constant currency basis.

## 2.1.3 Underlying Group expenses<sup>4</sup>

Table 5: Underlying Group expenses

(EUR million)	1st Quarter		
	2021	2022	% Change
<b>Group Underlying</b>	<b>448</b>	<b>469</b>	<b>4.7%</b>
Workforce expenses	291	305	4.6%
Non-workforce expenses	157	164	5.0%
<b>Domestic</b>	<b>407</b>	<b>417</b>	<b>2.4%</b>
Workforce expenses	264	272	3.1%
Non-workforce expenses	143	145	1.1%
<b>BICS</b>	<b>31</b>	<b>33</b>	<b>6.5%</b>
<b>TeleSign</b>	<b>13</b>	<b>22</b>	<b>74.8%</b>
<b>Eliminations</b>	<b>-3</b>	<b>-3</b>	<b>-6.4%</b>

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The Proximus **Group underlying operating expenses** grew year-on-year to EUR 469 million in the first quarter of 2022, **up by +4.7% or EUR 21 million from the comparable base in 2021.**

The **Domestic operating expenses totaled EUR 417 million, +2.4%** above the 2021 level. On organic basis this was +1.5%. The year-on-year impact of inflationary cost increases, including the salary indexations of 1 October 2021 and 1 February 2022, transformation and cloudification effects as well as volume-related costs, were in large part offset by cost efficiencies.

**BICS'** first quarter 2022 operating expenses totaled EUR 33 million, an increase of 6.5%. **TeleSign** posted EUR 22 million of operating expenses, **year-on-year up by EUR 9 million** reflecting increased investments in its growth development.

Overall, including BICS and TeleSign, the Proximus Group employed 11,496 FTEs end-March 2022, 61 FTE's more than twelve month ago. The Domestic headcount, including Mobile Vikings employees, was lowered, as well as BICS' headcount, while TeleSign's employee base rose through the hiring of essential skills to realize its announced growth ambitions.

## 2.1.4 Group EBITDA - reported and underlying

Table 6: From reported to underlying EBITDA

(EUR million)	1st Quarter		
	2021	2022	% Change
<b>Group reported EBITDA</b>	<b>460</b>	<b>465</b>	<b>1.1%</b>
Adjustments	-14	-18	nr
<b>Group Underlying EBITDA</b>	<b>446</b>	<b>448</b>	<b>0.4%</b>
Domestic	418	419	0.3%
BICS	22	27	18.6%
TeleSign	6	2	-63.0%

<sup>4</sup> Before D&A; excluding Cost of Sales; excluding incidentals.



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### Underlying Group EBITDA

The underlying Group EBITDA for the first quarter of 2022 totaled EUR 448 million, up by 0.4% compared to the prior year.

For its Domestic operations, Proximus posted an EBITDA of EUR 419 million for the first quarter of 2022, +0.3% above the prior year. On an organic basis, the Domestic EBITDA was down by -0.4%, due to higher operating costs. Driven by its growth in direct margin, BICS posted a solid 18.6% growth in EBITDA compared to the first quarter of 2021, totaling EUR 27 million. TeleSign posted over the first quarter of 2022 an EBITDA of EUR 2 million, with the year-on-year decrease of EUR -4 million explained by the higher cost base, following the anticipated headcount investments to support its growth.

### Total Reported Group EBITDA

The Proximus Group reported EUR 465 million EBITDA for the first quarter of 2022, an increase by +1.1% or EUR +5 million from the comparable period in the previous year. The underlying EBITDA for the first quarter of 2022 included for EUR -18 million negative adjustments. The main adjustment is on Lease depreciations, for EUR -20 million. For an overview of all adjustments, see section 7.2.

## 2.1.5 Net income

YTD  
2022

### Depreciation and amortization

The first-quarter 2022 depreciation and amortization (including lease depreciation) amounted to EUR 292 million, compared to EUR 289 million for the same period of 2021. The 1.1% increase is mainly due to an increasing asset base.

### Net finance cost

The net finance cost for the first quarter of 2022 totaled EUR 10 million including lease interests, versus last year's level of EUR 11 million.

### Tax expenses

The first quarter 2022 tax expenses amounted to EUR 38 million, leading to an effective tax rate of 23.8%. The ETR is below the Belgian statutory tax rate of 25% following the application of general principles of Belgian tax law such as the innovation income deduction and other R&D incentives.

### Net income (Group share)

The first quarter 2022 net income (Group share) totaled EUR 120 million versus EUR 122 million for 2021. The decrease is mainly explained by a higher share of loss from associates (Fiberklaar and Unifiber), an increase in tax expenses as well as higher depreciation and amortization, partially offset by an increase in EBITDA.

Table 7: From Group EBITDA to net income

(EUR million)	1st Quarter		
	2021	2022	% Change
<b>Group reported EBITDA</b>	<b>460</b>	<b>465</b>	<b>1.1%</b>
Depreciation and amortization	-289	-292	1.1%
<b>Operating income (EBIT)</b>	<b>172</b>	<b>173</b>	<b>1.2%</b>
Net finance costs	-11	-10	-9.1%
Share of loss on associates and JV	-1	-5	n.r.
<b>Income before taxes</b>	<b>159</b>	<b>158</b>	<b>-0.7%</b>
Tax expense	-36	-38	5.0%
<b>Net income</b>	<b>123</b>	<b>120</b>	<b>-2.4%</b>
Non-controlling interests	1	0	<-100%
<b>Net income (Group share)</b>	<b>122</b>	<b>120</b>	<b>-1.2%</b>

## 2.1.6 Investments

Excluding spectrum and football broadcasting rights, the Proximus **Group CAPEX over the first quarter of 2022 totaled EUR 270 million**, compared to EUR 225 million for 2021. The year-on-year increase was in large part driven by Proximus' investments in Fiber, which counted for 33% of the total Capex. In the first three months of the year, Proximus passed an additional 95,000 homes and businesses with Fiber, bringing the total to 909,000 by end-March 2022 representing a Fiber coverage of 15%<sup>5</sup>.

Besides Gigabit networks, Proximus invested amount includes a rising level of customer-related capex covering customer equipment and activation costs for both Fiber and Copper customers. Moreover, the capex for TV content renewal was higher (timing effect).

## 2.1.7 Cash flows

Table 8: Cash flows

(EUR million)	1st Quarter		
	2021	2022	% Change
Cash flows from operating activities	486	458	-5.6%
Cash paid for Capex (*)	-293	-406	38.7%
Cash flows used and provided in other investing activities	-30	-1	-96.0%
<b>Cash flow before financing activities</b>	<b>162</b>	<b>51</b>	<b>-68.7%</b>
Lease payments	-21	-22	3.6%
<b>Free cash flow</b>	<b>141</b>	<b>29</b>	<b>-79.6%</b>
Cash flows used and provided in financing activities other than lease payments	-176	14	>100%
Exchange rate impact	1	0	-23.3%
<b>Net increase/(decrease) of cash and cash equivalents</b>	<b>-34</b>	<b>43</b>	<b>&gt;100%</b>

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

<sup>5</sup> Assuming a total of 6 million premises in Belgium.

Over the first quarter of 2022, Proximus Group posted a **Free Cash Flow** of EUR 29 million, or **EUR 33 million** when adjusted for M&A-related transaction costs. The decrease from the first quarter 2021 FCF was mainly a result of higher cash-out for Capex, including a significant carry-over effect from year-end 2021 Fiber investments, as well as from higher business working capital needs, including timing effects. This was in part offset by less Cash out for ongoing transformation plans<sup>6</sup> and income tax payments. In contrast to the first quarter of 2021, there were no equity injections in the Fiber Joint-Ventures Fiberklaar or Unifiber, the two entities created to deploy Fiber in the Flanders and Walloon regions, respectively.

## 2.1.8 Balance sheet and shareholders' equity

Compared to year-end 2021, the goodwill increased by EUR 4 million to EUR 2,592 million mainly due to the USD/EUR conversion of the TeleSign goodwill.

Tangible and intangible fixed assets amounted to EUR 4,435 million, an increase by EUR 10 million, the amount of capex being higher than the depreciation and amortization charge of the year.

Shareholders' equity increased from EUR 2,978 million end of December 2021 to EUR 3,131 million end of March 2022. This mainly results from the net income Group Share (EUR 120 million) and positive re-measurements to fair value of financial instruments (EUR 28 million).

At the end of March 2022, Proximus' outstanding long-term debt (excluding lease liabilities and part to be reimbursed within one year) amounted to EUR 2,783 million, and its adjusted net financial position to EUR -2,674 million.

Table 9: Net financial position

(EUR million)	As at 31 December	As at 31 March
	2021	2022
Investments, Cash and cash equivalents	249	292
Derivatives	3	41
<b>Assets</b>	<b>252</b>	<b>332</b>
Non-current liabilities (*)	-2,944	-2,993
Current liabilities (*)	-321	-295
<b>Liabilities</b>	<b>-3,265</b>	<b>-3,288</b>
<b>Net financial position (*)</b>	<b>-3,013</b>	<b>-2,956</b>
of which Leasing liabilities	-273	-282
<b>Adjusted net financial position (**)</b>	<b>-2,740</b>	<b>-2,674</b>

(\*) Including derivatives and leasing liabilities

(\*\*) The adjusted financial position excludes leasing liabilities

<sup>6</sup> Headcount plans ahead of retirement: Early leave plan and Fit for Purpose plan.

## 2.2 Regulation

### Spectrum

The process for the multi-band spectrum auction, including the renewal of the existing 2G/3G spectrum licenses (900MHz, 1800MHz and 2100MHz) as well as the granting of new 5G spectrum (700MHz, 1400MHz and 3500MHz), is ongoing.

On 18 March 2022, BIPT adopted a decision on the eligibility of the candidates for the auction. Five mobile players have been deemed admissible by the BIPT. All 3 existing MNOs acquired their reserved spectrum. One of the two new entrants took the whole reserved package (5MHz in 700MHz; 5MHz in 900MHz; 15MHz in 1800MHz and 5MHz in 2.1GHz). The auction is planned in June, with not precise date specified yet.

Concerning the current 2G (900 MHz and 1800 MHz) and 3G (2100 MHz) licenses which expired in March 2021, BIPT decided on 11 March 2022 on a second extension of these licenses until 15 September 2022 (a first extension was granted in February 2021 for the period 15 March until 15 September and a second one for the period 15 September 2021 until 15 March 2022). The same conditions apply as for the current licenses. Such extensions may be granted until the new rights are auctioned.

Awaiting the upcoming multiband auction, BIPT granted temporary licenses in the 3600-3800 MHz frequency band to Proximus, Orange and Telenet, each operator receiving 50MHz. The operators will retain these rights until new rights are granted following the auction. Operators were under the obligation to put their spectrum in service before 1 March 2021. They have to pay a yearly fee of EUR 105,000 per block of 10 MHz. No unique fee is due, and these rights are not subject to any specific coverage obligation.

### Termination rates

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

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

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

### International roaming

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

### Transposition of EU Code – new telecom law

The law transposing the new EU Code established at the end of 2018 was published on 31 December 2021. Some obligations will have an impact on the business (e.g. the prepaid mobile consumers having the facility to claim the residual credit in case of change of operator or the scope of end-users' protection being extend for several provisions to business clients). Concerning the regulatory-technical matters (e.g. numbering, spectrum), for the most part, the text follows closely the European Code. The new rules have been applicable since 10 January 2022. However, certain provisions will require the publication of Royal decrees before entering into force.

## 2.3 ESG Update

Proximus is strongly committed to a green, digital, and inclusive society, a commitment that is at the heart of its #inspire2022 strategy. This section of the quarterly report puts the spotlight on a selection of achievements, along with recent launches and other company news in the Environmental, Social, and corporate Governance (ESG) domain.

### In the spotlight

- **Don't miss the call** – 19,258 mobile phones were collected for reuse and recycling in the first quarter of 2022; 3,688 more versus the first quarter of 2021 in which 15,570 mobile phones were collected.
- **Circular manifestos** – 1 manifesto was signed in the first quarter of 2022, bringing the total to 75 by end-March 2022. A circular manifesto reflects the commitment of Proximus and the suppliers to work together to reduce their carbon footprint and produce more circular products. The 75 committed suppliers represent 51.5% of the Proximus CO2e emissions scope 3.
- **Cyber Security Resilience** – 100% of the number of major cyber security incidents with a visible impact on the business were prevented in the first quarter of 2022; 6% more versus the first quarter of 2021.

### Recently launched

**Solidarity with Ukraine.** Proximus has undertaken several initiatives to show our support to the Ukrainian people since the beginning of the war in February. One of them was the distribution of Proximus prepaid cards to Ukrainian refugees with 10GB of data as well as unlimited SMS and calls in Belgium. Customers who are in Ukraine (roaming) can also communicate free of charge. In addition, Proximus supports NGOs in their connectivity needs and offers them free visibility on the Pickx Live channel and Pickx.be. And for families hosting Ukrainian refugees, Proximus has removed download limits for fixed Internet.

**Internet for All.** Thanks to the validation by the Federal Minister for Telecommunications of the "Internet for all" project in February, thousands of economically disadvantaged Belgians get an internet connection. In practical terms, the subsidies make it possible to provide beneficiaries with a modem that can connect to a mobile network. At the same time, Proximus offers 40 GB/month of mobile data for one year, an offer that may be renewed depending on the user's situation. This project is implemented in partnership with social organizations.

**MobiDig.** DigitAll, the alliance for digital inclusion in Belgium, launched MobiDig in February. Thanks to this mobile box with digital devices, social organizations can reach their target groups more easily to improve their digital literacy. The box can be used to teach digital skills on-site or organize events to introduce their target audience to the benefits of digital tools. In a first phase, the Brussels-based homeless shelter Hobo and the Leuven-based youth organization Link in de Kabel had the opportunity to work with MobiDig. The organizations also receive support for developing an interesting and stimulating on-site learning experience, including a digital experience. In a second phase, MobiDig will launch three new pilot projects with Digidak, Interface3 Namur and Le Monde des Possibles.

**Proximus Ada.** In March, Proximus announced the creation of Ada, the first Belgian center of excellence combining artificial intelligence and cybersecurity. These are two key areas if Belgian society is to meet the challenges of today and tomorrow. The first one, because it provides innovative solutions in multiple sectors, not least in energy and mobility. The second, as increasing cybercrime is forcing individuals, companies and society at large to become more resilient to cyber threats. Proximus Ada will be a wholly owned subsidiary of Proximus, whose expertise will be used to serve the Group's various entities and therefore benefit their customers.

**CULT partnership.** CULT officially started with the first bundled deliveries in the city of Antwerp in March. Bpost was selected to bundle the parcels of the participating companies (Danone, Delhaize, Jacobs Douwe Egberts, Pro-Duo, Proximus, Telenet and Schoenen Torfs) in Antwerp-X and then deliver them completely emission-free to individuals and retail outlets in the city. The positive impact on mobility and the environment will increase as more companies join CULT (Collaborative Urban Logistics & Transport) for their goods flows.

## 2.4 Outlook & Shareholder return

### Guidance for full-year 2022 reiterated

Based on the first quarter 2022 financial results and the company's best estimate for the remainder of the year, the guidance for full-year 2022 is reiterated:

- Proximus expects its underlying Domestic revenue excluding Terminals to grow up to 1% from the preceding year. The return to revenue growth, supported by the Residential unit's commercial momentum including the migration of Mobile Viking customers on to the Proximus network, are expected to drive higher Domestic Direct Margin.
- Through its ongoing cost efficiency program, Proximus targets to partially offset projected additional customer growth costs, IT transformation expenses and headwinds from inflationary driven costs increases. Nonetheless, supported by the expected growth of the Direct Margin, Proximus expects to grow the underlying Domestic EBITDA up to 1% for 2022.
- For BICS, the 2022 EBITDA will be comparing to a high-2021, which benefitted from a favourable exceptional destination mix. This mix effect aside, BICS expects its Direct Margin to continue to benefit from positive underlying trends whereby its Growth and Core segments are expected to compensate for the erosion in Legacy voice at lower margin. BICS as well will face inflationary cost headwinds and will invest in the acceleration of its Growth segment.
- As part of TeleSigns' listing process, announced on 16 December 2021, it disclosed a multi-year strategy and financial projection in its investor presentation: [www.telesign.com/investors](http://www.telesign.com/investors). This includes an estimated EBITDA of USD -23 million for 2022, under USGAAP and on a reported basis. Proximus reports Telesign figures in €, under IFRS, and with the underlying EBITDA adjusted for TeleSign's Share Based Remuneration. For 2022 the difference between the TeleSign-view and Proximus' underlying EBITDA is estimated to add up to a positive amount of about \$7-8 million.
- In aggregate, Proximus expects its 2022 Group underlying EBITDA to be down around -1.0 % from 2021.
- In line with Proximus' announced accelerated Fiber deployment strategy, the Group CAPEX for 2022 is expected to go up to close to EUR 1.3Bn. The debt ratio for 2022 is expected to be around 1.6X underlying EBITDA.

Table 10: outlook 2022

Guidance metric	FY21 Actuals	FY22 Guidance	Q1'22 YTD Actuals
Underlying Domestic revenue (excluding terminals)	€ 4,075M	Growing up to 1% YoY	+2.2%
Domestic underlying EBITDA	€ 1,654M	Growing up to 1% YoY	+0.3%
Underlying Group EBITDA	€ 1,772M	Around -1% YoY	+0.4%
Capex (excluding Spectrum & football rights)	€ 1,203M	Close to € 1.3Bn	€ 270M
Net debt / EBITDA	1.55X	Around 1.6X	nr

## Shareholder return

### Normal Dividend over the result 2021

The Annual Shareholders' Meeting of April 2022 approved the return to the Proximus shareholders of gross EUR 1.2 per share. The normal dividend of EUR 0.70 per share is payable on 29 April 2022, with record date on 28 April 2022 and ex-dividend date on 27 April 2022.

This brings the total declared dividend over the result of 2021 to EUR 387 million.

### Dividend over the result 2022

Proximus remains committed to an attractive remuneration for its shareholders and intends to return over the result of 2022 an annual gross dividend of € 1.2 per share, in line with Proximus' announced 3-year dividend policy over the period 2020-2022.

On an annual basis, the proposed dividend is reviewed and submitted to the Board of Directors, in order to keep strategic financial flexibility for future growth, organically or via selective M&A, with a clear focus on value creation. This also includes confirming appropriate levels of distributable reserves.

The shareholder remuneration policy is based on a number of assumptions regarding future business and market evolutions and may be subject to change in case of unforeseen risks or events outside the company's control.

# 3 Domestic

Table 11: Domestic P&L

(EUR million)	1st Quarter		
	2021	2022	% Change
<b>Revenue*</b>	<b>1,084</b>	<b>1,097</b>	<b>1.2%</b>
Residential	543	553	1.9%
Business	466	459	-1.6%
Wholesale	67	70	3.3%
Other (incl. eliminations)	8	16	91.0%
<b>Cost of Sales</b>	<b>-259</b>	<b>-260</b>	<b>0.5%</b>
<b>Direct Margin</b>	<b>825</b>	<b>836</b>	<b>1.4%</b>
<i>Direct Margin %</i>	<i>76.1%</i>	<i>76.3%</i>	<i>0.2 p.p.</i>
<b>Expenses</b>	<b>-407</b>	<b>-417</b>	<b>2.4%</b>
Workforce expenses	-264	-272	3.1%
Non Workforce expenses	-143	-145	1.1%
<b>EBITDA</b>	<b>418</b>	<b>419</b>	<b>0.3%</b>
<i>EBITDA Margin %</i>	<i>38.5%</i>	<i>38.2%</i>	<i>-0.3 p.p.</i>

\* refers to total income

## 3.1 Residential Revenue

- Good commercial momentum: added +24,000 Mobile postpaid cards and +11,000 Internet.
- Fiber is becoming an important differentiator in attracting and migrating customers.
- Residential convergent customer base surpassing 1 million, +6.1% YOY, +15,000 in Q1'22.
- Convergent revenue up by +4.7% year-on-year.
- Organic ARPC up by +2.1% year-on-year. Mobile Viking Postpaid base included, ARPC of EUR 51.6.

First quarter revenue +1.9%.

For the first quarter of 2022 Proximus posted for its Residential unit a revenue of **EUR 553 million, a +1.9% or EUR 10 million increase from the year before**. The revenue growth was mainly related to an increase in Residential Customer services revenue, with a strong growth in Convergent revenue and Mobile Vikings contributing to the Mobile-only revenue growth. This was partly offset by lower Terminals revenue, at low margin.

In a seasonally less intense promotional quarter, the Residential unit continued good growth in its core subscriber bases, especially for combinations of Fixed Internet, TV<sup>7</sup> and multiple mobile subscriptions, and with Fiber<sup>8</sup> playing an increasing role.

<sup>7</sup> Reported on Domestic segment level.

<sup>8</sup> Reported on Domestic segment level.



Solid growth in core customer bases.

In the first quarter of 2022, the Residential unit added net +11,000 internet lines, improving from +9,000 over the same period in 2021. This brought Proximus' Residential internet base to 1,713,000 lines, a +2.1% increase from 12 months back. With Proximus deploying Fiber in 50 cities, the product superiority of Fiber becomes an increasingly relevant sales proposal.

The Residential unit kept up its good growth in Mobile Postpaid, +24,000 over the first quarter of 2022, (+27,000 one year ago), supported by the continued success of Flex and the Mobile Vikings brand, which addresses the tech-savvy segment in the market. By end-March 2022, Proximus' Residential Mobile postpaid base reached a total of 2,641,000 mobile postpaid cards. Reflecting the ongoing change in customer needs, the Fixed Voice line continued its steady decline, with the first quarter of 2022 posting a loss of -32,000 lines.

Customer services revenue growth sequentially improved to +2.2% YoY.

The revenue generated by customers subscribing to Proximus' Residential different product lines is referred to as Customer services revenue or X-Play revenue. **Residential Customer Services revenue amounted to EUR 439 million**, +2.2% above the comparable period in 2021, a sequential improvement on prior quarters. The revenue contribution of Mobile Vikings' Postpaid customer base aside, the residential customer services revenue was fairly stable to the first quarter of 2021, improving from the slightly declining trend over the previous two quarters.

As a result of the inclusion of the Mobile Vikings Postpaid customer base (June 2021), which are all Mobile-postpaid only customers, the overall ARPC came mathematically down. For the first quarter of 2022, the overall ARPC was EUR 51.6, -2.6% from EUR 53.0 for the first quarter 2021. On organic basis, the ARPC was up year-on-year by +2.1% as a result of the ongoing move of customers to convergent offers at higher ARPC, further supported by the 1 January 2022 price indexation and despite lower out of bundle traffic.

The continued success of Proximus' convergent Flex<sup>9</sup> offers further grew the number of multi-mobile customers, driving the overall RGU to 2.50 RGUs for the first quarter of 2022, showing a sequential improvement.

+15,000 convergent customers in Q1'22

In the mix, **revenue from Convergent customers increased further, up by +4.7% year-on-year reaching EUR 251 million**. Over the first quarter of the year, Proximus grew its convergent base by +15,000 customers, crossing the one million mark, reaching a total of 1,011,000 or +6.1% from 12 months back.

Convergent 3-Play revenue +30.7% YoY

**The growth driver of the Convergent revenue is the ongoing strong increase in convergent 3-Play customers**. Over the first quarter of 2022, the residential convergent 3-Play base grew by +21,000 customers, to reach 394,000 customers by end-March 2022. As result, the 3-Play convergent revenue grew by 30.7% to reach EUR 93 million for the first quarter of 2022. The ARPC of a convergent 3-Play customer was EUR 80.8, +1.1% up from the first quarter of 2021, reflecting the favorable impact of the rising uptake of multiple mobile subscriptions in Proximus Flex offers. This more than offset the decreasing relevance of the Fixed Voice line.

The high uptake of 3-Play convergent offers largely explains the steady decrease in the 4-Play customer base, down by -6,000 for the first quarter of 2022.

Rising convergence continued to lower the Fixed-only base.

With the number of customers subscribing to Proximus' convergent offers rising, Proximus' base of **Fixed-only customers** decreased further. The remaining base of Fixed-only customers, 947,000 end-March 2022, generated an ARPC of EUR 45.0, -0.6% below the previous year.

1P-Mobile results reflecting inclusion of Mobile Vikings.

The total of **Mobile postpaid-only customers** was down by -9,000 in the first quarter of 2022, driven by the success of Proximus convergence, offsetting the growing base of the Mobile Vikings brand. All

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<sup>9</sup> Reported on Domestic segment level

brands combined, the residential Mobile postpaid-only<sup>10</sup> base totaled 873,000 customers, generating an ARPC of EUR 22.4. The year-on-year decline by -2.5% resulted from the inclusion of the Mobile Vikings customer base, at lower ARPC. Organically, the Mobile-only ARPC continued its positive trend, driven by a favorable price tiering and some returning roaming revenue.

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

The total **revenue from Terminals** totaled EUR 53 million over the first quarter of 2022, a year-on-year decrease by EUR -6 million.

**Over the first quarter of 2022, revenue from Mobile Prepaid** totaled EUR 11 million, including the Prepaid revenue from the Mobile Vikings brand. Organically, Prepaid continued its gradual eroding trend. All Proximus brands combined, the total Prepaid base totaled 645,000 by end-March 2022. **Proximus' Luxembourg telecom revenue** for the residential unit totaled for the first quarter of 2022 EUR 31 million, up by +2.7%, mainly resulting from higher number of mobile and fixed subscriptions, and an increase in mobile device sales.

Proximus Residential posted **EUR 15 million** in its Other revenue. The year-on-year increase by EUR 4 million included interconnect revenue of Mobile Vikings.

Revenue Terminals  
EUR -6 million  
YoY, at low margin.

Table 12: Residential revenue

(EUR million)	1 <sup>st</sup> Quarter		
	2021	2022	% Change
<b>Revenue</b>	<b>543</b>	<b>553</b>	<b>1.9%</b>
<b>Other Operating Income</b>	<b>5</b>	<b>5</b>	<b>-3.0%</b>
<b>Net Revenue</b>	<b>538</b>	<b>548</b>	<b>1.9%</b>
Customer services revenues (X-play)	430	439	2.2%
Prepaid	8	11	25.2%
Terminals (fixed and mobile)	59	53	-10.1%
Luxembourg Telco	30	31	2.7%
Others*	11	15	35.1%

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

<sup>10</sup> This does not include the Mobile Viking customers which are excluded from this Customer/X-Play view.

Table 13: Residential operationals by product

	1 <sup>st</sup> Quarter		
	2021	2022	% Change
<b>Park (000's)</b>			
Fixed Voice	1,341	1,220	-9.0%
Internet	1,678	1,713	2.1%
Mobile Postpaid excl. M2M	2,328	2,641	13.4%
Mobile prepaid	576	645	11.9%
<b>Net adds (000's)</b>			
Fixed Voice	-42	-32	
Internet	9	11	
Mobile Postpaid excl. M2M	27	24	
Mobile prepaid	-21	-24	

Table 14: Residential X-Play financials

	1 <sup>st</sup> Quarter		
	2021	2022	% Change
<b>Customer Services Revenues (EUR million)</b>	<b>430</b>	<b>439</b>	<b>2.2%</b>
<b>Convergent</b>	<b>240</b>	<b>251</b>	<b>4.7%</b>
4-Play	157	147	-6.3%
3-Play	71	93	30.7%
2-Play	11	11	-5.3%
<b>Fixed only</b>	<b>139</b>	<b>129</b>	<b>-7.4%</b>
3-Play	69	61	-12.0%
2-Play	39	39	-1.9%
1P Fixed Voice	14	12	-16.6%
1P internet	16	18	7.0%
<b>Mobile Postpaid only</b>	<b>51</b>	<b>59</b>	<b>16.6%</b>
<b>ARPC (in EUR)</b>	<b>53.0</b>	<b>51.6</b>	<b>-2.6%</b>
<b>Convergent</b>	<b>84.7</b>	<b>83.4</b>	<b>-1.5%</b>
4-Play	90.6	88.4	-2.5%
3-Play	80.0	80.8	1.1%
2-Play	55.3	55.9	1.1%
<b>Fixed only</b>	<b>45.3</b>	<b>45.0</b>	<b>-0.6%</b>
3-Play	54.8	53.9	-1.6%
2-Play	51.9	52.4	1.0%
1P Fixed Voice	27.7	27.8	0.4%
1P internet	30.4	30.8	1.2%
<b>Mobile Postpaid only</b>	<b>23.0</b>	<b>22.4</b>	<b>-2.5%</b>

Table 15: Residential X-Play operationals

	1 <sup>st</sup> Quarter		
	2021	2022	% Change
<b>Customers – Total (000's)</b>	<b>2,688</b>	<b>2,832</b>	<b>5.3%</b>
<b>Convergent</b>	<b>953</b>	<b>1,011</b>	<b>6.1%</b>
4-Play	575	553	-3.9%
3-Play	310	394	27.2%
2-Play	68	64	-5.1%
<b>Fixed only</b>	<b>1,011</b>	<b>947</b>	<b>-6.3%</b>
3-Play	411	371	-9.9%
2-Play	254	246	-2.9%
1P Fixed Voice	166	138	-16.9%
1P internet	180	193	6.9%
<b>Mobile Postpaid only</b>	<b>724</b>	<b>873</b>	<b>20.6%</b>
<b>% Convergent Customers – Total *</b>	<b>59%</b>	<b>62%</b>	<b>3.2 p.p.</b>
<b>Average #RGUs per Customer – Total</b>	<b>2.54</b>	<b>2.50</b>	<b>-1.4%</b>
<b>Convergent</b>	<b>4.11</b>	<b>4.13</b>	<b>0.4%</b>
4-Play	4.65	4.70	1.0%
3-Play	3.53	3.65	3.4%
2-Play	2.20	2.19	-0.5%
<b>Fixed only</b>	<b>2.05</b>	<b>2.02</b>	<b>-1.3%</b>
3-Play	3.00	3.00	0.0%
2-Play	1.98	1.97	-0.3%
1P Fixed Voice	1.01	1.01	0.0%
1P internet	1.00	1.00	0.0%
<b>Mobile Postpaid only</b>	<b>1.15</b>	<b>1.14</b>	<b>-0.7%</b>
<b>Annualized full churn rate (Customer) – Total</b>	<b>15.9%</b>	<b>15.9%</b>	<b>0.0 p.p.</b>
4-Play	4.9%	5.8%	0.9 p.p.
3-Play	12.3%	11.1%	-1.2 p.p.
2-Play	15.3%	14.6%	-0.7 p.p.
1-Play	24.2%	23.8%	-0.4 p.p.

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

## 3.2 Business Revenue

- Business Services revenue -0.5%, IT Services and Fixed Data growth nearly offset Fixed Voice erosion.
- Fixed Data services +2.4%, growing Internet base in competitive setting, Internet ARPU rose +2.1%.
- B2B transformation ongoing. IT services revenue +2.0% with especially a good performance in Security services, Cloud services and Smart Mobility services.
- Fixed Voice revenue down on eroding base, while ARPU trend remains positive at +0.2%.

The first quarter 2022 **revenue of the Business unit totaled EUR 459 million, -1.6% from the 2021 comparable base.** Revenue from **Business Services totaled EUR 397 million, slightly down by -0.5%** year-on-year, driven by the eroding Fixed Voice base. This was in part compensated for by higher IT Services revenue and an increase in Fixed Data revenue, whereas Mobile Services revenue remained nearly stable. Lower-margin Product revenue (terminals and IT equipment) was down by -10.8%, including some continued headwinds in the chip supply chain.

The Business Services revenue from **Fixed Data services totaled EUR 114 million, an increase by 2.4%** compared to the first quarter 2021.

Within the Fixed Data revenue mix, the revenue growth **was mainly driven by good progress in Internet services.** This was explained by a better Broadband ARPU of EUR 42.3 for the first quarter of 2022, +2.1% up from the previous year, mainly benefitting from the 1 January price indexation, improved price tiering and a growing share of Fiber in the total internet park. Moreover, Proximus sustained a favorable trend in its total Business Internet base, +1.7% up compared to one year back, including +3,000 in the first quarter 2022, and closing March with a total of 438,000 Internet lines.

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

Over the first quarter of 2022, Proximus' Business unit posted **Mobile Services revenue of EUR 115 million, nearly stable from the same period in 2021 (-0.4%).** A main revenue driver remains the solid growth in the Mobile customer base, up by 62,000 postpaid SIM cards over the past twelve months or +3.6%. Over the first 3 months of 2022, the postpaid base increased with 12,000 cards, bringing the total to 1,758,000 cards, excl. M2M. At the same time, the ongoing competitive pricing pressure in the B2B market was reflected in the mobile ARPU, with for the first quarter of 2022 a -4.3% decline from the previous year to EUR 19.4.

Moreover, the Mobile Services revenue remained slightly supported by a continued favorable evolution in mobile managed services and network services in the context of Covid-19.

The Business unit continued to grow its M2M park with over the past 3 months an additional 182,000 M2M cards activated. End-March 2022, Proximus M2M base totaled 3,537,000 M2M cards. This is an increase by 39.7% from one year back.

**Proximus' Business unit posted further growth for its IT Services, with revenue of EUR 95 million, an increase from the previous year by +2.0%.** This was related to revenue growth from high-value services, with especially a good performance in Security services, Cloud services and Smart Mobility services. The sequential growth in IT Services reflects the ongoing transformation of the Business unit into a convergent player, with focus on higher-margin next generation IT Services.

Fixed Data revenue +2.4%.

Internet ARPU +2.1%, Internet base +1.7% YoY.

Mobile revenue nearly stable. Growing base nearly offsetting ARPU decline.

Strong rise in M2M cards.

IT Services revenue +2.0%.

Fixed Voice revenue down on base erosion. ARPU +0.2%.

Revenue from Fixed Voice declined by -7.6% or EUR -6 million for the first quarter of 2022. The favorable evolution of PABX services was more than offset by the Fixed Voice revenue decline. This was mainly driven by the steady decrease of the Fixed Voice park by -10.2% over the past 12 months, including a line loss by -22,000 for the first quarter of 2022. The ARPU evolution remained slightly positive, up by +0.2% to EUR 28.1, supported by the 1 January 2022 price indexation and the non-structural increase related to Voice traffic to vaccination centers, i.e. call routing via VAS<sup>11</sup> numbers (toll-free) in the framework of the Covid-19 booster campaign, offset by lower Fixed Voice line usage and competitive price pressure.

Product revenue EUR -6 million YoY.

The low-margin revenue from Products for the first quarter 2022 was down by EUR -6 million from the comparable period in 2021, -10.8%. This includes less revenue from Mobile Terminals deals during the quarter and lower IT hardware revenue, including some ongoing chip supply chain headwinds.

Table 15: Business revenue

(EUR million)	1 <sup>st</sup> Quarter		
	2021	2022	% Change
<b>Revenue</b>	<b>466</b>	<b>459</b>	<b>-1.6%</b>
<b>Other Operating Income</b>	<b>1</b>	<b>2</b>	<b>35.3%</b>
<b>Net Revenue</b>	<b>465</b>	<b>457</b>	<b>-1.7%</b>
Services	399	397	-0.5%
Fixed Voice	78	72	-7.6%
Fixed Data	112	114	2.4%
Mobile	116	115	-0.4%
IT	94	95	2.0%
Products	60	53	-10.8%
Terminals (fixed and mobile)	20	16	-18.9%
IT	40	37	-6.7%
Luxembourg Telco	6	7	11.5%

<sup>11</sup> VAS – Value Added Services, e.g. 0800 numbers and VMS – Value Managed Services, i.e. call routing to ensure business continuity

Table 16: Business operationals

	1 <sup>st</sup> Quarter		
	2021	2022	% Change
<b>Park (000's)</b>			
Fixed Voice	762	684	-10.2%
Internet	431	438	1.7%
Mobile Postpaid excl. M2M	1,697	1,758	3.6%
M2M cards	2,531	3,537	39.7%
<b>Net adds (000's)</b>			
Fixed Voice	-24	-22	
Internet	2	3	
Mobile Postpaid excl. M2M	9	12	
M2M cards	172	182	
<b>ARPU (EUR)</b>			
Fixed voice	28.1	28.1	0.2%
Broadband	41.4	42.3	2.1%
Mobile postpaid	20.2	19.4	-4.3%

### 3.3 Wholesale Revenue

Table 17: Wholesale revenue

(EUR million)	1 <sup>st</sup> Quarter		
	2021	2022	% Change
<b>Revenue</b>	<b>67</b>	<b>70</b>	<b>3.3%</b>
<b>Other Operating Income</b>	<b>0</b>	<b>0</b>	<b>nr</b>
<b>Net Revenue</b>	<b>67</b>	<b>69</b>	<b>3.0%</b>
Fixed & Mobile wholesale services	27	33	22.4%
Interconnect	41	37	-9.8%

Proximus posted for Wholesale a first-quarter 2022 **revenue of EUR 70 million, a +3.3% increase** compared to the same period of 2021. Revenue generated by **Fixed and Mobile wholesale services** was up from the previous year by +22.4%, totaling EUR 33 million. Within the mix, revenue from wholesale Mobile services showed strong growth with an increased number of MVNO customers on Proximus' open network, further supported by a positive year-on-year evolution in Wholesale roaming revenue.

Revenue from **Interconnect** decreased to EUR 37 million, **-9.8%** or EUR -4 million compared to the same period of 2021, with no material margin impact. The revenue decline reflects the EU regulation which lowered the Fixed & Mobile Termination rates as from 1 July 2021.

### 3.4 Domestic Opex and EBITDA

The first-quarter 2022 **Domestic EBITDA totaled EUR 419 million, a +0.3% increase from the comparable period in 2021.** On an organic basis, this was -0.4%.

The **Domestic underlying expenses increased year-on-year by +2.4%** to EUR 417 million, or a +1.5% on organic basis. Overall, Proximus continued to achieve considerable cost efficiencies, mitigating the year-on-year effects of inflationary cost increases, transformation cost, and higher customer-related Opex. In the first quarter of 2022, the operational costs related to the signed infrastructure partnership to run and service Proximus' IT datacenter infrastructure was offset by a one-time transaction success fee.

Overall, this agreement will result in a lower Total Cost of Ownership (cash saving) of the related IT activities, with the higher operational expenses more than offset by a reduced capex need.

Withing the mix, the **Domestic workforce expenses were up by 3.1% to EUR 272 million**, mainly driven by the inflation-based salary increases of 1 October 2021 and 1 February 2022. The Mobile Vikings employees included, the Proximus' Domestic headcount totaled 10,490 FTEs end-March 2022. The decrease by 48 FTEs from 12 months back results from natural outflow and pensions more than offsetting new hiring.

The **Domestic non-workforce expenses were up by +1.1%** for the first quarter 2022, while kept stable on organic basis.

The **indirect expenses of Proximus' Domestic operations**, i.e. excluding the billable ICT workforce expenses in the B2B domain, were up for the first quarter by +1.3%, on an organic basis.



## 4 TeleSign

- Q1'22 revenue growing +30.9%, Direct margin +31.3%, on constant currency basis +22.7% and 9.4% respectively
- Digital Identity increased revenue and Direct margin on strong volume growth with existing and new customers
- Strong sales pipeline and upcoming product launches underpinning strong progress in journey to become a global Digital Identity leader.
- Higher Communications revenue and direct margin driven by incremental demand of several large customers.

TeleSign posted EUR 100 million of revenue over the first quarter of 2022, a year-on-year increase of +30.9% (+22.7% on a constant currency basis<sup>12</sup>), driven by new customers and by keeping a strong Net Revenue Retention (NRR) rate of 124%. Total volumes were year-on-year stable, including a strong growth in Digital Identity. TeleSign's Communications business in India aside, the first quarter 2022 total volumes increased by nearly 20% year-on-year<sup>13</sup>.

TeleSign's first quarter performance represents another milestone in its journey to become the global leader in Digital Identity. As the Communications segment continued to grow both revenue and Direct Margin, it was especially the Digital Identity offerings that showed a strong quarter. The revenue and direct margin increase was driven by solid volume growth with existing and new customers. The momentum was also supported by further geographical expansion and the launch of several new products within the Digital Identity suite.

In total, TeleSign's first quarter 2022 direct margin was up by 31.3% year-on-year to EUR 24 million. On a constant currency basis, this was +9.4%.

Following the anticipated headcount investments to support TeleSign's growth ambitions, with among others additional hiring in TeleSign's go-to-market and R&D, as well as the development of its products and marketing, operating expenses increased by EUR 9 million year-on-year to a total of EUR 22 million for the first quarter 2022.

These investments in TeleSign's growth strategy were reflected in its EBITDA, totaling EUR 2 million for the first quarter of 2022, or EUR -4 million from one year ago.

Table 18: TeleSign P&L

(EUR million)	1st Quarter		
	2021	2022	% Change
Revenue*	77	100	30.9%
Costs of Sales	-58	-76	30.8%
Direct Margin	18	24	31.3%
Direct Margin %	24.1%	24.2%	0.1 p.p.
Expenses	-13	-22	74.8%
Workforce Expenses	-9	-15	59.4%
Non-workforce Expenses	-3	-7	117.4%
EBITDA	6	2	-63.0%
EBITDA Margin %	7.6%	2.2%	-5.5 p.p.

\* Refers to total income

<sup>12</sup> Provides a view on the business performance, filtering out the currency effects by using a constant currency.

<sup>13</sup> Data published by TeleSign in its first quarter results press release of 21 April 2022.

# 5 BICS

- Q1'22 revenue +4.5%, driven by growing revenue from Enterprise customers.
- Revenue from Core services up by +10.4% from a low-comparable base.
- Cloud communication services main driver of +49.5% increase in Growth revenue.
- Direct Margin +11.6%, including strong contribution of BICS' Enterprise Cloud services.
- Q1'22 EBITDA up by 18.6% on low comparable base, reaching EUR 27 million.

For the first quarter of 2022, **BICS posted revenue of EUR 245 million. The year-on-year increase by 4.5%** from the comparable period in 2021 was driven by additional revenue from BICS' Enterprise customer base.

**Messaging main driver of +10.4% Core revenue** From a product group perspective, BICS' total year-on-year revenue increase was driven by a solid revenue increase for Growth and Core services. The revenue from **Core services** (messaging, mobility and infrastructure), was up by EUR +9 million or +10.4% from a low comparable base in 2021, with the first months of 2021 still impacted by the global covid-related travel bans.

**Growth revenue +49.5%** For BICS' **Growth services**, namely cloud communication, IoT and fraud prevention services, a total revenue of EUR 14 million was posted. The **increase by 49.5% or EUR 5 million** from the comparable period in 2021 resulted from a strong traction for cloud communication amongst world leading digital companies.

**Legacy revenue down, while preserving** Revenue from BICS's **legacy services** for EUR 135 million was **down by -2.3%**, driven by a year-on-year unfavorable revenue destination mix, reflecting the continued market pressure in this inherently declining market. The revenue translated however into a year-on-year stable direct margin over the period.

**Direct margin +11.6%** BICS grew its first-quarter 2022 underlying **Direct margin to EUR 60 million, up by +11.6%**<sup>14</sup> from a lower comparable base in 2021, with the Direct margin growth in particular coming from Core and Growth services. Especially BICS' Enterprise Cloud services did well, driven by large volumes. Moreover, in contrast to the first quarter 2021, BICS' Direct margin is less affected by Covid-19 headwinds on global travelling traffic.

**EBITDA up by 18.6%** **BICS' EBITDA totaled EUR 27 million for the first quarter of 2022.** This compares to EUR 22 million with the 18.6% year-on-year increase resulting from the higher Direct margin, in part offset by higher non-Workforce expenses, with marketing and travel-related expenses reverting back to pre-covid levels.

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<sup>14</sup> Including the limited effect of A2P messaging customer transfers to TeleSign.

Table 19: BICS P&amp;L

(EUR million)	1st Quarter		
	2021	2022	% Change
<b>Revenue by nature*</b>	<b>235</b>	<b>245</b>	<b>4.5%</b>
Core	87	96	10.4%
Growth	9	14	49.5%
Legacy	138	135	-2.3%
<b>Revenue by customer segment*</b>	<b>235</b>	<b>245</b>	<b>4.5%</b>
Enterprise	43	55	29.6%
Telecom	192	190	-1.1%
Costs of Sales	-181	-185	2.4%
<b>Direct Margin</b>	<b>53</b>	<b>60</b>	<b>11.6%</b>
<i>Direct Margin %</i>	<i>22.8%</i>	<i>24.3%</i>	<i>1.6 p.p.</i>
<b>Expenses</b>	<b>-31</b>	<b>-33</b>	<b>6.5%</b>
Workforce Expenses	-18	-18	-0.1%
Non-workforce Expenses	-13	-15	16.0%
<b>EBITDA</b>	<b>22</b>	<b>27</b>	<b>18.6%</b>
<i>EBITDA Margin %</i>	<i>9.6%</i>	<i>10.9%</i>	<i>1.3 p.p.</i>

\* Refers to total income

## 6 Consolidated Financial Statements

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

### 6.1 Accounting policies

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

### 6.2 Judgements and estimates

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

### 6.3 Significant events or transactions in 2022

#### Redevelopment of the Proximus Towers in Brussels

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

As a result of the agreement, Proximus acquired rights and gave commitments to dispose property, plant and equipment (in 2023) for approximately EUR 143 million, in that case followed by a lease-back of part of the renovated building (as from 2027) with a significant contribution of EUR 20 million of Immoel in the fit-out and multiple months of free lease.

#### Proximus creates Proximus Ada

In March 2022 Proximus established the wholly owned subsidiary Ada as an innovation and expertise center dedicated to artificial intelligence and cybersecurity. The entity will start its activities in April and will be used to serve the Group's various entities and therefore benefit their customers. Proximus Ada will employ around 50 experts in artificial intelligence and cybersecurity, but the aim is to triple this figure of the next three years to a total of 150 local experts.

#### Partnership with HCL Technologies

In 2021 Proximus entered into a partnership with HCL Technologies whereby the company will operate and maintain Proximus' private cloud infrastructure. The partnership foresaw a transition phase, that started in October 2021 which was terminated in February 2022.

HCL and Proximus concluded an asset financing arrangement (nominal amount of EUR 65 million) for the infrastructure that remains in the Proximus datacenters and under Proximus control.

#### Interest rate swap

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

## 6.4 Consolidated income statement

(EUR million)	1st Quarter		
	2021	2022	% Change
Net revenue	1,357	1,386	2.1%
Other operating income	10	18	89.0%
<b>Total income</b>	<b>1,367</b>	<b>1,405</b>	<b>2.7%</b>
Costs of materials and services related to revenue	-472	-486	2.9%
Workforce expenses	-295	-309	4.9%
Non workforce expenses	-140	-144	2.8%
<b>Total operating expenses before depreciation &amp; amortization</b>	<b>-907</b>	<b>-939</b>	<b>3.6%</b>
<b>Operating income before depreciation &amp; amortization</b>	<b>460</b>	<b>465</b>	<b>1.1%</b>
Depreciation and amortization	-289	-292	1.1%
<b>Operating income</b>	<b>172</b>	<b>173</b>	<b>1.2%</b>
Finance income	2	1	-39.6%
Finance costs	-14	-12	-14.6%
<b>Net finance costs</b>	<b>-11</b>	<b>-10</b>	<b>-9.1%</b>
Share of loss on associates and JV	-1	-5	>100%
<b>Income before taxes</b>	<b>159</b>	<b>158</b>	<b>-0.7%</b>
Tax expense	-36	-38	5.0%
<b>Net Income</b>	<b>123</b>	<b>120</b>	<b>-2.4%</b>
Attributable to:			
Equity holders of the parent (Group share)	122	120	-1.2%
Non-controlling interests	1	0	<-100%
Basic earnings per share	0.38	0.37	-1.2%
Diluted earnings per share	0.38	0.37	-1.2%
Weighted average number of outstanding shares	322,737,538	322,797,598	0.0%
Weighted average number of outstanding shares for diluted earnings per share	322,737,538	322,797,598	0.0%

## 6.5 Consolidated statements of other comprehensive income

(EUR million)	1st Quarter	
	2021	2022
<b>Net income</b>	<b>123</b>	<b>120</b>
<b>Other comprehensive income:</b>		
<b>Items that may be reclassified to profit and loss:</b>		
Exchange differences on translation of foreign operations	10	3
Cash flow hedges:		
Gain/(Loss) taken to equity	0	16
Transfer to profit or loss for the period	0	22
<b>Total before related tax effects</b>	<b>10</b>	<b>41</b>
<b>Related tax effects</b>		
Cash flow hedges:		
Gain/(Loss) taken to equity	0	-4
Transfer to profit or loss for the period	0	-5
<b>Income tax relating to items that may be reclassified</b>	<b>0</b>	<b>-10</b>
<b>Total of items that may be reclassified to profit and loss, net of related tax effects</b>	<b>10</b>	<b>32</b>
<b>Total of items that will not be reclassified to profit and loss, net of related tax effects</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income</b>	<b>133</b>	<b>152</b>
<b>Attributable to:</b>		
Equity holders of the parent	131	152
Non-controlling interests	2	0

## 6.6 Consolidated balance sheet

(EUR million)	As of 31 December 2021	As of 31 March 2022
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>7,548</b>	<b>7,605</b>
Goodwill	2,588	2,592
Intangible assets with finite useful life	1,113	1,094
Property, plant and equipment	3,311	3,341
Right-of-use asset	274	285
Lease receivable	6	6
Contract costs	110	110
Investments in associates and JV	34	28
Equity investments measured at fair value	1	1
Deferred income tax assets	6	6
Pension assets	80	80
Other non-current assets	24	61
<b>Current assets</b>	<b>1,685</b>	<b>1,813</b>
Inventories	132	152
Trade receivables	879	940
Lease receivable	0	0
Contract assets	120	122
Current tax assets	166	122
Other current assets	140	184
Investments	0	0
Cash and cash equivalents	249	292
<b>TOTAL ASSETS</b>	<b>9,233</b>	<b>9,417</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Equity</b>	<b>2,978</b>	<b>3,131</b>
<b>Shareholders' equity attributable to the parent</b>	<b>2,978</b>	<b>3,131</b>
<b>Non-controlling interests</b>	<b>0</b>	<b>0</b>
<b>Non-current liabilities</b>	<b>3,779</b>	<b>3,831</b>
Interest-bearing liabilities	2,737	2,783
Lease liabilities	204	208
Liability for pensions, other post-employment benefits and termination benefits	447	442
Provisions	153	153
Deferred income tax liabilities	136	143
Other non-current payables	102	102
<b>Current liabilities</b>	<b>2,475</b>	<b>2,455</b>
Interest-bearing liabilities	252	221
Lease liabilities	69	74
Liability for pensions, other post-employment benefits and termination benefits	62	56
Trade payables	1,515	1,456
Contract liabilities	135	146
Tax payables	11	12
Other current payables	432	490
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>9,233</b>	<b>9,417</b>

## 6.7 Consolidated cash flow statement

(EUR million)	1st Quarter		
	2021	2022	Change
<b>Cash flow from operating activities</b>			
Net income	123	120	-2.4%
Adjustments for:			
Depreciation and amortization	289	292	1.1%
Impairment on current and non-current assets	-1	0	>100%
Increase/(decrease) of provisions	5	0	<-100%
Deferred tax expense/ (income)	-5	-2	-64.8%
Loss from investments accounted for using the equity method	1	5	>100%
Gain on disposal of property, plant and equipment	0	-1	93.0%
<b>Operating cash flow before working capital changes</b>	<b>412</b>	<b>415</b>	<b>0.6%</b>
Decrease in inventories	-18	-20	13.7%
Increase/(decrease) in trade receivables	5	-61	<-100%
Increase in other assets	2	10	>100%
Increase in trade payables	65	56	-13.8%
Increase in other liabilities	40	70	75.9%
Decrease in net liability for pensions, other post-employment benefits and termination benefits	-20	-10	-49.4%
<b>Increase in working capital, net of acquisitions and disposals of subsidiaries</b>	<b>74</b>	<b>44</b>	<b>-40.7%</b>
<b>Net cash flow provided by operating activities (1)</b>	<b>486</b>	<b>458</b>	<b>-5.6%</b>
<b>Cash flow from investing activities</b>			
Cash paid for acquisitions of intangible assets and property, plant and equipment	-293	-406	38.7%
Cash paid for investments in associates and joint ventures	-31	0	-99.8%
Cash paid for acquisition of consolidated companies, net of cash acquired	-2	-3	49.2%
Net cash received from sales of property, plant and equipment and other non-current assets	3	2	-40.4%
<b>Net cash used in investing activities</b>	<b>-323</b>	<b>-408</b>	<b>26.0%</b>
<b>Cash flow before financing activities</b>	<b>162</b>	<b>51</b>	<b>-68.7%</b>
Lease payments (excl. interest paid)	-21	-22	3.6%
<b>Free cash flow (2)</b>	<b>141</b>	<b>29</b>	<b>-79.6%</b>
<b>Cash flow from financing activities other than lease payments</b>			
Dividends to and transactions with non-controlling interests	-217	0	<-100%
Net sale/(purchase) of treasury shares	3	-1	<-100%
Decrease/(increase) of shareholders' equity	0	1	>100%
Asset financing arrangements	0	55	-
Issuance of long term debt	0	10	-
Repayment of long term debt	-1	-10	>100%
Issuance/(repayment) of short term debt	39	-41	<-100%
<b>Cash flows used in financing activities other than lease payments</b>	<b>-176</b>	<b>14</b>	<b>&gt;100%</b>
Exchange rate impact	1	0	-23.3%
<b>Net increase/(decrease) of cash and cash equivalents</b>	<b>-34</b>	<b>43</b>	<b>&gt;100%</b>
Cash and cash equivalents at 1 January			
Cash and cash equivalents at the end of the period			
(1) Net cash flow from operating activities includes the following cash movements :			
Interest paid	-13	-10	
Interest received	0	0	
Income taxes paid	-4	6	
(2) Free cash flow: cash flow before financing activities and after lease payments			



## 6.8 Consolidated statements of changes in equity

(EUR million)	Issued capital	Treasury shares	Restricted reserve	Equity instruments and hedge reserve	Other remeasurement reserve	Foreign currency translation	Stock Compensation	Retained Earnings	Shareholders' Equity	Non-controlling interests	Total Equity
<b>Balance as at 1 January 2021</b>	1,000	-423	100	4	-208	-8	3	2,434	2,903	123	3,026
<b>Total comprehensive income</b>	0	0	0	0	0	9	0	122	131	3	133
Changes in shareholders' equity	0	0	0	0	0	0	0	-91	-91	-126	-217
Treasury shares											
Sale of treasury shares	0	2	0	0	0	0	0	1	3	0	3
<b>Total transactions with equity holders</b>	0	2	0	0	0	0	0	-90	-88	-126	-214
<b>Balance as at 31 March 2021</b>	1,000	-421	100	4	-208	1	3	2,466	2,946	0	2,946
<b>Balance at 1 January 2022</b>	1,000	-422	100	-7	-102	7	0	2,403	2,978	0	2,978
<b>Total comprehensive income</b>	0	0	0	28	0	3	0	120	152	0	152
Other changes in shareholders' equity	0	0	0	0	0	0	0	1	1	0	1
Treasury shares											
Sale of treasury shares	0	-1	0	0	0	0	0	1	-1	0	-1
<b>Total transactions with equity holders</b>	0	-1	0	0	0	0	0	1	0	0	0
<b>Balance as at 31 March 2022</b>	1,000	-423	100	21	-102	10	0	2,524	3,131	0	3,131

## 6.9 Segment reporting

See reconciliation of reported and underlying figures in section 7.2.

As at 31 March 2022								
(EUR million)	Proximus Group				Underlying by segment			
	Reported (IFRS 16)	Lease depreciation and interest	Incidental	Underlying	Domestic	BICS	TeleSign	Eliminations
Net revenue	1,386	0	0	1,386	1,078	245	100	-36
Other operating income	18	0	-1	18	19	0	0	-2
<b>Total income</b>	<b>1,405</b>	<b>0</b>	<b>-1</b>	<b>1,404</b>	<b>1,097</b>	<b>245</b>	<b>100</b>	<b>-38</b>
Costs of materials and services related to revenue	-486	0	0	-487	-260	-185	-76	35
<b>Direct margin</b>	<b>918</b>	<b>0</b>	<b>-1</b>	<b>917</b>	<b>836</b>	<b>60</b>	<b>24</b>	<b>-3</b>
Workforce expenses	-309	0	4	-305	-272	-18	-15	1
Non workforce expenses	-144	-20	-1	-164	-145	-15	-7	2
<b>Total other operating expenses</b>	<b>-453</b>	<b>-20</b>	<b>4</b>	<b>-469</b>	<b>-417</b>	<b>-33</b>	<b>-22</b>	<b>3</b>
<b>Operating income before depreciation &amp; amortization</b>	<b>465</b>	<b>-20</b>	<b>3</b>	<b>448</b>	<b>419</b>	<b>27</b>	<b>2</b>	<b>0</b>
Depreciation and amortization	-292							
<b>Operating income</b>	<b>173</b>							
Net finance costs	-10							
Share of loss on associates	-5							
<b>Income before taxes</b>	<b>158</b>							
Tax expense	-38							
<b>Net income</b>	<b>120</b>							
Attributable to:								
Equity holders of the parent (Group share)	120							
Non-controlling interests	0							

As at 31 March 2021

(EUR million)	Proximus Group				Underlying by segment			
	Reported (IFRS 16)	Lease depreciation and interest	Incidental	Underlying	Domestic	BICS	TeleSign	Eliminations
Net revenue	1,357	0	0	1,357	1,073	234	77	-27
Other operating income	10	0	0	10	11	1	0	-2
<b>Total income</b>	<b>1,367</b>	<b>0</b>	<b>0</b>	<b>1,367</b>	<b>1,084</b>	<b>235</b>	<b>77</b>	<b>-28</b>
Costs of materials and services related to revenue	-472	-1	0	-473	-259	-181	-58	25
<b>Direct margin</b>	<b>895</b>	<b>-1</b>	<b>0</b>	<b>894</b>	<b>825</b>	<b>53</b>	<b>18</b>	<b>-3</b>
Workforce expenses	-295	0	3	-291	-264	-18	-9	0
Non workforce expenses	-140	-20	3	-157	-143	-13	-3	3
<b>Total other operating expenses</b>	<b>-434</b>	<b>-20</b>	<b>6</b>	<b>-448</b>	<b>-407</b>	<b>-31</b>	<b>-13</b>	<b>3</b>
<b>Operating income before depreciation &amp; amortization</b>	<b>460</b>	<b>-20</b>	<b>6</b>	<b>446</b>	<b>418</b>	<b>22</b>	<b>6</b>	<b>0</b>
Depreciation and amortization	-289							
<b>Operating income</b>	<b>172</b>							
Net finance costs	-11							
Share of loss on associates	-1							
<b>Income before taxes</b>	<b>159</b>							
Tax expense	-36							
<b>Net income</b>	<b>123</b>							
Attributable to:								
Equity holders of the parent (Group share)	122							
Non-controlling interests	1							

## 6.10 Disaggregation of net revenue

(EUR million)	As at 31 March		
	2021	2022	
<b>Domestic</b>			
Residential			
	Customer services revenues (X-play)	430	439
	Prepaid	8	11
	Terminals	59	53
	Luxembourg Telco	30	31
	Other	11	15
	<i>Total Residential</i>	<i>538</i>	<i>548</i>
Business			
	Services	399	397
	Products	60	53
	Luxembourg Telco	6	7
	<i>Total Business</i>	<i>465</i>	<i>457</i>
Wholesale			
	Fixed & Mobile wholesale services	27	33
	Interconnect	41	37
	<i>Total Wholesale</i>	<i>67</i>	<i>69</i>
Other		3	3
<b>Total Domestic</b>	<b>1,073</b>	<b>1,078</b>	
<b>BICS</b>	<b>234</b>	<b>245</b>	
<b>TeleSign</b>	<b>77</b>	<b>100</b>	
<b>Eliminations</b>	<b>-27</b>	<b>-36</b>	
<b>Total Net Revenue</b>	<b>1,357</b>	<b>1,386</b>	

## 6.11 Group financing activities related to interest-bearing liabilities

(EUR million)	As at 31 December 2021	Cash flows issuance	Cash flows repayments	Non-cash changes	As at 31 March 2022
<b>Non-current</b>					
Unsubordinated debts (bonds, notes)	2,337	0	0	1	2,337
Credit institutions	401	0	0	0	401
Other loans	0	54	-8	0	45
Derivatives held for trading	3	0	0	-1	2
<b>Current portion of amounts payable &gt; one year</b>					
Credit institutions held to maturity	1	0	0	0	1
<b>Other current interest bearing liabilities</b>					
Credit institutions	150	0	-150	0	0
Unsubordinated debts (bonds, notes)	100	210	-100	0	210
Other loans	1	12	-3	0	10
<b>Total liabilities from financing activities excluding lease liabilities</b>	<b>2,992</b>	<b>275</b>	<b>-261</b>	<b>0</b>	<b>3,006</b>
Lease liabilities current and non-current	273	0	-22	31	282
<b>Total liabilities from financing activities including lease liabilities</b>	<b>3,265</b>	<b>275</b>	<b>-283</b>	<b>31</b>	<b>3,288</b>

(EUR million)	As at 31 December 2020	Cash flows issuance	Cash flows repayments	Non-cash changes	As at 31 March 2021
<b>Non-current</b>					
Unsubordinated debentures	2,104	0	0	-499	1,605
Credit institutions	401	0	0	0	401
Other loans	1	0	-1	0	0
Derivatives held for trading	4	0	0	0	3
<b>Current portion of amounts payable &gt; one year</b>					
Unsubordinated debentures	0	0	0	500	500
Credit institutions held to maturity	1	0	0	0	1
<b>Other financial debts</b>					
Credit institutions	0	100	0	0	100
Unsubordinated debts (bonds, notes)	150	100	-150	0	100
Other loans	12	-11	0	0	1
<b>Total liabilities from financing activities excluding lease liabilities</b>	<b>2,673</b>	<b>189</b>	<b>-151</b>	<b>0</b>	<b>2,711</b>
Lease liabilities current and non current	284	0	-21	24	287
<b>Total liabilities from financing activities including lease liabilities</b>	<b>2,957</b>	<b>168</b>	<b>-127</b>	<b>24</b>	<b>2,998</b>

## 6.12 Financial instruments

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

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

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

### Fair Value and Fair Value Hierarchy

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

(EUR million)	As at 31 March 2022			
	Classification	Carrying amount	Fair value	Level
<b>ASSETS</b>				
<b>Non-current assets</b>				
Equity instruments	FVTOCI	1	1	Level 3
Other non-current assets				
Derivatives held for trading	FVTPL	3	3	Level 2
Derivatives held-for-hedging	FVTOCI	38	38	Level 2
Other financial assets	Amortized cost	10	10	
<b>Current assets</b>				
Trade receivables	Amortized cost	940	940	
Interest bearing				
Other receivables	Amortized cost	3	3	
Non-interest bearing				
Other receivables	Amortized cost	31	31	
Derivatives held for trading	FVTPL	1	1	Level 1
Cash and cash equivalents				
Short-term deposits	Amortized cost	44	44	
Cash at bank and in hand	Amortized cost	247	247	
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Interest-bearing liabilities				
Unsubordinated debts (bonds, notes)	Amortized cost	2,337	2,287	Level 2
Credit institutions	Amortized cost	401	397	Level 2
Other loans	Amortized cost	45	45	Level 2
Non-interest-bearing liabilities				
Derivatives held for trading	FVTPL	2	2	Level 2
Other non-current payables	Amortized cost	100	100	
<b>Current liabilities</b>				
Interest-bearing liabilities, current portion				
Credit institutions	Amortized cost	1	1	Level 2
Other loans	Amortized cost	10	10	
Interest-bearing liabilities				
Unsubordinated debts (bonds, notes)	Amortized cost	210	210	Level 2
Other loans	Amortized cost	0	0	Level 2
Trade payables	Amortized cost	1,456	1,456	
Other current payables				
Other debt	FVTPL	3	3	Level 3
Other amounts payable	Amortized cost	267	267	

FVTPL : fair value through profit and loss

FVTOCI : fair value through other comprehensive income

## As at 31 March 2021

(EUR million)				
	Classification	Carrying amount	Fair value	Level
<b>ASSETS</b>				
<b>Non-current assets</b>				
Equity instruments	FVTOCI	1	1	Level 3
Other non-current assets				
Other derivatives	FVTPL	4	4	Level 2
Other financial assets	Amortized cost	9	9	
<b>Current assets</b>				
Trade receivables				
	Amortized cost	867	867	
Interest bearing				
Other receivables	Amortized cost	2	2	
Non-interest bearing				
Other receivables	Amortized cost	13	13	
Derivatives held for trading	FVTPL	1	1	Level 1
Cash and cash equivalents				
Short-term deposits	Amortized cost	74	74	
Cash at bank and in hand	Amortized cost	202	202	
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Interest-bearing liabilities				
Unsubordinated debts (bonds, notes)	Amortized cost	1,605	1,763	Level 2
Credit institutions	Amortized cost	401	431	Level 2
Other derivatives	FVTPL	3	3	Level 2
Non-interest-bearing liabilities				
Other non-current payables	Amortized cost	96	96	
<b>Current liabilities</b>				
Interest-bearing liabilities, current portion				
Unsubordinated debentures not in a hedge relationship	Amortized cost	500	503	Level 2
Credit institutions	Amortized cost	1	1	Level 2
Interest-bearing liabilities				
Unsubordinated debts (bonds, notes)	Amortized cost	100	100	Level 2
Credit institutions	Amortized cost	100	100	Level 2
Other loans	Amortized cost	1	1	Level 2
Trade payables				
	Amortized cost	1,226	1,226	
Other current payables				
Other debt	FVTPL	1	1	Level 3
Other amounts payable	Amortized cost	236	236	

FVTPL : fair value through profit and loss

FVTOCI : fair value through other comprehensive income



## Valuation technique

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

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

### Other derivatives in Level 2

Other derivatives include the interest rate swaps (IRS) and interest rate and currency swaps (IRCS) the Group entered into to reduce the interest rate and currency fluctuations on some of its long-term debentures (including their current portion). The fair values of these instruments are determined by discounting the expected contractual cash flows using interest rate curves in the corresponding currencies and currency exchange rates, all observable on active markets.

### Unsubordinated debentures

The unsubordinated debentures are recognized at amortized costs.

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

### Other debts in level 3

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

## 6.13 Contingent liabilities and commitments

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

### Claim from the Indian tax authorities

BICS received withholding tax assessments from the Indian tax authorities in relation to payments made by an Indian tax resident customer to BICS in the period 1 April 2007 to 31 March 2017. BICS filed appeals against the assessments for the period 1 April 2007 to 31 March 2017, with the competent Indian Courts opposing the view of the Indian tax authorities that Indian withholding taxes are due on the payments. Furthermore, BICS is opposing the assessments in relation to the period from 1 April 2008 to 31 March 2011 on procedural grounds. For The amount of the contingent liability, including late payment interest relating to this case should not exceed EUR 32 million. BICS has not paid the assessed amounts and has not recorded a tax provision. Management assesses that the position as recognized in the financial statements reflects the best estimate of the probable outcome.

## 6.14 Post balance sheet events

There are no other significant post balance sheet events.

## 6.15 Others

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

# 7 Additional information

## 7.1 Reporting changes and remarks

### Rounding

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

### Reporting changes as of 2022

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

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

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

## 7.2 From Reported to Underlying

GROUP - Adjustments				
(EUR million)	GROUP Revenue		GROUP EBITDA	
	Q1 '21	Q1 '22	Q1 '21	Q1 '22
Reported	1,367	1,405	460	465
Adjustments	0	-1	-14	-18
Underlying	1,367	1,404	446	448
<b>Adjustments</b>				
	0	-1	-14	-18
Lease Depreciations			-20	-20
Lease Interest			-1	
Transformation			2	4
Acquisitions, mergers and disposals		-1	5	1
Litigation/regulation				-3

## 7.3 Definitions

**A2P:** Application to Person messages

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

**ARPC:** Average underlying revenue per (residential) customer.

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

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

**ARPU:** Average Revenue per Unit.

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

- **BICS legacy:** represents mainly voice services.
- **BICS core:** represents messaging, mobility (roaming, signalling & Mobile IP) and infrastructure services.
- **BICS growth:** represents cloud communication enablement, SIM for things (travel SIM & IOT services) and fraud services.

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

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

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

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

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

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

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

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

**Adjustments (Revenue/EBITDA):**

- **The IFRS16 related reclass of lease depreciations and interests in the Operating Expenses.**
- **Transformation:** costs of employee transformation programs, the effect of settlements of post-employment benefit plans with impacts for the beneficiaries, or pre-identified material(\*) one-shot projects (such as rebranding costs)
- **Acquisitions, mergers and disposals:** gains and losses on disposal of buildings or consolidated companies, M&A-related transaction costs, deferred M&A purchase price
- **TeleSign Stock-Based** compensation
- **Litigation/regulation:** Material (\*) financial impacts of litigation files, fines and penalties and of law changes (one-off impacts relative to previous years)

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

**EBIT:** Earnings Before Interest & Taxes, corresponds to EBITDA minus depreciations and amortizations.

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

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

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

**Free Cash Flow:** this is cash flow before financing activities, but after lease payments as from 2019.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Reported Revenues:** this corresponds to the TOTAL INCOME.

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

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

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

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

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

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

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

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

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

## 7.4 Management statement

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

## 7.5 Financial calendar

(dates could be subject to change)

18 March 2022	Publication of the Annual Report 2021
20 April 2022	Annual General Shareholders Meeting (AGM)
29 April 2022	Announcement of Q1 2022 results
29 July 2022	Announcement of Q2 2022 results
28 October 2022	Announcement of Q3 2022 results

## 7.6 Contact details

### Investor relations

Nancy Goossens +32 2 202 82 41

Eline Bombeek +32 2 202 62 17

[investor.relations@proximus.com](mailto:investor.relations@proximus.com)

[www.proximus.com/en/investors](http://www.proximus.com/en/investors)

## 7.7 Investor and Analyst Conference Call

### Analyst conference call details

Proximus will host a conference call for investors and analysts on Friday, 29 April 2022.

Time 02.00pm Brussels – 01.00pm London – 08.00am New York

Dial-in UK	+44 207 194 3759
Dial-in USA	+1 646 722 4916
Dial-in Europe	+32 2 403 5816
Code	89873490#