

SCARLET BELGIUM

Limited liability company which merged with the limited liability company under public law PROXIMUS as part of a transaction equivalent to a merger by takeover with legal and accounting implications as of 1 October 2022

Rue Carli 2 1140 Evere
Company Registration No: 0447.976.484
(the Acquired Company)

Report of the former Board of Directors for financial year 2022

The former Board of Directors refers to Article 12:58 of the Code of Companies and Associations, which provides that the management body of the acquired company prepares the annual report for the period between the date of closure of the last financial year for which the financial statements have been approved and the date referred to in Article 12:50, second paragraph, 2° (i.e. 1 October 2022), in accordance with the provisions of this Code applicable to it. The former Board of Directors underlines that in accordance with the aforementioned Article 12:58 of the Code of Companies and Associations, the acquiring company's (Proximus SA or the Acquiring Company) annual shareholders' meeting approves the financial statements in accordance with the provisions applicable to it with respect to the financial statements and decides on the discharge of the management and supervisory bodies of the Acquired Company.

1. Comments on the financial statements

Balance sheet

The balance sheet total decreased from EUR 67,978,000 at the end of the previous financial year to EUR 52,645,000 at the end of September 2022 mainly as a result of a decrease in accounts receivable within one year (31/12/2021 EUR 56,500,000 and 30/9/2022 EUR 42,345,000) on assets and of the decrease in accounts payable within one year on liabilities (31/12/2021 EUR 31,161,000 and 30/9/2022 EUR 11,674,000). This is mainly the result of settling positions on affiliated companies.

Income statement

The income statement for the first nine months of 2022 is as follows:

	2022 (9 months)	2021 (12 months)
Operating income	EUR 105,774,000	EUR 143,390,000
Operating expenses (-)	EUR (101,682,000)	EUR (147,132,000)

The 2021 operating expenses include non-recurring operating expenses due to the accelerated depreciation of the BSS system for an amount of EUR 8,803,000.

This results in a net income of EUR 4,328,000 versus a net loss of EUR -3,725,000 in 2021.

Appropriation of results

The Board proposes the following appropriation of results:

* Profit of the financial year to be appropriated	EUR 4,328,000
* Profit carried over from the previous year	EUR 32,549,000
* Profit to be carried forward	EUR 36,878,000

2. Justification of valuation rules (in accordance with article 3:6 of the Code of Companies and Associations)

The valuation rules applied at the closing of the financial statements do not differ from those applied last year.

The summary of the valuation rules is attached to the financial statements.

3. Information on significant subsequent events

There are no significant events to be mentioned.

4. Research and development

Not applicable

5. Circumstances that may significantly affect the development of the company

The Acquired Company merged with the Acquiring Company on 01/10/2022 and was fully absorbed by the latter.

6. Conflicts of interest of directors/shareholders

No transactions or decisions covered by the application of Article 7:96/7:97 of the Code of Companies and Associations took place during the financial year.

7. Remuneration of directors

Not applicable

8. Financial instruments

None

9. Branch offices

Scarlet Belgium SA has no branch offices.

10. Discharge

The Former Board of Directors proposes to grant discharge to the directors and the external auditor for the performance of their duties during the past financial year. The decision thereon should be taken by the annual shareholders' meeting of the Acquiring Company.

Brussels, 22 December 2022

The Former Board of Directors,



Jim Castele



William Hermant