Quarterly Report

Q3 2022

proximus

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- Proximus Group underlying revenue +7.8% YoY, underlying Group EBITDA +0.6% YoY.
- Q3 delivered continued commercial traction.
- Fiber strategy scaling: 19% population coverage and 220,000 activated Fiber lines end-Sept'22.
- Domestic revenue +3.6%, underlying Domestic EBITDA +0.4%.
- International segments BICS and Telesign both delivered double-digit growth, with BICS +16.4% revenue and +17.6% direct margin. For Telesign, this was respectively +44.0% and +40.1%.
- Raising guidance for Domestic revenue excl. terminals to 'around +2% YoY'; Group EBITDA to be at upper range of "growing up to 1%".
- Interim dividend of EUR 0.5 per share approved and payable on 9 December 2022.

1 Highlights Q3 2022

- Proximus Group closed the third quarter of 2022 with strong growth for its Mobile customer base, **adding +33,000 Mobile Postpaid cards and grew its Internet base by +6,000 subscriptions**. The success of the Flex XS pack and internet offer of Mobile Vikings shows that these products answer evolving customer needs. The emerging trend towards products with no TV subscription also reflects in a changing acquisition mix, leading to a **net of -13,000 TV subscriptions** in the quarter. The traction for **Residential convergent offers continued, growing by +12,000** customers to a total of 1,035,000, +5.7% compared to 12 months ago. Fiber offers gained further traction, adding **+27,000 active Residential and Business Fiber lines**, bringing the total to 220,000. Reflecting changing customer needs, the **Fixed Voice line base further eroded by -42,000** lines over the past three months.
- Proximus' **Domestic underlying revenue was up by +3.6% to EUR 1,125 million**. Excluding revenue from Terminals, the third-quarter Domestic revenue grew by +3.4%, sequentially improving from +1.1% organic revenue growth for the second quarter. The **Residential unit posted a +3.0% revenue increase,** largely driven by a +2.8% increase in its Customer Services revenue, with customer growth and the inflation-based price adjustment driving an increase of +8.1% in Convergent revenue. The third-quarter 2022 **revenue of the Business unit ended +3.7%** above the 2021 comparable basis. IT equipment revenue was up strongly following a partial catch-up in chip-supply affected customer installations. Business Services revenue was marginally down **(-0.6%)** as eroding Fixed Voice revenue was for a large part compensated for by higher Fixed Data (+3.9%) and Mobile revenue (+0.8%). Proximus' **Wholesale unit posted overall a -0.7%** revenue decrease, with Fixed and Mobile wholesale services up by +17.3%, offset by interconnect revenue loss, with no meaningful margin impact.
- The third-quarter 2022 **Domestic EBITDA totaled EUR 426 million, a +0.4% increase** compared to the same period in 2021. The support from higher Direct Margin, up by +3.1%, was for a large part offset by higher operating expenses (+5.9%), with inflationary cost effects, customer and transformation costs partly mitigated by ongoing cost efficiencies.
- **Telesign** closed the quarter with a strong revenue and direct margin, up for both its Digital Identity and Communication segment. For the third quarter of 2022, Telesign's **revenue was up by +44.0%** (+24.4% on a constant currency basis), reaching a **total of EUR 126 million** and its **direct margin was up by +40.1%** reaching **EUR 28 million** (+5.2% on a constant currency basis). With investments in Telesign's growth ambitions further increasing its operational costs, the third quarter 2022 **EBITDA stood at EUR -1 million**.
- For the third quarter of 2022, **BICS grew its revenue by +16.4% to EUR 307 million**. BICS' Core services revenue was up +13.4% driven by higher mobility services and messaging revenue thanks to a strong post-Covid travel uptake. Growth services revenue was up +44.3% mainly on strong traction for Cloud services, and Legacy services revenue increased by +16.2%. The **Direct margin was up +17.6%,** and drove a +**23.8% EBITDA increase**, reaching a total of EUR 35 million.
- In aggregate, the Proximus **Group underlying revenue totaled EUR 1,510 million** for the third quarter of 2022, **a +7.8% growth** compared to the same period in 2021. The underlying **Group EBITDA totaled EUR 460 million, up by +0.6%**.
- Excluding spectrum and football broadcasting rights, the year-to-date Proximus **Group CAPEX was EUR 841 million,** with the year-on-year increase largely driven by Proximus' investments in Fiber, which counted for 36% of the total Capex. In the third quarter of 2022, Proximus passed an additional +93,000 homes and businesses with Fiber, bringing the total to 1,124,000 by end-September 2022, which represents a Fiber population coverage of 19%. Moreover, the CAPEX includes a rising level of termination and activation costs for Fiber customers, higher investments in the domain of IT transformation and Digitalization, as well as the ongoing Mobile network consolidation.
- Over the first nine months of 2022, Proximus Group posted a **Free Cash Flow of EUR 69 million, or EUR 82 million when adjusted for M&A-related transaction costs**. The decrease from the comparable adjusted 2021 FCF of EUR 408 million (EUR 276 million reported FCF) mainly resulted from higher cash-out for Capex and an unfavorable year-on-year evolution of business working capital needs, in part offset by less Cash out for ongoing transformation plans, income tax payments and equity injections in the Fiber joint ventures.

Market situation

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

Guillaume Boutin, CEO

"Supported by both the Domestic and International segments, Proximus Group delivered a strong +7.8% revenue growth. With inflationary costs increases mitigated, and Domestic revenue as well as Group EBITDA outperforming, we positively revise our guidance for the year.

Geopolitical events related to the war in Ukraine are having profound impacts on the energy market, affecting all players in the economy, households and businesses alike. This new context raises challenges and calls for new responses. Today we are already among the European leaders in terms of energy savings. Nonetheless we are gradually implementing a set of measures, aiming to reduce our overall energy consumption for next winter season through the additional optimization of our buildings, data centers and infrastructure. In parallel we will launch a plan to expand our solar panel park in order to reduce our energy dependence.

The energy efficiency measures taken today will also be supportive for our longer term decarbonization ambitions. We want our initiatives to lead to concrete results and significantly lower our greenhouse gas emissions and becoming net-zero across our whole value chain by 2040. In that perspective, we can be proud Proximus is the first large Belgian company and 3rd telco worldwide to have SBTi - the Science Based Targets initiative- validated near-and long-term greenhouse gas (GHG) emission reduction targets.

The geopolitical and economic context continues to provide headwinds. Nonetheless, the Proximus Group delivered the strongest revenue performance since years, with an increase of 7.8% for the third quarter, which emphasises the resilience of our Domestic activities and our unique exposure to international markets. Furthermore, through focused cost control we delivered a +0.6% EBITDA growth for the Group, despite inflationary cost pressure.

In a next step to position Proximus as the clear leader in terms of customer internet propositions in Belgium, I'm really proud that we set again the pace by introducing 10 Gbps Fiber technology across 5 cities this week and nation-wide by summer 2023.

In the meantime, our Fiber footprint continues to grow at a strong pace, with end-September 1,124,000 homes and business passed with Fiber, of which 93,000 added over the past 3 months – a number that includes the typical slowdown during the summer holiday period. This brings us to a nation-wide coverage level of 19%, right on target to reach the 22% population coverage targeted by the end of this year. From a commercial perspective, +27,000 active Fiber lines were added over the third quarter, bringing the total 220,000.

Over the quarter, the commercial trajectory in our Domestic market continued to see positive momentum, supporting a sustained growing revenue, accelerating for the third quarter to +3.6% compared to last year. A key enabler supporting that growth was a strong evolution of our NPS across our 3 brands with Proximus, Scarlet and Mobile Vikings

Our customer base continued its progress towards convergent offers, with residential customers combining Fixed and Mobile increasing by +12,000 over the past 3 months. This trend was supported by the new offers launched earlier this year. While retaining customers within the Proximus family, our Proximus Flex XS pack and the Mobile Vikings Internet offer are clearly addressing evolving needs of certain customer segments. Especially during the Back-to-School season we noted a lower take-up of TV subscriptions in the customer acquisition mix.

We also continue to see resilience in the Business unit, with revenue up 3.7%. Besides a catch-up in product revenue, we saw good performance in Fixed internet, Mobile and recurring IT services. We continue to innovate in the business unit and focus on bringing solutions to changing needs. This quarter, as one of the first operators worldwide, we successfully tested 5G network slicing, in cooperation with Ericsson. This achievement further paves the way for a dedicated handling of business-critical applications in an Enterprise environment.

Our international activities, BICS and Telesign, delivered a double-digit growth quarter. The combined revenue of the two companies, as well as their direct margin, each grew by 23.2% compared to the previous year. BICS continued its double-digit EBITDA increase, up by 23.8% for the third quarter, driven by direct margin growth in all its 3 services. Our second international business, Telesign, pursued the strong commercial trajectory of the last quarters, posting revenue growth of 44.0%, thereby emphasizing the success of the strategic course it has taken to reinforce its position in the Digital Identity and Communication market. Telesign remains fully on track in its growth ambitions set for the year.

Overall, I'm very pleased with our trajectory over the first 9 months of the year. It is the result of our strong commercial performance, continuous focus on customer experience, successfully managed portfolio repricing and strong trajectory of our international activities. This, combined with our focus on strict cost management for our Domestic activities, leaves us in a good position to face the economical headwinds. We are therefore confident to end the year 2022 with Domestic revenue excluding terminals to grow around 2%; and our Group EBITDA to be at the upper range of growing 'up to 1%'.

As a last point, I'm pleased to announce to our shareholders the Board of Directors approved the interim dividend over the accounting year 2022, with the 0.5€ gross per share to be paid on 9 December 2022."

Table 1: Key Figures

Operationals ('000)	Net adds in the quarter			Park at end of quarter		
	2021	2022	%	2021	2022	%
Fiber						
Homes Passed	65	93		686	1,124	63.7%
Activated retail lines	15	27		126	220	75.3%
Residential customers						
Convergent	10	12		979	1,035	5.7%
Group (subscriptions/SIM cards)						
Internet	5	6		2,163	2,207	2.0%
TV	5	-13		1,707	1,718	0.6%
Fixed Voice	-50	-42		2,049	1,863	-9.1%
Mobile Postpaid (excl. M2M)	58	33		4,598	4,775	3.8%
M2M	165	212		3,211	3,913	21.8%
Prepaid	-20	-22		709	640	-9.7%

Financials (EUR million)	3rd Quarter			Year-to-date		
	2021	2022	% Change	2021	2022	% Change
Group Revenue (underlying)	**1,400**	**1,510**	**7.8%**	**4,137**	**4,351**	**5.2%**
of which Domestic	1,085	1,125	3.6%	3,250	3,322	2.2%
of which BICS	263	307	16.4%	740	821	10.9%
of which Telesign	87	126	44.0%	241	333	38.4%
Group Direct Margin (underlying)	**895**	**939**	**4.9%**	**2,679**	**2,787**	**4.0%**
of which Domestic	819	844	3.1%	2,463	2,521	2.3%
of which BICS	60	71	17.6%	169	198	17.1%
of which Telesign	20	28	40.1%	57	80	40.8%
Group Expenses (underlying)	**-438**	**-479**	**9.4%**	**-1,316**	**-1,416**	**7.6%**
of which Domestic	-395	-418	5.9%	-1,191	-1,245	4.5%
of which BICS	-32	-36	12.1%	-92	-104	12.3%
of which Telesign	-15	-29	92.4%	-42	-79	86.2%
Group EBITDA (underlying)	**457**	**460**	**0.6%**	**1,362**	**1,371**	**0.6%**
as % of revenue	**32.6%**	**30.4%**	**-2.2 p.p.**	**32.9%**	**31.5%**	**-1.4 p.p.**
of which Domestic	424	426	0.4%	1,272	1,276	0.3%
of which BICS	28	35	23.8%	76	94	22.9%
of which Telesign	5	-1	nr	14	1	-94.8%
Group EBITDA (reported)	**466**	**469**	**0.6%**	**1,403**	**1,407**	**0.3%**
Net income	**116**	**126**	**8.1%**	**358**	**369**	**3.1%**
Accrued capex (excl. spectrum & football rights)	**239**	**283**	**18.5%**	**736**	**841**	**14.2%**
FCF (adjusted)	**146**	**85**	**-42.2%**	**408**	**82**	**-80.0%**
Adjusted net fin position (excl. lease liabilities)	**nr**	**nr**		**-2,526**	**-2,710**	**-7.2%**

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

2 Proximus Group Financial Review

2.1 Group financials (underlying)

Table 2: Underlying Group P&L

	3rd Quarter			Year-to-date		
(EUR million)	2021	2022	% Change	2021	2022	% Change
Revenue[1]	**1,400**	**1,510**	**7.8%**	**4,137**	**4,351**	**5.2%**
Net Revenue	1,391	1,492	7.3%	4,109	4,306	4.8%
Other Operating Income	10	18	80.4%	28	45	61.8%
Cost of Sales[2]	**-505**	**-571**	**13.0%**	**-1,458**	**-1,564**	**7.2%**
Direct Margin	**895**	**939**	**4.9%**	**2,679**	**2,787**	**4.0%**
Direct Margin %	*63.9%*	*62.2%*	*-1.7 p.p.*	*64.7%*	*64.1%*	*-0.7 p.p.*
Expenses	**-438**	**-479**	**9.4%**	**-1,316**	**-1,416**	**7.6%**
EBITDA[3]	**457**	**460**	**0.6%**	**1,362**	**1,371**	**0.6%**
EBITDA Margin %	*32.6%*	*30.4%*	*-2.2 p.p.*	*32.9%*	*31.5%*	*-1.4 p.p.*

[1] Corresponds to "Total Income" excluding Incidentals
[2] Corresponds to "Cost of materials and charges to revenues" excluding Incidentals
[3] 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

Q3 2022

The **Proximus Group underlying revenue totaled EUR 1,510 million** for the third quarter of 2022, **a +7.8% growth** from the comparable period of 2021, driven by both the Domestic and International segments.

For its **Domestic** segment, Proximus grew its **underlying revenue to EUR 1,125 million, an increase of +3.6%** or EUR 40 million compared to the preceding year. **Excluding revenue from Terminals**, the third-quarter **Domestic revenue grew by +3.4%,** sequentially improving from the +1.1% organic revenue growth for the second quarter.

The **Residential**[1] revenue was up year-on-year by **+3.0% to EUR 570 million.** With the contribution of Mobile Vikings annualized 1 June 2022, the revenue increase is on comparable base, and sequentially improved from the +2.3% organic growth for the second quarter. The Residential revenue growth was mainly realized within the Customer Services revenue, up for the third quarter by +2.8%, with the customer growth and price indexation of 1 May 2022 driving an increase in Convergent revenue.

The third-quarter 2022 revenue of the **Business unit ended +3.7% above the 2021** comparable basis. Business Services revenue was slightly down (-0.6%), with eroding revenue from Fixed Voice for a large part compensated for by higher revenue from Fixed Data (+3.9%) and Mobile (+0.8%). IT services revenue ended -1.1% below the previous year due to lower one-shot service revenue, while recurring services revenue continued to grow. IT equipment revenue was up strongly due to a partial catch-up in customer installations.

Proximus' **Wholesale unit** posted a third-quarter 2022 revenue of EUR 72 million, **-0.7% down** from the same period of 2021 due to interconnect revenue loss, with no meaningful margin impact. Revenue from Fixed and Mobile wholesale services continued its growing trend, up by +17.3%, driven by an increased

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

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

Telesign posted EUR 126 million of revenue over the third quarter of 2022, a **year-on-year increase of +44.0%** (+24.4% on a constant currency basis[2]), with both the Communication and Digital Identity segment closing a strong quarter and the Net Revenue Retention (NRR) rate remaining stable at 122%.

For the third quarter of 2022, **BICS posted revenues of EUR 307 million. The year-on-year increase of +16.4%** from the comparable period in 2021 was driven by both ongoing strong revenue from BICS' Enterprise customer revenue, up by +33.7% from the third quarter 2021, while BICS' Telecom revenue too showed a strong +12.5% growth on the year before.

Table 3: Underlying Group Revenue

	3rd Quarter			Year-to-date		
(EUR million)	**2021**	**2022**	**% Change**	**2021**	**2022**	**% Change**
Group Underlying	**1,400**	**1,510**	**7.8%**	**4,137**	**4,351**	**5.2%**
Domestic	1,085	1,125	3.6%	3,250	3,322	2.2%
Residential	553	570	3.0%	1,635	1,684	3.0%
Business	454	471	3.7%	1,385	1,397	0.9%
Wholesale	72	72	-0.7%	211	211	0.1%
Other (incl. eliminations)	5	12	127.4%	19	30	56.0%
BICS	263	307	16.4%	740	821	10.9%
Telesign	87	126	44.0%	241	333	38.4%
Eliminations	-35	-47	-32.1%	-94	-126	-34.2%

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

2.1.2 Underlying Group direct margin

Table 4: Underlying Group Direct Margin

	3rd Quarter			Year-to-date		
(EUR million)	**2021**	**2022**	**% Change**	**2021**	**2022**	**% Change**
Group Underlying by Segment	**895**	**939**	**4.9%**	**2,679**	**2,787**	**4.0%**
Domestic	819	844	3.1%	2,463	2,521	2.3%
BICS	60	71	17.6%	169	198	17.1%
Telesign	20	28	40.1%	57	80	40.8%
Eliminations	-4	-4	-3.4%	-10	-11	-10.4%

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The third quarter 2022 underlying direct margin of the **Proximus Group totaled EUR 939 million, an increase of +4.9%** from the comparable period last year.

Proximus' **Domestic operations posted a direct margin of EUR 844 million, 3.1%** or EUR 25 million above the prior year. For **BICS**, a strong year-on-year increase in Direct Margin was posted, which was up by +17.6%, reaching EUR 71 million, with growth across all its 3 service groups.

Resulting from good growth for both Digital Identity and Communication services, the total **Telesign** direct margin increased **by +40.1%** year-on-year to EUR 28 million (on a constant currency basis, this was +5.2%).

2.1.3 Underlying Group expenses[3]

Table 5: Underlying Group expenses

	3rd Quarter			Year-to-date		
(EUR million)	**2021**	**2022**	**% Change**	**2021**	**2022**	**% Change**
Group Underlying	**438**	**479**	**9.4%**	**1,316**	**1,416**	**7.6%**
Workforce expenses	298	320	7.4%	878	936	6.6%
Non-workforce expenses	140	159	13.6%	439	480	9.5%
Domestic	**395**	**418**	**5.9%**	**1,191**	**1,245**	**4.5%**
Workforce expenses	268	280	4.5%	794	826	3.9%
Non-workforce expenses	126	138	9.0%	397	419	5.5%
BICS	**32**	**36**	**12.1%**	**92**	**104**	**12.3%**
Telesign	**15**	**29**	**92.4%**	**42**	**79**	**86.2%**
Eliminations	**-4**	**-4**	**-3.4%**	**-10**	**-11**	**-10.6%**

Q3 2022

The Proximus **Group underlying operating expenses** grew year-on-year to EUR 479 million in the third quarter of 2022, **up by +9.4% or EUR 41 million from the comparable basis in 2021.**

The **Domestic operating expenses totaled EUR 418 million, +5.9%** above the 2021 level. The year-on-year rise is driven by inflationary cost increases, and mainly the effect of 5 inflation-based salary indexations[4]. This was partially offset by a lower Domestic headcount and other efficiencies. Moreover, Domestic Direct

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

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

operating costs (billable operational costs) and other customer related costs were up, as well transformation costs, mainly related to the company's Datacenter transformation[5].

BICS' third quarter 2022 operating expenses **totaled EUR 36 million**, an increase of EUR 4 million, with mainly inflation-related HR-provisions impacting the cost base.

Telesign posted EUR 29 million of operating expenses, up by EUR 14 million year-on-year from the year before, reflecting increased investments with hiring of specifically skilled talents, higher marketing expenses & product investments for Digital Identity to support its growth plan.

Overall, including BICS and Telesign, **the Proximus Group employed 11,561 FTEs end-September 2022**, 77 FTE's more than twelve months ago. The Domestic headcount, including Mobile Vikings employees, was down by -161 FTEs, while the headcount of BICS and Telesign' rose following hiring of essential skills to realize growth ambitions.

2.1.4 Group EBITDA - reported and underlying

Table 6: From reported to underlying EBITDA

	3rd Quarter			Year-to-date		
(EUR million)	**2021**	**2022**	**% Change**	**2021**	**2022**	**% Change**
Group reported EBITDA	**466**	**469**	**0.6%**	**1,403**	**1,407**	**0.3%**
Adjustments	-9	-10	nr	-40	-37	nr
Group Underlying EBITDA	**457**	**460**	**0.6%**	**1,362**	**1,371**	**0.6%**
Domestic	424	426	0.4%	1,272	1,276	0.3%
BICS	28	35	23.8%	76	94	22.9%
Telesign	5	-1	nr	14	1	-94.8%

Q3 2022

Underlying Group EBITDA

The **underlying Group EBITDA for the third quarter of 2022 totaled EUR 460 million,** up by +0.6% compared to the prior year.

For its **Domestic operations, Proximus posted an EBITDA of EUR 426 million** for the third quarter of 2022, +**0.4%** above the prior year. This is a sequential improvement from the previous quarter (with second quarter organic Domestic EBITDA -0.9%), resulting from higher Direct margin combined with mitigation of the rise in operating costs. Driven by its strong growth in direct margin, **BICS posted EBITDA of EUR 35 million** for the third quarter of 2022, **+23.8%** year-on-year

Telesign posted over the third quarter of 2022 EUR -1 million **EBITDA**, with the year-on-year decrease of EUR -6 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 469 million EBITDA for the third quarter of 2022, an increase of +0.6% or EUR 3 million from the comparable period in the previous year. The underlying EBITDA for the third quarter of 2022 included EUR -10 million negative adjustments. The main adjustment is on Lease depreciations, for EUR -20 million, partially offset by Transformation costs. For an overview of all adjustments, see section 7.2.

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

2.1.5 Net income

YTD 2022

Depreciation and amortization

The depreciation and amortization (including lease depreciation) over the first nine months of 2022 totalled EUR 876 million. This compares to EUR 888 million for the same period of 2021.

Net finance cost

The year-to-date September 2022 net finance cost is EUR 39 million (including lease interests), up from the previous year by +4.5% mainly due to interests charges on the Green Bond issued in November 2021.

Tax expenses

The tax expenses over the nine first months of 2022 amounted to EUR 113 million, leading to an effective tax rate of 23.5%. The difference with the Belgian statutory tax rate of 25% results from the application of general principles of Belgian tax law such as the patent income deduction and other R&D incentives.

Net income (Group share)

The year-to-date Proximus Net income (Group share) progressed by +3.5%, driven by a +3.3% increase in EBIT, partially offset by higher net finance costs and a higher share of loss on associates.

Table 7: From Group EBITDA to net income

	3rd Quarter			Year-to-date		
(EUR million)	**2021**	**2022**	**% Change**	**2021**	**2022**	**% Change**
Group reported EBITDA	**466**	**469**	**0.6%**	**1,403**	**1,407**	**0.3%**
Depreciation and amortization	-298	-289	-3.2%	-888	-876	-1.4%
Operating income (EBIT)	**168**	**180**	**7.3%**	**515**	**532**	**3.3%**
Net finance costs	-13	-14	6.5%	-37	-39	4.5%
Share of loss on associates and JV	-1	-3	>100%	-5	-11	96.7%
Income before taxes	**154**	**163**	**6.3%**	**472**	**482**	**2.1%**
Tax expense	-37	-37	0.7%	-114	-113	-0.8%
Net income	**116**	**126**	**8.1%**	**358**	**369**	**3.1%**
Non-controlling interests	0	0	-	1	0	<-100%
Net income (Group share)	**116**	**126**	**8.2%**	**356**	**369**	**3.5%**

2.1.6 Investments

Excluding spectrum and football broadcasting rights, the Proximus **Group CAPEX totaled EUR 283 million over the third quarter of 2022**. This brings the **total CAPEX over the first nine months of 2022 to EUR 841 million**, an increase of EUR 104 million from the same period in 2021. The year-on-year increase was in large part driven by Proximus' investments in Fiber, which counted for 36% of the total Capex.

When including spectrum and football broadcasting rights, the CAPEX (accrued) totaled EUR 1,511 million end-September. Regarding the spectrum part, this includes EUR 600 million capitalized spectrum acquired in the June-July auction (see section 6.3) as well as the 2G/3G license extensions ahead of the activation of the newly bought spectrum.

In the third quarter of 2022, with Fiber deployment rate seasonally lower due to the summer holiday period, Proximus passed an additional 93,000 homes and businesses with Fiber, compared to 65,000 for the same period one year back. End-September 2022, a total 1,124,000 premises were passed, representing a Fiber population coverage of 19%[6].

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

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

2.1.7 Cash flows

Table 8: Cash flows

	3rd Quarter			Year-to-date		
(EUR million)	2021	2022	% Change	2021	2022	**% Change**
Cash flows from operating activities	485	492	1.5%	1,365	1,253	-8.2%
Cash paid for Capex (*)	-310	-361	16.3%	-860	-1,101	28.0%
Cash flows used and provided in other investing activities	-10	-27	>100%	-171	-23	-86.5%
Cash flow before financing activities	**164**	**105**	**-36.2%**	**334**	**129**	**-61.4%**
Lease payments	-18	-21	15.1%	-58	-60	3.0%
Free cash flow	**146**	**84**	**-42.5%**	**276**	**69**	**-75.0%**
Cash flows used and provided in financing activities other than lease payments	-220	-115	-47.8%	-430	-120	-72.0%
Exchange rate impact	0	1	>100%	1	3	>100%
Net increase/(decrease) of cash and cash equivalents	**-73**	**-29**	**-60.1%**	**-153**	**-48**	**-68.8%**

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

Over the first nine months of 2022, Proximus Group posted a **Free Cash Flow** of EUR 69 million, **or EUR 82 million when adjusted for M&A-related transaction costs.** The decrease from the comparable adjusted 2021 FCF of EUR 408 million (EUR 276 million reported FCF) mainly resulted from higher cash-out for Capex, increasing by EUR 241 million following the higher Fiber investments and spectrum deposits, as well as from an unfavorable year-on-year evolution of business working capital needs. This was in part offset by year-on-year less Cash out for ongoing transformation plans[7], income tax payments and a lower amount of equity injections in the Fiber joint ventures Fiberklaar or Unifiber, the two entities created to deploy Fiber in the Flanders and Walloon regions, respectively.

2.1.8 Balance sheet and shareholders' equity

Compared to year-end 2021, **goodwill** increased by EUR 18 million to EUR 2,606 million mainly due to the USD/EUR conversion of Telesign.

Tangible and intangible fixed assets amounted to EUR 5,130 million, an increase of EUR 706 million, mainly due to the capitalized spectrum for EUR 600 million and for other CAPEX being higher than D&A.

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

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

Pension assets increased by EUR 71 million to EUR 151 million due to a revision of the assumptions (discount and inflation rate and expected return of plan assets) and **other non-current assets** increased by EUR 189 million to EUR 213 million due to the remeasurement to fair value of the cash flow hedge instruments for future long-term debts.

Shareholders' equity increased from EUR 2,978 million at the end of December 2021 to EUR 3,408 million at the end of September 2022. This mainly results from the **net income Group Share** (EUR 369 million) and positive re-measurements being higher than the dividends distributed (EUR 226 million).

At the end of September 2022, Proximus' outstanding long-term **interest-bearing liabilities** (excluding lease liabilities and part maturing within one year) amounted to EUR 2,679 million, and its **adjusted net financial position** decreased to EUR -2,710 million (including re-measurements to fair value).

Table 9: Net financial position

	As at 31 December	As at 30 September
(EUR million)	**2021**	**2022**
Investments, Cash and cash equivalents	249	201
Derivatives	3	195
Assets	**252**	**396**
Non-current liabilities (*)	-2,944	-2,876
Current liabilities (*)	-321	-499
Liabilities	**-3,265**	**-3,375**
Net financial position (*)	**-3,013**	**-2,980**
of which Leasing liabilities	-273	-270
Adjusted net financial position (**)	**-2,740**	**-2,710**

(*) Including derivatives and leasing liabilities

(**) The adjusted financial position excludes leasing liabilities

2.2 Regulation

Spectrum

The multi-band spectrum auction, including the renewal of the existing 2G/3G spectrum licenses (900MHz, 1800MHz and 2100MHz) as well as the granting of new 5G spectrum (700MHz, 1400MHz and 3600MHz), has been successfully closed on 20 July 2022. In total, Proximus has been able to secure 285MHz for EUR 600 million.

All licenses will be valid for 20 years, except the 3600MHz band which will expire by 7 May 2040. The 700MHz and 3600MHz licenses have started as of 1 September 2022. It is expected that the 1400MHz band will start as of 1 July 2023 and the 900MHz, 1800MHz and 2100MHz bands as of 1 January 2023 (BIPT final decisions expected to be published soon).

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)	01/07/2021	01/01/2022	01/01/2023	As from 1/1/2024
MTR	0.70	0.55	0.40	0.20
FTR	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 on Wholesale revenue and neutral on Direct Margin.

International roaming

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

2.3 ESG Update

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

In the spotlight

Greenhouse gas emissions reduction targets get scientific validation. In September, Proximus became the first large Belgian company and the third telecom operator worldwide to have its near- and long-term targets validated by the SBTi (Science Based Targets initiative), the leading global body that enables companies to set ambitious emissions reduction targets in line with the latest climate science. It now has scientifically validated targets allowing for credibility and comparability and is implementing a climate action plan to reduce greenhouse gas emissions:

- **Overall Net-Zero Target** – Proximus commits to reach net-zero greenhouse gas emissions across the value chain by 2040.
- **Near-Term Targets** – Proximus commits to reduce the absolute scope 1 GHG emissions by 95% by 2030 from a 2020 base year. Proximus also commits to continue sourcing 100% renewable electricity annually until 2030. Proximus further commits to reduce absolute scope 3 GHG emissions by 60% by 2030 from a 2020 base year.
- **Long-Term Targets** – Proximus commits to maintain a minimum of 95% absolute scope 1 and 2 GHG emission reductions by 2030 through 2040 from a 2020 base year. Proximus commits to reduce absolute scope 3 GHG emissions by 90% by 2040 from a 2020 base year.

Recently launched

"Energy War Room". The Proximus energy sobriety is the result of a strategy that it has been pursuing for more than 10 years and which since its start, has resulted in an electricity reduction of over 30%. While plans are in place to mitigate consumption by another 20% over the next 4 years, the current energy crisis resulted in the implementation of a multidisciplinary team, called the "Energy War Room", set up in September, and which looks into further, sometimes disruptive, actions to reduce Proximus' energy dependence. It looks into additional energy-optimization of the buildings, data centers and infrastructure, accelerated outphasing, or possible extensions of the solar panel park.

2.4 Outlook & Shareholder return

Full-year 2022 guidance

Based on the strong results over the first nine months of 2022, Proximus sees its **Domestic segment** to end the year 2022 with **revenue excluding Terminals to grow around 2% year-on-year.** The positive development reflects the good commercial momentum, with price changes having landed well and IT hardware installations starting to catch-up.

The 2022 **Domestic EBITDA outlook remains confirmed at the upper range of 'growing up to 1%'** year-on-year. The domestic revenue growth runs ahead of EBITDA due to some inflationary cost increases, including automatic wage indexation effects.

In terms of the Proximus **Group EBITDA**, expectations have turned somewhat more positive, including a continued strong result of BICS. Therefore, Proximus is confident to end the year 2022 with its **Group EBITDA at the upper range of 'growing up to 1%'.**

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

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

Table 10: outlook 2022

Guidance metric	FY21 Actuals	FY 2022 Guidance	FY22 Reviewed Guidance 29 July 2022	Q3'22 YTD Actuals	FY22 Reviewed Guidance 28 October 2022
Underlying Domestic revenue (excluding terminals)	€ 4,075M	Growing up to 1% YoY	Growing by 1%-2% YoY	+2.5% YoY	Growing around 2%YoY
Domestic underlying EBITDA	€ 1,654M	Growing up to 1% YoY	Upper range of 'Growing up to 1% YoY'	+0.3% YoY	Reiterating Upper range of 'Growing up to 1% YoY'
Underlying Group EBITDA	€ 1,772M	Around -1% YoY	Growing up to 1% YoY	+0.6% YoY	Upper range of 'Growing up to 1% YoY'
Capex (excluding Spectrum & football rights)	€ 1,203M	Close to € 1.3Bn	Reiterating 'Close to € 1.3Bn'	€ 841M	Reiterating 'Close to € 1.3Bn'
Net debt / EBITDA	1.55X	Around 1.6X	Reiterating 'Around 1.6X'	nr	Reiterating 'Around 1.6X'

Shareholder return

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

The Proximus Board of Directors approved on 26 October 2022 to pay the interim dividend over the 2022 accounting year, EUR 0.50 gross per share, on 9 December 2022.

Coupon #: 35
Gross dividend: EUR 0.50/share
Net dividend (30% withholding tax assumed): EUR 0.35/share

- Ex-coupon date: 7 Dec 2022
- Record date: 8 Dec 2022
- Payment date: 9 Dec 2022

3 Domestic

Table 11: Domestic P&L

(EUR million)	3rd Quarter 2021	3rd Quarter 2022	3rd Quarter % Change	Year-to-date 2021	Year-to-date 2022	Year-to-date % Change
Revenue*	**1,085**	**1,125**	**3.6%**	**3,250**	**3,322**	**2.2%**
Residential	553	570	3.0%	1,635	1,684	3.0%
Business	454	471	3.7%	1,385	1,397	0.9%
Wholesale	72	72	-0.7%	211	211	0.1%
Other (incl. eliminations)	5	12	>100%	19	30	56.0%
Cost of Sales	**-266**	**-280**	**5.3%**	**-786**	**-801**	**2.0%**
Direct Margin	**819**	**844**	**3.1%**	**2,463**	**2,521**	**2.3%**
Direct Margin %	*75.5%*	*75.1%*	*-0.4 p.p.*	*75.8%*	*75.9%*	*0.1 p.p.*
Expenses	**-395**	**-418**	**5.9%**	**-1,191**	**-1,245**	**4.5%**
Workforce expenses	-268	-280	4.5%	-794	-826	3.9%
Non Workforce expenses	-126	-138	9.0%	-397	-419	5.5%
EBITDA	**424**	**426**	**0.4%**	**1,272**	**1,276**	**0.3%**
EBITDA Margin %	*39.1%*	*37.9%*	*-1.2 p.p.*	*39.1%*	*38.4%*	*-0.7 p.p.*

** refers to total income*

3.1 Residential Revenue

- Continued good customer growth for Mobile postpaid and Internet, respectively +25,000 and +6,000.
- Residential convergent customer base +12,000 in Q3'22, Convergent revenue +8.1% year-on-year.
- Overall ARPC +3.5% year-on-year; convergent ARPC +2.2%.
- Total residential revenue up by +3.0% for the third quarter, including a +2.8% year-on-year revenue increase for Customer Services revenue.

Third quarter revenue +3.0%.

For the third quarter of 2022, Proximus posted for its Residential unit a revenue of **EUR 570 million, a +3.0% or EUR 16 million increase from the year before**. With the contribution of Mobile Vikings annualized 1 June 2022, the revenue increase is on a comparable base, and sequentially improved from the +2.3% organic growth for the second quarter.
The Residential revenue growth was mainly realized within the Customer Services revenue, up for the third quarter by +2.8%, with the customer growth and price indexation of 1 May 2022 driving an increase in Convergent revenue.

Continued good customer growth in intense competitive environment.

Over the third-quarter 2022 the Residential unit added +6,000 internet lines, compared to +4,000 in the same period in 2021 which was affected by the severe 2021 July-floodings. End-September 2022, Proximus' Residential internet base counted 1,727,000 lines, a +2.2% increase from 12 months back, supported by Proximus' Fiber deployment in 77 cities and municipalities.

The Residential unit grew the Mobile Postpaid base by +25,000 cards over the third quarter of 2022, in an intensified competitive environment. Proximus' mobile growth remains supported by Flex, the

Mobile Vikings brand and subscriptions combined with mobile devices. By end-September, Proximus' Residential Mobile Postpaid base reached a total of 2,698,000 Mobile Postpaid cards.
Reflecting the ongoing change in customer needs, the Fixed Voice line continued its steady decline, with the third quarter of 2022 posting a loss of -28,000 lines.

Customer services revenue growth of +2.8% YoY.

Residential Customer Services[8] revenue amounted to EUR 451 million, +2.8% above the comparable period in 2021, with no inorganic contribution from Mobile Vikings (annualized 1 June 2022). The improvement from the +1.6% organic growth in the second quarter 2022 was mainly driven by the 1 May 2022 price increase.

Overall ARPC EUR 53.3, +3.5%.

For the third quarter of 2022, the overall ARPC rose to EUR 53.3, up by +3.5% from the same period in 2021, resulting from the price indexations coming on top of the ongoing benefit of customers moving to convergent offers at higher ARPC.

The success of Proximus' convergent Flex[9] offers ramped up the number of multi-mobile customers, driving the overall RGU to 2.51 RGUs for the third quarter of 2022, showing a year-on-year improvement of +1.3%.

Total convergent revenue **+8.1%** YoY, with ARPC +2.2%.

Revenue from Convergent customers increased further, up by +8.1% year-on-year reaching EUR 265 million for the third quarter of 2022. Proximus grew its convergent base by +12,000 customers, reaching a total of 1,035,000 or +5.7% from 12 months back. The convergent ARPC was up by +2.2% to EUR 85.7.

Convergent **3-Play** revenue **+26.7%** YoY

Within the growing convergent revenue, the main contributor is the ongoing progress in **3-Play convergent** revenue. The convergent 3-Play customer base increased over the third quarter of 2022 by +6,000 customers, to reach 413,000 customers by end-September 2022, a year-on-year growth of 18.1%. This was combined with a +5.1% increase in the 3-Play convergent ARPC, mainly reflecting the May price indexation. The increase in the customer base and ARPC drove the 3-Play convergent revenue +26.7% higher to reach EUR 104 million for the third quarter of 2022.

+15,000 Convergent **2-Play** customers in Q3

Following the successful launch of new **2-play** offers combining Mobile with Internet, the dual-play net adds continued their positive trend, growing over the third quarter by +15,000 customers. Revenue was up +21.9% to reach EUR 13 million.

Steady decrease of **4-Play** continued.

With the success of 3-Play and 2-Play offers, marking the decreasing relevance of the Fixed Voice line, the **4-Play** customer base continued its steady decline and was down by -8,000 for the third quarter of 2022. The 4-Play ARPC, supported by the price increase, was up by +1.5%, overall resulting in a -2.9% revenue decrease.

Rising convergence continued to lower the **Fixed-only** base.

With the number of customers subscribing to Proximus' convergent offers rising, the **Fixed-only customer base** decreased further. The remaining base of Fixed-only customers, 919,000 end-September 2022, generated an ARPC of EUR 45.2, +0.4% on the previous year.

Mobile-only revenue -0.6%; reflecting upselling to fixed services of all brands.

Over the third quarter of 2022, the Residential unit posted EUR 62 million revenue from **Mobile-only customers**, -0.6% down from the year before, with the inorganic impact from Mobile Vikings fully annualized. Moreover, with Mobile Vikings successfully launching its Fixed internet offer and moving to convergence, the total base of Mobile-only customers shrank by -6,000 over the third quarter. All brands combined, the residential Mobile-only base totaled 870,000 customers, generating an ARPC of EUR 23.6, +1.5% year-on-year, driven by a favorable price tiering.

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.

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

[9] Reported on Domestic segment level

Terminals revenue + EUR 3 million YoY, at low margin.

The **revenue from Terminals** totaled EUR 54 million over the third quarter of 2022, a year-on-year increase of EUR 3 million, supported by an uptake of subscriptions combined with high-end mobile devices.

Over the third quarter of 2022, revenue from **Mobile Prepaid** totaled EUR 11 million, -14.8% year-on-year, i.e. returning to its inherent declining trend with the inorganic contribution by Mobile Vikings now annualized. The Prepaid base decreased by -22,000 cards over the third quarter, with the total at 622,000 end-September 2022.

Proximus' Luxembourg telecom revenue for the residential unit totaled for the third quarter of 2022 EUR 33 million, up by +7.2%, mainly resulting from a higher number of mobile and fixed subscriptions.

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

Table 12: Residential revenue

	3rd Quarter			Year-to-date		
(EUR million)	**2021**	**2022**	**% Change**	**2021**	**2022**	**% Change**
Revenue	**553**	**570**	**3.0%**	**1,635**	**1,684**	**3.0%**
Other Operating Income	**6**	**7**	**28.1%**	**15**	**16**	**4.4%**
Net Revenue	**548**	**563**	**2.7%**	**1,619**	**1,668**	**3.0%**
Customer services revenues (X-play)	*439*	*451*	*2.8%*	*1,298*	1,335	*2.8%*
Prepaid	13	11	-14.8%	32	31	-1.6%
Terminals (fixed and mobile)	50	54	6.6%	159	164	2.9%
Luxembourg Telco	31	33	7.2%	91	95	5.1%
Others*	15	14	-9.1%	39	43	10.2%

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

Table 13: Residential operationals by product

	3rd Quarter			Year-to-date		
	2021	**2022**	**% Change**	**2021**	**2022**	**% Change**
Park (000's)						
Fixed Voice	1,280	1,165	-9.0%	1,280	1,165	-9.0%
Internet	1,689	1,727	2.2%	1,689	1,727	2.2%
Mobile Postpaid excl. M2M	2,585	2,698	4.4%	2,585	2,698	4.4%
Mobile prepaid	689	622	-9.8%	689	622	-9.8%
Net adds (000's)						
Fixed Voice	-31	-28		-102	-87	
Internet	4	6		20	24	
Mobile Postpaid excl. M2M	37	25		92	81	
Mobile prepaid	-20	-22		-52	-47	

Table 14: Residential X-Play financials

	3rd Quarter			Year-to-date		
	2021	2022	% Change	2021	2022	% Change
Customer Services Revenues (EUR million)	**439**	**451**	**2.8%**	**1,298**	**1,335**	**2.8%**
Convergent	**245**	**265**	**8.1%**	**726**	**774**	**6.7%**
4-Play	152	147	-2.9%	463	442	-4.5%
3-Play	82	104	26.7%	229	297	29.4%
2-Play	11	13	21.9%	34	36	6.0%
Fixed only	**132**	**125**	**-5.3%**	**406**	**380**	**-6.4%**
3-Play	64	58	-9.6%	200	177	-11.2%
2-Play	39	39	-0.2%	117	116	-0.7%
1P Fixed Voice	13	10	-16.6%	40	33	-16.6%
1P internet	17	18	8.2%	49	53	7.8%
Mobile Postpaid only	**62**	**62**	**-0.6%**	**166**	**180**	**8.3%**
ARPC (in EUR)	**51.5**	**53.3**	**3.5%**	**52.3**	**52.4**	**0.3%**
Convergent	**83.8**	**85.7**	**2.2%**	**84.1**	**84.7**	**0.7%**
4-Play	89.2	90.5	1.5%	89.7	89.5	-0.3%
3-Play	80.3	84.4	5.1%	79.9	82.8	3.6%
2-Play	56.1	58.7	4.7%	55.6	57.3	3.0%
Fixed only	**45.0**	**45.2**	**0.4%**	**45.1**	**45.0**	**-0.2%**
3-Play	54.4	54.3	-0.3%	54.6	53.8	-1.5%
2-Play	51.8	53.4	3.1%	51.7	52.9	2.3%
1P Fixed Voice	26.9	27.1	0.5%	27.3	27.4	0.4%
1P internet	30.5	30.4	-0.3%	30.4	30.5	0.5%
Mobile Postpaid only	**23.2**	**23.6**	**1.5%**	**23.1**	**22.9**	**-0.9%**

Table 15: Residential X-Play operationals

	3rd Quarter			Year-to-date		
	2021	2022	% Change	2021	2022	% Change
Customers - Total (000's)	**2,843**	**2,823**	**-0.7%**	**2,843**	**2,823**	**-0.7%**
Convergent	**979**	**1,035**	**5.7%**	**979**	**1,035**	**5.7%**
4-Play	564	538	-4.6%	564	538	-4.6%
3-Play	349	413	18.1%	349	413	18.1%
2-Play	65	84	27.7%	65	84	27.7%
Fixed only	**974**	**919**	**-5.7%**	**974**	**919**	**-5.7%**
3-Play	390	352	-9.7%	390	352	-9.7%
2-Play	249	241	-3.5%	249	241	-3.5%
1P Fixed Voice	152	126	-17.1%	152	126	-17.1%
1P internet	183	200	9.4%	183	200	9.4%
Mobile Postpaid only	**890**	**870**	**-2.3%**	**890**	**870**	**-2.3%**
% Convergent Customers - Total *	**60%**	**64%**	**3.1 p.p.**	**60%**	**64%**	**3.1 p.p.**
Average #RGUs per Customer - Total	**2.48**	**2.51**	**1.3%**	**2.48**	**2.51**	**1.3%**
Convergent	**4.13**	**4.11**	**-0.5%**	**4.13**	**4.11**	**-0.5%**
4-Play	4.68	4.71	0.7%	4.68	4.71	0.7%
3-Play	3.60	3.68	2.4%	3.60	3.68	2.4%
2-Play	2.19	2.27	3.5%	2.19	2.27	3.5%
Fixed only	**2.04**	**2.01**	**-1.6%**	**2.04**	**2.01**	**-1.6%**
3-Play	3.00	3.00	0.0%	3.00	3.00	0.0%
2-Play	1.97	1.97	-0.4%	1.97	1.97	-0.4%
1P Fixed Voice	1.01	1.01	0.0%	1.01	1.01	0.0%
1P internet	1.00	1.00	0.0%	1.00	1.00	0.0%
Mobile Postpaid only	**1.14**	**1.14**	**0.2%**	**1.14**	**1.14**	**0.2%**
Annualized full churn rate (Customer) - Total	**15.1%**	**15.9%**	**0.8 p.p.**	**15.0%**	**15.4%**	**0.4 p.p.**
4-Play	4.6%	5.7%	1.1 p.p.	4.6%	5.6%	1.0 p.p.
3-Play	10.4%	10.2%	-0.2 p.p.	11.3%	10.4%	-0.9 p.p.
2-Play	14.1%	14.8%	0.6 p.p.	14.1%	14.4%	0.3 p.p.
1-Play	23.1%	24.5%	1.4 p.p.	22.9%	23.3%	0.5 p.p.

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

3.2 Business Revenue

- Business posts third quarter revenue of EUR 471 million, +3.7% year-on-year.
- Strong increase in IT equipment revenue driven by partial catch-up on supply-chain backlog, while IT services revenue -1.1%, due to less one-shot revenue.
- Fixed Voice erosion nearly offset by growth in Fixed Data and Mobile.
- Revenue Fixed Data services +3.9% driven by Internet, with ARPU +4.0% and Internet base +1.1%.
- Mobile revenue +0.8% on growing base. Declining trend of Mobile ARPU improved to -2.7%.

The third-quarter 2022 **revenue of the Business unit totaled EUR 471 million**, **a +3.7% increase from the 2021 comparable basis.** Revenue from **Business Services totaled EUR 394 million, continuing its slight erosion, down by -0.6%** year-on-year. The eroding revenue from Fixed Voice was in large part compensated for by higher revenue from Fixed Data and Mobile, while revenue from IT services was -1.1% down. IT equipment revenue was up strongly, driven by a catch-up in previously delayed customer installations due to the global chipset supply chain issues.

Fixed Data revenue +3.9%.

The Business Services revenue from **Fixed Data services progressed to EUR 116 million, an increase of +3.9%** compared to the third quarter of 2021.

Internet ARPU +4.0%, Internet base +1.1% YoY.

Within the Fixed Data revenue mix, the revenue growth **was mainly driven by further improving revenue from Internet services**. This was explained by a progressing Broadband ARPU, EUR 43.2 for the third quarter of 2022, +4.0% up from the previous year, mainly benefitting from the price indexations, improved price tiering and a growing share of Fiber in the total internet park. Over the third quarter, the Business Internet base remained stable at 439,000, and was up by +1.1% compared to one year back.

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

Mobile revenue +0.8%. Growing base offsetting contained ARPU decline.

Over the third quarter of 2022, Proximus' Business unit posted **Mobile Services revenue of EUR 118 million, up by +0.8% from the same period in 2021**. A main revenue driver remains the solid growth of the Mobile customer base, up by +53,000 Postpaid cards over the past twelve months or +3.1%. This includes an increase of +6,000 cards over the past three months, including the anticipated reversal of -7,000 cards from the second quarter one-off. This brought the total to 1,782,000 cards, excluding M2M. The mobile ARPU decline continued to become smaller, with for the third quarter of 2022 a -2.7% decline from the previous year to EUR 19.6. This was amongst others driven by higher roaming revenue post-Covid.

Proximus maintaining its M2M leadership position.

The Business unit continued to grow its M2M park with an additional 209,000 M2M cards activated over the past three months, covering amongst others smart-metering and road user charging. At end-September 2022, Proximus M2M base totaled 3,898,000 M2M cards. This is an increase of +21.7% from one year back.

IT services revenue -1.1%.

Proximus' Business unit posted for its IT Services revenue of EUR 95 million, -1.1% compared to the previous year. The growth from high-value recurring services, with especially a good performance in Security, Smart Mobility and Cloud services, was offset by lower one-shot services. The sequential growth in IT recurring services reflects the ongoing transformation of the Business unit into a convergent player, with focus on higher-margin next generation IT services.

Fixed Voice revenue down on base erosion and lower ARPU.

Revenue **from Fixed Voice declined by -9.0%** or EUR -7 million compared to the third quarter of 2021. The Fixed Voice Park continued its steady decrease, -9.9% over the past 12 months. The contained line loss by -14,000 for the third quarter of 2022 includes a one-off favorable effect of

+4,000, which is to be reversed in the fourth quarter. The ARPU decline was limited to -0.7% (from -4.1% over the second quarter), to EUR 26.7, with the comparable base normalizing from Covid-19 Voice traffic impacts. The reducing Fixed Voice line usage and competitive price pressure offset the benefit from the 1 January 2022 price indexation.

Product revenue up by EUR 17 million YoY.

The revenue from Products for the third quarter of 2022 was up by EUR 17 million from the comparable period in 2021, or +34.4%. This resulted from high IT hardware revenue (+ EUR 16 million), with the quarter including a partial catch-up on some previously delayed product contracts following the global chipset supply chain issues.

Revenue from Mobile Terminals was sequentially rather stable, totaling EUR 16 million for the third quarter of 2022, or +7.8% up from one year back.

Table 15: Business revenue

	3rd Quarter			Year-to-date		
(EUR million)	**2021**	**2022**	**% Change**	**2021**	**2022**	**% Change**
Revenue	**454**	**471**	**3.7%**	**1,385**	**1,397**	**0.9%**
Other Operating Income	**1**	**3**	**129.6%**	**3**	**6**	**75.6%**
Net Revenue	**453**	**468**	**3.4%**	**1,381**	**1,391**	**0.7%**
Services	396	394	-0.6%	1,195	1,189	-0.5%
Fixed Voice	72	66	-9.0%	227	206	-9.1%
Fixed Data	112	116	3.9%	334	346	3.3%
Mobile	117	118	0.8%	348	350	0.5%
IT	96	95	-1.1%	286	288	0.7%
Products	51	68	34.4%	168	182	8.2%
Terminals (fixed and mobile)	15	16	7.8%	58	50	-13.1%
IT	35	52	45.8%	111	132	19.3%
Luxembourg Telco	6	6	5.3%	17	20	13.2%

Table 16: Business operationals

	3rd Quarter			Year-to-date		
	2021	2022	% Change	2021	2022	% Change
Park (000's)						
Fixed voice lines	723	651	-9.9%	723	651	-9.9%
Broadband lines	434	439	1.1%	434	439	1.1%
Mobile postpaid cards excl. M2M	1,729	1,782	3.1%	1,729	1,782	3.1%
M2M cards	3,202	3,898	21.7%	3,202	3,898	21.7%
Net adds (000's)						
Fixed voice lines	-20	-14		-63	-55	
Broadband lines	1	0		5	3	
Mobile postpaid cards excl. M2M	16	6		41	36	
M2M cards	164	209		843	543	
ARPU (EUR)						
Fixed voice	26.9	26.7	-0.7%	27.7	27.2	-1.5%
Broadband	41.5	43.2	4.0%	41.5	42.8	3.2%
Mobile postpaid	20.2	19.6	-2.7%	20.2	19.4	-3.6%

3.3 Wholesale Revenue

Table 17: Wholesale revenue

	3rd Quarter			Year-to-date		
(EUR million)	**2021**	**2022**	**% Change**	**2021**	**2022**	**% Change**
Revenue	**72**	**72**	**-0.7%**	**211**	**211**	**0.1%**
Other Operating Income	**0**	**0**	**nr**	**0**	**0**	**nr**
Net Revenue	**72**	**72**	**-0.7%**	**211**	**211**	**0.0%**
Fixed & Mobile wholesale services	32	38	17.3%	88	105	19.8%
Interconnect	40	34	-15.2%	123	106	-14.2%

Proximus posted for its Wholesale unit a third-quarter 2022 **revenue of EUR 72 million, a -0.7% decrease** compared to the same period of 2021.

The Revenue generated by **Fixed and Mobile wholesale services** continued its growing trend, up from the previous year by +17.3%, totaling EUR 38 million. Within the mix, revenue from wholesale Mobile services showed strong growth with an increased number of MVNO customers on Proximus' open network and was further supported by a positive year-on-year evolution in Wholesale roaming revenue and increasing services towards Proximus' joint ventures.

This was offset by the eroding **Interconnect** revenue, decreasing to EUR 34 million, **-15.2%** or EUR -6 million lower compared to the same period of 2021, with no material margin impact. The revenue decline reflects the ongoing decline in traditional messaging and the EU regulation which lowered the Fixed & Mobile Termination rates as from 1 January 2022.

3.4 Domestic Opex and EBITDA

The third-quarter 2022 **Domestic EBITDA totaled EUR 426 million, a +0.4% increase from the comparable period in 2021,** improving from the -0.9% for the second quarter on organic basis.

Domestic underlying expenses increased by +5.9% year-on-year to EUR 418 million. Proximus continued cost efficiencies mitigated in part the year-on-year effects of inflationary cost increases and transformation cost, including the cost to run and service Proximus' IT datacenter infrastructure.[10]

Within the mix, the Domestic **workforce expenses were up by +4.5% to EUR 280 million,** mainly driven by the year-on-year effect of 5 inflation-based salary increases[11] since 1 October 2021, with the June and September increases explaining the increased cost pressure compared to the previous quarter.
This was partly offset by a lower Domestic headcount, down by -161 FTEs from end-September 2021, resulting from natural attrition and retirements more than offsetting the level of new hiring.
The **Domestic non-workforce expenses were up by +9.0%** for the third quarter of 2022.

The **indirect expenses of Proximus' Domestic operations,** i.e. excluding the billable ICT workforce expenses in the B2B domain, were up for the third quarter by +5.8%.

[10] Relates to the signed infrastructure partnership with HCL to run and service Proximus' IT datacenter infrastructure. Overall, this agreement will result in a lower Total Cost of Ownership (cash saving) of the related IT activities, with the higher operational expenses more than offset by a reduced capex need.

[11] Compared to the third quarter 2021, the Domestic workforce operating expenses include an automatic inflation-based wage indexation for Proximus SA employees taking effect on 1 October 2021, 1 February '22, 1 April '22, 1 June '22 and 1 September '22.

4 Telesign

- **Q3'22 revenue +44.0% YoY, with strong growth for both Digital Identity and Communication.**
- **Direct margin +40.1%, reflecting continued strong profitability of both segments.**
- **Strong and steady Net revenue retention of 122%**
- **Ongoing investments in growth ambitions increased Telesign's operating expenses, with EBITDA slightly negative for Q3 at EUR -1 million.**
- **Sales pipeline and sales bookings both strong and continue to trend up.**

Telesign posted EUR 126 million of revenue over the third quarter of 2022, a **year-on-year increase of +44.0%** (+24.4% on a constant currency basis[12]). The **Direct margin was up by +40.1%** year-on-year to EUR 28 million (on a constant currency basis, this was +5.2%) and trending better than Telesign's initial 2022 growth plan.

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

The growth in the **Digital Identity segment** reflected the strong volume growth driven by increases during the quarter with Telesign's new and existing key customers. Overall, the Net Revenue Retention (NRR) rate remained at a stable 122%. Telesign's geographical expansion and the launch of new services in 2022 continued to contribute to overall performance.

Telesign's **Direct margin as a percentage of revenue** was 22.2%.

Following the anticipated investments to support Telesign's growth ambitions, with hiring of specifically skilled talents, higher marketing expenses, and product investments for Digital Identity, Telesign's operating expenses increased by EUR 14 million year-on-year to a total of EUR 29 million for the third quarter of 2022.

These growth investments were partially offset by the strong Direct Margin growth, leading to a third quarter **EBITDA of EUR -1 million**, or EUR -6 million from one year ago.

Table 18: Telesign P&L

	3rd Quarter			Year-to-date		
(EUR million)	**2021**	**2022**	**% Change**	**2021**	**2022**	**% Change**
Revenue*	**87**	**126**	**44.0%**	**241**	**333**	**38.4%**
Costs of Sales	-67	-98	45.1%	-184	-254	37.7%
Direct Margin	**20**	**28**	**40.1%**	**57**	**80**	**40.8%**
Direct Margin %	*22.8%*	*22.2%*	*-0.6 p.p.*	*23.5%*	*23.9%*	*0.4 p.p.*
Expenses	**-15**	**-29**	**92.4%**	**-42**	**-79**	**86.2%**
Workforce Expenses	-10	-18	74.5%	-30	-50	67.4%
Non-workforce Expenses	-5	-11	>100%	-12	-29	>100%
EBITDA	**5**	**-1**	**nr**	**14**	**1**	**-94.8%**
EBITDA Margin %	*5.5%*	*-1.0%*	*-6.5 p.p.*	*5.9%*	*0.2%*	*-5.7 p.p.*

* Refers to total income

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

5 BICS

- **Q3'22 revenue +16.4%, driven by growing revenue from both Enterprise and Telecom customers.**
- **Core services revenue up +13.4% driven by increased post-Covid-19 travelling compared to summer 2021.**
- **Cloud communication services main driver of +44.3% increase in Growth revenue.**
- **Direct Margin +17.6%, including strong contribution of all 3 services.**
- **Q3'22 EBITDA up by +23.8%, reaching EUR 35 million.**

For the third quarter of 2022, **BICS posted revenues of EUR 307 million. The year-on-year increase of +16.4%** from the comparable period in 2021 was driven by both ongoing strong revenue from BICS' Enterprise customer revenue, up by +33.7% from the third quarter 2021, while BICS' Telecom revenue too showed a strong 12.5% growth on the year before.

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

+13.4% Core revenue

The revenue from **Core services** was **up by EUR +14 million or +13.4%** from its comparable basis in 2021, driven by higher mobility services and messaging revenue thanks to a strong post-Covid travel uptake.

Growth revenue +44.3%

For BICS' **Growth services**, a total revenue of **EUR 17 million** was posted a **+44.3%** growth from the comparable period in 2021. This resulted primarily from a strong traction for cloud communication amongst world leading digital companies, further complemented by growing revenue from IoT and Fraud prevention services.

Legacy revenue +16.2%

For **Legacy services**, BICS increased its revenue **to EUR 172 million, up by +16.2%.** This too was mainly driven by a strong summer travel catch-up, combined with a favorable destination mix.

Direct margin +17.6%

BICS grew its third-quarter 2022 underlying **Direct margin to EUR 71 million, up by +17.6%**, with the Direct margin growth coming from all three services.

Q3 EBITDA +23.8%

BICS' EBITDA further progressed to total EUR 35 million for the third quarter of 2022. The **+23.8%** year-on-year increase resulted from the Direct margin growth, in part offset by higher expenses. The largest cost increase is Workforce-related and resulted mainly from an upward revision of inflation-related provisions.

Table 19: BICS P&L

(EUR million)	3rd Quarter 2021	3rd Quarter 2022	3rd Quarter % Change	Year-to-date 2021	Year-to-date 2022	Year-to-date % Change
Revenue by nature*	**263**	**307**	**16.4%**	**740**	**821**	**10.9%**
Core	104	118	13.4%	288	318	10.3%
Growth	12	17	44.3%	30	50	63.9%
Legacy	148	172	16.2%	422	454	7.5%
Revenue by customer segment*	**263**	**307**	**16.4%**	**740**	**821**	**10.9%**
Enterprise	47	63	33.7%	134	180	34.8%
Telecom	216	243	12.5%	607	641	5.6%
Costs of Sales	-203	-236	16.0%	-572	-623	9.1%
Direct Margin	**60**	**71**	**17.6%**	**169**	**198**	**17.1%**
Direct Margin %	*22.8%*	*23.0%*	*0.2 p.p.*	*22.8%*	*24.1%*	*1.3 p.p.*
Expenses	**-32**	**-36**	**12.1%**	**-92**	**-104**	**12.3%**
Workforce Expenses	-19	-22	11.6%	-55	-62	11.9%
Non-workforce Expenses	-13	-14	12.9%	-37	-42	13.0%
EBITDA	**28**	**35**	**23.8%**	**76**	**94**	**22.9%**
EBITDA Margin %	*10.6%*	*11.3%*	*0.7 p.p.*	*10.3%*	*11.4%*	*1.1 p.p.*

* Refers to total income

6 Consolidated Financial Statements

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 as adopted for use in the European Union. They have not been subject to a review by an independent auditor.

6.1 Accounting policies

The accounting policies and methods of the Group used as of 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

Creation of "Glasfaser Ostbelgien" a new joint venture for the rollout of fiber in German-speaking Community of Belgium

On Thursday, September 29, the government of the German-speaking Community of Belgium, Proximus and Ethias finalized the public-private partnership announced last May. They are pleased to announce the creation of "Glasfaser Ostbelgien", a joint venture based in Eupen, tasked with rolling out optical fiber throughout the region within the next four years. This large-scale rollout will be possible thanks to the first public-private partnership in Belgium in the field of fiber. It will be jointly controlled by Ethias (50% + 1 share) and Proximus (50% - 2 shares), and the German-speaking Community (1 share) will be present to guarantee the public interests of the company.

Thanks to this agreement, a first of its kind in Belgium, almost all of the 40,000 homes and businesses in the country's nine German-speaking municipalities, including in the so-called "white zones", will have access to the best in broadband. The rollout will take place from 2023 to 2026 and will provide opportunities for local companies to participate.

Creation of Doktr

The health insurance funds Christelijke Mutualiteit/Mutualité chrétienne (CM/MC), Solidaris/SocMut and Proximus SA are respectively contributing 20%; 0.1% and 79.9% to a new legal entity named Doktr which includes Proximus's video consultation app. By working together with the local ecosystem, Doktr wants to develop further into a fully-fledged player in the range of healthcare services on offer to facilitate video consultations in an accessible, safe and user-friendly manner. The activities of Doktr started in July 2022. The entity was created by a contribution in cash of EUR 3.9 million by the three stakeholders.

Redevelopment of the Proximus Towers in Brussels

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

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

Partnership with HCL Technologies

In 2021, Proximus entered into a partnership with HCL Technologies whereby that company operates and maintains Proximus' private cloud infrastructure. The partnership foresaw a transition phase, that started in October 2021 and that was finished in February 2022.

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

Interest rate swap

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

Acquisition Spectrum Rights

The first phase of the spectrum auction, organized by regulator BIPT, concluded on 20th June, 2022. Proximus acquired substantive spectrum rights in the 900 MHz, 1800 MHz and 2100 MHz band, as well as in the newly auctioned 700 MHz and 3600 MHz bands, essential for a large-scale 5G deployment. These spectrum licenses represent a total investment of EUR 491 million for a period of 20 years (18 years for the 3600 MHz band) which is recognized as intangible fixed asset and payable by annual installments over the same period. In addition to this spectrum package Proximus secured on the 20th of July, 2022 45 Mhz of spectrum in the 1400 MHz band for a total investment of EUR 109 million for a period of 20 years.

Business combination Telesign and NAAC has been terminated

The business combination agreement between Proximus' fast-growing US-based subsidiary Telesign and NAAC, dated December 16, 2021, has been terminated, as the customary conditions required to close the transaction were not met by June 30 as stipulated in the business combination agreement. As a consequence the costs related to the transaction were recognized in P&L.

Partnership between BICS and Ooredoo Group

BICS has entered into multiyear contractual agreements whereby BICS will manage end-to-end traffic for operators. These agreements include a commitment (subject to satisfying certain conditions on ongoing basis) from BICS to send inbound traffic to certain operators for an aggregated amount not exceeding EUR 50 million per annum with a maximum duration of 3 years.

Remeasurement pension asset and other post-employment benefit liability

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

6.4 Consolidated income statement

(EUR million)	3rd Quarter 2021	3rd Quarter 2022	% Change	Year-to-date 2021	Year-to-date 2022	% Change
Net revenue	1,391	1,492	7.3%	4,109	4,306	4.8%
Other operating income	10	18	87.8%	28	49	73.9%
Total income	**1,401**	**1,511**	**7.8%**	**4,138**	**4,355**	**5.2%**
Costs of materials and services related to revenue	-505	-571	13.1%	-1,456	-1,563	7.3%
Workforce expenses	-300	-328	9.4%	-883	-954	8.0%
Non workforce expenses	-130	-143	9.8%	-395	-431	8.9%
Total operating expenses before depreciation & amortization	**-935**	**-1,042**	**11.4%**	**-2,735**	**-2,947**	**7.8%**
Operating income before depreciation & amortization	**466**	**469**	**0.6%**	**1,403**	**1,407**	**0.3%**
Depreciation and amortization	-298	-289	-3.2%	-888	-876	-1.4%
Operating income	**168**	**180**	**7.3%**	**515**	**532**	**3.3%**
Finance income	1	2	>100%	4	4	17.7%
Finance costs	-14	-16	13.0%	-41	-43	5.7%
Net finance costs	**-13**	**-14**	**6.5%**	**-37**	**-39**	**4.5%**
Share of loss on associates and JV	-1	-3	>100%	-5	-11	96.7%
Income before taxes	**154**	**163**	**6.3%**	**472**	**482**	**2.1%**
Tax expense	-37	-37	0.7%	-114	-113	-0.8%
Net Income	**116**	**126**	**8.1%**	**358**	**369**	**3.1%**
Attributable to:						
Equity holders of the parent (Group share)	116	126	8.2%	356	369	3.5%
Non-controlling interests	0	0	-	1	0	<-100%
Basic earnings per share	0.36	0.39	8.3%	1.10	1.14	3.5%
Diluted earnings per share	0.36	0.39	8.3%	1.10	1.14	3.5%
Weighted average number of outstanding shares	322,745,976	322,414,116	-0.1%	322,758,821	322,606,451	0.0%
Weighted average number of outstanding shares for diluted earnings per share	322,745,976	322,414,116	-0.1%	322,758,821	322,606,451	0.0%

6.5 Consolidated statements of other comprehensive income

	3rd Quarter		Year-to-date	
(EUR million)	**2021**	**2022**	**2021**	**2022**
Net income	**116**	**126**	**358**	**369**
Other comprehensive income:				
Items that may be reclassified to profit and loss:				
Exchange differences on translation of foreign operations	5	10	11	25
Cash flow hedges:				
Gain/(Loss) taken to equity	2	52	-2	192
Transfer to profit or loss for the period	0	0	-1	0
Other	0	1	0	0
Total before related tax effects	**6**	**64**	**8**	**218**
Related tax effects				
Cash flow hedges:				
Gain/(Loss) taken to equity	-1	-13	1	-48
Income tax relating to items that may be reclassified	**0**	**-13**	**1**	**-48**
Total of items that may be reclassified to profit and loss, net of related tax effects	**6**	**50**	**9**	**170**
Items that will not be reclassified to profit and loss:				
Remeasurement of net defined benefit obligations	0	0	0	142
Total before related tax effects	**0**	**0**	**0**	**142**
Related tax effects				
Remeasurement of defined benefit obligations	0	0	0	-22
Income tax relating to items that will not be reclassified	**0**	**0**	**0**	**-22**
Total of items that will not be reclassified to profit and loss, net of related tax effects	**0**	**0**	**0**	**120**
Total comprehensive income	**122**	**176**	**367**	**659**
Attributable to:				
Equity holders of the parent	122	176	364	659
Non-controlling interests	0	0	3	0

6.6 Consolidated balance sheet

(EUR million)	As of 31 December 2021	As of 30 September 2022
ASSETS		
Non-current assets	**7,548**	**8,546**
Goodwill	2,588	2,606
Intangible assets with finite useful life	1,113	1,671
Tangible assets: Property, plant and equipment	3,311	3,459
Right-of-use asset	274	270
Lease receivable	6	6
Contract costs	110	110
Investments in associates and JV	34	53
Equity investments measured at fair value	1	1
Deferred income tax assets	6	5
Pension assets	80	151
Other non-current assets	24	213
Current assets	**1,685**	**1,693**
Inventories	132	187
Trade receivables	879	974
Contract assets	120	127
Current tax assets	166	46
Other current assets	140	159
Cash and cash equivalents	249	201
TOTAL ASSETS	**9,233**	**10,239**
LIABILITIES AND EQUITY		
Equity	**2,978**	**3,409**
Shareholders' equity attributable to the parent	2,978	3,408
Non-controlling interests	0	1
Non-current liabilities	**3,779**	**4,214**
Interest-bearing liabilities	2,737	2,679
Lease liabilities	204	196
Liability for pensions, other post-employment benefits and termination benefits	447	357
Provisions	153	154
Deferred income tax liabilities	136	189
Other non-current payables	102	639
Current liabilities	**2,475**	**2,617**
Interest-bearing liabilities	252	425
Lease liabilities	69	74
Liability for pensions, other post-employment benefits and termination benefits	62	53
Trade payables	1,515	1,419
Contract liabilities	135	126
Tax payables	11	19
Other current payables	432	500
TOTAL LIABILITIES AND EQUITY	**9,233**	**10,239**

6.7 Consolidated cash flow statement

(EUR million)	3rd Quarter 2021	3rd Quarter 2022	Change	Year-to-date 2021	Year-to-date 2022	Change
Cash flow from operating activities						
Net income	116	126	8.1%	358	369	3.1%
Adjustments for:						
Depreciation and amortization	298	289	-3.2%	888	876	-1.4%
Increase/(decrease) of provisions	7	-1	<-100%	11	-1	<-100%
Deferred tax expense/ (income)	-4	-11	>100%	-9	-17	84.9%
Loss from investments accounted for using the equity method	1	3	>100%	5	11	96.7%
Fair value adjustments on financial instruments	0	0	-3.5%	1	0	-30.2%
Gain on disposal of property, plant and equipment	0	-1	-	-1	-4	>100%
Operating cash flow before working capital changes	**420**	**406**	-3.4%	**1,253**	**1,233**	-1.5%
Increase in inventories	-12	-15	25.6%	-25	-55	>100%
Increase/(decrease) in trade receivables	-22	-19	-13.1%	22	-100	<-100%
Increase in other assets	51	53	4.4%	87	96	10.4%
Increase in trade payables	31	30	-1.5%	52	38	-28.0%
Increase in other liabilities	31	43	38.1%	34	69	>100%
Decrease in net liability for pensions, other post-employment benefits and termination benefits	-14	-6	-56.7%	-57	-28	-51.5%
Increase in working capital, net of acquisitions and disposals of subsidiaries	**65**	**86**	**33.5%**	**112**	**20**	**-82.6%**
Net cash flow provided by operating activities (1)	**485**	**492**	**1.5%**	**1,365**	**1,253**	**-8.2%**
Cash flow from investing activities						
Cash paid for acquisitions of intangible assets and property, plant and equipment	-310	-361	16.3%	-860	-1,101	28.0%
Cash paid for investments in associates and joint ventures	-11	-28	>100%	-44	-30	-31.7%
Cash paid for acquisition of consolidated companies, net of cash acquired	0	-3	-	-130	-3	-97.9%
Cash received for sales of consolidated companies, net of cash disposed of	0	3	>100%	0	0	-100.0%
Net cash received from sales of property, plant and equipment and other non-current assets	0	1	>100%	3	10	>100%
Net cash used in investing activities	**-321**	**-387**	**20.9%**	**-1,031**	**-1,124**	**9.0%**
Cash flow before financing activities	**164**	**105**	**-36.2%**	**334**	**129**	**-61.4%**
Lease payments (excl. interest paid)	-18	-21	**15.1%**	-58	-60	**3.0%**
Free cash flow (2)	**146**	**84**	**-42.5%**	**276**	**69**	**-75.0%**
Cash flow from financing activities other than lease payments						
Dividends paid to shareholders	0	0	-	-226	-226	0.0%
Dividends to and transactions with non-controlling interests	0	2	-	-217	2	>100%
Net sale/(purchase) of treasury shares	2	-1	<-100%	2	-5	<-100%
Decrease/(increase) of shareholders' equity	-1	-2	>100%	-1	-2	>100%
Cash paid for matured cash flow hedge instrument related to long term debt	0	1	>100%	-1	0	-99.1%
Asset financing arrangements	0	-97	-	0	-47	-
Issuance of long term debt	0	91	-	0	94	-
Repayment of long term debt	0	2	>100%	-2	1	>100%
Issuance/(repayment) of short term debt	-220	-111	-49.6%	15	62	>100%
Cash flows used in financing activities other than lease payments	**-220**	**-115**	**-47.8%**	**-430**	**-120**	**-72.0%**
Exchange rate impact	0	1	>100%	1	3	>100%
Net increase/(decrease) of cash and cash equivalents	**-73**	**-29**	**-60.1%**	**-153**	**-48**	**-68.8%**
Cash and cash equivalents at 1 January				310	249	-19.9%
Cash and cash equivalents at the end of the period				157	201	27.9%
(1) Net cash flow from operating activities includes the following cash movements :						
Interest paid				-33	-30	
Interest received				1	1	
Income taxes paid				-28	0	
(2) Free cash flow: cash flow before financing activities and after lease payments						

6.8 Consolidated statements of changes in equity

(EUR million)	Issued capital	Treasury shares	Restricted reserve	Equity instruments and hedge reserve	Other remeasure-ment reserve	Foreign currency translation	Stock Compen-sation	Retained Earnings	Shareholders' Equity	Non-controlling interests	Total Equity
Balance as at 1 January 2021	**1,000**	**-423**	**100**	**4**	**-208**	**-8**	**3**	**2,434**	**2,903**	**123**	**3,026**
Total comprehensive income	**0**	**0**	**0**	**-3**	**0**	**10**	**0**	**356**	**364**	**3**	**367**
Dividends to shareholders (relating to 2019)	0	0	0	0	0	0	0	-226	-226	0	-226
Dividends of subsidiaries to non-controlling interests	0	0	0	0	0	0	0	0	0	0	0
Sale of treasury shares	0	1	0	0	0	0	0	1	2	0	2
Total transactions with equity holders	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**-317**	**-316**	**-126**	**-442**
Balance as at 30 September 2021	**1,000**	**-422**	**100**	**1**	**-208**	**3**	**3**	**2,473**	**2,951**	**0**	**2,951**
Balance as at 1 January 2022	**1,000**	**-422**	**100**	**-7**	**-102**	**7**	**0**	**2,403**	**2,978**	**0**	**2,978**
Total comprehensive income	**0**	**0**	**0**	**145**	**120**	**25**	**0**	**369**	**659**	**0**	**659**
Dividends to shareholders (relating to 2020)	0	0	0	0	0	0	0	-226	-226	0	-226
Changes in shareholders' equity	0	0	0	0	0	0	0	2	2	1	3
Treasury shares											
Sale of treasury shares	0	-4	0	0	0	0	0	-1	-5	0	-5
Stock options											
Stock options forfeited	0	0	0	0	0	0	0	0	0	0	0
Total transactions with equity holders	**0**	**-4**	**0**	**0**	**0**	**0**	**0**	**-225**	**-229**	**1**	**-229**
Balance as at 30 September 2022	**1,000**	**-426**	**100**	**138**	**18**	**32**	**0**	**2,546**	**3,408**	**1**	**3,409**

6.9 Segment reporting

See reconciliation of reported and underlying figures in section 7.2.

	As at 30 September 2022							
	Proximus Group				Underlying by segment			
(EUR million)	**Reported (IFRS 16)**	**Lease depreciation and interest**	**Incidental**	**Underlying**	**Domestic**	**BICS**	**Telesign**	**Eliminations**
Net revenue	4,306	0	0	4,306	3,273	820	333	-119
Other operating income	49	0	-4	45	50	1	0	-6
Total income	**4,355**	**0**	**-4**	**4,351**	**3,322**	**821**	**333**	**-126**
Costs of materials and services related to revenue	-1,563	-1	0	-1,564	-801	-623	-254	114
Direct margin	**2,792**	**-1**	**-4**	**2,787**	**2,521**	**198**	**80**	**-11**
Workforce expenses	-954	0	18	-936	-826	-62	-50	2
Non workforce expenses	-431	-61	11	-480	-419	-42	-29	10
Total other operating expenses	**-1,384**	**-61**	**29**	**-1,416**	**-1,245**	**-104**	**-79**	**11**
Operating income before depreciation & amortization	**1,407**	**-62**	**25**	**1,371**	**1,276**	**94**	**1**	**0**
Depreciation and amortization	-876							
Operating income	**532**							
Net finance costs	-39							
Share of loss on associates	-11							
Income before taxes	**482**							
Tax expense	-113							
Net income	**369**							
Attributable to:								
Equity holders of the parent (Group share)	369							
Non-controlling interests	0							

As at 30 September 2021								
	Proximus Group				Underlying by segment			
(EUR million)	**Reported (IFRS 16)**	**Lease depreciation and interest**	**Incidental**	**Underlying**	**Domestic**	**BICS**	**Telesign**	**Eliminations**
Net revenue	4,109	0	-1	4,109	3,216	739	240	-86
Other operating income	28	0	0	28	33	1	1	-7
Total income	**4,138**	**0**	**-1**	**4,137**	**3,250**	**740**	**241**	**-94**
Costs of materials and services related to revenue	-1,456	-2	0	-1,458	-786	-572	-184	83
Direct margin	**2,681**	**-2**	**-1**	**2,679**	**2,463**	**169**	**57**	**-10**
Workforce expenses	-883	0	6	-878	-794	-55	-30	2
Non workforce expenses	-395	-59	16	-439	-397	-37	-12	8
Total other operating expenses	**-1,279**	**-59**	**22**	**-1,316**	**-1,191**	**-92**	**-42**	**10**
Operating income before depreciation & amortization	**1,403**	**-61**	**21**	**1,362**	**1,272**	**76**	**14**	**0**
Depreciation and amortization	-888							
Operating income	**515**							
Net finance costs	-37							
Share of loss on associates	-5							
Income before taxes	**472**							
Tax expense	-114							
Net income	**358**							
Attributable to:								
Equity holders of the parent (Group share)	356							
Non-controlling interests	1							

6.10 Disaggregation of net revenue

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

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

		As at 30 September	
(EUR million)		**2021**	**2022**
Domestic			
Residential			
	Customer services revenues (X-play)	1,298	1,335
	Prepaid	32	31
	Terminals	159	164
	Luxembourg Telco	91	95
	Other	39	43
	Total Residential	*1,619*	*1,668*
Business			
	Services	1,195	1,189
	Products	168	182
	Luxembourg Telco	17	20
	Total Business	*1,381*	*1,391*
Wholesale			
	Fixed & Mobile wholesale services	88	105
	Interconnect	123	106
	Total Wholesale	*211*	*211*
Other		*4*	*2*
Total Domestic		**3,216**	**3,273**
BICS		**739**	**820**
TeleSign		**240**	**333**
Eliminations		**-86**	**-119**
Total Net Revenue		**4,109**	**4,306**

6.11 Group financing activities related to interest-bearing liabilities

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

(EUR million)	As at 31 December 2020	Cash flows issuance	Cash flows repayments	Non-cash changes	As at 30 September 2021
Non-current					
Unsubordinated debentures	2,104	0	0	-499	1,606
Credit institutions	401	0	0	0	401
Other loans	1	0	-1	0	0
Derivatives held for trading	4	0	0	-1	3
Current portion of amounts payable > one year					
Unsubordinated debentures	0	0	0	500	500
Credit institutions held to maturity	1	0	-1	0	0
Other financial debts					
Unsubordinated debts	150	175	-150	0	175
Other loans	12	2	-12	0	2
Total liabilities from financing activities excluding lease liabilities	**2,673**	**177**	**-164**	**1**	**2,687**
Lease liabilities current and non current	284	0	-58	48	273
Total liabilities from financing activities including lease liabilities	**2,957**	**177**	**-222**	**48**	**2,960**

6.12 Financial instruments

Valuation techniques

The Group holds financial instruments classified in Level 1, 2 and 3. Compared to December 2021, no changes in the valuation techniques occurred. None of these instruments were reclassified from one level to another.

Fair value of financial assets

As of 30 September 2022 there is no substantial difference between the carrying amount of financial assets and their fair value.

Financial instruments measured at fair value

The fair value of the financial assets measured at fair value in Proximus consolidated balance sheet increased by EUR 196 million compared to their fair value as of December 2021. This increase is essentially due to the two interest rates hedges the Group entered in Q1 2022, for which Proximus applies hedge accounting.

No significant changes in the fair value of the financial liabilities are to be reported.

6.13 Contingent liabilities and commitments

Compared to the 2021 consolidated financial statements, no significant 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 2013, with the competent Indian Courts opposing the view of the Indian tax authorities that Indian withholding taxes are due on the payments. For the period 1 April 2013 to 31 March 2017, BICS initiated so-called dispute resolution panel procedures prior to filing appeals with the competent Indian Courts. Furthermore, BICS is opposing the assessments in relation to the period from 1 April 2008 to 31 March 2011 on procedural grounds. For The amount of the contingent liability, including late payment interest relating to this case should not exceed EUR 35 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 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 no longer includes the revenue generated by Mobile Network Services,** for which the generated revenue is independent from the number of mobile postpaid cards. The restated Mobile ARPU for the Business unit is hence affected by both the removal of Network Services revenue and the inclusion of SE customers in the Mobile base.

- The **new 'Residential'** unit reflects the former Consumer unit excluding SE customers.
- **Revenue from Mobile Vikings** is reported in the respective residential product groups:
- The **Mobile Vikings postpaid customers and related revenue is now part of the Residential Customer Services structure (X-Play),** i.e. increasing the Mobile-only base as of June 2021. As a consequence of the integration of this Mobile-only customer base, the overall ARPC becomes lower. It also explains the year-on-year decrease in the overall ARPC and the Mobile only (Postpaid) ARPC for Q3'21 and Q4'21.
- The **Mobile Vikings Prepaid revenue** is included in the Residential Prepaid revenue category.
- Mobile Vikings revenue remaining in 'Other' is related to interconnect revenue.

7.2 From Reported to Underlying

GROUP - Adjustments	GROUP Revenue		GROUP EBITDA		GROUP Revenue		GROUP EBITDA	
(EUR million)	Q3 '21	Q3 '22	Q3 '21	Q3 '22	YTD '21	YTD '22	YTD '21	YTD '22
Reported	1,401	1,511	466	469	4,138	4,355	1,403	1,407
Adjustments	-1	-1	-9	-10	-1	-4	-40	-37
Underlying	1,400	1,510	457	460	4,137	4,351	1,362	1,371
Adjustments	-1	-1	-9	-10	-1	-4	-40	-37
Lease Depreciations			-20	-20			-60	-61
Lease Interest							-1	-1
Transformation			3	9			5	19
Acquisitions, mergers and disposals	-1	-1	2	2	-1	-4	10	7
Litigation/regulation			6				6	-1

7.3 Definitions

A2P: Application to Person messages

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

ARPC: Average underlying revenue per (residential) customer.

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

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

ARPU: Average Revenue per Unit.

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

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

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

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

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

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

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

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

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

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

Adjustments (Revenue/EBITDA):

- **The IFRS16 related reclassifying 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-only (Residential): Refers to Mobile Postpaid whereby no other recurring subscriptions are bought. Mobile Prepaid is not included in the Customer services revenue but reported separately.

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

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

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

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

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

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

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

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

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

Reported Revenues: this corresponds to the TOTAL INCOME.

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

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

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

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

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

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

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

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

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

7.4 Management statement

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

7.5 Financial calendar

(dates could be subject to change)

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

7.6 Contact details

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7.7 Investor and Analyst Conference Call

Analyst conference call details

Proximus will host a conference call for investors and analysts on Friday, 28 October 2022.
Time 02.00pm Brussels – 01.00pm London – 08.00am New York

Dial-in UK	**+44 207 194 3759**
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