

Consolidated Management Report

Management discussion and analysis of financial results

1. Introductory remarks

Underlying revenue and EBITDA

Proximus' management discussion is focused on underlying figures, i.e., after adjustments. The underlying company figures are reported to the chief operating decision-makers in view of resource allocation and performance assessment.

Proximus provides a transparent view of the operational drivers of the business by isolating adjustments, i.e., revenues and costs that are unusual or not directly related to Proximus' business operations, and which had a significant impact on the year-on-year variance of the Proximus Group revenue or EBITDA. In

addition, following the application of the IFRS 16 accounting standard, the definition of "underlying" was adapted to include lease depreciation & interest as of 2019. The adjusted revenue and EBITDA are referred to as "underlying" and allow for a meaningful year-on-year comparison.

Definitions can be found in Section 6 of this document.

(EUR million)	Revenues		Ebitda	
	2021	2022	2021	2022
Reported	5,579	5,914	1,828	1,826
Adjustments	-1	-5	-56	-40
Underlying	5,578	5,909	1,772	1,786
Adjustments	-1	-5	-56	-40
Lease Depreciations			-80	-83
Lease Interest			-2	-2
Transformation			10	39
Acquisitions, mergers and disposals	-1	-5	12	7
Litigation/regulation			3	-2

Remark: "Underlying Revenue" corresponds to "Total Income", excluding adjustments.

Reporting changes as of 2022

As of January 2022, some reporting changes have been implemented following the organizational steering of the company. The results of 2021 have been restated accordingly to allow for a comparable base.

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.

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 became mathematically lower.

The Mobile Vikings Prepaid revenue is included in the Residential Prepaid revenue category.

Mobile Vikings interconnect revenue moved to Wholesale as of November 2022.¹

Rounding

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

¹ Only marginal net positive impact on Wholesale revenue

Key Figures - 10-year overview

						IFRS 15	IFRS 15&16	IFRS 15&16	IFRS 15&16	IFRS 15&16
Income Statement (EUR million)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Reported income	6,318	6,112	6,012	5,873	5,802	5,829	5,697	5,481	5,579	5,914
Revenue adjustments	N/A	248	17	3	24	21	11	2	1	5
Underlying revenue	N/A	5,864	5,994	5,871	5,778	5,807	5,686	5,479	5,578	5,909
Reported EBITDA (1)	1,699	1,755	1,646	1,733	1,772	1,794	1,676	1,922	1,828	1,826
Lease depreciation and interest	N/A	N/A	N/A	N/A	N/A	N/A	84	84	82	84
EBITDA adjustments	N/A	102	-88	-63	-51	-70	-278	1	-26	-44
Underlying EBITDA (1)	N/A	1,653	1,733	1,796	1,823	1,865	1,870	1,836	1,772	1,786
Depreciation and amortization	-782	-821	-869	-917	-963	-1,016	-1,120	-1,116	-1,183	-1,179
Operating income (EBIT)	917	933	777	816	809	778	556	805	645	647
Net finance income / (costs)	-96	-96	-120	-101	-70	-56	-47	-48	-54	-49
Share of loss on associates	0	-2	-2	-1	-2	-1	-1	-1	-10	-20
Income before taxes	822	835	655	715	738	721	508	756	581	578
Tax expense	-170	-154	-156	-167	-185	-191	-116	-174	-137	-128
Non-controlling interests	22	27	17	25	30	22	19	18	1	0
Net income (Group share)	630	654	482	523	522	508	373	564	443	450
Cash flows (EUR million)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Cash flows from operating activities	1,319	1,447	1,386	1,521	1,470	1,558	1,655	1,515	1,621	1,717
Cash paid for Capex	-852	-916	-1,000	-962	-989	-1,099	-1,091	-1,089	-1,137	-1,441
Cash flows from / (used in) other investing activities	38	180	22	0	-189	-8	12	9	-168	-20
Lease payments	N/A	N/A	N/A	N/A	N/A	N/A	-78	-82	-79	-89
Free cash flow (2)	505	711	408	559	292	451	498	352	237	167
Cash flows from / (used in) financing activities other than lease payments	-353	-364	-608	-764	-256	-444	-515	-363	-299	-119
Net increase / (decrease) of cash and cash equivalents	152	347	-200	-205	36	7	-17	-13	-62	50
Balance sheet (EUR million)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Balance sheet total	8,417	8,522	8,283	8,117	8,527	8,671	8,978	8,779	9,233	10,541
Non-current assets	6,254	6,339	6,386	6,372	6,735	6,850	7,160	7,120	7,548	8,589
Investments, cash and cash equivalents	415	710	510	302	338	344	327	313	249	299
Shareholders' equity	2,846	2,779	2,801	2,819	2,857	3,005	2,856	2,903	2,978	3,307
Non-controlling interests	196	189	164	162	156	148	142	123	0	1
Liabilities for pensions, other post-employment benefits and termination benefits	473	504	464	544	568	605	864	645	508	413
Net financial position (incl. lease liability)	N/A	N/A	N/A	N/A	N/A	N/A	-2,492	-2,639	-3,013	-3,030
Net financial position (excl. lease liability as from 2019)	-1,815	-1,800	-1,919	-1,861	-2,088	-2,148	-2,185	-2,356	-2,740	-2,758
Proximus share	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Weighted average number of ordinary shares (3)	318,759,360	320,119,106	321,767,821	322,317,201	322,777,440	322,649,917	322,918,006	322,752,015	322,751,990	322,552,465
Basic earnings per share - as reported (EUR) (4)	1.98	2.04	1.50	1.62	1.62	1.58	1.16	1.75	1.37	1.40
Total dividend per share (EUR) (5)	2.18	1.50	1.50	1.50	1.50	1.50	1.50	1.20	1.20	1.20
Data on employees	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Number of employees (full-time equivalents)	15,699	14,187	14,090	13,633	13,391	13,385	12,931	11,423	11,532	11,634
Average number of employees over the period	15,753	14,770	14,040	13,781	13,179	13,161	13,007	11,544	11,445	11,529
Underlying revenue per employee (EUR)	N/A	410,746	426,958	425,997	438,413	441,238	437,173	474,647	487,381	512,534
Total income per employee (EUR)	401,080	413,826	428,194	426,201	440,240	442,870	438,005	474,783	487,451	512,936
Underlying EBITDA per employee (EUR)	N/A	111,923	123,467	130,315	138,325	141,681	143,801	159,057	154,814	154,912
Total EBITDA per employee (EUR)	107,851	118,798	117,251	125,743	134,483	136,342	128,856	166,467	159,721	158,394
Ratios - on reported basis	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Return on Equity	22.1%	23.5%	17.2%	18.6%	18.3%	16.9%	13.1%	19.4%	14.9%	13.6%
Direct margin	59.5%	60.4%	60.5%	61.8%	62.7%	63.5%	64.6%	65.3%	64.2%	63.0%
Net debt / EBITDA (6)	1.07	1.03	1.17	1.07	1.18	1.20	1.30	1.23	1.50	1.51
EBITDA Margin	27%	29%	27%	30%	31%	31%	29%	35%	33%	31%
Ratios - on underlying basis	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Return on Equity	N/A	21.8%	18.9%	19.4%	19.2%	18.4%	19.9%	19.5%	15.5%	14.6%
Direct margin	N/A	57.8%	59.6%	61.8%	62.5%	63.4%	64.6%	65.3%	64.2%	63.0%
Net debt / EBITDA (6)	N/A	1.09	1.11	1.04	1.15	1.15	1.17	1.28	1.55	1.54
EBITDA Margin	N/A	28%	29%	31%	32%	32%	33%	34%	32%	30%
CAPEX	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total CAPEX (7)	972	994	1,002	949	1,092	1,019	1,035	1,237	1,246	1,923
Capex excl. Spectrum and Football right	852	912	927	949	1,002	1,019	1,027	1,000	1,203	1,305

(1) Earnings Before Interests, Taxes, Depreciation and Amortization.

(2) Cash flow before financing activities but after lease payments.

(3) i.e. excluding Treasury shares

(4) No difference between basic and diluted earnings per share

(5) Accounting view (no cash view)

(6) Net debt excluding lease liabilities, Proximus definition

(7) Capex was restated for years 2020 and 2021

- Proximus Group revenue increased by 5.9% year-on-year, with strong growth for both the Domestic and International segments.
- Underlying Domestic revenue was up by 2.2% to a total of EUR 4,478 million for full-year 2022.
- Internationally, both BICS and Telesign delivered strong revenue growth, increasing revenue by 13.3% and 44.5%, respectively.
- Proximus' strong cost control through its ongoing multi-year efficiency program mitigated inflationary pressure.
- The underlying Group EBITDA for the year 2022, totaled EUR 1,786 million, up by 0.8%.
- Proximus' Domestic segment and BICS both closed 2022 with growing EBITDA, up by 0.7% and 18.1%, respectively. Telesign's increased investments in its growth trajectory were reflected in lower EBITDA.
- Proximus Group generated FCF of EUR 167 million in 2022, or EUR 181 million on adjusted basis.

2. Proximus Group

Revenue

The Proximus Group ended the year 2022 with total underlying revenue of EUR 5,909 million, an increase on the previous year of 5.9% or EUR 331 million.

Group underlying revenue
EUR 5,909M
 Up 5.9% YoY

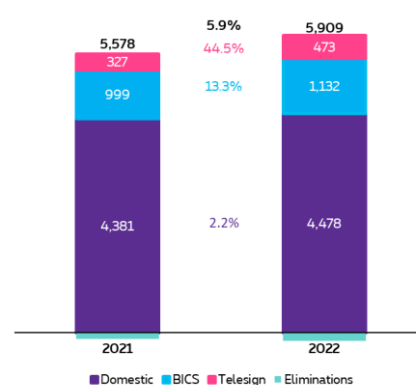
Within the mix, the underlying Domestic revenue was up by 2.2% to a total of EUR 4,478 million. This includes the revenue contribution from Mobile Vikings, consolidated as of 1 June 2021 in the Proximus Residential revenue. When excluding the revenue from Mobile Vikings, Proximus' Domestic revenue was up year-on-year by 1.6%. The support from the solid operational results from both the Residential and Enterprise units was partly offset by the loss in low-margin Wholesale Interconnect revenue, following the continued decrease in regular SMS usage with customers moving to OTT services.

Both international segments BICS and Telesign contributed strongly to the growth in 2022 Group revenue. In 2022,

BICS grew its revenue by 13.3% to EUR 1,132 million, a strong improvement from the 3.6% revenue growth for 2021. Both revenue from BICS' Enterprise customers and Telecom customers progressed significantly, up by 36.2% and 8.2% respectively on the previous year.

Telesign posted a strong sales year, with revenue up by 44.5% (including positive currency effect). The growth was driven by both Programmable Communications and Digital Identity services.

Group revenue by segment (underlying, €M)



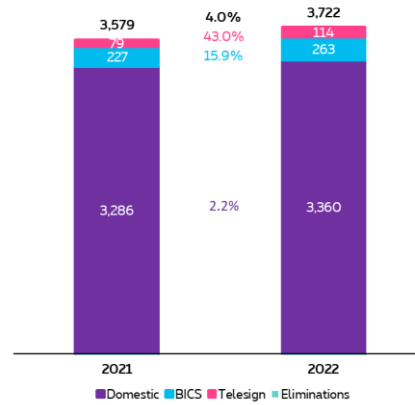
Direct Margin

Over the full year 2022, Proximus Group posted an underlying direct margin of EUR 3,722 million, i.e., up by EUR 143 million or 4.0% on full-year 2021, with both Domestic and International contributing fairly equally to this uplift. The Domestic direct margin was up by 2.2% to a total of EUR 3,360 million. Compared to the preceding year, BICS improved its direct margin by 15.9%, reaching EUR 263 million, and Telesign grew its direct margin by +43.0%, totaling EUR 114 million, including a significant positive currency effect.

Group underlying direct margin

EUR 3,722M
Up 4.0% YoY

Direct Margin (underlying, €M)



Operating expenses (OPEX)

Steep inflation significantly impacted the Proximus Group operating expenses, up from the previous year by 7.1%, reaching a total of EUR 1,936 million.

The **Domestic OPEX** totaled EUR 1,695 million, a 3.8% increase. The steep inflationary impact, costs related to the company's growing customer base and transformation related OPEX were partially offset by a lower headcount, down year-on-year by 151 FTEs, and other ongoing cost efficiencies. Proximus' company-wide cost program delivered over the past three years a total cost savings of EUR 230 million.

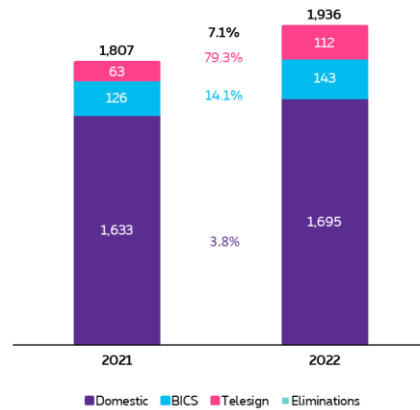
BICS posted EUR 143 million OPEX for 2022, an increase of 14.1% on 2021, partially driven by higher wage and energy costs, and including non-structural performance-related labour costs.

The year on year increase in the BICS headcount by 53 FTEs, or +11.7% compared to end-2021 is mainly related to the acquisition of Mobtexting India, supporting BICS' growth objectives in CPaaS.

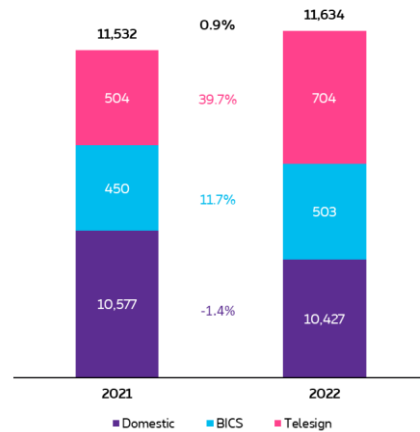
Telesign's operating expenses totaled EUR 112 million, EUR 50 million higher than 2021, driven by the anticipated significant investment to realize its growth plan. This includes amongst others increased marketing expenses as well as intensive additional employee hiring, with headcount increasing year-on-year by 200 FTEs.

Operating Expenses increased for 2022, reaching a total of **EUR 1,936M** for the Proximus Group.

Operating expenses (underlying, €M)



Headcount evolution (in FTE per YE)

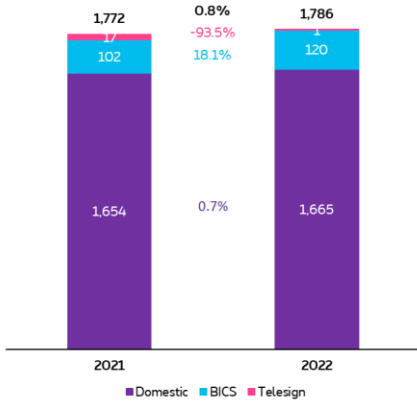


Underlying EBITDA

The underlying Group EBITDA for the year 2022 totaled EUR 1,786 million, up by 0.8% or EUR 14 million on the previous year, with both Domestic and BICS EBITDA contributing to this growth.

Group underlying EBITDA
€ 1,786M
 Up 0.8% YoY

Group EBITDA by segment (underlying, €M)

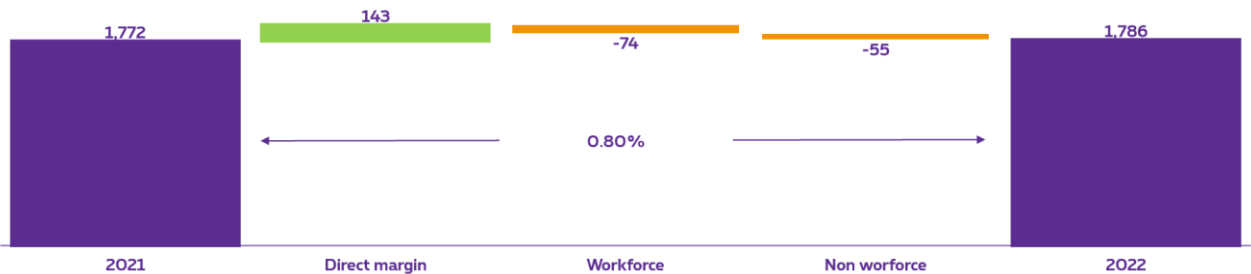


The **Domestic operations** of Proximus posted EUR 1,665 million EBITDA, a year-on-year increase of 0.7%, driven by higher direct margin.

BICS closed 2022 with EBITDA up 18.1%, totaling EUR 120 million, as a result of its strong Direct margin growth, in part offset by higher Operational costs. BICS' segment margin as percentage of revenue further improved, with 10.6% for 2022, compared to 10.2% the previous year.

Telesign invested significantly in its growth ambitions during 2022, resulting in a significant increase in its operating expenses. This effect was, however, fully offset by its firm increase in direct margin, resulting, overall, in a slightly positive EBITDA for 2022 of EUR 1 million.

Group EBITDA evolution (underlying, €M)



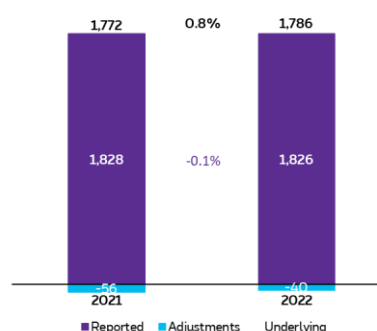
Reported EBITDA

Operating lease excluded, and other adjustments included, the Proximus Group reported EBITDA of EUR 1,826 million, compared to EUR 1,828 million in 2021.

In 2022, the Proximus Group recorded a net of EUR 40 million in adjustments, compared to EUR 56 million net positive EBITDA incidentals for 2021.

The lease depreciation and interest for 2022 were EUR 3 million lower year-on-year, totaling EUR 83 million. (As of 2019, following the application of IFRS 16, these expenses are excluded from the reported EBITDA). This was partly offset by transformation costs of EUR 39 million and adjustments for M&A related costs.

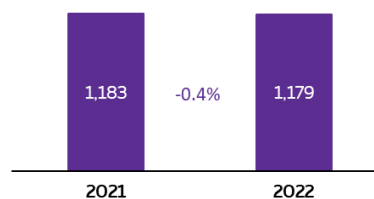
Reported and underlying EBITDA (€M)



Depreciation and amortization

In 2022, depreciation and amortization totaled EUR 1,179 million, including lease depreciation. This was slightly below the EUR 1,183 million for 2021.

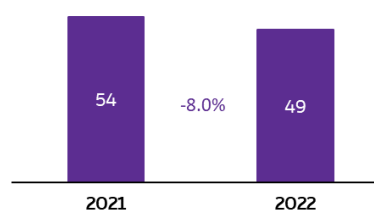
Depreciation and amortization incl. lease depreciation (€M)



Net finance cost

The full-year 2022 net finance cost totaled EUR 49 million including lease interests, EUR 5 million below one year ago, mainly explained by a EUR 7 million one-off impact of discount rate increase on long term provisions.

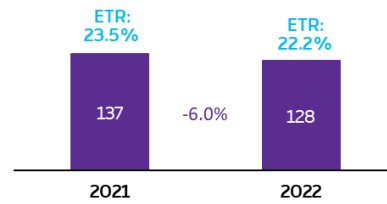
Net finance cost incl. lease interest (€M)



Tax expense

The 2022 tax expenses amounted to EUR 128 million, leading to an effective tax rate of 22.2%. The difference with the Belgian statutory tax rate of 25% is the result of the application of general principles of Belgian tax law, such as the patent income deduction and other R&D incentives.

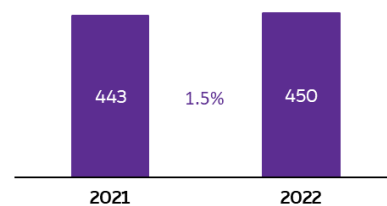
Tax expense (€M) and ETR



Net income

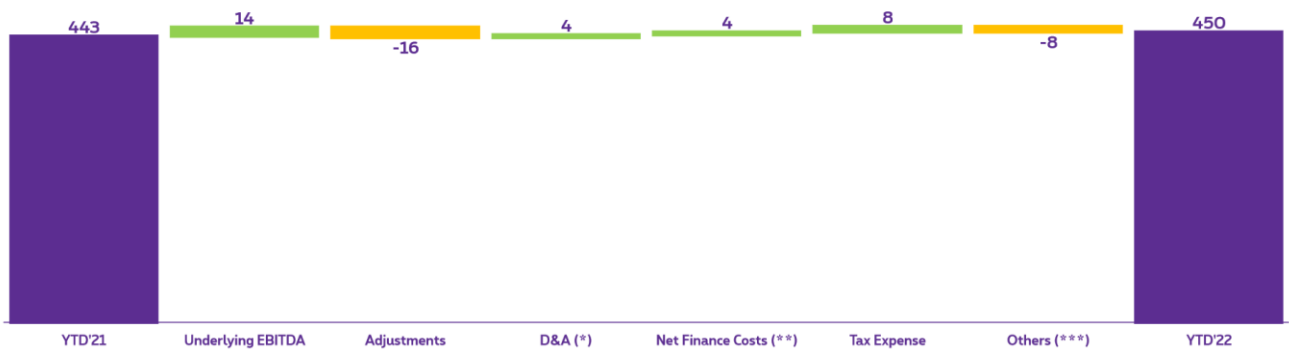
The year-on-year Proximus Net income (Group share) progressed by 1.5%, driven by a 0.4% increase in EBIT, a decrease in net finance costs and a lower effective tax rate partially offset by a higher share of loss on associates, mainly related to the Fiber JVs: Fiberklaar and Unifiber.

Net income (Group Share) (€M)



€ 450M
Net income

Net income evolution (€M)



(*) excluding lease depreciation; (**) excluding lease interest; (***) includes Non-controlling interests and Share of loss from associates

CAPEX

Overall, the Proximus Group accrued CAPEX totaled EUR 1,923 million for 2022, compared to EUR 1,246 million for 2021. This includes EUR 618 million of capex for acquired mobile spectrum. The majority relates to the multi-band spectrum obtained in the auction of July 2022, during which Proximus secured for EUR 600 million a total of 285Mhz spectrum, with licenses valid for the next 18-20 years.

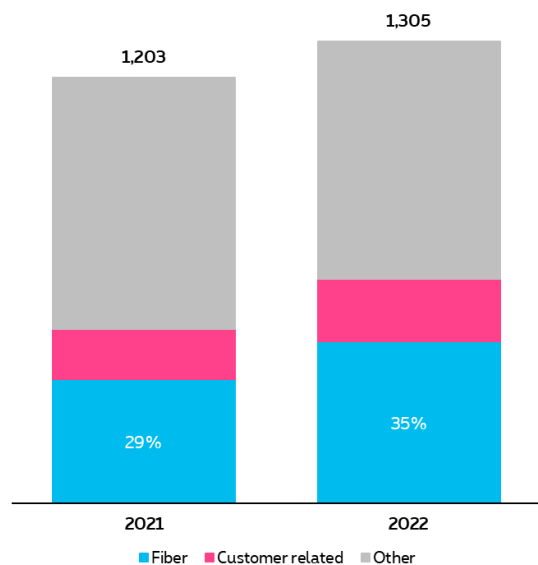
Excluding spectrum and football broadcasting rights the Proximus Group accrued CAPEX over the year 2022 totaled EUR 1,305 million, in line with its provided guidance for the year. The year-on-year increase of EUR 101 million from 2021 was largely driven by Proximus' investments in its Gigabit networks. Fiber-related investments accounted for 35% of the total CAPEX. By end-2022, Proximus was deploying Fiber in 93 cities and municipalities in Belgium. Compared to end-2021, Proximus increased its footprint by 58% in 2022, reaching 1,282,000 premises with fiber, representing a Fiber footprint in Belgium of over 21%.

Moreover, the Mobile network (RAN) consolidation between Proximus and Orange Belgium announced in 2019 is ongoing, led by the created joint-operation Mwingz with CAPEX incurring following the pace of the mobile site consolidation.

Following an increased level of customer installations over 2022, more specifically for Fiber, the customer-related CAPEX increased, covering customer equipment and activation costs.

Moreover, in line with its strategy, Proximus increased its investments in Digitalization and IT transformation.

Accrued CAPEX (€M)
(excl. spectrum and football rights)



Free Cash Flow

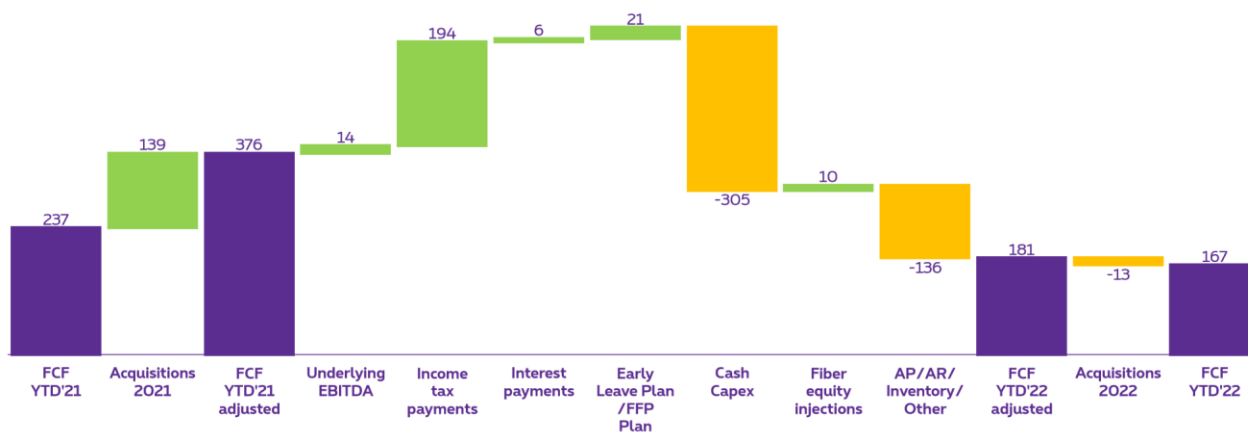
The total FCF over the year 2022 totaled EUR 167 million, or EUR 181 million when adjusted for M&A-related transaction costs. The decrease from the comparable adjusted 2021 FCF of EUR 376 million (EUR 237 million reported FCF) mainly resulted from higher cash-out for Capex, increasing by EUR 305 million, following the higher Fiber investments and spectrum acquisitions, as well as an unfavorable year-on-year evolution of business working capital needs. This was in part

offset by year-on-year lower income tax payments, cash-out for ongoing transformation plans and a lower amount of equity injections in the Fiber joint ventures Fiberklaar and Unifiber, the two entities created to deploy Fiber in the Flanders and Walloon regions, respectively.

€ **181M** adjusted FCF

Free Cash Flow evolution (€M)

(Management view reflecting the main components, sometimes in aggregate and may differ from the Consolidated Cash Flow statement)

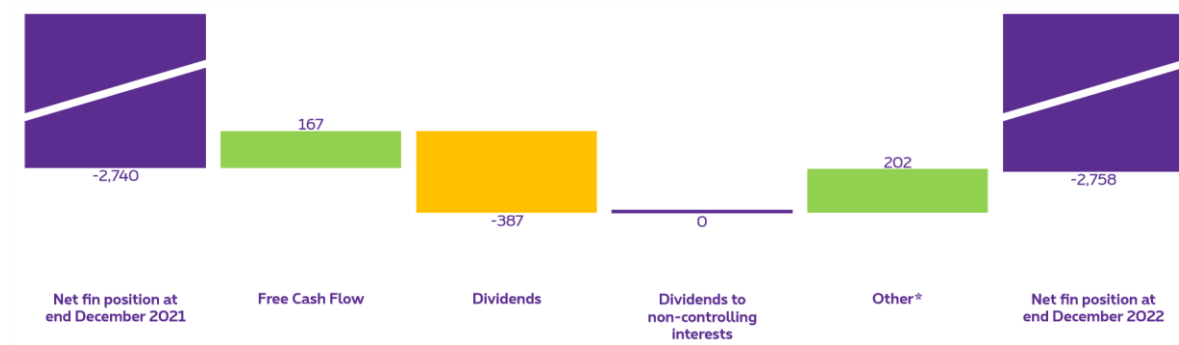


Net financial position

At the end of December 2022, Proximus' adjusted net financial position was EUR 2,758 million (including re-measurements to fair value), keeping a very sound net debt/EBITDA ratio of 2.3X (S&P definition).

Evolution of Adjusted Net Financial Position (excl. lease liabilities)

(€M)

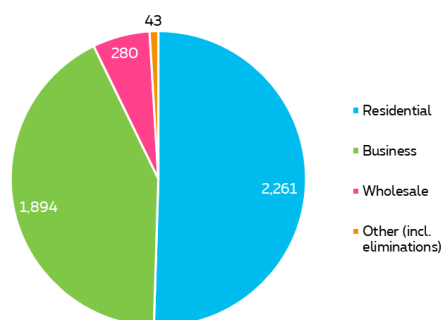


* Mainly remeasurement to fair value of cash flow hedge instrument for future LT debt

- Domestic revenue of EUR 4,478 million in 2022, up by 2.2% from 2021.
- Domestically, Proximus maintained good commercial momentum supported by its different brands.
- Residential revenue over 2022 totaled EUR 2,261 million, up by 2.4%.
- Business revenue increased to EUR 1,894 million for 2022, a 1.7% growth from 2021.
- Wholesale revenue of EUR 280 million in 2022, a 2.1% decline compared to 2021, largely related to Interconnect revenue erosion, with no material margin impact.

3. Domestic

Domestic revenue by unit (underlying, €M)



For its Domestic operations, Proximus posted revenue of EUR 4,478 million in 2022, an increase of 2.2% or EUR 97 million from the year 2021. The Residential unit accounted for about 50% of the total Domestic revenue, the Enterprise unit 42% and the Wholesale segment 6%.

With Proximus deploying Fiber in 93 cities end-2022, the product superiority of Fiber becomes an increasingly relevant sales proposal for Proximus' Domestic market. Over the year 2022, the number of activated Fiber customers increased by an additional 106,000, comprised of a mix of Residential and Business, new customers and migrated copper customers. This compares to an increase of 62,000 activated Fiber customers in 2021. By end-2022 the Fiber customer base totaled 252,000

Residential revenue

Revenue generated by Proximus Residential customers totaled EUR 2,261 million over 2022, up by 2.4% or EUR 54 million compared to 2021.

1,736,000
Fixed Internet customers
Up 34,000 in 2022

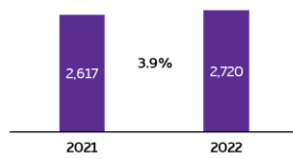
Through its three complementary brands that address the different needs of the residential market, Proximus continued in 2022 to its grow Internet and Mobile Postpaid base, while the Fixed Voice base further eroded as a consequence of the ongoing change in customer needs. In particular, convergent offers,

combining Fixed and Mobile services, continued to do very well, supported by the success of Proximus' Flex offers. Besides a growing base, the residential revenue also benefitted from inflation-based price rises on a broad selection of Proximus services to mitigate the inflationary pressure on the company's cost base.

When zooming-in on the Residential operational results, 2022 was especially successful for Mobile Postpaid, with the number of Mobile Postpaid cards for the year up by 103,000, in spite of intensified competitor promotions. Proximus' mobile growth was supported by Flex (addressing multi-mobile customers), the Scarlet and Mobile Vikings brand, as well as subscriptions combined with mobile devices. By end-December 2022, Proximus' Residential Mobile Postpaid base reached a total of 2,720,000 cards, up by 3.9% from end-2021.

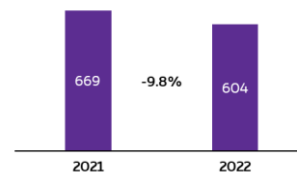
Postpaid cards ('000)

(2021 including Mobile Vikings)



Prepaid cards ('000)

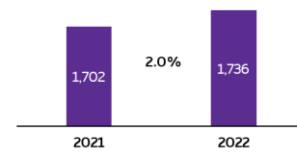
(2021 including Mobile Vikings)



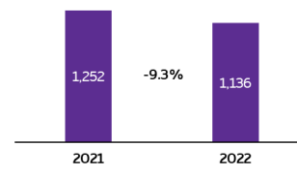
Whereas the Mobile Prepaid base in 2021 benefitted from the inorganic support following the acquisition of Mobile Vikings, the Prepaid base returned to its inherent declining trend, stimulated by attractive mobile Postpaid offers. Proximus saw the Mobile Prepaid base shrink in 2022 by 65,000 cards, leading to a total number of Prepaid cards of 604,000 by end-December 2022.

Strongly supported by Proximus' expanding Fiber footprint, the Residential segment managed to maintain the growth of its Internet customer base at 34,000 in a competitive market and in spite of a softer post-Covid market growth. By end-2022, the Residential Internet base amounted to a total of 1,736,000, with a mix of customers on the historical copper network and a growing number of customers on the new Fiber technology.

Fixed Internet customers ('000)



Fixed Voice customers ('000)



The revenue generated by customers subscribing to Proximus' different product lines is referred to as Customer services revenue or **X-Play revenue**. For 2022, 79% of the total Residential revenue, i.e., **EUR 1,782 million was generated by Customer services (X-play)**, an increase of **2.7% or EUR 48 million compared to 2021**.

The overall ARPC for 2022 was up to EUR 52.5. The 1.0% increase from one year back is the net result of, on the one hand, a mathematical decrease in ARPC following an enlarged customer base with Mobile Vikings included and, on the other hand, an increase in ARPC as a result of the move of customers to convergent offers at higher ARPC, and the two inflation-based price adjustments

In the mix, **revenue from Convergent customers showed strong growth, up by 6.9% year-on-year reaching EUR 1,039 million**. In 2022, Proximus grew its convergent base by 52,000 customers, reaching a total of 1,048,000, up by 5.2% from 12 months back. The main growth driver of the Convergent revenue remained the strong increase in convergent 3-Play customers.

Proximus grew its convergent 3-Play base by 49,000 customers, reaching 422,000 customers by end-2022. This, combined with 3.9% growth in 3-Play ARPC to EUR 83.1 resulted in a 3-Play convergent revenue growth of 27.2% to a total of EUR 402 million.

In the first half of 2022, following the successful launch of new offers combining Mobile with Internet, the dual-play customer base turned to growth, with the addition of 30,000 customers.

The uptake of 2 and 3-Play convergent offers largely explains the steady downward trend in the number of 4-Play customers, down by 28,000 to a total base of 531,000 by end-2022, as well as the decrease in the Fixed -and Mobile postpaid-only customer bases. With the number of customers subscribing to Proximus' convergent offers rising, Proximus' base of Fixed-only customers decreased to 908,000 by end-2022. These customers generated in 2022, an ARPC of EUR 45.0, stable compared to the previous year.

Similarly, the number of customers only having a Mobile subscription at Proximus came down further, to the benefit of Convergent packages. By end-2022, the Residential unit counted a Mobile postpaid-only base of 868,000 customers, Proximus, Scarlet and Mobile Viking brands combined, a year-on-year decrease of 1.6%. These Mobile-only customers generated an ARPC of EUR 22.9, nearly stable (down 0.4%) compared to the previous year.

In addition to the above-described revenue from Customer services, the Residential segment revenue also includes revenue from

Terminals, Mobile Prepaid, its Luxembourg telecom business and Other revenue.

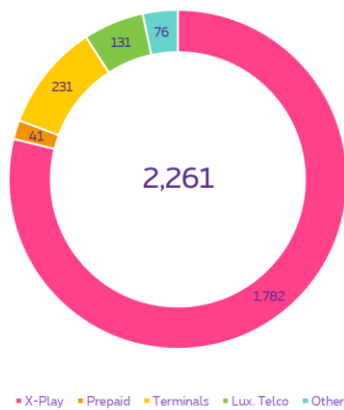
For 2022, the total revenue from Terminals totaled EUR 231 million, up 1.4% or EUR 3 million above 2021.

Driven by the decrease in the Proximus Prepaid base, revenue from Mobile Prepaid continued its eroding trend, with revenues down to EUR 41 million for 2022.

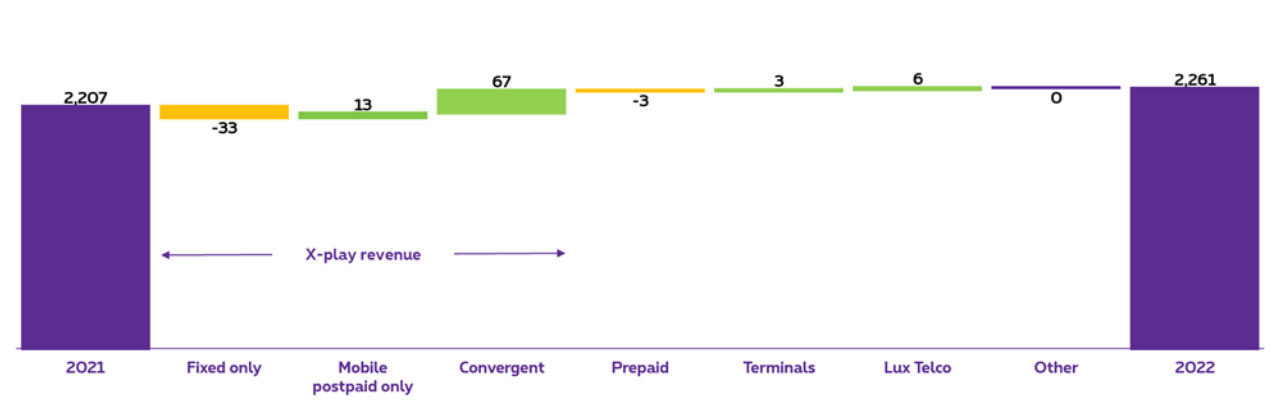
Proximus' Luxembourg telecom revenue came in strong over 2022 for the Residential side, up by 5.0% to EUR 131 million revenue, mainly resulting from a higher number of mobile and fixed subscriptions and an increase in mobile device sales.

Proximus Residential posted EUR 56 million in its Other revenue, a year-on-year stable amount.

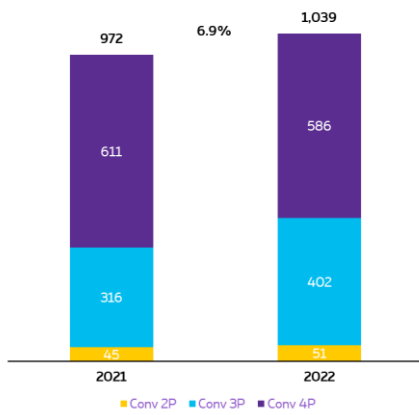
79% Residential revenue generated by X-Play Customers



Residential revenue build up (underlying, €M)



Convergent Revenue ('000)



Up 6.9%
Convergent revenue

Customer trend to move to 3-Play convergent offers drives strong increase in multi-mobile, while reducing Fixed Voice

Average revenue per Customer
€52.5

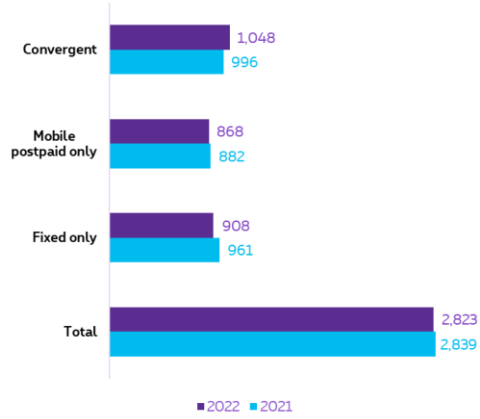
3-Play convergent ARPC
€83.1

Total Convergent customers
Up 5.2%

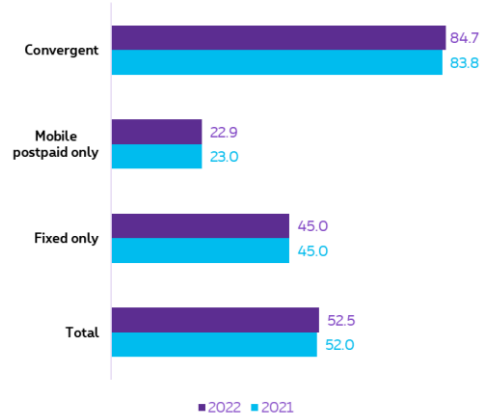
Convergence rate
64.4%

Average RGU
2.51

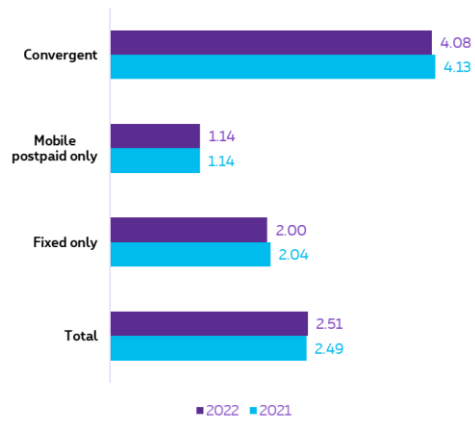
Customers per X-play ('000)



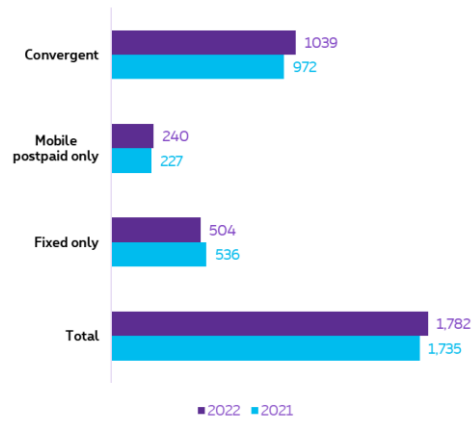
Average Revenue per Customer (€)



Average Revenue Generating Units per Customer



Customer Revenues (€M)



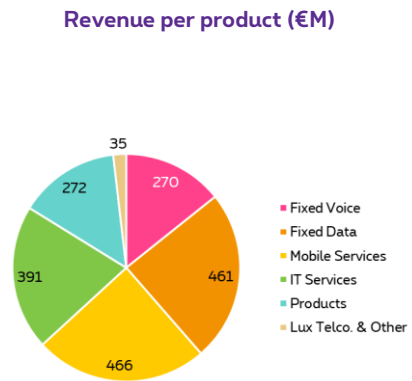
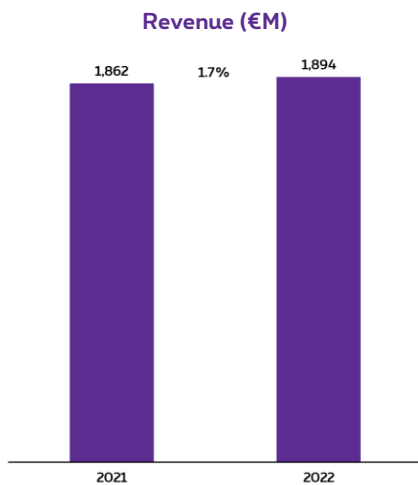
Business revenue

Proximus' Business segment increased its revenue to EUR **1,894 million for 2022, a 1.7% increase in growth compared to 2021**. The business market remained a challenging competitive environment, whereby Proximus' Business unit is transforming into a convergent player.

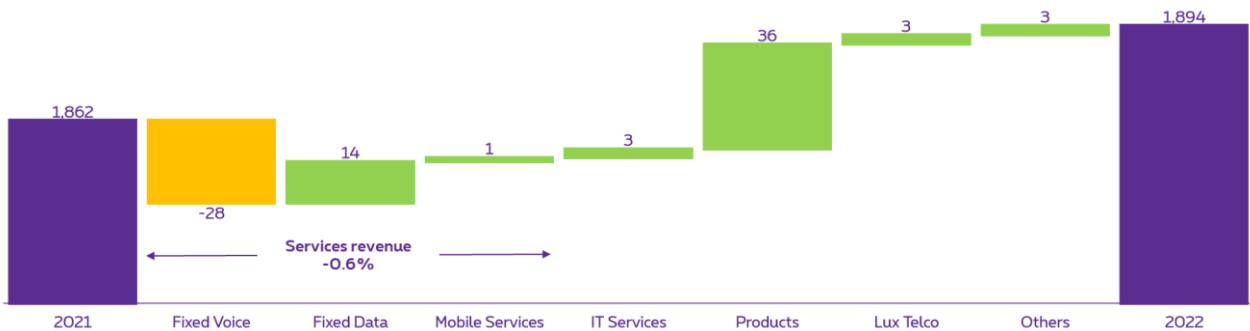
The 2022 revenue from Services was slightly down by 0.6% on the previous year, with the growth in revenue from Fixed Data, IT and Mobile services to a large extent offsetting the ongoing erosion in Fixed Voice revenue.

The 2021 non-structural revenue benefits in the context of Covid19, such as Proximus being a partner in Belgium's vaccination campaign, no longer contributed in any meaningful way in 2022.

Revenue from products was up strongly year-on-year, fully driven by IT equipment revenue, which benefited from a catch-up in previously delayed customer installations due to global chipset supply chain issues.



Revenue evolution per product group (underlying, €M)



Mobile services

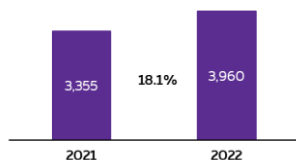
The Business Mobile service revenue for 2022 totaled EUR 466 million, representing a slight increase of 0.3% on 2021. Proximus continued its solid customer growth in Business Mobile, up by 51,000 Postpaid cards over the past twelve months or 2.9%. This brought the total to 1,797,000 cards, excluding M2M. The benefit from a growing base was nearly entirely offset by a lower mobile ARPU, down year on year by 3.0%, compared to 5.4% for the year before, and with the trend over the year 2022 visibly improving further following the returning Roaming revenue post-Covid.

Mobile postpaid cards added
(excluding M2M)

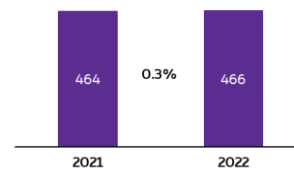
Up 51,000

The Business unit continued to grow its M2M park with an additional 606,000 M2M cards activated over the year, including the completion of a major smart metering project. At end-December 2022, Proximus M2M base totaled 3,960,000 M2M cards. This is an increase of 18.1% on the previous year.

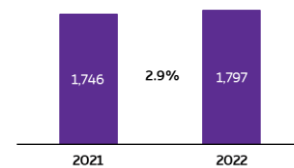
Machine-to-Machine cards ('000)



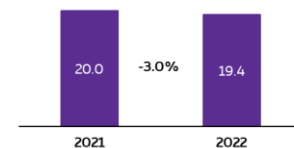
Mobile services revenue (€M)



Mobile postpaid cards ('000)



Mobile postpaid ARPU (€)



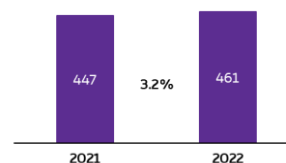
Fixed Data

The revenue from Fixed Data services continued its positive trajectory, up by 3.2% from the previous year, totaling EUR 461 million for 2022.

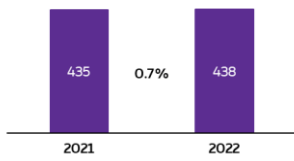
Within the Fixed Data revenue mix, the revenue growth was mainly driven by further improving revenue from Internet services. This was explained by a progressing Broadband ARPU, EUR 42.9 for 2022, up 3.5% on the previous year, mainly benefitting from the price indexations, improved price tiering and a growing share of Fiber in the total internet park. Over 2022, the Business Internet base slightly progressed to 438,000, up by 0.7% compared to one year back.

Besides growing Internet revenue, Data connectivity revenue was up slightly year-on-year, due to a positive balance between eroding legacy and growing new data connectivity services, supported by Proximus' growing point-to-point fiber park.

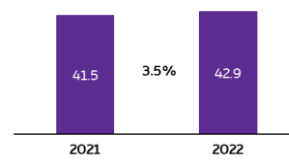
Fixed Data revenue (€M)



Fixed Internet subscriber base ('000)



Fixed Internet ARPU (€)



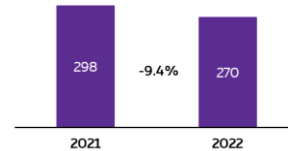
Fixed Voice

The Business segment posted EUR 270 million in Fixed Voice revenue for 2022, a year-on-year decline of 9.4%.

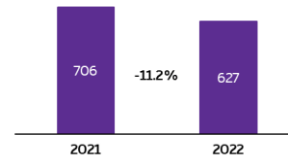
The cause of the Fixed Voice revenue erosion remains the decrease of the Fixed Voice park, down by -11.2% in 2022. Over the year, the Business Fixed Voice base decreased by 79,000 Fixed Voice lines, resulting in a total base of 627,000 by end-2022. This was driven by an ongoing rationalization by customers on Fixed-line connections, lower usage and technology migrations to VoIP.

In addition, the Fixed Voice ARPU returned to its inherent declining trend, facing competitive pressure and with the non-structural increase in Voice traffic related to Covid-19 vaccination centers no longer providing support. Helped by an inflation-based price indexation, the Fixed Voice ARPU decline was mitigated at -1.8% year-on-year.

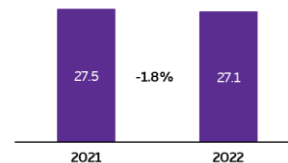
Fixed Voice revenue (€M)



Fixed Voice park ('000)



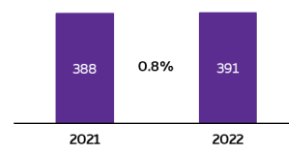
Fixed Voice ARPU (€)



IT Services

Proximus' Business unit posted for its IT Services revenue of EUR 391 million, up 0.8% compared to the previous year. High-value recurring services continued to grow, with especially good performance in Cloud and Security services, which was partially 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.

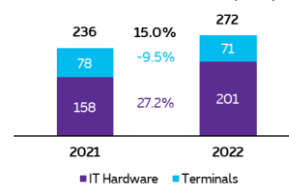
IT Services Revenue (€M)



Products

The revenue from Products for 2022 was up by EUR 36 million from 2021, or +15.0%. Whereas revenue from Mobile Terminals was down year-on-year by -9.5%, IT hardware revenue increased by +27.2%, with especially the second half of 2022 starting to benefit from a catch-up on some previously delayed product contracts following the difficult worldwide chip supply chain situation.

Products Revenue (€M)

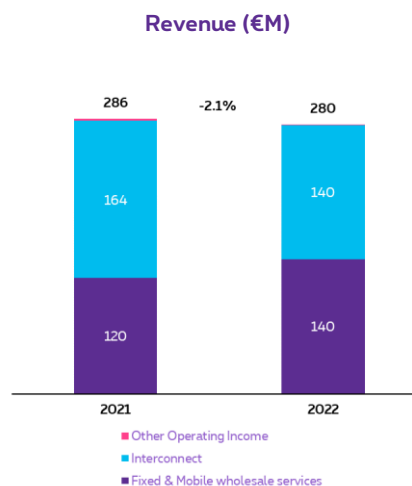


Wholesale revenue

For its Wholesale operations, Proximus posted EUR 280 million revenue in 2022, down 2.1% or EUR 6 million on 2021.

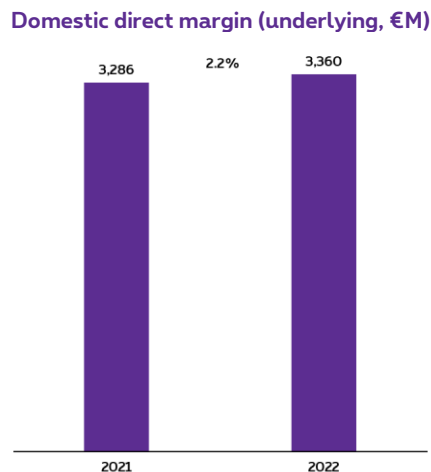
The decline in revenue is entirely due to the EUR 24 million drop in Interconnect revenue, with no material margin impact. Part of this reflects the EU regulation which lowered the Fixed & Mobile Termination rates as of 1 July 2021, and again on 1 January 2022. The largest part, however, is the result of an ongoing decrease in traditional SMS usage, being replaced by over-the-top applications.

Revenue generated by Fixed and Mobile wholesale services was up by 16.5%, totaling EUR 140 million. This includes higher revenue from wholesale Mobile services as result of an increased number of MVNO customers on Proximus' open network, with post-covid travel driving higher roaming revenue and increasing revenue from services towards Mwingz and Proximus' Fiber Joint Ventures.



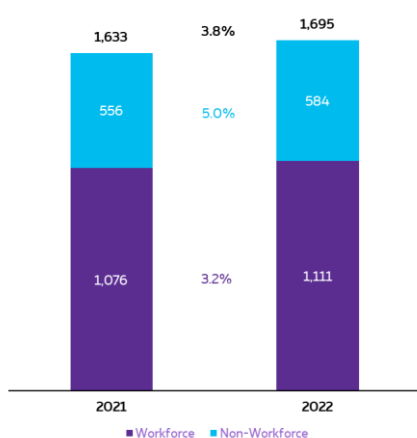
Domestic Direct Margin

Proximus' Domestic operations posted a direct margin of EUR 3,360 million, up 2.2% or EUR 74 million on the previous year. Among other things, this reflected, the solid customer growth for Proximus' main services, including Internet and Mobile, and was strongly supported by inflation-based price increases. Moreover, year-on-year, the first five months of 2022 benefited from the inorganic contribution from Mobile Vikings. Additionally, in the second quarter of 2022, all of Mobile Vikings mobile customers migrated to the Proximus Mobile network, which activated a material cost synergy.



Domestic OPEX

Domestic operating expenses (underlying, €M)



The Domestic operating costs were up by 3.8% to EUR 1,695 million. The increase from 2021 includes a significant inflationary impact on the Domestic cost base, as well as higher costs to support the customer growth, especially for

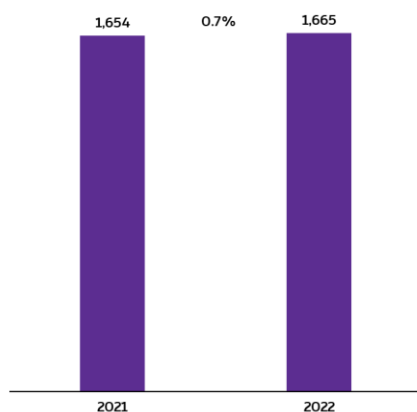
Fiber, and an increase in transformational costs. This was in part offset by the company's ongoing cost-efficient program, which delivered a total of EUR 230 million in savings over the 2020-2022 three-year period.

The Domestic workforce expenses totaled EUR 1,111 million for 2022, an increase of 3.2% on the year before. This was driven to a high degree by the automatic adjustment of wages to inflation with, for 2022, a total of five inflation-based salary indexations² of 2% each. This was partly compensated by a lower headcount. End-2022, Proximus' Domestic headcount came to 10,427 FTEs, a decrease of 151 FTEs compared to 10,577 FTEs end-2021 as a result of natural outflow and retirement offsetting new hiring.

The Domestic non-workforce expenses were up by 5.0% for 2022, including inflationary impacts on the company's energy cost. Following a nearly full hedging of electricity at an advantageous average price, the year-on-year rise in 2022 energy costs was well contained.

Domestic EBITDA

Domestic EBITDA (underlying, €M)



The Domestic segment of Proximus posted EUR 1,665 million EBITDA, a year-on-year increase of 0.7%.

This resulted from the higher Direct Margin, up by 2.2%, in part offset by the higher cost base. The Domestic EBITDA margin as percentage of revenue was slightly down by 0.6 pp on the previous year, reaching 37.2% for 2022.

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

4. BICS

Revenue

The BICS revenue for 2022 amounted to EUR 1,132 million, a year-on-year revenue increase of 13.3%. Within the mix, BICS Telecom customers generated a total revenue of EUR 884 million, an increase of 8.2% on the previous year. Revenue from international enterprise customers is the fastest growing part, up year-on-year by 36.2% to a total of EUR 249 million.

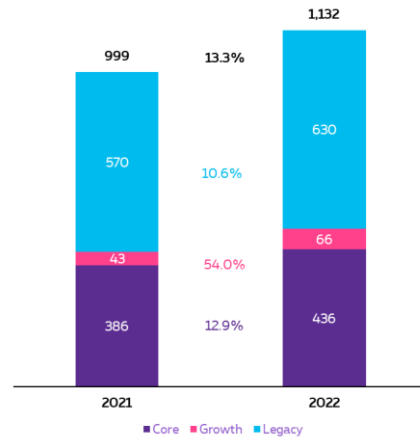
The growth in revenue was driven by all three product groups: Core, Growth and Legacy.

Revenue from BICS Core services (messaging, mobility, and infrastructure), was up on the previous year by 12.9% or EUR 50 million. The year-on-year growth resulted from strong Messaging revenue driven by high A2P volumes combined with a favorable destination mix for 2022. Moreover, Mobile Services were supported by international travel returning to normal.

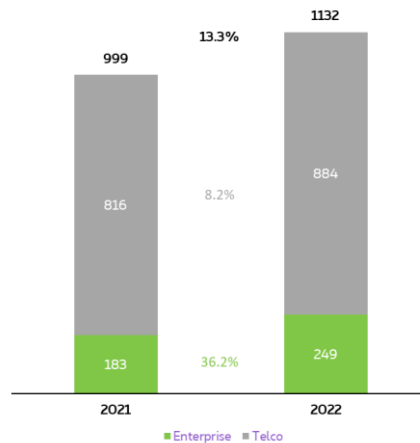
For BICS' Growth services: cloud communication, IoT and fraud prevention services, a total revenue of EUR 66 million was posted. The 54.0% increase on 2021 was the result of strong traction for cloud communication, specifically, in cloud-based voice services for a number of leading digital enterprises.

For its Legacy services, mainly Voice services, BICS focused on growing its volume and preserving margins. While in a declining market, BICS legacy services totaled EUR 630 million, up by 10.6%. This is explained by a favorable destination mix and stronger USD, with the latter compensated in CoGS, hence neutral on direct margin.

Revenue by product group (€M)



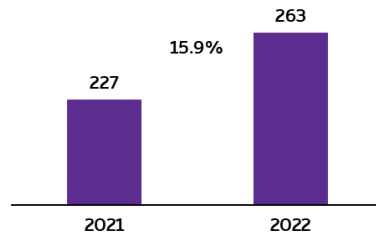
Revenue by customer segment (€M)



Direct margin

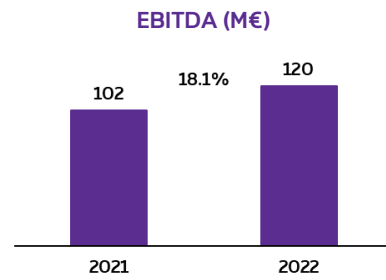
For 2022, BICS posted a direct margin of EUR 263 million, up 15.9% on 2021. BICS' business was strongly supported by the post- Covid-19 related global travel uplift which benefitted Mobility services.

Direct margin (€M)



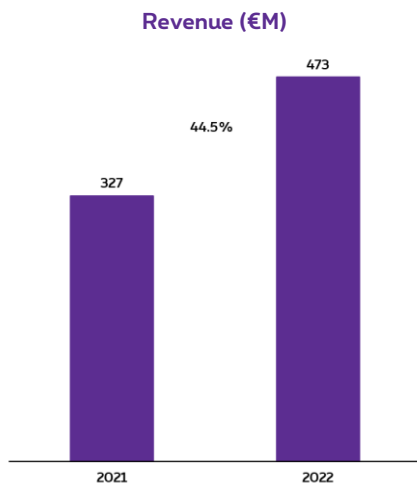
EBITDA

BICS' 2022 EBITDA amounted to EUR 120 million, +18.1% compared to previous year following a strong growth in Direct Margin, partly offset by higher operating expenses. This included some non-structural costs for a total of EUR 4 million, on top of higher energy and wage costs. The inflationary effects were in part compensated by effective cost control. The EBITDA margin as a percentage of revenue was slightly up to 10.6%, +0.4 p.p.



5. Telesign

Revenue

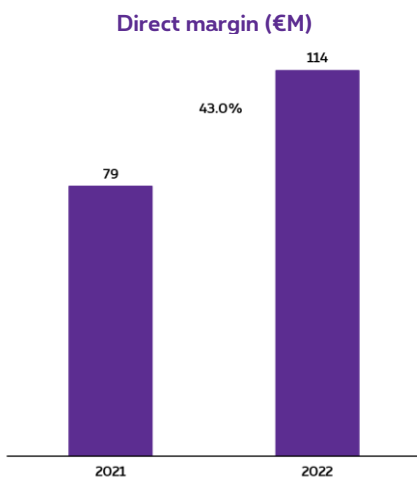


Telesign posted strong revenue growth over 2022, increasing year-on-year by 44.5% to a total of EUR 473 million, reflecting strong performance of the Communications business and an acceleration of new business in Digital Identity. The year-on-year comparison was also favorably impacted by currency movements. On a constant currency basis³, the Telesign revenue was up by 29.9%. The net revenue retention (NRR) improved to 130%, compared to 123% one year back.

Communications revenue grew by double digits year on year, driven by volume growth in several large multi-vendor customers and price increases in specific markets passed to end customers.

Digital Identity revenue also grew by double digits year on year, reflecting strong volume growth from key customers, new use cases and new customer gains.

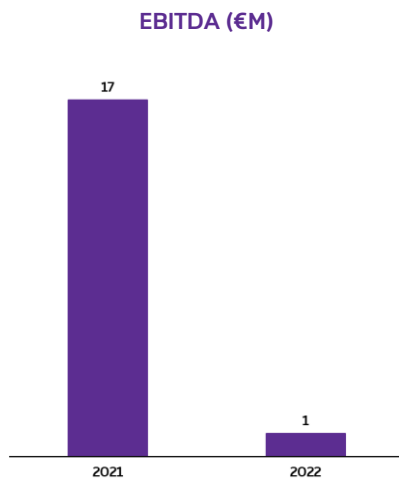
Direct Margin



Telesign's 2022 direct margin was up by 43.0% year-on-year to EUR 114 million, reflecting strong performance in both Communications and Digital identity segments, and including a strong tailwind from currency effects. On a constant currency basis, Telesign's direct margin was up year-on-year by 13.5%.

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

EBITDA



Following the anticipated headcount investments to support Telesign's growth ambitions in Telesign's go-to-market and R&D organization, operating expenses increased by EUR 50 million year-on-year, to a total of EUR 112 million for 2022.

These investments in Telesign's growth strategy were reflected in its EBITDA, totaling EUR 1 million for 2022, a decrease of EUR 16 million compared with a year ago.

6. 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 their 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.

- o **BICS legacy:** represents mainly voice services.
- o **BICS core:** represents messaging, mobility (roaming, signaling & Mobile IP) and infrastructure services.
- o **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 fewer 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 as an absolute value or as a percentage of revenues.

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):

- o **The IFRS16-related reclassification of lease depreciation and interest in the Operating Expenses.**
- o **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).
- o **Acquisitions, mergers and disposals:** gains and losses on the disposal of buildings or consolidated companies, M&A-related transaction costs, deferred M&A purchase price.
- o **Litigation/regulation:** Material (*) financial impact of litigation files, fines and penalties, and of law changes (one-off impacts relative to previous years).

(*) The materiality threshold is met when individually exceeding 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 premises or serviced from the cloud.

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

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

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

IT Services revenue (Business): Information Technology (IT) Services, including Managed, Integration and Consultative services, which enable users to access, store, transmit, and manipulate information, with the help of unified communications and 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 change of ownership to 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 active by default. 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 their 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 previously.

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

Luxembourg Telco: including fixed & mobile services, terminals etc.

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 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).

Risk Management Report

The Group has adopted a risk philosophy that is aimed at maximizing value for our stakeholders by effectively balancing risk and reward. Our goal is not only to safeguard the Group's assets and financial strength but also to protect Proximus' reputation by allowing risks to be taken in a controlled manner.

Proximus has implemented a risk management methodology that follows ISO 31000 – Risk Management Guidelines and integrates adapted processes, techniques, and tools to identify, assess and manage in due time, risks and opportunities in various domains.

Financial risk management objectives and policies are reported in Note 32 of the consolidated financial statements, published on the Proximus website. Risks related to important ongoing claims and judicial procedures are reported in Note 34 of these statements.

The enterprise, financial and ESG (including climate) risks are detailed below, together with the related mitigating factors and control measures. However, this is not an exhaustive analysis of all potential risks that Proximus may face.

Enterprise-wide risks

Proximus Group's Enterprise Risk Management (ERM) is a structured and consistent framework for assessing, responding to and reporting on risks that could affect the achievement of Proximus' strategic objectives. The ERM covers the range of business risks (potential adverse events) and uncertainties that Proximus could encounter. It seeks to maximize value for shareholders by assessing emerging risks and developing mitigating strategies in line with the Proximus Group's risk tolerance. This risk assessment and evaluation is an integral part of Proximus' annual strategic planning cycle. All relevant risks and opportunities are prioritized in terms of impact and likelihood, considering quantitative and/or qualitative aspects. The bottom-up identification and prioritization process is supported by desk research, surveys among management and experts, as well as validation workshops. The resulting report on major risks and uncertainties is then reviewed by the Leadership Squad, the CEO and the Audit and Compliance Committee. The main findings are communicated to the Board of Directors. Among the risks identified by the latest ERM exercise, the following risk categories were prioritized (in the following order):

- Monetization of fiber investments
- Inflation
- Competitive market dynamics
- Talent attraction and retention, new ways of working and engagement

- Business model and servicing evolution

Monetization of fiber investments

During the past years, Proximus has launched the deployment of an open, non-discriminatory, and performant fiber network for residential and enterprise customers. This is of major importance for Proximus and while we are confident that this strategy provides the right answer to the increasing need for reliable, fast, and low-latency connectivity in Belgium, it can't be excluded that part of our initiatives do not achieve the expected benefits or lead to lower revenues or profitability than anticipated.

In light of the superiority of the fiber technology and its lower cost to operate, the larger the footprint, the better the business perspectives for Proximus. In collaboration with partners, Proximus aims to deploy fiber in 95% of Belgium by 2032, to:

- Support current and future customer connectivity needs
- Retain and grow current retail market shares across residential and enterprise customers and enable ARPU uplift
- Attract new wholesale market opportunities
- Simplify our operating model and reduce operational costs, by stopping to sell copper as soon as fiber is available and ultimately phasing out copper at the latest five years after fiber deployment

This fiber strategy is endorsed by our stakeholders and by the market and is in line with the network strategies observed in most countries.

However, we face risks to monetize our investments in the short term.

Firstly, there is an operational risk related to a smooth migration of Proximus customers and other licensed operators' customers to fiber, while ensuring best-in-class customer experience to avoid migration churn. Proximus management is monitoring the fiber migration customer effort and fiber customer experience closely and taking corrective actions, among others through dedicated Fiber Migration and In-Home Experience agile teams. Secondly, pressure on market prices, might make price tiering and upselling more difficult. (see below "competitive market dynamics")

Thirdly, although Proximus is the only player rolling out FTTH at large scale in Belgium today, plans from competitors and utility companies (e.g., Fluvius) to roll-out competing FTTH networks could reduce the profitability of Proximus investments, reduce wholesale prices in the market and impact Proximus retail prices for fiber products.

Beyond city centers, construction costs rapidly increase making the duplication of fiber networks economically challenging. Proximus has joined forces with two experienced industrial and financial Partners (EQT Infrastructure and Eurofiber) to accelerate and expand the fiber rollout in less dense areas to be the first to provide fiber technology. Let's also re-iterate that Proximus fiber network will be fully open and non-discriminatory with the ability to co-use fiber assets with competition and maximize the network utilization.

Fourthly, scaling the number of fiber activations & roll-out can be challenging in a tight labor market. Not finding the right talent to scale up our deployment capacity could lead to delays in roll-out and activations, which could have an impact on the timing of the benefits and the cost of roll-out. Proximus and its partners are taking several measures to mitigate this risk: transfer resources from copper to fiber, increase capacity via outsourcing partners and by upskilling our existing employees, structurally reducing the workload via self-install and flattening out seasonality via pro-active migrations.

Inflation impact has also an impact on the fiber business case, but this risk is addressed in the next challenge.

Inflation

With an unprecedented socio-economic context and inflation levels rates unseen in decades, Proximus rising costs need to be balanced with strong commercial results, price increases and additional efficiencies.

The unique Belgian system of automatic salary indexation to protect employees' purchasing power, and Proximus obligation to index as soon as the pivotal index is reached, led to five salary indexations of 2% in 2022.

Proximus is countering the impact of inflation via price indexations and cost reduction programs.

Long-term relationships with suppliers, contract protections, advanced ordering and multi-sourcing allow to limit the inflationary pressure. The exposure to rising energy cost for 2022 was quite limited. And for 2023, the price for more than 90% of energy needs is already locked.

Proximus committed to an ambitious +€400 Mio gross cost saving program and is looking at ways to increase and accelerate the savings realization without negative impact or even positive impact on customer experience, e.g., through digital adoption. Inability to deliver additional cost efficiencies would reduce profitability.

Should Proximus' brand power not be strong enough, the inability to compensate part of the cost increase through targeted price increases would weigh on margins. Strong

commercial results in 2022 and increasing NPS, expected to be further boosted by fiber take-up, are reassuring signs for our future pricing power.

The economic climate could further deteriorate leading to declining spending of customers in both the Consumer and Business market and higher bad debt. Churn and bad debt evolutions are followed up very closely by management, with no worrying evolutions noted so far. Meanwhile payment facilities are offered to struggling customers.

Competitive market dynamics

The Belgian market is an evolving market with changing competitive dynamics that might impact market value going forward. Proximus has demonstrated its ability to adapt to changing market conditions in the past. Failure to continue to adapt and mitigate the impact of a changing market structure and pricing dynamics could significantly impact Proximus domestic EBITDA. It is critical for Proximus to maintain its brand strength and the resulting ability to index prices to compensate for cost increases and to monetize investments.

Proximus' Belgian connectivity revenues are at risk from increased competition particularly in Wallonia & Brussels where Proximus has a large market share. Orange Belgium has signed an agreement to acquire a majority stake in VOO, as part of its convergence strategy and growth ambition. Synergies are expected among others from the transfer of VOO's MVNO business to Orange Belgium's network. The pooling of the companies' skills and the backing of the Orange Group are expected to impact market dynamics.

After a preliminary investigation, the European Commission has opened an in-depth investigation in July of 2022 to assess the proposed acquisition. Telenet and Orange signed two commercial wholesale agreements, providing access to each other's HFC and FTTH networks for a 15-year period, leading to increased convergent competition across the country.

Following the spectrum auction with the conditions favoring a new entrant, Citymesh and DIGI joined forces to acquire spectrum and set up a joint venture for the network company that will allow them to address business and private individuals respectively. DIGI announced a likely commercial start in 2024. Should Telenet sign a wholesale deal with DIGI/Citymesh, it would speed up market access for DIGI/Citymesh and this to the detriment of Proximus and Orange's shared network. DIGI could potentially push prices down and put pressure on Proximus' mobile pricing model.

To reinforce its fixed network position, Proximus is deploying fiber massively, both in standalone and through partners. This superior technology versus cable will help to mitigate the churn risk, reduce exposure to price disruption and maintain pricing power. Proximus has also been consistently improving its multi-play value propositions, and structurally improving customer experience and customer service, translating in significant NPS gains and reduced churn.

By sharing parts of the mobile network infrastructure with Orange, Proximus benefits from efficiencies in network operations and ensures sustainable investments in new network technologies. Proximus aims for 100% 5G coverage by 2025. Keen on providing the best mobile experience to its customers, Proximus has kept full control of its core network and spectrum assets. Proximus managed to secure more spectrum, in all bands, than other mobile players during the spectrum auctions of 2022. This strength mitigates the churn and pricing risk for Proximus as it allows Proximus to differentiate and guarantee a superior mobile experience for the next 20 years.

On top of leading both in fixed and mobile, the multi-brand strategy of Proximus contributes to the risk mitigation. Scarlet and Mobile Vikings have respectively a very strong NPS on the fixed and mobile markets and a convergent offer complementary to the Proximus brand offer. Scarlet addresses the price-sensitive segment and Mobile Vikings offers attractively priced mobile and Internet to young-at-heart digital-savvy customers.

To meet the objective of 100% population 5G coverage by 2025, Proximus must ramp up the replacement of 4500 Radio Access Network (RAN) with respect of the quality standards. Next to unexpected extra costs of maintaining the legacy network and upgrading it to meet capacity demands, significant delays could weaken Proximus' mobile leadership position. Proximus closely monitors and follows up on the progress with its partners and suppliers.

On the domestic B2B market, Citymesh, as part of European IT company Cegeka, is looking to monetize its network assets. In 2021 Citymesh acquired Engie's IoT network and in 2022 they acquired mobile spectrum through the above-mentioned joint venture with DIGI. NRB also acquired mobile spectrum during the 2022 auctions. This adds to an already cluttered ICT competitive landscape and could impact Proximus strong telecom position and growth prospects in ICT. Proximus' mitigation plan is built around convergent ICT solutions/value proposals, mobile leadership and a differentiated offering around Mobile Private Network.

The drivers of the above risks are mainly beyond Proximus' control, mitigating measures are mainly targeted at limiting the impact. While we are confident about our ability to compete

against a possible increase of competition, the risk remains high overall for Proximus, with a potential impact on both Proximus' top line and bottom line.

Talent attraction and retention, new ways of working and engagement

Several organizational areas could impact Proximus's group ability to execute its strategic objectives and deliver services & products to its customers: 1) Talent 2) Organizational agility 3) Employee engagement.

Failure to recruit, sustainably employ and engage a talented workforce could impact Proximus competitiveness and make it more difficult to reach its strategic goals. The Belgian labor market is currently under pressure, with an historically low unemployment rate especially in the north of the country in which the war for talent is more intense than ever with difficulties to recruit a broad range of profiles.

To mitigate the risk on talent shortage, Proximus is focusing on training programs and internal mobility. We invest extensively to give our employees the opportunity to continuously upskill and develop, particularly in the digital field, in fiber and in new ways of working (agile). We do this to ensure that we have the right skills in-house to shape the digital economy and society of the future, to support the transformation of the organization, and to guarantee the employability of our employees. For example, we set up a tailored approach with programs and campaigns for all employees to create awareness and understanding of the impact of digital transformation, to raise digital savviness and to stimulate the adoption of the agile way of working. We also offer challenging and ambitious learning tracks to upskill in fields that are critical for employees to stay relevant in their job.

Thanks to our focus on internal mobility, 1324 employees changed jobs internally in 2022. With the growing importance of our international activities, we are now also able to offer international opportunities.

On top of training programs & internal mobility, we invest in our image as a top employer as illustrated with our "Think Possible with us" campaign in 2022 and targeted campaigns, notably for fiber jobs. An employee referral program has also been initiated in 2022. Our newly created Proximus Ada subsidiary helps us grow our talent pool in Data Science/AI and cybersecurity. We also leverage our strong ties with external partners to source the skills we need and develop new sourcing pools, for example with direct sourcing of freelancers.

On organizational agility, if our should not be successful, it could lead to a reduction of Proximus' competitiveness. Next to our continuous focus on change management, we support the agile transformation and the adoption of the agile way of working through dedicated trainings, thorough internal communication and the daily support of agile coaches and scrum masters.

To boost employee engagement, our Think Possible company culture stimulates empowerment and customer-centricity, whilst striving for a positive work-life balance. We also offer our employees a coherent set of user-friendly and secure digital tools that can be used on any device, along with appropriate change management, allowing more flexibility and hybrid ways of working. Diversity, equity and inclusion policies and initiatives further contribute to the employees' well-being and sense of belonging (see "Social statement" p. 160).

Business model and servicing evolution

Proximus domestic financial performance could be impacted by disruptive technologies and new business models. Should Proximus not be able to adapt fast and well enough, it would impact market shares and profitability.

Proximus' business model has been and continues to be impacted by disruptive technologies, such as over-the-top (OTT) services, software-defined networks, artificial intelligence, quantum computing, etc. Through our investments in the best fiber+5G gigabit network, our innovations with local and world-leading partners, our IT transformation to become legacy-free, our digital transformation and our agile operating model, we can respond in an adequate and timely way.

Proximus also continues to develop the capacity to support business customers in their digital transformation, including through proactive migrations to next-gen solutions. (strategy chapter for more info).

Additionally, we develop new revenue streams in domestic digital services and ICT and in other geographies in the software space through BICS and Telesign, seizing opportunities brought by technology disruptions.

Next to our own customer dialogue, research and surveys, we actively participate in sector initiatives nationally and internationally to keep up to date with the latest innovations.

On the service side, complementary to in-depth IT transformation to address structural issues, our agile operating model, design-thinking methodologies and digital transformation allows us to react quickly, test and learn and

scale-up compelling features improving the customer experience.

BICS

Covid-19 – While travel restrictions have been levied in many regions, the consequences of the Coronavirus (COVID-19) pandemic are continuing to be felt in some markets, such as Asia, with no indication of imminent changes. Covid-19 has accelerated the disruption of traditional communications, through the adoption of new voice communications and collaboration technologies. This is impacting the volume of business from our traditional Mobile Network Operators customer segment. BICS manages to hedge the negative impacts of the pandemic, thanks to the progressive digitalization of its offering and its growing sales efforts towards new cloud communication service providers and enterprises (+22% revenue in 2022) complemented by its strong recovery in other markets, regions.

Macro-economic – The Company's financial performance can be impacted by current and future economic conditions outside its control, such as energy cost increase, inflation and its impacts on wage indexation, foreign currency fluctuations. To limit effects of inflation, BICS implements a strict cost control discipline and cost reduction programs. Inflation may even have positive effect on our business, to the extent it stimulates Mobile Network Operators to reduce their expenses by outsourcing some of their legacy activities such as Voice and or Roaming operations to BICS (e.g. the Ooredoo Group, who outsourced in 2022 the management of its whole international voice business to BICS). The foreign currency risk is under control through the natural hedge between currencies used in our trading (buying/selling) activities. The recession may also increase the number of bad debts; we mitigate this risk through in and out-payment balancing (we buy and sell from the same company) and strict credit risk management.

Geopolitical – Russia's invasion of Ukraine has a very limited impact on our revenue. We are fully compliant to the international sanctions on Russia, which resulted in a very limited number of customers disconnections. In case further sanctions are applied, we only expect minimal impact. It may have a bigger impact on our operations, considering that some support activities are being performed by local companies. BICS priority is to remain very close to and supportive of our Ukrainian colleagues, while preparing a possible hand-over to a safer place, should the situation deteriorate drastically.

Competition, technology – BICS operates in a fast-changing technology (5G, over-the-top omnichannel messaging, etc ...)

and very competitive environment, putting its business model under constant challenge. BICS adapts to this environment by upgrading its offer to latest technology (e.g., BICS run the first world 5G stand-alone roaming call), by addressing new customer segments (enterprises) and by investing in new growth domains (such as IoT, Security, Data Intelligence, etc ..). Those investments are made possible by cost reduction initiatives in the legacy and core business (automation, customer tiering, etc...) and will be supported through inorganic market consolidation / diversification projects.

Regulatory compliance – BICS business is subjects to laws and regulation in many aspects of its business (telecommunication law, GDPR, competition rules). The Company consistently monitor rules changes which may affect its business and maintains strict compliance rules and control.

Telesign

Telesign is one of the leading players at the intersection of complementary markets where it prevents and protects business from fraudulent and malicious activity, authenticates users and provides controlled access across applications based on the user's account and delivers reliable, secure messaging and voice via an API. Today, Telesign supports 8 of the 10 world's largest digital enterprises and, as it consistently grows its customer base, it continues to successfully expand its existing customers' adoption of its platform.

Telesign operates in a highly dynamic industry and its operating results and rates of growth could vary significantly in the future based upon a number of factors, including some over which Telesign has little or no control. The digital identity and secure programmable communications markets are intensely competitive, and Telesign expects competition to increase in the future from established competitors and new market entrants.

If Telesign or its third-party service providers experience a data security breach or network incident that allows, or is perceived to allow, unauthorized access to Telesign's solutions or Telesign's customers' personal data, it could lead to negative publicity and Telesign's reputation, business, financial condition, and results of operations could be adversely affected. Additionally, it could lead to enforcement actions, litigation, regulatory or governmental audits, investigations, inquiries and possible significant liability, and increased requests by individuals regarding their personal data.

Telesign relies on data acquired from third parties, such as carriers and data providers, to build its models, and design and improve its products. If there's a substantial increase in the cost

of data acquisition, Telesign may not be able to pass that cost increase on to its customers. That would result in reduced profit margin for Telesign. Additionally, Telesign has no direct control over the data quality it acquires from its suppliers which are needed to provide its digital identity services. If the data quality it acquires deteriorates over time, Telesign's coverage may decrease and become irrelevant for the customer.

Environmental risk and climate change

Climate change has become an important topic for companies due to the growing awareness of global warming.

The Group Corporate Affairs division, responsible for legal, regulatory, public affairs, internal audit and risk management, compliance, group communications, reputation and sustainability, and security governance & investigations, closely follows the evolution of regional, national, EU and worldwide climate related guidelines, directives, standards, and laws.

In 2022, Proximus started integrating climate risk structurally into the Enterprise Risk Management (ERM) processes and conducting a separate climate risk process in the years when the ERM exercise is not taking place.

Proximus has a clear strategy to reduce CO₂ emissions and has put in place a scientifically validated action plan developed based on the new 'Net Zero' standard of Science Based Targets to achieve net zero greenhouse gas emissions by 2040.

Though implementing actions to mitigate climate change is essential, Proximus also needs to take steps to adapt to ongoing and future environmental climate changes. Understanding and (financially) assessing our climate change risks and potential vulnerabilities is key to avoiding disruption to our network and our customers. At the same time, it provides a momentum to reflect on how we can offer more value to society and our customers. Both aspects are important in informing our overall business strategy.

We have explored both types of climate change risks and opportunities for our business: the physical ones and those arising from transitioning to a low carbon economy. They were analyzed across a range of three future climate scenarios that project three different temperature paths increase: divergent net

zero (+1.5 degrees), delayed transition (+1.8°C) and current policies (+3°C). They were additionally analyzed over three time-horizons: short-term (0-3 years), medium-term (3-10 years) and long-term (10-25 years) in accordance with the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures). The magnitude of impact scales used for the risk assessment was from “low” for impacts with a value less than € 100,000 to “very high” for impacts that exceed € 12.5 M.

In the context of climate change risks, the standard Proximus risk management methodology is applied with the involvement of relevant stakeholders from the Technical, Tax, Legal, Regulatory, HR, Procurement, Strategy, Business operations, and Facilities domains.

The risk assessment process is in line with those set forth in international standards:

- After setting the context and risk criteria, we identify risks via a combination of independent research and collaborative workshops. This results in a short list with applicable, prioritized risks.
- In the second phase, the causes of each risk (likelihood) and the potential consequences (impact) are analysed and documented. The consequences with direct financial, reputational, or strategic impact are mapped to a scale based on the Business Impact Reference Table. This is a matrix designed to evaluate the impact of an event on the company. It defines categories in monetary value and assesses monetary value of operational and reputational impacts. All risks are quantified and receive a qualitative rating. Next, they are documented in the risk register.
- Finally, all prioritized risks are assigned to a risk owner who is responsible for the implementation of action plans, control and regular review. High probability risks and opportunities can potentially be included in our financial plan and/or financial risks and opportunities overview.

An overview of the climate change risks that could have a material financial impact

Risk Causes	Climate change related risk	Policy ambition	Short - term 2022-2025	Medium -term 2025-2035	Long - term 2035-2050
Policy changes	1. Introduction of climate change related policies by governments These policies could result in a price increase, for example by putting a price on CO2 emitted. Extra flat taxes are also a possibility.	1,5°C	Low	High	High
		1,8°C	Low	High	High
		3 °C	Low	Low	Low
Market	2. Competition for scarce green energy supply Energy prices have seen a massive price increase due to geopolitical reasons. The move away from fossil fuels also has an influence on pricing of energy as green energy is in high demand.	1,5°C	Medium	High	High
		1,8°C	Medium	High	High
		3 °C	Low	Low	Low
Market	3. Increased outsourcing & supply chain risk as they are also exposed to climate change impact Climate change is one of the driving factors influencing the economy. Climate change could trigger pandemics, political uncertainty, raw materials shortage, ... with influence on our partners.	1,5°C	Medium	Medium	High
		1,8°C	Low	Medium	High
		3 °C	Low	Medium	Medium
Reputation	4. External stakeholder perception may not be in line with Proximus efforts Perceived inactivity/inconsistency of a company with regards to climate change can lead to customer churn, missed sales opportunities, lower demand for products & services, regulatory fines, ... Example: debate around roll-out 5G and climate impact.	1,5°C	Medium	High	High
		1,8°C	Low	Medium	High
		3 °C	Low	Low	Medium
Extreme weather events	5. Infrastructure damage Extreme weather events will become more frequent and widespread, even in unexpected areas. These events will cause major disruption and damage to IT systems and assets.	1,5°C	Low	Low	Low
		1,8°C	Low	Medium	Medium
		3 °C	Low	Medium	High

An overview of the short-term climate change opportunities that could have a material financial impact

Eco smart products & services	Development of low emission goods & services There's a growing market interest in products-as-a-service and products with a lower footprint in terms of carbon emissions and material usage.
Eco smart products & services	Development of new products & services through innovation that can enable customers to reduce their CO2 emissions Solutions to decarbonize other sectors create existing and new business opportunities. Use of fiber & 5G as enablers for IoT, Big data & Cloud solutions with a potential to reduce carbon emissions such as smart agriculture, smart building, energy reduction, ...
Markets	Green financing New opportunities can also be captured through underwriting or financing green bonds and infrastructure (e.g., low-emission energy production, energy efficiency, grid connectivity, or transport networks)
Reputation	Talent attraction Talent is moving to sustainable companies: the majority of younger generations want to work for a company with strong sustainability/ESG action.

Approach of Proximus regarding the identified risks:

1. Introduction of climate change related policies by governments

We track regulatory development to be able to comply with existing laws, such as the relevant aspects of the EU green deal. We assess the impact of these emerging regulations, across operations, supply chains and jurisdictions. In 2022, we made progress towards assessing EU taxonomy alignment and started implementing the recommendations of the Task Force on Climate-Related Financial Disclosures. This information can be found respectively at page 183 and 186.

The most important action for mitigating this impact is ensuring our net-zero action plan is fully implemented. Proximus is proud that its near-term and long-term greenhouse gas emissions reduction targets have been validated by the Science Based Targets initiative (SBTi). Proximus commits to reduce its absolute scope 1 and 2 greenhouse gas emissions by 95% by 2030 and to maintain a minimum of 95% reduction through 2040 (from a 2020 base year). To this end, Proximus will eliminate fossil fuels from its fleet and buildings and continue sourcing 100% renewable electricity. At the same time, Proximus is working on energy-efficiencies throughout its technical buildings, mobile & fixed network, and data centers. Proximus also commits to further reduce absolute scope 3 greenhouse gas emissions by 60% by 2030 and by 90% by 2040 (from a 2020 base year). These are very ambitious targets knowing that scope 3 greenhouse gas emissions, which include all of its indirect activities throughout the value chain, represented 94% of the company's CO₂ emissions last year. To reach this ambitious objective, Proximus is reaching out to its suppliers to encourage them to set SBTi validated targets, source renewable energy and implement a decarbonization pathway. Proximus's circular ambition and implementation of circular principles, like eco-design, repair, refurbishment and lifecycle extension will further open the pathway to achieving its net-zero ambition.

2. Competition for scarce green energy supply:

The electricity prices worldwide have skyrocketed in recent months due to geopolitical factors. Climate change is also undoubtedly one of the factors influencing the price. The forced move away from fossil fuels additionally implies a lower guarantee of continuously delivered electricity. Proximus has committed to use only green electricity is already using 100% green electricity today. To mitigate the supply risk, by 2026, we will work with more local electricity sources through investments in a Power Purchase Agreement, long-term

partnerships with Belgian wind and solar plants that match our consumption patterns. We will continue to invest in energy efficiency measures. For example, in the next five years, data traffic is expected to increase by 400%, a growth of 35% per year, resulting in increased energy consumption. To keep the electrical energy consumption flat despite the growing demand, we will implement network energy-saving initiatives.

3. Increased outsourcing & supply chain risk as they are also exposed to climate change impact:

Proximus depends on the partnership with its suppliers to provide the equipment needed to ensure business continuity and a sustainable supply chain. Thus, working with suppliers that could fail to meet Proximus needs, or depending too much on few specific suppliers, may lead to delayed or failed deliveries, loss of revenue, regulatory fines or damage to our reputation. Therefore, we analyze trends in supply and demand for products and services and adapt our offers accordingly. We scan the market for products and services that could help Proximus reach its climate targets. In this regard, we evaluate future acquisitions. We also engage with suppliers and customers. With the biggest remainder of our carbon footprint residing across our value chain, to achieve our net zero ambition by 2040, we will continue to work closely with our suppliers. We will encourage them to reduce their carbon footprints and secure more sustainable supply chains themselves. We already screen the sustainability performance of our suppliers through the Joint Audit Corporation (JAC) and Ecovadis. We have a strict follow-up of critical supplier contractual liability through a holistic Supplier Code of Conduct (SCoC) and rigid Service Level Agreement (SLA) clauses. We are sourcing sustainably: the sustainability component counts for 20% of the tenders we issue. And lastly, we collect declarations of intent: we are signing Circular Manifestos with key suppliers to ensure the alignment of our suppliers with our Science Based Target of 1.5°. However, the Manifesto is only a first step. Through our Supplier Engagement Program, we will set detailed expectations and KPIs for our suppliers and implement clear, binding commitments.

4. External stakeholder perception may not be in line with Proximus efforts:

We regularly monitor the evolution of our reputation through market research. We put our circularity and CO₂ reduction efforts forward in our corporate communication, in our commercial advertising, in our shops, on our packaging, etc. Sustainability is also a cornerstone of our employer brand.

Through internal communication, we turn our employees into ambassadors. And finally, we also communicate our progress on Environmental KPI's on a quarterly basis to investors and analysts

The above-mentioned validation of our targets by the Science Based Targets initiative (SBTi), our internal sustainability governance and Board oversight add to our credibility (see Corporate governance statement, page 88). Regular stakeholder dialogue allows us to focus our actions and communication efforts on the most material topics for our stakeholders.

Through MyFootprint available on our MyProximus app, we invite our residential customers to track and reduce their own carbon footprint. We engage with peers, public authorities, Belgian enterprise federations (e.g. Agoria) and international sector associations (e.g. ETNO) to encourage collective action and to put forward the positive role of our sector in helping companies and public authorities reduce their environmental footprint. Striking examples are our Smart energy, Smart buildings or Smart mobility solutions. In order to preserve our reputation, all our carbon abatement claims must be supported by credible and verified calculation procedures.

5. Infrastructure damage

Climate change is one of the driving factors influencing extreme weather events. In the coming years, extreme weather events will become more frequent and widespread, devastating areas that typically don't experience them and amplifying the destruction in areas that do.

These events could cause major disruption and damage to IT systems and assets. Data centers could be significantly impacted, and critical infrastructure could be put at risk. In order to anticipate and implement measures to protect Proximus infrastructure against these extreme weather events, we use expert input from scientists, such as the OFDA/CRED International Disaster Database (<http://www.emdat.be>) and Université Catholique de Louvain, as well as performing our own annual climate change scenarios risk assessment analysis.

Operational risks

Operational risk relates to risks arising from systems, processes, people and external events that affect the operation of Proximus's businesses. It includes product life cycle and execution; product safety and performance; information management, data protection and cyber security; business

continuity; supply chain; and other risks, including human resources and reputation risks. Depending on the nature of the risk involved and the business or function affected, Proximus uses a wide variety of risk mitigation strategies, including adverse scenario stress tests, back-up/business-continuity plans, business process reviews, and insurance.

Proximus's operational risk measurement and management relies on the Advanced Measurement Approach (AMA) methodology. A dedicated "as-if" adverse scenario risk register has been developed to make the stress tests relevant.

Proximus is covered by extended general and professional liability, property damage and business interruption insurance, as well as by a dedicated cyber security insurance program.

Nevertheless, these insurance programs may not provide indemnification should the traditional insurance exclusions (non-accidental event) apply.

The most prominent examples of operational risk factors are explained below:

- Resilience and business continuity
- Security (confidentiality, integrity, availability)
- Data protection and privacy
- Sourcing and supply chain reliability
- Legacy network infrastructure

Resilience and business continuity

Business Continuity Management is developing its ability to detect, prevent, minimize and deal with the impact of disruptive events so that business critical services and functions can be operated at an acceptable level. The approach is in line with the good practice standards and Belgian regulations on telecom and critical infrastructure. This is achieved via the development of business continuity plans at corporate level for threats like power interruptions, ransomware attack or natural disasters linked to climate change. Building and ensuring the resilience of our network, platforms and IT systems remains a top priority to minimize the customer impact in case of incidents. These priorities are managed by the corresponding business units. The business continuity board is the steering committee which defines the priorities, the scope and validates the outcome. The level of preparedness is submitted annually to the Audit and Compliance Committee.

Security

Increased global cyber security vulnerabilities, threats and more sophisticated and targeted cyber-related attacks pose a risk to the security of Proximus as well as its customers, partners, suppliers, and third-party service providers in terms of products, systems and networks.

The confidentiality, availability, and integrity of the data of Proximus and its customers are also at risk. We're taking the necessary actions and making investments to mitigate those risks by employing several measures, including employee awareness and training, security-by-design, security testing, protective measures, detective measures and maintenance of contingency plans.

Proximus cyber security program sets important emphasis on Identity & Access Management, for privileged users, business users, partners, and vendors, on securing Proximus critical infrastructure, API and private and public clouds, on protecting against advanced disruptive malware (such as ransomware) and extending the monitoring and detection capabilities.

Besides that, Proximus invests in threat intelligence and security incident response. Moreover, Proximus operates several Malware Information Sharing Platforms (MISP) that enable the collection and sharing of structured information on cybersecurity threats on a national level with the CERT.be and on an international level with other European telecom operators and the GSMA (an association of 750 operators worldwide).

Proximus actively participates in various cross-industry and international expert groups to stay updated on the latest threats. Collaboration is established in the expert groups of GSMA, Europol, Interpol, Belgian Cyber Security Coalition, European Telecom Operators platform (ETIS), Center for Cyber Security Belgium (CCB), NATO NCIA and FIRST.

Data protection and privacy

Data protection laws exist to strike a balance between the rights of individuals to privacy and the ability of organizations to use personal data for business purposes. Keeping personal data confidential and secure remains a top priority for Proximus.

Proximus began its GDPR compliance journey with a GDPR readiness assessment conducted by an external company back in 2016. Since this exercise, Proximus has continued improving its GDPR compliance.

Proximus has been using the functionalities and capabilities of the Collibra data governance tool to meet certain compliance requirements under GDPR, e.g. implementing a register of processing activities.

To ensure that privacy considerations are embedded within its business activities, Proximus has appointed Privacy Ambassadors within the different business units to provide support to the legal department and DPO office in screening privacy sensitive initiatives. In view of the privacy by design principle, Proximus is constantly improving its Privacy Review Process to ensure privacy risks are identified early on and swiftly acted upon.

As part of rendering the management of data subject requests more efficient, Proximus has implemented the use of semi-automated solutions. Our customers can continue to indicate their privacy preferences within the privacy settings of the MyProximus app and website.

Proximus carefully handles and documents the complaints it receives regarding the protection of its customers' data, which come from the following sources:

- Concerned customers themselves
- Consumer organizations such as Test Aankoop/Test Acharts
- Regulators such as the Belgian Data Protection Authority or the Belgian Telecom Mediation Service

Sourcing & Supply chain

Proximus depends on the partnership with its suppliers to provide the equipment needed to ensure business continuity and a sustainable supply chain.

Global instability, logistics disruptions, energy crisis, climate induced natural disasters, etc. increases the risk on our supply chain resilience.

Any breach of relevant legislation or non-compliance with international standards for human rights could by our suppliers could lead to legal action and negatively impact Proximus' reputation.

We are currently focusing specifically on business continuity related to home and enterprise devices equipment, network infrastructure and construction (chips components shortage). Energy supply and external workforce are also top of our agenda.

Risk mitigation is done via multi-sourcing, tier 2 management, improved inventory management (advanced ordering, better forecasts, etc.), demand reduction and product and process reengineering. Thanks to enhanced Supplier Relationship Management (SRM) we continuously assess risks together with the partnering supplier, hence reducing vulnerability and ensuring continuity.

The relationship with key suppliers is assessed and documented by means meetings, which lay down the common strategies.

Critical suppliers and their sub-suppliers are monitored through a third party-recognized tool, enabling us to quickly react to any kind of disturbance in the supply chain.

Sustainability performance, risk assessments and audits are performed by EcoVadis for national direct suppliers and in the frame of the Joint Audit Corporation (JAC) for major international suppliers.

We strictly follow-up on critical suppliers' contractual liability through a our Supplier Code of Conduct and Service Level Agreement clauses.

Thanks to our active monitoring and risk mitigation actions, Proximus' supply chain has proved resilient in previous crises and financial impact was limited.

Legacy Network Infrastructure

In 2004, Proximus was the first operator in Europe to launch an ambitious fiber-to-the-curb program, paving the way for the subsequent national Fiber-to-the-Home network roll-out. And today, we are among the world's top five operators for the proportion of fiber in its VDSL network, with tens of thousands of kilometers of optical fiber connecting its street cabinets and a massive increase in the number of kilometers in the access part of the network.

With the rise in customer needs, we see for the coming year a continuous increase of data consumption on our networks, and this is at far higher speeds than in the past. This is why Proximus is pursuing an aggressive multi-gigabit strategy, with the ambition to leverage more and more fiber and 5G to deliver relevant services to our customers. In this context, the relevance of copper will gradually decrease.

The fast pace of fiber deployment and adoption allows us to consider decommissioning our copper in the future and, as such, be in a position to realize substantial savings in terms of power

consumption and maintenance and avoid having to replace this ageing technology.

Risk Management & Compliance Committee

In 2022, the Risk Management and Compliance Committee (RMC) held four sessions. The related decisions were reported to the Leadership Squad and the Audit & Compliance Committee. RMC meetings provide an opportunity to review files in which decisions have to be taken by finding a balance between risk taking and cost, in line with the Group's risk appetite.

Proximus has general response strategies for managing risks, which categorize them according to whether the company will avoid, transfer, reduce or accept the risk. These response strategies are tailored to ensure that risks are within acceptable risk and compliance guidelines.

The RMC's objectives are:

- To oversee the company's most critical enterprise and operational risks and how management is monitoring and mitigating those risks.
- To enhance pending/open internal audit action points which remain open for more than six months.

A disciplined approach to risk is key in a fast-moving technological and competitive environment in order to ensure that Proximus only accepts risk which it is adequately compensated for (risk/return optimization).

As of 2022, sustainability topics including climate change risks have been included on the agenda of the Risk Management Committee.

Internal Audit

In line with international best practices requirements, Proximus's internal audit function forms an integral part of the Internal Risk Management and Control System and provides assurance to the Audit and Compliance Committee concerning the "in- control status" of the Proximus Group segments/units/entities and processes. Internal Audit provides independent analyses, appraisals, recommendations, counsel, and information to both the Audit and Compliance Committee and Proximus Management. Therefore, the objectives of the Internal Audit, using COSO, The Institute of Internal Auditors standards and other professional frameworks, are to ensure:

- Effectiveness and adequacy of internal controls
- Operational effectiveness (doing it right) and/or efficiency (doing it well)
- Compliance with laws, regulations, and policies
- The reliability and the accuracy of the information provided

Internal Audit helps Proximus Group to accomplish these objectives through its systematic, disciplined approach to evaluating and improving the effectiveness of risk management and control and governance processes.

Internal Audit's activities are based on a continuous evaluation of perceived business risks, and it has full and unrestricted access to all activities, documents/records, properties and staff. The Internal Audit Lead has a reporting line to the Chairman of the Audit Committee.

Quarterly Audit activity reports are submitted and discussed with the Audit and Compliance Committee.

As of 2020, Proximus Internal Audit department, in accordance with IIA Standard 1312 - External Quality Assessment, has been certified by IFACI/IIA.

Financial reporting risks

In the area of financial reporting, besides the general enterprise risks impacting the financial reporting (e.g. staff), the main risks identified include new transactions and evolving accounting standards, changes in tax law and regulations, and the financial statement closing process.

New transactions and evolving accounting standards

New transactions can have a significant impact on the financial statements, either directly in the income statement or in the notes. An inappropriate accounting treatment can result in financial statements which fail to provide a true and fair view. Changes in legislation (e.g. pension age, customer protection) can also significantly impact the reported financials. New accounting standards may require the gathering of new information and the adaptation of complex (billing) systems. If not adequately foreseen, the timeliness and reliability of the financial reporting could be jeopardized.

It is the responsibility of the Corporate Accounting department to follow developments in the area of evolving standards (both

local General Accepted Accounting Principles (GAAP) and International Financial Reporting Standards (IFRS)).

Changes are identified and the impact on Proximus's financial reporting is proactively analyzed.

For each new type of transaction (e.g. new product, new employee benefit, business combination), an in-depth analysis is conducted from the point of view of financial-reporting, risk-management, treasury, and tax. In addition, the development requirements for the financial systems are defined in a timely manner and, in compliance with internal and external standards, are systematically analyzed. Emphasis is on the development of preventive controls and setting up reporting tools that enable a posteriori control. The Audit and Compliance Committee (A&CC) and the Leadership Squad are informed on a regular basis about new and upcoming financial reporting standards and their potential impact on Proximus's financials.

Changes in tax law and regulations

Changes in tax laws and regulations (corporate income tax, VAT, etc.) and their application by the tax authorities can significantly impact the financial statements. To ensure compliance, it is often necessary to set up additional administrative processes within a short timeframe, to collect relevant information or run updates on existing IT systems (e.g. billing systems).

The tax department continuously monitors potential changes in tax law and regulations, as well as interpretations of existing tax laws by the tax authorities. Based on laws, doctrine, case law and political statements as well as available draft laws, etc., a financial and operational impact analysis is performed. The outcome of the analysis is reflected in the corresponding financial statements, in accordance with the applicable framework.

The complexity of the legal and regulatory environment in which we operate and the related cost of compliance are both increasing due to additional requirements. Furthermore, foreign and supranational laws occasionally conflict with domestic laws. Failure to comply with the various laws and regulations, changes in laws and regulations or the manner in which they are interpreted or applied, may result in damage to our reputation, liability, fines and penalties, increased tax burden or cost of regulatory compliance and impact our financial statements.

Financial statement closing process

The delivery of timely and reliable financial statements remains dependent on an adequate financial statement closing process.

Clear roles and responsibilities in the closing process of the financial statements have been defined. During the monthly, quarterly, half-yearly and annual financial statement closing processes, there is continuous monitoring of the various steps. In addition, different controls are performed to ensure quality and compliance with internal and external requirements and guidelines.

For Proximus and its major subsidiaries, a highly detailed closing calendar is drawn up, which includes a detailed overview of cross-divisional preparatory meetings, deadlines for ending specific processes, exact dates and hours when IT sub-systems are locked, validation meetings and reporting deliverables.

For every process and sub-process, different controls are performed, including preventive controls, where information is tested before being processed, and detective controls, where the outcome of the processing is analyzed and confirmed.

Special attention is paid to reasonableness tests, where financial information is analyzed against underlying operational drivers, and coherence tests, where financial information from different areas is brought together to confirm results or trends, etc. Tests on individual accounting entries are performed for material or non-recurrent transactions. The combination of all these tests provides sufficient assurance on the reliability of the financials.

Internal control system

The Proximus Board of Directors is responsible for the assessment of the effectiveness of the systems for internal control and risk management.

Proximus has set up an internal control system based on the COSO model, i.e. the integrated internal control and enterprise risk management framework published by the Committee of Sponsoring Organisation of the Treadway Commission ("COSO") for the first time in 1992 and updated in May 2013. This COSO methodology is based on five areas: the control environment, risk analysis, control activities, information & communication and monitoring.

Proximus' internal control system is characterized by an organization with a clear definition of responsibilities, next to

sufficient resources and expertise, and also appropriate information systems, procedures and practices. Proximus cannot guarantee that this internal control will be sufficient in all circumstances as risks of misuse of assets or misstatements can never be totally eliminated. However, Proximus organizes a continuous review and follow-up of all the components of its internal controls and risk management systems to ensure they remain adequate.

Proximus considers the timely delivery to all its internal and external stakeholders of complete, reliable and relevant financial information in conformity with International Financial Reporting Standards (IFRS) and Belgian Generally Accepted Accounting Principles (BGAAP). Therefore, Proximus has organized its internal control and risk management systems over its financial reporting in order to ensure this objective is met.

Control environment

Organization of internal control

In accordance with the bylaws, Proximus has an Audit & Compliance Committee (A&CC) (see caption Independence and expertise in the accounting and audit domain of at least one member of the Audit and Compliance Committee'). Its role is to assist and advise the Board of Directors in its oversight on (i) the financial reporting process, (ii) the efficiency of the systems for internal control and risk management of Proximus, (iii) the Proximus' internal audit function and its efficiency, (iv) the quality, integrity and legal control of the Proximus statutory and the consolidated financial statements, including the follow up of questions and recommendations made by the auditors, (v) the relationship with the Group's auditors and the assessment and monitoring of the independence of the auditors, (vi) Proximus compliance with legal and regulatory requirements, (vii) the compliance within the organization with the Proximus' Code of Conduct and the Dealing Code.

The A&CC meets at least once every quarter.

Ethics

The Board of Directors has approved a Corporate Governance Charter and a Code of Conduct "A Socially Responsible Company".

All employees must perform their daily activities and their business objectives according to the strictest ethical standards and principles, using the Group values (Collaboration, Agility and Accountability) as guiding principle.

The Code “A Socially Responsible Company”, which is available on www.proximus.com, sets out the above-mentioned principles, and aims to inspire each employee in his or her daily behaviour and attitudes. The ethical behaviour is not limited to the text of the Code. The Code is a summary of the main principles and is thus not exhaustive.

In addition, Proximus in general, and the Finance department in particular, has a tradition of a high importance to compliance and a strict adherence to a timely and qualitative reporting.

Policies and procedures

The principles and the rules in the Code “A Socially Responsible Company” are further elaborated in the different internal policies and procedures. These Group policies and procedures are available on the Proximus intranet-sites. Every policy has an owner, who regularly reviews and updates if necessary. Periodically, and at moment of an update, an appropriate communication is organized.

In the financial reporting domain, general and more detailed accounting principles, guidelines and instructions are summarized in reference material available on the Proximus intranet-sites. In addition, the Corporate Accounting department regularly organizes internal accounting seminars to update finance and non-finance staff on accounting policies and procedures.

Roles & responsibilities

Proximus’ internal control system benefits from the fact that throughout the whole organization, roles and responsibilities are clearly defined. Every business unit, division and department has its vision, mission and responsibilities, while on individual level everybody has a clear job description and objectives.

The main role of the Finance Division is to support the divisions and affiliates by providing accurate, reliable and timely financial information for decision making, to monitor the business profitability and to manage effectively corporate financial services.

The team of the Corporate Accounting department assumes this accounting responsibility for the mother company Proximus

and the major Belgian companies. They also provide the support to the other affiliates. For this centralized support, the organization is structured according to the major (financial) processes. These major processes include capital expenditures and assets, inventories, contracts in progress & revenue recognition, financial accounting, operational expenditures, provisions & litigations, payroll, post-employment benefits and taxes. This centralized support, organized around specific processes and IFRS standards, allows for in depth accounting expertise and ensures compliance with group guidelines.

The consolidation of all different legal entities into the Consolidated Financial Statements of the Proximus Group is done centrally. The Consolidation department defines and distributes information relating to the implementation of accounting standards, procedures, principles and rules. It also monitors changes in regulations to ensure that the financial statements continue to be prepared in accordance with IFRS, as adopted by the European Union. The monthly instructions for consolidation set forth not only the schedules for preparing accounting information for reporting purposes, but also includes detailed deadlines and items requiring particular attention, such as complex issues or new internal guidelines.

Skills & expertise

Adequate staffing is a matter to which Proximus pays careful attention. This requires not only sufficient headcount, but also the adequate skills and expertise. These requirements are taken into account in the hiring process, and subsequently in the coaching and formation activities, facilitated and organized by the Proximus Corporate University.

For financial reporting purposes, a specific training cycle was put in place, whereby junior as well as senior staff have to participate mandatory. These internally and externally organized accounting seminars cover not only IFRS but local accounting rules & regulations, Tax and Company law & regulations as well. In addition, the knowledge and expertise is also kept up to date and extended for more specific domains for which staff is responsible (revenue assurance, pension administration, financial products, etc.) through attendance to seminars and self-study. Furthermore, employees also attend general training session on Proximus new business products & services.

Risk analysis

Major risks and uncertainties are reported in the caption ‘Risk Management’.

Risk mitigating factors and control measures

Mitigating factors and control measures are reported in the caption 'Risk management.

Information and communication

Financial reporting IT systems

The accounting records of Proximus and most of its affiliates are kept on large integrated IT systems. Operational processes are often integrated in the same system (e.g. supply chain management, payroll). For the billing systems, which are not integrated, adequate interfaces and a monitoring system have been developed. For the consolidation purposes, a specific consolidation tool is used.

The organizational set-up and access management are designed to support an adequate segregation of duties, prevent unauthorized access to the sensitive information and prevent unauthorized changes. The set-up of the system is regularly subject to the review by the internal audit department or external auditors.

Effective Internal communication

Most of the accounting records are kept under IFRS as well as local GAAP. In general, financial information delivered to management and used for budgeting, forecasting and controlling activities is established under IFRS. A common financial language used throughout the organization positively contributes to an effective and efficient communication.

Reporting and validation of the financial results

The financial results are internally reported and validated on different levels. On the level of processes, there are validation meetings with the business process owners. On the level of the major affiliates, a validation meeting is organized with the

accounting and controlling responsible. On Proximus group level, the consolidated results are split per segment. For every segment, the analysis and validation usually include comparison with historical figures, as well as budget-actual and forecast-actual analysis. Validation requires (absences of) variances to be analyzed and satisfactorily explained.

Afterwards, the financial information is reported and explained to the Executive Committee (monthly) and presented to the A&CC (quarterly).

Supervision and assessment of internal control

The effectiveness and efficiency of the internal control are regularly assessed in different ways and by different parties:

- Each owner is responsible for reviewing and improving its business activities on a regular basis: this includes a.o. the process documentation, reporting on indicators and monitoring of those.
- In order to have an objective review and evaluation of the activities of each organization department, Proximus' Internal Audit department conducts regular audits across the Group's operations. The independence of Internal Audit is ensured via its direct reporting line to the Chairman of the A&CC. Audit assignments performed may have a specific financial processes scope but will also assess the effectiveness and efficiency of the operations and the compliance towards the applicable laws or rules.
- The A&CC reviews the quarterly interim reporting and the specific accounting methods. The main disputes and risks facing the Group are considered; the recommendations of internal audit are followed-up; the compliance within the Group with the Code of Conduct and Dealing Code is regularly discussed.
- Except for some very small foreign affiliates, all legal entities of the Proximus Group are subject to an external audit. In general, this audit includes an assessment of the internal control, and leads to an opinion on the statutory financials and on the (half-yearly and annual) financials reported to Proximus for consolidation. In case the external audit reveals a weakness or identifies opportunities to further improve the internal control, recommendations are made to management. These recommendations, the related action plan and implementation status are at least annually reported to the A&CC.

Expertise of the Audit & Compliance Committee members

Proximus has an Audit & Compliance Committee which consists of five non-executive directors, the majority of whom must be independent. In line with its charter, it is chaired by an independent director.

A majority of the members of the Audit & Compliance Committee has extensive expertise in accounting and audit. The

Chairwoman of the Audit & Compliance Committee, Mrs. Catherine Vandendorpe, holds a degree in Business Economics as well as degrees in Tax and Financial Risk Management. The Chairwoman and the majority of the members exercised several board or executive mandates in large Belgian or international companies.

Evolution in research and development activities

The world around us is evolving rapidly. As innovation and research on new technologies are in the DNA of Proximus, we are ready to face these changes.

Network

Fiber, enabling innovation

Since the launch of the Fiber for Belgium program, we continuously invested in deploying a high-speed fiber network using the newest state of the art fiber technologies.

Over the last years, massive technical progress has been achieved in the field of quantum communication and in particular, in Quantum Computing. These new computers will be extremely powerful but will also create a “high vulnerability” for private data. To investigate how to mitigate these threats, Proximus has decided to set up a quantum communications lab.

In 2022, the first proof-of-concepts with a technology called “Quantum key distribution” were performed to test the usability and limits of this cutting-edge technology in our fiber network. To support the Belgian ecosystem, we are member of the industry advisory board of the Belgium Quantum Network (BeQuNet), a joint Quantum communication research project by IMEC, UGent, UHasselt and ULB, where we also provide the fiber infrastructure.

Mobile Leadership

We have a strong track record in pioneering mobile communications, delivering the best possible mobile experience for our customers and we will continue to do so. In 2022, we continued the consolidation of our Radio Access Network (RAN), confirming positive results in terms of coverage gain, throughput and customer experience.

Our 5G ambition is to be recognized as the go-to partner for 5G products and services by offering the broadest 5G coverage and highest performing network in Belgium. The best way to stimulate the development of 5G use cases is to give the opportunity to our customers and partners to test their projects live. On our dedicated 5G innovation platform, a variety of 5G use cases have been successfully developed and demonstrated in multiple domains, such as industrial applications, construction, entertainment, healthcare, agriculture.

After the opening of a first 5G Lab with A6K in Wallonia end 2021, Proximus signed a Memorandum of Understanding (MoU) with Howest in 2022 for the creation of a 5G lab on Howest's campus of Kortrijk. Companies from various sectors will be able to discover the possibilities of 5G for their business and develop new applications, in collaboration with Howest students and under the guidance of Proximus experts.

The capabilities to innovate within the 5G domain have been expanded with additional 5G innovation incubators and the successful implementation of technological enablers such as network slicing and radio resources reservation for critical applications.

Electric vehicle charging

The EV charging project is all about transforming our street cabinets into a hybrid "Telco/ EV charging point" infrastructure, helping the Belgians in their move to electric vehicles, by providing more public charging points in densely populated areas.

With fiber deployment we bring the connectivity straight to the home, making a large part of our street cabinets obsolete. These are typically located in dense areas where access to private EV charging points is limited. The first charging points are operational in Mechelen and Oudenaarde.

Proximus ADA

The use of automation, advanced analytics and artificial intelligence enables us to offer highly qualified services.

In 2022, Proximus launched Proximus Ada, the first Belgian **center of excellence combining artificial intelligence (AI) and cybersecurity**. These are two key areas if Belgian society is to meet the challenges of today and tomorrow. The aim is to develop a genuine local ecosystem, thanks to strong collaborations and partnerships with universities, higher institutes of applied sciences, research institutes, associations and the public authorities.

In the meantime, we have delivered a first internal project intending to improve the productivity of cybersecurity analysts in the context of smishing. This use cases analyses SMS reported by the BIPT leveraging various AI capabilities, including computer vision, to then automatically report the smishing cases.

On the pure AI side for internal Proximus needs, we also delivered significant business value through a wide range of use cases. One example is a tool to detect in near real time the quality of fiber installations on customer premise using computer vision. We are now busy extending the analysis to new control points.

Smart solutions

Proximus is Belgium's leading Internet of Things (IoT) connectivity provider using different wireless technologies (LTE, LoRa, NB-IoT, LTE-M). However, Proximus does not limit its use of IoT to connectivity.

With our data-driven solutions, we help our customers to innovate by connecting applications and devices, aggregating different data streams, providing insights into their data, or automating processes.

Data analytics and IoT are also proving their value within our society in numerous ways such as solutions to optimize energy consumption, or for a more efficient healthcare.

Smart health

Proximus has strengthened its strategic focus on the healthcare market. Through connectivity, ICT and security solutions and services, Proximus aims to become a major partner in the digital transformation and innovation of the medical industry.

On top of that, with a renewed focus on innovation in healthcare Proximus is participating in the world of extended reality by doing POC's in Virtual Reality (training) and Augmented Reality (remote assist) with some nice customer testimonials as a result.

Smart building and smart energy

Responding to the issue of climate change, Proximus offers IoT solutions and data analytics to help customers make smarter use of energy and reduce their carbon footprints. The energy transition, particularly the contribution of buildings to a more sustainable world, is at the heart of our initiatives. That is why we onboarded new partners, such as Digital HQ, Izix and Aug.e, that enable us to offer our customers a large range of smart building solutions.

E-education

To respond to the growing need for better connectivity in education, Proximus and Signpost, the Belgian market leader for ICT solutions in education, signed a strategic cooperation agreement in April 2021. End 2022, we provided 220 schools with a fiber connection, 16 other schools signed a DSL contract. In order for schools to be ready for the future, the portfolio of 'Academic Connect' will grow with Multigig profiles where additional services will be added. Next to that, we'll roll out 'connected teachers' where teachers and other employees of an 'Academic Connect' school will receive a discount on their residential pack.

Open innovation

Proximus believes in open innovation where, together with partners, we combine our assets to create new ecosystems and products which achieve a higher value for all parties involved. Thanks to exclusive partnerships, we continuously extend and trigger our own research & development carried out in the various Proximus labs and mastered by our innovation teams.

Drones

In the field of drones, we are implementing the drone as a service concept in the Port of Antwerp, in the partnership with SkeyDrone and DroneMatrix. We are continuing to develop our partnership with Helicus for the implementation of BVLOS medical drone flights. We will further focus on the implementation of real use cases in the area of image and video processing, analytics and edge computing (with the support & collaboration of Proximus ADA or other potential partners).

Proximus+

Proximus aims to roll out a portfolio of digital services with help of third-party partnerships in five compelling domains within a customer-facing mobile application called Proximus+. Proximus+ will become the gateway to all Proximus digital platforms like Pickx, Doktr, Banx, 4411 and Flitsmeister as well as our e-press services. With help of additional partners, we will fuel new services in domains like My Home, My Circle, My Neighborhood, My Mobility and My Wallet, on top of the existing telco features of My Proximus.

Hence, we will launch a premium mobile app experience that will foster daily relevant interactions. A Beta version of this app is currently available to a limited testing audience of 3000 users and will gradually be opened up to public over the course of 2023. The application will help us to reinforce our premium brand positioning and satisfaction (NPS score), reduce digital advertising and development budgets as well as grow new revenue streams.

Banx

We have continued to improve Banx, the digital app for sustainable banking launched with Belfius in 2021. In 2022, we improved the CO2 dashboard and enriched Banx with new functionalities like Apple Fitbit and Garmin Pay solutions. We have onboarded new reward partners like Bio Planet.

Doktr

In the field of medicine, we further developed the teleconsultation app Doktr, for example by adding the function that enables a patient to also consult his/her regular general practitioner. We continued to develop the ecosystem and signed agreements with Domus Medica, Christelijke Mutualiteit/Mutualité chrétienne (CM/MC) and Solidaris/SocMut to roll out the Doktr app as widely as possible to patients and care providers. We have also signed a partnership with Cohezio for a pilot in occupational medicine.

International operations

We operate internationally through BICS and TeleSign.

BICS

BICS continuously invests in advancing its global communication solutions portfolio addressing both telco, enterprise and cloud segments. Today, BICS is focusing its R&D on delivering 5G services, (e-)SIM and IoT technology, digital communication services and strong fraud, security and analytics offering. BICS continues to monitor market evolution and customer needs to enhance its services, features and overall product portfolios.

Telesign

Telesign has invested considerable time and resources into building a world-class research and development organization that continually enhances its market-leading services.

Today, its research and development efforts are focused primarily on building industry-leading digital identity solutions, addressing all primary use cases, enhancing deployment flexibility, and providing seamless integration across cloud and on-premises applications. Telesign regularly releases updates to its services which incorporate new features and enhance existing ones.

Other information

Rights, commitments and contingencies as of 31 December 2022

Disclosures related to rights, commitments and contingencies are reported in note 34 of the consolidated financial statements.

Diversity & Inclusion Statement

Diversity & Inclusion Statement is reported in chapter CH3.1 Governance & Compliance of the Annual report.

Use of financial instruments

Disclosures related to the use of financial instruments are reported in note 32 of the consolidated financial statements.

Circumstances which may considerably impact the development of the Group

Circumstances which may considerably impact the development of the Group are reported in the sections "Risk

On behalf of the Board of Directors,

Brussels, 16 February 2023



Guillaume Boutin
Chief Executive Officer

Management" and "Internal Control" of this management report.

Treasury shares

Disclosures related to treasury shares are reported in note 18 of the consolidated financial statements.

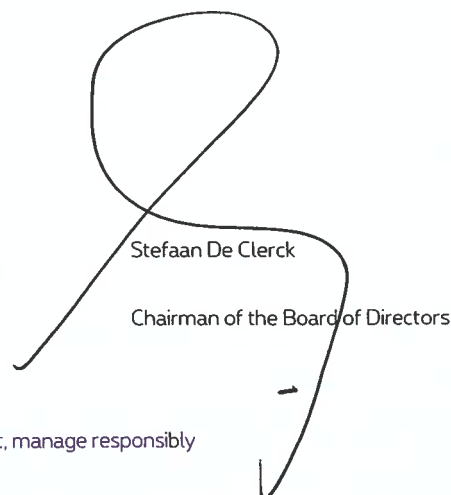
Capital management

The purpose of the Group's capital management is to maintain net financial debt and equity ratios that allow for security of liquidity at all times via flexible access to capital markets, in order to be able to finance strategic projects and to offer an attractive remuneration to shareholders.

Over the two years presented, the Group did not issue new shares or any other dilutive instruments.

Post-balance sheet events

Disclosures related to post-balance sheet events are reported in note 39 of the consolidated financial statements.



Stefaan De Clerck
Chairman of the Board of Directors