CONSOLIDATED ACCOUNTS IN IFRS AND OTHER DOCUMENTS TO BE DEPOSITED IN ACCORDANCE WITH THE COMPANIES CODE

IDENTIFICATION DETAILS (on the date of deposition)

NAME: Proximus

Legal form: Société anonyme de droit public/Naamloze vennootschap van publiek recht

Address: Boulevard du Roi Albert II – Koning Albert II laan N°.: 27 Box:

Postal Code: 1030 City: Brussels

Country: Belgium

Register of Legal Persons (RLP) – Office of the Business Court at Brussels

Internet address[1]: http://www.proximus.com

Business number: BE 0202.239.951

CONSOLIDATED ACCOUNTS IN MILLIONS OF EUR[2]

Approved by the General Meeting of 16/04/2025

Concerning the financial year covering the period from 01/01/2024 to 31/12/2024

Previous period from 01/01/2023 to 31/12/2023

The amounts of the previous financial year **are / are not**[3] identical to those which have been previously published.

Documents attached to these consolidated financial statements:
- the consolidated management report
- the audit report on the consolidated accounts

TO BE COMPLETED IF THE CONSOLIDATED ACCOUNTS ARE FILED BY A BELGIAN SUBSIDIARY
Name of the filing Belgian subsidiary (article 3 26, §2 4°, a) of the Companies and Associations Code).

Company Number of the filing Belgian subsidiary

Total number of pages filed................ Numbers of the sections of the standardized document not filed because without Object

Signature (name and position)	Signature (name and position)
BOUTIN Guillaume CEO and Managing Director	DE CLERCK Stefaan Chairman of the Board of Directors

1 Optional statement
2 If necessary, change to currency in which the amounts are expressed.
3 Delete what does not apply
4 Mention optional
5 If necessary, adapt the currency and the unit in which the amounts are expressed

LIST OF DIRECTORS, MANAGERS AND AUDITORS AND DECLARATION REGARDING A COMPLIMENTARY REVIEW OR CORRECTION ASSIGNMENT

LIST OF DIRECTORS, MANAGERS AND AUDITORS

BOUTIN Guillaume, Chief Executive Officer and Managing Director
Avenue Maréchal Ney 155, 1180 Uccle, BELGIUM
Mandate :Managing director

DE CLERCK Stefaan, Chairman of the Board of Directors
Damkaai 7, 8500 Kortrijk, BELGIUM
Mandate :Chairman of the Board of Directors

BASTYN Caroline, Chief Digital and Information Officer Adecco Group
Chemin des Vernes 16, 1936 Verbier, SWITZERLAND
Mandate : Director, start 17/04/2024

DE GUCHT Karel, President of the Brussels School of Governance (BSoG) and Director of Companies
Hoogstraat 9, 9290 Berlare, BELGIUM
Mandate :Director

de MAHIEU Béatrice, CEO BeCode
Pierre Marchandstraat 51, 1970 Wezembeek-Oppem, BELGIUM
Mandate :Director

HANARD Audrey, Chairwoman of the Board of Directors of bpost & Partner at Dalberg
Clapham Common South Side, Ground Flat 94, SW49DN London, UNITED KINGDOM
Mandate :Director

OUASSARI Ibrahim, CEO MolenGeek
Meiselaan 36, 1880 Kapelle-op-den-Bos, BELGIUM
Mandate : Director

TILLEKAERTS Claire, Director of companies
Ter Ramenlaan 11, 9070 Destelbergen, BELGIUM
Mandate :Director

COUNE Cécile, Director of Companies
Rue du Duc 68, 1150 Woluwe-Saint-Pierre, BELGIUM
Mandate :Director

DE PRYCKER Martin, Partner Qbic Fund and Director of Companies
De Cauwerstraat 41, 9100 Sint-Niklaas, BELGIUM
Mandate :Director

RUTTEN Catherine, Vice-President International, Government Affairs & Public Policy Vertex Pharmaceuticals
Avenue Emile Van Becelaere 107, 1170 Watermael-Boitsfort, BELGIUM
Mandate : Director

SONNE Joachim, Finance Advisor
Perrymead Street 29, SW6 3SN,London, UNITED KINGDOM
Mandate : Director

LIST OF DIRECTORS, MANAGERS AND AUDITORS AND DECLARATION REGARDING A COMPLIMENTARY REVIEW OR CORRECTION ASSIGNMENT

LIST OF DIRECTORS, MANAGERS AND AUDITORS

VANDENBORRE Catherine, Chief Financial Officer Elia
Clos du Champ de Bourgeois 11, 1330 Rixensart, BELGIUM
Mandate : Director

VAN DEN HOVE Luc, President & CEO imec
Jachthuislaan 29, 3210 Lubbeek, BELGIUM
Mandate : Director

DELOITTE, Réviseurs d'entreprises SRL
Gateway Building, Luchthaven Brussel Nationaal 1 J, 1930 Zaventem, BELGIUM
Chairman of the Board of Auditors
Company number: BE 0429.053.863
Number of membership with the Institute of Auditors: B00025

Represented by Koen Neijens
Gateway Building, Luchthaven Brussel Nationaal 1 J, 1930 Zaventem, BELGIUM
Auditor
Number of membership with the Institute of Auditors: A02022

Luc CALLAERT SRL
Zwaluwstraat 117, 1840 Londerzeel (Malderen), BELGIUM
Auditor
Company number : BE 0463.716.022
Number of membership with the Institute of Auditors : B00342

Represented by Luc Callaert
Zwaluwstraat 117, 1840 Londerzeel (Malderen), BELGIUM
Number of membership with the Institute of Auditors : A01123

Consolidated Financial Statements

Prepared under International Financial Reporting Standards for each of the two years ended 31 December 2024 and 2023.

Consolidated Balance Sheet

(EUR million)		As at 31 December	
ASSETS	Note	2023	2024
NON-CURRENT ASSETS		8,932	10,969
Goodwill	3	2,592	3,275
Intangible assets with finite useful life	4	1,702	2,076
Property, plant and equipment	5	3,834	4,745
Right-of-use assets	6	307	307
Lease receivable		10	9
Contract costs	7	111	103
Investments in associates and joint ventures	8	90	23
Deferred income tax assets	10	4	17
Equity investments measured at fair value	9	3	2
Pension assets	11	187	296
Other non-current assets	12	92	117
CURRENT ASSETS		2,220	2,358
Inventories	13	159	147
Trade receivables	14	866	1,046
Contract assets	14	167	198
Current tax assets		12	5
Other current assets	15	202	329
Investments	17	0	41
Cash and cash equivalents	17	716	497
Non-current assets held for sale	16	99	94
TOTAL ASSETS		11,153	13,327
LIABILITIES AND EQUITY	Note		
EQUITY	18	3,300	4,535
Shareholders' equity attributable to the parent	18	3,300	4,310
Non-Controlling interests	18	0	225
NON-CURRENT LIABILITIES		4,794	5,601
Interest-bearing liabilities	19	3,308	3,981
Lease liabilities	6	210	197
Liability for pensions, other post-employment benefits and termination benefits	11	337	324
Provisions	20	137	233
Deferred income tax liabilities	10	197	313
Other non-current payables non-interest-bearing	21	45	31
Other non-current payables interest-bearing	21 (*)	559	522
CURRENT LIABILITIES		3,059	3,191
Interest-bearing liabilities	19	611	525
Lease liabilities	6	88	97
Liability for pensions, other post-employment benefits and termination benefits	11	40	34
Provisions other than for pensions, other post-employment benefits and termination benefits		0	6
Trade payables	(*)	1,433	1,508
Contract liabilities	22	126	121
Tax payables		58	28
Other current payables non-interest-bearing	22	666	824
Other current payables interest-bearing	22 (*)	37	37
Liabilities associated with assets classified as held for sale	16	0	10
TOTAL LIABILITIES AND EQUITY		11,153	13,327

(*) "Other current payables Interest-bearing" include interest-bearing payables "Trade payables"

Consolidated Income Statement

(EUR million)	Note	2023	2024
Net revenue	23	5,993	6,376
Other operating income	24	56	163
Total income		**6,048**	**6,539**
Costs of materials and services related to revenue	25	-2,198	-2,364
Workforce expenses	26	-1,343	-1,435
Non-workforce expenses	27	-722	-790
Total operating expenses before depreciation and amortization		**-4,262**	**-4,589**
Operating income before depreciation and amortization		**1,786**	**1,950**
Depreciation and amortization	28	-1,185	-1,259
Operating income		**601**	**691**
Finance income	29	10	26
Finance costs	29	-119	-185
Net finance costs	29	-110	-159
Share of loss on associates	8.3	-30	-18
Income before taxes		**461**	**513**
Tax expense	10	-104	-57
Net income		**357**	**456**
Attributable to:			
Equity holders of the parent (Group share)		357	447
Non-controlling interests		0	9
Basic earnings per share (in EUR)	30	1.11	1.39
Diluted earnings per share (in EUR)	30	1.11	1.39
Weighted average nb of outstanding ordinary shares	30	322,442,197	322,573,717
Weighted average nb of outstanding ordinary shares for diluted earnings per share	30	322,442,197	322,573,717

Consolidated Statement of Comprehensive Income

(EUR million)	Note	2023	2024
Net income		357	456
Other comprehensive income:			
Items that may be reclassified to profit and loss			
Exchange differences on translation of foreign operations		-5	20
Cash flow hedges:			
Gain/(Loss) taken to equity		-14	-3
Transfer to profit or loss for the period		-4	-14
Other		0	-1
Total before related tax effects		-22	1
Cash flow hedges:			
Gain/(Loss) taken to equity		3	1
Transfer to profit or loss for the period		1	3
Income tax relating to items that may be reclassified		4	4
Total of items that may be reclassified to profit and loss - net of related tax effects		-18	6
Items that will not be reclassified to profit and loss			
Remeasurement of net defined benefit obligations	11	50	110
Total of items that will not be reclassified to profit and loss		50	110
Total before related tax effects		50	110
Related tax effects			
Remeasurement of net defined benefit obligations		-12	-29
Income tax relating to items that will not be reclassified		-12	-29
Total of items that will not be reclassified to profit and loss, net of related tax effects		38	81
Total comprehensive income		377	543
Attributable to:			
Equity holders of the parent		378	529
Non-controlling interests		0	14

Consolidated Cash Flow Statement

(EUR million)	Note	As at 31 December 2023	2024
Cash flow from operating activities:			
Net income		357	456
Depreciation and amortization	4/5/6	1,185	1,259
Net finance costs		110	159
Tax expense		104	57
Share of loss on associates and JV	8.3	30	18
Ebitda (Reported) (1)		1,786	1,950
Adjustments for non-cash items in Ebitda:		5	-51
Impairment on intangible assets and property, plant and equipment	16	0	38
Increase/(decrease) of provisions	20	2	-9
Remeasurement to FV of Previously held interest	8.4	0	-78
(Gain)/loss on disposal of other financial assets		9	0
(Gain) /loss on disposal of property, plant and equipment	24	-6	-3
(Decrease)/increase in working capital (net of interests, income tax, acquisitions/disposals of subsidiaries):		-12	-62
Decrease/(increase) in inventories		28	12
Decrease/(increase) in trade receivables		74	-24
(Decrease)/increase in trade payables		10	-5
Decrease/(increase) in other assets		-60	-30
(Decrease)/increase in other liabilities		-23	14
(Decrease)/increase in net liability for pensions, other post-employment benefits and termination benefits	11	-40	-29
Interests Paid/Received & Other financial cash outflows		-110	-127
Interests Received		8	20
Interests Paid		-111	-146
Other financial cash outflows		-7	-1
Income Tax Paid		-49	-108
A. Net cash flow from operating activities		1,620	1,602
Cash flow from /(to) investing activities:			
Cash paid for acquisitions of intangible assets and property, plant and equipment	4/5	-1,453	-1,474
Cash (paid to)/received from other participating interests (acquisition/sale, loans and/or derivatives)	8.4	-90	-17
Cash paid for acquisition of consolidated companies, net of cash acquired	8.4	0	-737
Cash received from sales of intangible assets, property, plant and equipment and other non-current assets		33	0

B. Net cash flow from / (to) investing activities		-1,510	-2,228
Cash flow before financing activities (A. + B.)		110	-626
C.1 Lease payments	6	-92	-101
Free cash flow (A. + B. + C.1) (2)		18	-727
Cash flow from / (to) financing activities other than lease payments:			
Dividends paid to shareholders	31	-387	-360
Dividends to and transactions with non-controlling interests	18.2	0	-2
Net sale of treasury shares		2	0
Net sale of investments		0	0
Impact of transactions with equity holders	8.4	0	83
Issuance / (repayment) of Perpetual subordinated borrowing	18.1	0	700
Cash received from /(paid to) cash flow hedge instrument related to long term debt		132	-1
Issuance / (repayment) of Asset financing arrangements	19.3	-10	-10
Issuance of long term debt		1,238	714
Repayment of long term debt	19.3	-101	-614
Repayment of short term debt	19.3	-475	-4
C.2 Net cash flow from / (to) financing activities (other than lease payments)		399	506
D. Exchange rate impact		-1	2
Net increase/(decrease) of cash and cash equivalents (A + B + C.1 + C.2 + D)		417	-219
Cash and cash equivalents at 1 January		299	716
Cash and cash equivalents at the end of the period		716	497

(1) Ebitda: Earnings Before Interest, Taxes, Depreciation and Amortization; corresponds to revenue minus cost of sales, workforce and non-workforce expenses.
(2) Free Cash Flow: this is cash flow before financing activities and after lease

Consolidated Statement of Changes in Equity

(EUR million)	Issued capital	Treasury shares	Restric'd reserve	Equity instruments and hedge reserve	Other remeasur - ement reserve	Foreign currency trans- lation	Stock Compen -sation	Retained Earnings	Hybrid Instru- ments	Share'rs' Equity	Non- control. interests	Total Equity
Balance as at 1 January 2023	1,000	-425	100	147	4	16	0	2,465	0	3,307	1	3,308
Total comprehensive income and expense	0	0	0	-13	38	-5	0	357	0	378	0	377
Dividends to shareholders (relating to 2022)	0	0	0	0	0	0	0	-226	0	-226	0	-226
Interim dividends to shareholders (relating to 2023)	0	0	0	0	0	0	0	-161	0	-161	0	-161
Treasury shares												
Sale of treasury shares	0	6	0	0	0	0	0	-4	0	2	0	2
Total transactions with equity holders	0	6	0	0	0	0	0	-391	0	-385	0	-385
Balance as at 31 December 2023	1,000	-419	100	134	42	11	0	2,432	0	3,300	0	3,300
Total comprehensive income	0	0	0	-14	81	15	0	447	0	529	14	543
Dividends to shareholders (relating to 2023)	0	0	0	0	0	0	0	-226	0	-226	0	-226
Interim dividends to shareholders (relating to 2024)	0	0	0	0	0	0	0	-161	0	-161	0	-161
Dividends of subsidiaries to non-controlling interests	0	0	0	0	0	0	0	-2	0	-2	0	-2
Business combination	0	0	0	0	0	0	0	165	0	165	138	303
Partial disposal of a subsidiary without loss of control	0	0	0	0	0	0	0	47	0	47	43	90
Business combination under common control	0	0	0	0	0	0	0	-32	0	-32	32	0
Perpetual subord borrowings	0	0	0	0	0	0	0	-12	700	688	0	688
Treasury shares												
Sale of treasury shares	0	2	0	0	0	0	0	-3	0	-1	0	-1
Stock options												
Exercise of stock options	0	0	0	0	0	0	0	2	0	2	-1	1
Total transactions with equity holders	0	2	0	0	0	0	0	-222	700	481	212	692
Balance as at 31 December 2024	1,000	-417	100	120	124	26	0	2,657	700	4,310	225	4,535

Notes to the consolidated financial statements

Note 1. Corporate information

The consolidated financial statements at December 31st 2024 were authorized for issue by the Board of Directors on February 27th 2025. They comprise the financial statements of Proximus SA, its subsidiaries, as well as the Group's interest in associates and joint ventures accounted for under the equity method and joint operations (hereafter "the Group").

Proximus SA is a "Limited Liability Company of Public Law" registered in Belgium. The transformation of Proximus SA from "Autonomous State Company" into a "Limited Liability Company of Public Law" was implemented by the Royal Decree of 16 December 1994. Proximus SA headquarters are located at Boulevard du Roi Albert II, 27 1030 Brussels, Belgium. Proximus' shares are listed on Euronext Brussels.

Proximus Group (Euronext Brussels: PROX), is a provider of future-proof connectivity, IT and digital services, headquartered in Brussels. The Group is actively engaged in building a connected world that people trust, so society blooms.

The Domestic segment is focused on providing state-of-the art telecommunications and IT services in the Benelux. In Belgium, core products and services are offered under the Proximus, Mobile Vikings and Scarlet brands for the residential market and Proximus NXT for the Enterprise market. The Group is also active in the Netherlands (Proximus NXT) and in Luxembourg (Tango and Proximus NXT).

Proximus Global overarches the international activities of the Group, gathering the strengths of BICS, Telesign and Route Mobile. Encompassing the entire value chain from P2P Voice & Messaging and Mobility services to CPaaS and Digital Identity, Proximus Global is in a unique position to become a global digital communications leader.

The Group has the ambition to build the #1 gigabit network for Belgium and plays a central role in creating inspiring digital ecosystems, while fostering an engaging culture and empowering ways of working. Building upon these strengths, Proximus aims to contribute to an inclusive and sustainable digital society, delight customers with an unrivalled experience and achieve profitable growth both locally and internationally to deliver long-term value for stakeholders.

The number of employees of the Group (in full time equivalents) amounted to 13,131 at December 31st 2024 and 11,654 at December 31st 2023. For the year 2024, the average headcount of the Group was 159 management personnel and 12,470 employees; for the year 2023, the average headcount of the Group was 160 management personnel and 11,490 employees.

Note 2. Material accounting policy information

Note 2.1. Basis of preparation

The accompanying consolidated financial statements as of 31 December 2024 and for the year then ended have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted for use in the European Union. The Group did not early adopt any IASB standards or interpretations.

Note 2.2. Changes in accounting policies

The accounting policies have been applied consistently with those of previous financial year, except for the operating segments, which were redesigned in 2024 (see note 2.3.). The Group applies changes to standards or new standards as adopted by the European Union and as they become mandatory. The new or revised IFRS standards and interpretations that became effective on 1 January 2024 are as follows:

- Amendments to IAS 1 - Classification of Liabilities as Current or Non-Current (2024)
- Amendments to IAS 1 – Non-current liabilities with covenants (2024)
- Amendments to IFRS 16 – Lease liability in a sale and lease back (2024)
- Amendments to IAS 7 and IFRS 7 – Disclosures Supplier Finance Arrangements (2024)

The adoption of these new and amended standards has limited impact on the financial statements of the Group.

Note 2.3. Operating segments

The Group's operating segments are components whose results are regularly reviewed by the Leadership Squad, the Group's Chief Operating Decision Makers (CODM), to make resource allocation decisions and assess performance.

Following the acquisition of Route Mobile in 2024 (see note 8.4), a global CPaaS services provider listed on NSE and BSE in India, the Group revamped its internal decision-making, governance, and management reporting processes to optimize resource allocation and performance assessment of its operating segments.

Consequently, the Group implemented a two-pillar governance structure by establishing a new executive committee, the 'International Management Committee,' alongside the 'Domestic Management Committee.' This international committee was created to facilitate key decisions and ensure alignment among international affiliates, including BICS, Telesign, and the newly acquired Route Mobile. This new executive committee enhances accountability, coordination, and provides a stronger voice in group decision-making for international business.

Segmental information used for internal decision-making and performance assessment by the CODM is now provided at the Domestic and International components, identified as operating segments:

- International Segment: this new segment combines the previously separate international segments BICS and Telesign with the newly acquired Route Mobile.
  - International Carrier Services (BICS): manages international carrier activities in the global communications market.
  - TeleSign: specializes in international delivery authentication and digital identity services for major internet brands, digital champions, and cloud-native businesses.
  - Route Mobile: offers omnichannel communication solutions, including automated SMS or WhatsApp notifications for order updates, appointment reminders, and promotions, as well as voice-based and email solutions. Route Mobile also provides AI-based firewall analytics solutions to mobile network operators worldwide.

- Domestic Segment: remains unchanged from the previous year, providing communication and ICT services to residential, business, and telecom wholesale markets in Belgium/BeNeLux.

Note 2.4. Alternative Performance Measures

The Group uses so called "Alternative Performance Measures" ("APM") in the financial statements and notes. An APM is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined in the applicable financial reporting framework (IFRS). A glossary describing these is included in the section "Management Discussion" of the Consolidated Management Report. They are consistently used over time and when a change is needed, comparable information is restated.

Note 2.5. Basis of consolidation

Subsidiaries are those entities controlled by the Group. Control exists when the Group has the power over the investee, is exposed or has rights to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. Note 8 lists the Group's subsidiaries, joint operations, joint ventures and associates.

Consolidation of a subsidiary begins from the date on which the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary. Intercompany balances and transactions and resulting unrealized profits or losses between Group companies are eliminated in full in consolidation. When subsidiaries accounting policies are not aligned with the Group ones, the Group performs the necessary adjustments to ensure that the consolidated financial statements are prepared using uniform accounting policies.

Changes in Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transaction. In the event of a decrease in the percentage of ownership, the non-controlling interests (NCI) will be adjusted based on the increase in their percentage of ownership in the net assets of the subsidiary involved in the transaction, after consolidation adjustments and including goodwill. Any difference between the amount by which non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company. Transaction costs associated with the purchase or sale of a non- controlling interest in a subsidiary, when control is maintained, is recognized as a deduction from equity only if they are incremental costs directly attributable to the equity transaction.

Joint ventures are joint arrangements whereby the parties that have joint control of the arrangements have rights to the net assets of the joint arrangements. Joint control is the contractually agreed sharing of control over an arrangement, which exists only when decisions about relevant activities require unanimous consent of the parties sharing control. Joint ventures are incorporated in these consolidated financial statements using the equity method.

Joint operations are joint arrangements whereby the parties that have joint control of the arrangements have rights to the assets, and obligations for the liabilities, relating to the arrangements. Arrangements of which the design and purpose is such that the parties are substantially the only source of cash flows contributing to the continuity of the operations of the arrangement are recognized as joint operations.

When the Group undertakes its activities under joint operations, the Group recognizes based on its ownership interest, net off intercompany eliminations, its share in the assets and liabilities and its share in the costs and revenue. Revenue is only recognized when the joint operation sells its output to third parties.

Associated companies are companies in which the Group has a significant influence, defined as an investee in which the group has the power to participate in its financial and operating policy decisions, but not to control the investee. These investments are also accounted for using the equity method.

Under the equity method, the investments held in associates or joint ventures are initially recognized at cost and the carrying amount is subsequently adjusted to recognize the Group's share in the profit or losses or other comprehensive income of the associate or joint venture as from the date of acquisition. These investments and the equity share of results for the period are shown in the balance sheet and income statement as respectively, investments in associates and joint ventures, and share in the result of the associates and joint ventures. Unrealised profits and losses are eliminated to the extent of Proximus interest in the entity.

Note 2.6. Business Combinations

Acquisitions of businesses are accounted using the acquisition method. The consideration transferred is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree, if any, and the equity interests issued, if any. Acquisition related costs are accounted for as expenses in the periods in which the costs are incurred.

At acquisition date, the identifiable assets acquired, and the liabilities assumed are recognized at their fair value at that date. This also includes fair valuing the unrecognized assets and liabilities in the balance sheet of the acquiree, which concerns mainly customer bases and trade names.

Non-controlling interests are initially measured at the proportionate share of the recognized amounts of the acquiree' s identifiable net assets at acquisition date.

Note 2.7. Judgments and estimates

In preparing the consolidated financial statements, management is required to make judgments and estimates that affect amounts included in the financial statements.

Judgments and estimates that are made at each reporting date reflect conditions that existed at those dates (e.g. market prices, interest rates and foreign exchange rates, as well as existing accounting rules and guidance in domains where there is limited authoritative literature). Although these estimates are based on management's best knowledge of current events and actions that the Group may undertake, actual results may differ from those estimates.

The potential risks and opportunities associated with climate change to which the Group is exposed, as well as broader sustainability considerations, are presented in the Group's non-financial statements. Based on the information currently available to it, management has exercised its judgment in concluding that the main areas potentially affected by climate change, i.e. the useful life of the Group's assets and provisions, are currently and in the short term not significantly affected. These judgments are monitored on an ongoing basis as part of the Group's risk management process, given that the future impacts of climate change depend on environmental, regulatory, and other factors beyond the Group's control, not all of which are currently known.

Note 2.7.1. Critical judgments in applying the Group accounting policies

The following are the critical judgments, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in financial statements.

- Assessment of control on entities incorporated in the context of fiber network deployment

In the context of its ultimate objective of connecting Belgium through an open, future-proof network that brings high or very high-speed connectivity to every home and business, including those in less densely populated areas, Proximus co-created three separate companies, Fiberklaar, Unifiber and Glasfaser Ostbelgien, to help it accelerating the fiber roll-out in respectively Flanders, Wallonia and in the German-speaking Community.

These three companies have for business to engineer, design, build, maintain, upgrade, own, deploy, run and market a passive wholesale Point-to-Point Fiber-To-The-Home network in the Footprint (the "FTTH Network"), with a minimum rollout speed, a coverage ambition for the defined footprint, certain technical qualities (speed, capacity…). The networks to be built will be open and neutral, i.e. available to all Service Providers under non-exclusive and non-discriminatory terms to allow Service Providers (Proximus for instance) to compete on downstream markets.

On July 26, 2024, Proximus Group acquired control of Fiberklaar (see note 8.4) by reaching an agreement with EQT Infrastructure, the other co-founder of Fiberklaar, for the acquisition of its majority stake (50.33%) in Fiberklaar Group (hereinafter 'Fiberklaar').

In its assessment of the type of control its exercises on Unifiber and Glasfaser Ostbelgien (control alone, joint control or significant influence), Proximus identified what the companies' relevant activities were, how the decisions about these activities were taken and whether it obtained variable return from its interaction with them, via, among others, the exercise of its voting rights. Other facts and circumstances were also considered in the assessment, such as the companies' social purposes, the nature of the companies' other shareholders, the existence of pre-agreed and negotiated contexts and the companies' dependency to their shareholders as sources of cash flows contributing to the continuity of their operations.

Proximus concluded when these two entities were co-created, that it was not controlling them alone as the decisions about the activities identified as relevant within the context of the arrangements signed with the co-investors are not taken alone by Proximus. These decisions were about essentially the approval of the budget, the appointment and dismissal of senior management, the commercialization of the offer, the building of the network. Furthermore, Proximus expected, based on the information available at that moment, that it would not substantially be the only source of cash flows contributing to the continuity of the operations of the arrangements by these entities. On that basis, the Group concluded that the investments in Unifiber and Glasfaser Ostbelgien, qualified as joint venture and associate, respectively.

These conclusions were periodically reviewed considering the criteria, underlying facts, governance, and existing agreements between shareholders or with the companies. The monitoring of these elements did not reveal any factors that would call into question the current classifications of these arrangements.

Note 2.7.2. Key sources of estimation uncertainty

- Claims and contingent liabilities and assets (see note 34)

Related to claims and contingencies, judgment is necessary in assessing the existence of an obligation resulting from a past event, in assessing the probability of an economic outflow, and in quantifying the probable outflow of economic resources. This judgment is reviewed when new information becomes available and with support of outside experts advises.

- Recoverable amount of cash generating units including goodwill

In the context of the impairment test, the key assumptions that are used for estimating the recoverable amounts of cash generating units to which goodwill is allocated are discussed in note 3 (Goodwill).

- **Actuarial assumptions related to the measurement of employee benefit obligations and plan assets**

The Group holds several employee benefit plans such as pension plans, other post-employment plans and termination plans. In the context of the determination of the obligation, the plan asset and the net periodic cost, the key assumptions that are used are discussed in note 11 (Assets and liabilities for pensions, other post-employment benefits and termination benefits).

Note 2.8. Foreign currency translation

The individual financial statements of each subsidiary are prepared in the currency of the primary economic environment in which the entity operates. When the factors set out by IAS 21 to determine the functional currency are mixed and the functional currency is not obvious, management judgment is used to determine which functional currency most faithfully represents the economic effects of its underlying transactions, events and conditions.

Foreign currency transactions are recognized in functional currency on initial recognition, at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency of the entity at the balance sheet date using the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies are not remeasured. Net exchange differences on the translation of monetary assets and liabilities are classified in "non-workforce expenses" in the income statement in the period in which they arise.

Note 2.9. Foreign operations

Results and financial position of entities with a functional currency other than Euro are included in the Proximus Group accounts as follows:

- Assets and liabilities (including comparatives) are translated at the closing rate at the reporting date.
- Income and expenses are translated at exchange rates at the date of the transaction.
- Non-controlling interests are translated at exchange rates at the date of the transaction.
- All resulting exchange differences are recognized in other comprehensive income. On disposal of such entity, the deferred cumulative amount recognized in other comprehensive income relating to that foreign operation is recognized in profit or loss. The same principle applies for partial disposals without loss of control and implies the recycling to profit and loss (P&L) only pro rata to the proportion disposed of.

Note 2.10. Goodwill

Goodwill represents the excess of the sum of the consideration transferred, the amount of non-controlling interests, if any, and the fair value of the previously held interest, if any, over the net fair value of identifiable assets, liabilities and contingent liabilities acquired in business combination. When the Group obtains control, the previously held interest in the acquiree, if any, is re-measured to fair value through profit or loss.

Goodwill is stated at cost and not amortized but subject to an annual impairment test at the level of the cash generating unit to which it is allocated and whenever there is an indicator that the cash generating unit to which the goodwill has been allocated may be impaired. The Group monitors the goodwill at the level of the operating segments as this reflects the way the Group manages its operations.

Changes in a contingent consideration included in the consideration transferred are adjusted against goodwill when they arise during the provisional purchase price allocation period and when they relate to facts and circumstances existing at acquisition date. In other cases, depending on whether the contingent consideration is classified as equity or not, changes are taken into equity or in profit or loss.

Acquisition costs are expensed, and non-controlling interests are measured at acquisition date at their proportionate interest in the fair value of the identifiable assets and assumed liabilities of the acquiree, on a transaction-by-transaction basis.

Note 2.11. Intangible assets with finite useful life

Intangible assets consist primarily of the Global System for Mobile communication ("GSM") license, the Universal Mobile Telecommunication System ("UMTS") license, 4G and 5G spectrum licenses, customer bases, patents and trade names acquired in business combinations, internally and externally developed software and other intangible assets such as football rights and broadcasting rights.

Intangible assets with finite life acquired separately are measured on initial recognition at cost and subsequently stated at cost less accumulated amortization and impairment losses. Only the fixed portion of the consideration is capitalized. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

The residual value of such intangible assets is assumed to be zero.

The Group capitalizes:

- The football broadcasting rights, and all other multi-seasonal sport broadcasting rights, for the full contract duration together with the recognition of the corresponding liability (for the full contract duration)
- For contracts with other TV channels, the costs for the total contract duration, as the content is deemed to be sufficiently identifiable (a major part of the content is already produced) for the non-cancellable duration of the contract (generally 18 months-3 years).
- Certain costs incurred in connection with developing or purchasing software for internal use and certain media production costs when they are identifiable, when the Group controls the asset and when future economic benefits from the asset are probable.
- The unique licence fee (fixed amount) due in connection with the spectrum licences granted to Proximus.

The Group considers the annual fees due in connection with the spectrum licences granted to Proximus to be variable (contingent) payments and therefore expenses them as incurred. The net present value of these annual fees is disclosed in note 34.

The Group enters SaaS arrangement and pays a fee in exchange for a right to receive access to the supplier's application software for a specified term. The Group recognizes a software asset in a cloud-computing arrangement at the contract commencement date if it obtains control of that software at that date. This is when, at the inception of the arrangement:

- The Group has the contractual right to take possession of the software during the hosting period without significant penalty, and
- It is feasible for the Group to run the software on its own hardware or contract with another party unrelated to the supplier to host the software.

The company continues to monitor the related accounting rules and guidance in this domain where there is limited authoritative literature.

Customer bases and trade names acquired in business combinations are straight-line amortized over their estimated useful life (3 to 20 years). Except if the useful life is based on the contractual limits or reflecting management intention, it is set consistently with the expected cash flows used in the valuation model for such an asset. It is defined in such a way that the expected cumulated discounted cash flows generated by the concerned asset over its useful life represent approximately 90% of the total cumulated discounted cash flows expected from the asset.

GSM, UMTS, 4 G and 5G spectrum licenses, other intangible assets and internally generated assets with finite useful life are amortized on a straight-line basis over their estimated useful life. Amortization commences when the intangible asset is ready for its intended use. The licenses' useful lives are fixed by Royal Decree and they range from 5 to 20 years.

The useful lives are assigned as follows:

	Useful life (years)
GSM, UMTS, 4G and other network licenses	Over the license period
SPECTRUM 2600 MHZ	15
SPECTRUM 800 MHZ	20
SPECTRUM 1800 MHZ 2G	20
SPECTRUM 2100 MHZ 3G	20
SPECTRUM 900 MHZ	20
SPECTRUM 1400 MHZ	20
SPECTRUM 700 MHZ	20
SPECTRUM 3600 MHZ	17 years 8 months
Customer bases, trade names, patents and software acquired in a business combination	3 to 20
Software	5
Broadcasting rights for sport seasons	Over the contract period
Rights to use, and other broadcasting rights	Over the contract period (usually from 2 to 5)

The amortization period and the amortization method for an intangible asset with finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates.

Note 2.12. Property, plant and equipment

Property, plant and equipment including assets rented to third parties through operating leases, are presented according to their nature and are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of additions and substantial improvements to property, plant and equipment is capitalized. The cost of maintenance and repairs of property, plant and equipment is charged to operating expenses when it does not extend the life of the asset or does not significantly increase its capacity to generate revenue. The cost of an item of property, plant and equipment includes the costs of its dismantlement, removal or restoration, the obligation for which the Group incurs as a consequence of installing the item.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized.

Depreciation of an asset begins when the asset is ready for its intended use. Depreciation is calculated using the straight-line method over the estimated useful life of the asset.

The useful lives are assigned as follows:

	Useful life (years)
Land and buildings	
Land	Indefinite
Buildings and building equipment	22 to 33
Facilities in buildings	3 to 10
Leasehold improvement and advertising equipment	3 to 10
Technical and network equipment	
Cables and ducts	15 to 20
Switches	8 to 10
Transmission	6 to 8
Radio Access Network	6 to 7
Mobile sites and site facility equipment	5 to 10
Equipment installed at client premises	2 to 8
Data and other network equipment	2 to 15
Furniture and vehicles	
Furniture and office equipment	3 to 10
Vehicles and smartcables	3 to 10

The asset's residual values, useful life and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end.

Costs of material, workforce and non-workforce expenses are shown net of work performed by the enterprise that is capitalized in respect of the construction of property, plant and equipment.

Note 2.13. Contract costs

Contract costs eligible for capitalization as incremental costs of obtaining a contract comprise commission paid to dealers relating to postpaid contracts. Contract costs are recognized as non-current assets as the economic benefits from these assets are expected to be received in the period longer than twelve months.

Contract costs relating to postpaid contracts are deferred on a systematic basis that is consistent with the transfer to the customer of the services, being the time, at which related revenue is recognized. The group adopted a portfolio approach for the contract costs. Contract costs related to the residential market, acquired before 2024, are deferred over three years. For contracts acquired from 2024 onwards, costs are deferred over four years, reflecting the observed increase in customer lifetime. This change is primarily attributed to fixed-mobile convergence.

All other commissions are expensed when incurred.

Note 2.14. Impairment of non-financial assets

The Group reviews the carrying value of its non-financial assets at each balance sheet date for any indication of impairment.

The Group compares at least once a year the carrying value with the estimated recoverable amount of intangible assets under construction and cash generating units including goodwill. The Group performs this annual impairment test during the fourth quarter of each year.

An impairment loss is recognized when the carrying value of the asset or cash generating unit exceeds the estimated recoverable amount, being the higher of the assets or cash generating unit's fair value less costs to sell and its value in use for the Group.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

Note 2.15. Deferred taxation

Deferred taxation is provided for all temporary differences between the carrying amount of assets and liabilities in the consolidated balance sheet and their respective taxation bases.

Deferred tax assets associated to deductible temporary differences and unused tax losses carried forward are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary difference or the unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset will be realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Changes in deferred tax assets and liabilities are recognized in profit or loss except to the extent that they relate to items recognized directly in equity, in which case the tax effect is also recognized directly in equity.

Note 2.16. Pensions, other post-employment benefits and termination benefits

The Group operates several defined benefit pension plans to which the contributions are made through separately managed funds. The Group also agreed to provide additional post-employment benefits to certain employees. The cost of providing benefits under the plans is determined separately for each plan using the projected credit unit actuarial valuation method.

Actuarial gains and losses, the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset) and any change in the effect of asset ceiling– if applicable, are recognized through Other Comprehensive Income. Any past service cost and gain or loss on settlement is recognized in profit and loss when they occur.

The Group classifies the periodic cost in operating and financing activities for their respective components.

The Group also operates several defined contribution plans. For plans with guaranteed minimum return management applied the 'Projected Unit Credit 'method.

The discount rate used to calculate the present value of the defined benefit obligation of the plans is determined by reference to the yield on high-quality corporate bonds (at the end of the reporting period) of currency and term consistent with the liabilities. The net defined benefit liability is defined as the present value of the defined benefit obligation less the fair value of the plan assets (if any).

The Group operates several restructuring programs that involve termination benefits or other forms of additional compensation. Voluntary termination benefits to encourage employees to leave service are recognized when employees accept the offer of those benefits. Involuntary termination benefits are recognized when the Group has communicated its plan of termination to the affected employees and the plan meets specified criteria. Related provisions are recognized when valid expectations are raised in those affected by the plans and implementation is started i.e. an agreement is reached with the unions on the features of the plans and those features are communicated to those affected.

Benefits conditional on future service being provided do not qualify as termination benefits but as long-term employee benefits. The liability for those benefits is recognized over the period of the future service.

For certain participants of the restructuring plans, benefits are paid until the earliest retirement date. Assumptions used to make a reliable estimate of the ultimate cost to the Group are pension age, the discount rate and future price inflation. Assumptions are reviewed at the end of the reporting period. The actuarial gains and losses on the liabilities for restructuring programs are recognized in profit or loss when incurred.

Note 2.17. Short-term and long-term employee benefits

The cost of all short-term and long-term employee benefits, such as salaries, employee entitlements to leave pay, bonuses, medical aid and other contributions, are recognized during the period in which the employee renders the related service. The Group recognizes those costs only when it has a present legal or constructive obligation to make such payment and a reliable estimate of the liability can be made.

Note 2.18. Financial instruments

Note 2.18.1. Classification

The Group classifies its financial assets in the following categories:

- At fair value through profit and loss (“FVTPL”); or
- At fair value through other comprehensive income (“FVTOCI”); or
- At amortized cost.

The Group classifies its financial liabilities in the following categories:

- At fair value through profit and loss (“FVTPL”); or
- At amortized cost.

Financial assets

The Group determines the classification of the financial assets at initial recognition. The classification is driven by the Group’s business model for managing the financial assets (‘hold to collect’, ‘hold to collect and sell’ and ‘other’) and their contractual cash flow characteristics (Solely Payments of Principal and Interest “SPPI” test i.e. whether contractual cash flows are solely payments of principal and interest on the principal amount outstanding).

If a non-equity financial asset fails the SPPI test, the Group classifies it at Fair Value Through Profit or Loss (FVTPL). If it passes the SPPI test, it will either be classified at amortized cost if the ‘hold to collect’ business model test is met, or at Fair Value Through Other Comprehensive Income (FVTOCI) if the ‘hold to collect and sell’ business model test is met.

For equity financial assets other than interests in subsidiaries, associates and joint ventures, the Group makes at initial recognition an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI or FVTPL.

The equity investments held for trading are always designated at FVTPL.

Financial liabilities

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Group has opted to measure them at FVTPL.

Long-term non-interest-bearing liabilities are recognized at their discounted amount.

Hybrid perpetual bonds

Hybrid perpetual bonds are classified as equity instruments. Consequently, the interests to be paid on these securities and the directly attributable transaction costs are recognized directly in equity and presented together with the principal amount as a separate line item within equity. Repayment of the principal amount and interest is disclosed as part of the financing activities in the cash flow statement.

Note 2.18.2. Measurement

- Financial assets at FVTOCI

  Investments in equity instruments designated at FVTOCI are initially recognized at fair value plus directly attributable transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income, with no subsequent recycling to profit or loss.

  Accumulated remeasurements of equity instruments carried at FVOCI are reclassified from OCI to retained earnings on disposal or settlements.

  The Group holds no other investment measured at FVTOCI.

  Dividend income is recognized in profit or loss.

- Financial assets and liabilities at amortized cost

  Financial assets, other than trade receivables, and liabilities at amortized cost are initially recognized at fair value plus or minus directly attributable transaction costs. Trade receivables are measured at their transaction price if the trade receivables do not contain a significant financing component.

  These financial instruments are subsequently carried at amortized cost using the effective interest rate method less any impairment, if applicable.

- Financial assets and liabilities at FVTPL

  Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities are included in the consolidated net (loss) income in the period in which they arise. The Group has not designated financial liabilities at FVTPL (FV option).

  Derivatives are measured at FVTPL, except for those to which hedge accounting is applied.

Note 2.18.3 Expected credit losses

The Group applies the forward-looking expected credit loss (ECL) model.

The ECL model considers all losses that result from all possible default events over the expected life of the financial instrument (life-time expected credit losses) or that result from possible default events over the next 12 months (12-month expected credit losses), depending on whether the credit risk of the financial asset has increased significantly since initial recognition or not (the general ECL model).

The Group recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized costs. Same treatment is applied to contract assets resulting from the application of IFRS 15 and lease receivables, even though these are not classified as financial assets.

At each reporting date, the Group measures the loss allowance for these assets.

The Group has limited trade receivables with financing component. The Group applies a simplified method and measures the loss allowance at an amount equal to the lifetime expected credit losses, for all trade receivables, whether assessed on an individual or collective basis, considering all reasonable and supportable information, including information that is forward-looking.

- Domestic: for receivables on residential and professional market, the payment delays compared to the contractual due dates and the status of the legal actions taken to recover the receivables due are the main information considered to assess whether credit risk has increased significantly since initial recognition. A provision matrix is used.

  The same methodology is applied for contract assets.

- TeleSign calculates the expected credit losses for trade receivables based on a combination of factors considering historical losses adjusted for current market conditions, customer's financial condition, disputes, the current aging and incorporating relevant forward-looking data.
- BICS considers experience and reasonable and supportable information about future expectations to define provision rates on an individual case basis. Following indicators are used by BICS:
  - An actual or expected significant deterioration of the customer's external (if available) or internal credit rating
  - Significant deterioration of the country risk in which the customer is active
  - Existing or forecasted adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations
  - An actual or expected significant deterioration in the operating results of the debtor
  - An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations
- Route Mobile applies the simplified approach which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Estimated irrecoverable amounts are based on the ageing of the receivable balance, historical experience and are adjusted for forward looking information.

For financial assets at amortized costs, contract assets and lease receivables, allowances and impairment are recognized in profit or loss.

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are assumed not recoverable by external recovery agency, whichever occurs sooner.

Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

Note 2.18.4. Criteria for initial recognition and for de-recognition of financial assets and liabilities

Financial assets and liabilities are initially recognized when the Group becomes party to the contractual terms of the instruments. "Regular way" ("spot") purchases and sales of financial assets are accounted for at their settlement dates.

Financial assets (or a portion thereof) are derecognized only when the contractual rights to cash flows from the financial assets expire. For equity investments, the accumulated remeasurements to fair value in other comprehensive income are reclassified to retained earnings on de-recognition.

Financial liabilities (or a portion thereof) are de-recognized when the obligation specified in the contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Note 2.18.5. Fair value of financial instruments

The following methods and assumptions are used to estimate the fair value of financial instruments:

- Investments in non-quoted companies are measured at Fair value. Fair value is estimated by reference to recent sale transactions on the shares of these non-quoted companies and, in the absence of such transactions, by using different valuation techniques such as discounted future cash flow models and multiples methods.
- For long-term debts carrying a floating interest rate, the amortized cost is assumed to approximate fair value.
- For long-term debts carrying a fixed interest rate, the fair value is determined based on the market value when available or otherwise based on the discounted future cash flows calculated using the market interest rates at the reporting date.
- For derivatives, fair values are estimated by either considering their quoted price on an active market, and if not available by using different valuation techniques, in particular the discounting of future cash flows.

Note 2.18.6. Criteria for offsetting financial assets and liabilities

Where a legally enforceable right of offset currently exists for recognized financial assets and liabilities, and the Group has the intention to settle the liability and realize the asset simultaneously, or to settle on a net basis, all amounts in the statement of financial position are offset.

Note 2.19. Trade receivables

Trade receivables are measured in the balance sheet at amortized costs (SPPI model applies) less any allowance for expected credit losses.

Note 2.20. Cash and cash equivalents

Cash and cash equivalents include cash, current bank accounts and term accounts with a maturity on acquisition of less than three months. These assets are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Cash and cash equivalents are carried at amortized cost.

Note 2.21. Non-current assets or disposal group classified as held for sale

The Group classifies assets or disposal group (group of assets with some directly associated liabilities) as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through a continuing use. This condition is met when the assets or disposal group are available for immediate sale in their present condition, the sale is highly probable and expected to occur within one year. Assets or disposal group classified as held for sale are recorded at the lower of their carrying value or fair value less costs to sell and are classified as current assets and current liabilities. The Group no longer amortizes non-current assets classified as held for sale.

Note 2.22. Interest-bearing liabilities

All loans and borrowings are initially recognized at their cost which generally corresponds to the fair value of the consideration received (net of issuance costs associated with the borrowings). After initial recognition, debts are measured at amortized cost using the effective interest rate method, with amortization of discounts or premiums through profit or loss.

Proximus checks regularly whether it has the ability to defer settlement of a loan liability for at least twelve months after the reporting period and if that ability to defer settlement is subject to meeting certain covenants.

Note 2.23. Derivatives

The Group does not hold or issue derivative financial instruments for trading purposes but some of its derivative contracts do not meet the criteria set by IFRS 9 to be subject to hedge accounting and are therefore treated as derivatives held for trading, with changes in fair value recorded in profit or loss.

The Group makes use of derivatives such as IRS, IRCS, forward foreign exchange contracts and options to reduce its risks associated with interest rates fluctuations related to future bonds emissions and with foreign currency fluctuations on underlying assets, liabilities and anticipated transactions. The derivatives are carried at fair value under the caption's other assets (non-current and current), non-interest-bearing liabilities (non-current and current) and other payables (non-current and current).

The group used:

- An IRCS to reduce the Group exposure to interest rate and foreign currency fluctuations on a long-term debt denominated in JPY
- Interest rate swaps to mitigate the risk of Interest rate variations between the hedges inception dates and the issuance dates of highly probable fixed rate long-term debts
- A zero cost collar swaption to protect the value of its existing pre-hedging interest rate swap against interest rates fluctuations

When these hedging instruments are designated in a cash flow hedge relationship, the effective portion of changes in their fair value is recognized in other comprehensive income and gradually reclassified to profit or loss through financial result, in the same period during which the hedged item hits the Group profit or loss through the interests paid. The derivatives to which the Group does not apply hedge accounting are consequently carried at fair value, with changes in fair value recognized in profit or loss through financial result.

The long-term debt expressed in JPY includes an embedded derivative. Such derivative is separated from its host contract and carried at fair value with changes in fair value recognized in profit or loss. The mark-to-market effects on this derivative are offset by those on the IRCS.

- The Group used contingent foreign exchange forward transaction to limit its exposure to the variability in cash flows that is attributable to the currency risk related to a highly probable future transaction, that has actually taken place (Route Mobile acquisition, see note 8.4), and was settled in foreign currency. The Group applied hedge accounting to this hedging transaction. The changes in intrinsic value were recognized in the cash flow hedge reserve (OCI), while the changes in time value and forward element were recognised in the cost of hedging reserve (OCI).

The Group contracted derivatives (forward foreign exchange contracts) to hedge its exposure to currency fluctuations for highly probable forecasted transactions. The Group applied cash flow hedge accounting for part of these hedging transactions.

- For hedging transactions to which the Group does not apply hedge accounting, the derivatives are consequently carried at fair value, with changes in fair value recognized in profit or loss through financial result. When the underlying is recognized in the balance sheet and relates to costs recorded in operating income or to capitalized expenditures, the changes in fair value recognized in profit or loss are reclassified to the operating income when the hedging instrument matures.
- For hedging transactions to which hedge accounting is applied, the effective portion of the gains and losses on the hedging instrument is recognized via other comprehensive income until the hedged transaction occurs. If the hedged transaction leads to the recognition of an asset, the carrying amount of the asset at the time of initial recognition is adjusted with the amount previously recognized via other comprehensive income. If the hedge transaction relates to costs recorded in operating income, the amount previously recognized via other comprehensive income are reclassified in operating income when the costs related to the underlying service are recognized in profit and loss. The ineffective portion of a cash flow hedge is always recognized in profit or loss.

The Group applied IAS 32 to option contracts that are share-based payments not granted in exchange for goods or services nor granted to employees in their capacity as employees. Option contracts, such as written put options to non-controlling interests on a Group subsidiary, that qualify as derivatives and financial liabilities are classified as financial liabilities at fair value through profit and loss (financial result).

The Group entered in 2023 into a Virtual Power Purchase Agreement where it pays a fixed price and receives the spot price for a contractually specified part of the electricity produced by a specific offshore wind farm. The purchase of the electricity is virtual meaning that there is no physical delivery of the power being purchased (net settlement in cash). The objective of the transaction is to reduce the Group's exposure to the volatility of the electricity price and at the same time to receive several Energy Attribute Certificates (EACs) corresponding to the agreed upon green electricity volume. Derivatives embedded in non-derivative host contracts that are not financial assets are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contract and the host contract is not measured at fair value through profit or loss. The Group considers the VPPA as a hybrid instrument with a non-financial host contract for the purchase of the EACs and an embedded derivative related to power. As the power component of the hybrid contract is not closely related to the host contract, it is measured separately and at Fair Value through P&L. The purchase of EACs qualify for own use exemption and the related costs are expensed as the EACs are received.

Note 2.24. Net gains and losses on financial instruments

Dividends, interest income and interest charges arising from financial instruments are posted to the finance income (costs).

Note 2.25. Contract assets

A contract asset is the Group's right to consideration in exchange for goods or services that it has already transferred to a customer and arise essentially in the context of contracts containing mobile and fix joint offer with a subsidized handset delivered at contract inception and which revenue is recognized at a point in time and services to be delivered over the duration of the contract, usually 24 months, the revenue of which being recognized over the duration of the contract. The contract asset corresponds to the excess of revenue allocated to the devices over the cash received. The “contract asset” is transferred to “trade receivable” over the contract term. The assets are classified as current as they are expected to be realized as part of the Group normal operating cycle.

In case of early termination, the customer has to pay a penalty which corresponds to the prorata of the discount offered in the joint offer for the remaining contract duration. This penalty is always higher than the remaining balance of the contract asset. The difference between the reversal of the contract asset and the penalty is recognized as device revenue.

Contract assets is a conditional right recognized on the balance sheet at cost less loss allowance, as defined on the lifetime expected credit loss model.

Note 2.26. Inventories

Inventories are stated at the lower of cost and net realizable value.

Cost is determined based on the weighted average cost method except for IT equipment (FIFO method) and goods purchased for resale as part of specific contracts containing a performance obligation involving the construction of an asset (individual purchase price).

For inventory intended to be sold in joint offers, calculation of net realizable value considers the future margin expected from the telecommunications services in the joint offer, with which the item of inventory is offered.

For contracts including performance obligation involving the construction of an asset, the revenue for that performance is recognized over time based on an input method. That method measures the progress towards complete satisfaction of the related performance obligation by reference to the amount of contract costs incurred for work performed at balance sheet date in proportion to the estimated total costs for the contract. Contract cost includes all expenditures directly related to the specific contract and an allocation of fixed and variable overheads incurred in connection with contract activities based on normal operating capacity.

Note 2.27. Lease agreements

The Group assesses whether a contract is or contains a lease, at inception of the contract. Under IFRS 16 a contract is, or contains, a lease if it conveys the right to control the use of an identified asset (the underlying asset) for a period of time in exchange for consideration.

For some contracts, judgment is required to assess whether a contract conveys the right to control the use of an asset or is instead a contract for a service that is provided using that asset. When a contract does not qualify as a lease under IFRS 16, any amounts prepaid under such contracts are treated as prepaid expense (service), which is the case for certain fibre-related capacity acquired by the Group.

Note 2.27.1. Group as a lessee (receives a right to use an asset from a supplier)

When the Group is lessee, it applies a single recognition and measurement approach for all leases. The Group recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, The Group does not apply the short-term lease recognition exemption nor the low-value recognition exemption.

The lease term consists of the non-cancellable period of a lease, together with periods covered by options to extend the lease if the Group is reasonably certain to exercise these options, and periods covered by options to terminate the lease if the Group is reasonably certain not to exercise these options. Judgment is required in assessing whether these options will be exercised or not, considering all facts and circumstances that create an economic incentive to exercise an extension or termination option. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment.

The Group has defined four major categories of leases:

- Buildings: mainly concern commercial (point of sale) or service activity (office and head office) leases, as well as leases of technical buildings not owned by the Group
- Mobile sites: only includes site rentals for mobile antennas and leases of R-layers (i.e. well identified area of a pylon) on pylons of another operator
- Fleet: contains the lease of vehicles (management, sales, and utility cars) and bikes
- Other: primarily consists of ICT equipment and cloud infrastructure from partnership with HCL

Lease liabilities

The Group recognizes a liability (i.e. a lease liability) at the date the underlying asset is made available. The lease liability is equal to the present value of the lease payments not paid at that date, plus any amounts that the Group is reasonably certain to pay at the end of the lease such as the exercise price of a purchase option (where it is reasonably certain to be exercised) or penalties payable to the lessor for terminating the lease (where such termination option is reasonably certain to be exercised).

The Group systematically determines the lease term as the period during which leases cannot be cancelled, plus periods covered by any extension options that the lessee is reasonably certain to exercise and by any termination options that the lessee is reasonably certain not to exercise.

The lease liability is measured using the interest rate implicit in the contract. If the rate cannot be readily determined, the Group uses its Incremental Borrowing Rate (IBR) which it assumes to be the theoretical interest rate the Group would need to pay when issuing funding over a similar term as in the lease.

The applicable rate per contract is primarily dependent on the total expected term of a lease at its commencement date (new leases) or the total expected remaining lease term in case of a remeasurement of a lease.

The amount of lease liability is reassessed after the lease commencement date to reflect changes introduced in the following main cases:

- A change in term resulting from a contract amendment or a change in assessment of the reasonable certainty that a renewal option will be exercised or a termination option will not be exercised.
- A change in the amount of lease payments, for example following application of a new index or rate in the case of variable payments.
- A change in the assessment of whether a purchase option will be exercised.
- Any other contractual change, for example a change to the scope of the lease or the underlying asset.
- Advances paid on top of the scheduled reimbursements are deducted for the long term debt

The lease liabilities are included in Interest-bearing loans and borrowings (see Note 19).

Right-of-use assets

A right-of use is recognized as an asset, with a corresponding lease liability. Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use).

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognized, lease payments made at or before the commencement date less any lease incentives received and the estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which the underlying asset is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The right-of-use assets are also subject to impairment.

Note 2.27.2. Group as a lessor (grants a right to use an asset to a customer)

A contract by which the Proximus customer does not obtain substantially all of the benefits of the identified asset or where the customer has not the right to direct the use of the asset does is not qualify as a lease-out. This is the case for modems and decoders used by Proximus to deliver the services to the customer. Income for these contracts is accounted for on a straight-line basis over the period of use by the customer and is included in revenue in the statement of profit or loss due to its operating nature.

Leases whereby the Group transfers substantially all the risks and rewards incidental to ownership of the underlying asset to the lessee are classified as finance lease. For finance leases the Group recognizes a receivable at an amount equal to the net investment in the lease, this is the gross investment in the lease discounted at the interest rate implicit in the lease. The Group did not enter into material finance lease out contracts.

Note 2.28. Provisions

The amount recognized as provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are discounted where the effect of the time value of money is material. The unwinding is recognized via the finance expense.

The estimated costs associated with dismantling and restorations to its original condition are recorded under property, plant and equipment and depreciated over the useful life of the asset. This total cost, discounted to its present value, is recorded under provisions. Where discounting is used, the increase in the provision due to the passage in time is recognized in financial expense in profit or loss.

Note 2.29. Share-based payment

Equity and cash settled share-based payments to employees are measured at the fair value of the instrument at the grant date taking into account the terms and conditions upon which the rights are granted.

For cash settled arrangement the fair value is recognized in workforce expenses over their vesting period together with an increase in the liabilities. The liabilities are regularly re-measured to reflect the evolution of the fair values.

We refer to note 35 for the explanation of the valuation techniques used.

Note 2.30. Contract liabilities

Contract liabilities comprise the Group's obligation to transfer goods or services to a customer for which the Group has received consideration or the amount is due.

Note 2.31. Revenue

When Proximus enters a new contract, it determines the contract duration, the transaction price, the performance obligations included in the contract and the stand-alone selling price for each promise identified.

To define the duration of its contracts the Group considered the contractual period in which the parties to the contract have present enforceable rights and obligations. A contract has a duration when it includes a substantive termination payment. The duration runs until the termination payment is not due anymore. If there is no substantive termination payment clause, the contract has no duration (i.e. open-ended contracts).

The Group assesses at contract inception the goods or services promised in a contract with a customer and identifies as performance obligation each promise to transfer to the customer either a good or service (or a bundle of) that is distinct, either a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer. Identifying the performance obligations requires judgment and a thorough understanding of the contract promises and how they interact with each other.

Performance obligations are identified when following criteria are met

- Capable of being distinct: the customer can benefit from the goods and services on its own or together with other resources readily available to the customer
- Distinct within the context of the contract: a promise within the context of the contract is distinct from other promises in the contract if the Group considers that it fulfils its contractual obligations by delivering the concerned promise independently from the others. Promises in a context of a contract are not distinct within the context of the contract when their nature is to be transferred in combination with other promises.

Following promises can be performance obligations, depending on their natures and interdependencies with the other promises in the contract:

- Traffic and data usage services: revenue is recognized on usage
- TV services: revenue is recognized over the contractual term
- Maintenance services: recognized over the contractual term
- Sale of equipment: revenue is recognized when the customer obtains control over the equipment
- Rent of equipment: rental revenue is recognized over the contractual period
- Setup/installation/activation fees: recognized when delivered
- License of intellectual property: revenue recognized when transferred to the customer.

When these promises are not distinct, the Group combines them with other promises in the arrangement until the combined promises form a promise that is distinct (i.e. a performance obligation). Timing of revenue recognition for a Performance Obligation is based on the pattern of transfer to the customer of the predominant promise in that bundle.

When the "series guidance" applies i.e. when goods and services are distinct and substantially the same, the Group considers them as one performance obligation. Each pricing plan – postpaid and prepaid (mobile voice, fix voice, internet, TV) is therefore considered as single performance obligation.

When contracts include different performance obligations that are not substantially the same, the transaction price is allocated to the different performance obligations of the arrangements based on their relative stand-alone selling prices. When contracts include customer options (i.e. unilateral rights granted to the customer) to acquire additional goods or services with a discount, including sales incentives, customer award points, contract renewal options or other discounts on future goods or services, revenue is allocated to these options when they provide the customer with a material right i.e. an unilateral right for the customer to obtain an advantage because he enters the contract.

When another party is involved in providing goods or services to a customer, the Group assesses for each performance obligation whether the nature of its promise is to provide the specified goods or services itself (ie the Group is a principal) or to arrange for those goods or services to be provided by the other party (ie the Group is an agent). To assess whether it acts as principal or agent in a transaction, when another party is involved, Proximus determines whether it controls the goods and services before they are transferred to its end customer. To this extent, Proximus Group analyses the legal terms of the contracts and their substance through the prism of the indicators of control. Proximus takes also into consideration other facts and circumstance to complete its understanding of the situation.

When the Group acts as agent the commission only is recognized in revenue.

Determination of the stand-alone selling price: in situations where the stand-alone selling price is not directly observable, the Group assesses it using all information (including market conditions, Proximus-specific factors and information about the customer or class of customer) that is reasonably available to it. This situation occurs mainly in the context of combined offers with subsidized devices, for which a cost-plus approach method is applied to one of the components. Discounts granted because a customer entered into a contract, are allocated to all performance obligations triggering the granting of the discount.

Note 2.32. Operating expenses

The costs of materials and services related to revenues include the costs for purchases of materials and services directly related to revenue.

Work force expenses are expenses related to own employees (personnel expenses and pensions) as well as to external employees.

Operating expenses are reported net of work performed by the Group, which is capitalized. They are reported by nature.

Incremental costs to obtain a contract are deferred on a straight-line basis over 3 years for contract for the residential market and 5 years for the professional market.

Note 3. Goodwill

(EUR million)	Goodwill
As at 31 December 2022	2,595
Effect of movements in foreign exchange	-4
As at 31 December 2023	2,592
Acquisitions of the year	675
Route Mobile	421
Fiberklaar	253
Others	1
Impairment loss	-1
Effect of movements in foreign exchange	9
As at 31 December 2024	3,275

Compared to year-end 2023, goodwill increased by EUR 683 million in 2024, primarily due to the acquisition of control of Route Mobile and Fiberklaar (see note 8.4). To a lesser extent, the increase was also influenced by translation differences on the goodwill allocated to TeleSign, whose functional currency is USD (EUR 6.7 million), and on the goodwill allocated to Route Mobile, whose functional currency is INR (EUR 2.6 million).

Goodwill is tested for impairment at the operating segment level, as this is the level at which the Group's Chief Operating Decision monitors the goodwill. As explained in note 2, the Group revamped its internal decision-making, governance, and management reporting processes around two operating segments: Domestic and International. Goodwill is monitored at the level of these two segments.

As of December 31, 2024, all acquired businesses were fully allocated to a single operating segment. This was also the case in 2023, except for the goodwill allocated to BICS and TeleSign, which were then cash-generating units and operating segments. At that time, the goodwill arising from BICS's acquisition of control over TeleSign in 2021 was allocated between BICS and TeleSign based on the expected synergies from the business combination for each company individually. These synergies were identified at the time of the takeover.

The carrying amount of the goodwill is allocated to the operating segments as follows:

	As at 31 December	
(EUR million)	2023	2024
Domestic	2,188	2,442
International	N/A	833
TeleSign	105	
BICS	299	
Total	2,592	3,275

Goodwill Impairment Test outcome

General comments

The valuation of both the Domestic and International segments primarily relies on a discounted free cash flow method, an income valuation technique. The cash flows considered are derived from the Group financial Three-Year Plan (2025-2027), which was presented by management to the Group Board of Directors for approval in October 2024.

The reliability of the impairment test outcome depends on the accuracy of the budgeting exercises on which it is based. The Group financial Three-Year Plan represents management's view of the most likely scenario, based on its understanding of the evolution of the business and the company's long-term strategy.

The Group estimates a separate post-tax weighted average cost of capital for each segment. It takes into consideration:

- The specificities of the segment activities. These specificities are different enough from one segment to another one to justify separate calculations.
- The relative weight of the segment capital structure components, including a risk premium specific to its inherent risks.
- Other risks, such as the country risk, market risk & industry risk, the credit risk and the company size risk. These latest risks are captured in the weighted average cost of capital, through the careful selection of a risk-free interest rate, a beta, a market risk premium and a credit spread attached to the segment, considered for the purpose of the exercise as a separate entity.

Domestic

The recoverable amount of Domestic has been estimated based on its value in use.

The cash flows considered are those of the Group financial Three-Year Plan (2025 - 2027) presented by the management to the October 2024 Group Board of Directors for approval. However, to better capture the expected mid- to long-term positive effects of the ongoing roll-out fiber project, which would not have been possible using a steady growth rate beyond the years covered by the Three-Year Plan, management considered a period up to year 2040 for the fiber related free cash flows, followed by a terminal value for the years thereafter.

This extended period considers the required time to deploy the fiber optic network, to migrate the customers to the new networks and to realize the resulting benefits. The related free cash flows are therefore influenced as follows:

- In dense areas, the finishing of Proximus standalone fiber rollout and customer migrations.
- In mid-dense areas, the integration of financial impacts from existing fiber entities negotiated with the co-owners specifically created to accelerate the rollout of optical fiber and from the acquisition of the full ownership of Fiberklaar since July 2024.

- In the less dense areas, the most likely collaboration scenario for Proximus to get access to Gigabit-networks over the remaining Belgium footprint, taking into consideration the BIPT council communication of 10 October 2023 on possible cooperation agreements to roll out fiber networks in Belgium. In Flanders, this scenario has been described during July 2024 quarterly results communication with the signing of an MoU between Proximus and Wyre for fiber collaboration in the mid- and less dense areas of Flanders. In Wallonia, ongoing discussion are being held for fiber collaboration above Unifiber footprint.

In parallel, an exercise was conducted to extend the Baseline (i.e., before the incremental effects of fiber) up to the year 2040. This was done to better align with the Group's strategic priorities and market evolution. The Baseline trending assumptions were reviewed to consider the following elements:

- The stabilization of the Domestic Telco business despite the entry of a 4th telecom operator in Belgium.
- The profitability growth of Proximus' B2B IT business.
- The ambitious Strategic Workforce Planning and Efficiency plan aimed at reducing the opex cost base. These costs reductions are not related to future restructuring to which the Group is not yet committed and from improving or enhancing the assets performance.

The free cash flows projections are impacted by following key parameters:

- The fiber deployment speed
- The speed of customer migration to the fiber networks
- The Group ability to monetize the fiber investments (ability to upsell the average revenue per customer, to win-back market share and to attract other OLOs as wholesale customers)
- The size and importance of comparable fiber networks
- Fiber roll-out building costs, including impact of inflation and level of interest rates

- The funding policy of the JVs and the related equity injections from their shareholders

- The outcome of possible cooperation agreements in less dense areas including regulator and competition authorities' compliance
- The entrance of 4th telecom operator on the Belgian market

Assumptions made regarding these parameters are based on Proximus experience, the learning curve and available market information (interest rates, inflation, and European benchmarks on "Fiber-To-The-Home" networks).

The free cash flow is also dependent to

- The post-tax weighted average cost of capital (WACC)

- The growth rate in the terminal

Management is confident in the reliability of its projections, as a significant portion of the headroom is generated by the cash capex brought back to normal levels after the temporary fiber investment phase and by the new wholesale revenue from other telco operators going through Fiberklaar which is fully consolidated in Proximus Group financials as from August 2024 following the acquisition of EQT shares in that entity. Limiting a valuation with a terminal value after the Group financial Three-Year Plan, in the middle of the fiber investment phase and without adjusting for these factors would be incorrect and, more importantly, would leave room for speculative estimation of the growth rate in the terminal value.

Management believes that its projections are based on realistic and achievable assumptions, which will be closely monitored as they evolve. However, management is aware that in the current volatile market environment, events beyond its control may impact the accuracy of these projections despite the measures taken to address them, and that the risk of inaccuracy increases with the length of the period covered by the impairment test.

Next to these specific considerations, Domestic operating income before depreciation and amortization is highly sensitive to following operational parameters: number of customers by type of service (TV, fix….), traffic (if applicable), net ARPU by customer for each type of service and manpower unit cost. The value attached to these operational parameters is the result of an internal process, conducted throughout the segment and at group level, by confronting data from the market, market perspectives, and the strategies the Group intends to implement to be adequately prepared for upcoming challenges.

The valuation model assumes following compound growth rates for the Domestic revenue and EBITDA (Earnings Before Interests, Taxes, Depreciation and Amortization) segment:

Period	EBITDA	Revenue
years 2025 to 2027	0.42%	0.93%
years 2028 to 2030	1.04%	1.60%
years 2031 to 2040	1.33%	1.77%
Years 2025 to 2040	1.11%	1.58%

The terminal value, calculated for the years after 2040, was based on a free cash growth rate of 0.43%, unchanged from 2023, and is identical for all FCF components.

The combination of these assumptions, along with those related to other components of the free cash flow (FCF), particularly the assumptions concerning the timing of the Group's cash capex returning to pre-fiber deployment levels, resulted in an implied compound growth rate of 20.5% for FCF over the period 2024–2040, reflecting FCF rebounding from a nearly break-even level to normal levels (i.e., pre-fiber investment period).

To account for the risks inherent in long-term planning and the uncertainties in the assumptions related to key cash flow parameters, especially in a market subject to significant changes, the WACC has been adjusted as follows:

- Similar to 2023, an additional 1.0% size risk premium has been included in the cost of equity. This adjustment reflects the current exceptional market conditions and does not represent a permanent change in the calculation methodology.
- The WACC was increased by 0.5% twice: once in 2028 and again in 2030

As a result, the calculated post-tax weighted average costs of capital for Domestic amounted to 5.31% for the period 2025-2027 (5.55% in 2023), 5.81% for the period 2028-2030 and 6.31% for the years after. The average pre-tax weighted costs of capital was 7.72% in 2024 and 6.82% in 2023.

Taking into account all the inputs and assumptions listed above, the impairment test of the Domestic segment showed an excess of EUR 1.84 billion at December 2024 (1.4 billion at December 31, 2023) of the segment recoverable amount over its carrying amount.

A sensitivity analysis performed on following key parameters, each taken separately (i.e. all other variables being unchanged), show that Domestic recoverable value equals its carrying amount with

- a post-tax weighted average costs of capital of 6.4% (6.5% in 2023); or
- an implied EBITDA growth rate for the years beyond 2027 of - 0.16%

While each of these parameters taken in isolation is unlikely to lead to an impairment of the goodwill allocated to the Domestic segment, an unfavourable combination of several of these parameters could result in an impairment. For instances,

- if the WACC were to globally increase by 0.5% in absolute terms, Domestic recoverable value would equal its carrying amount with an EBITDA implied compound growth rate for the years beyond 2027 of 0.78%.
- If the revenue growth were to globally decrease by 0.5% in absolute terms, Domestic recoverable value would equal its carrying amount with a decrease of the forecasted EBITDA margin percentage for the years beyond 2027 by 1.16 % in absolute terms (decrease of the average margin for the period from 32.78% to 31.62%).

International

As noted in section 2, the operations of this new segment are primarily driven by BICS, TeleSign, and Route Mobile. The segment's valuation is essentially the sum of the valuations of these three companies. Each of the three companies were valued based on their fair values less costs to sell. This fair valuation exercises were conducted in the context of the contribution of all shares held by Proximus SA in BICS, a fully owned entity, to the capital of Proximus Global (see note 8.4) and involves non-controlling interests.

The impairment test of the international segment showed an excess of EUR 1.47 billion at December 2024 of the segment recoverable amount over its carrying amount, using an implicit weighted average cost of capital of 10.79% and a free cash flow growth rate of 3.08% in the terminal value, calculated for the years beyond 2030. The pre-tax weighted average costs of capital were 12.15% in 2023.

Sensitivity analyses performed revealed that no reasonable possible changes in the key assumptions would reduce the value in use to be equal to the carrying amount.

Valuation methodology

All three entities composing the international segment were estimated based on their fair value less costs to sell.

The valuations were conducted using the discounted cash flow method. The cash flows considered are from the Group financial Three-Year Plan (2025 - 2027), which was presented by the management to the Proximus Board of Directors for approval in October 2024) and extended by two years for the purpose of the valuations.

The reasonableness of the values obtained using this valuation method was assessed as follows:

- For BICS: the value was compared with those obtained from third parties and/or other techniques, including validation by an experienced third-party advisor and multipliers of values offered in similar transactions;
- For TeleSign: the value was compared with the results of analyses using multipliers for listed companies active in the CPaaS and Digital Identity sectors; and
- For Route Mobile: the value was compared with a valuation based on Route Mobile's trading value on the Mumbai stock exchange over the three weeks prior to October 31, 2024

The table below summarizes the post-tax weighted average costs of capital and the growth rate used in the determination of these entities fair values:

	WACC		Revenue growth rate			
			2023		2024	
	2023	2024	In 3-Year Plan	In terminal value	In 5-Year Plan	In terminal value
BICS	10.26%	10.30%	0.02%	0.00%	0.34%	0.00%
TeleSign	10.86%	10.50%	8.92%	8.52%	13.28%	3.50%
Route Mobile	N/A	12.00%	N/A	N/A	21.24%	5.00%
International segment	N/A	10.79%	N/A	N/A	9.44%	3.08%

TeleSign

TeleSign's growth rate of 3.50% is based on the average GDP growth rate of the regions where TeleSign sells its services, weighted by TeleSign's market share in those regions. The growth rate has been revised downwards to reflect the declining trend in the SMS market, which primarily affects the CPaaS SMS product. However, this decline is counterbalanced by the strong performance of Digital Identity and the company's ability to seize new opportunities in the Omnichannel market, which offers a better margin profile.

Beyond the long-term growth rate and the post-tax weighted average cost of capital, TeleSign valuation is sensitive to changes in the direct margin and EBITDA, which are mainly impacted by the transaction volumes for identity and communication solutions and the mobile network termination prices, as these affect production costs and the overall pricing of TeleSign solutions.

BICS

Beyond the long-term growth rate and the post-tax weighted average cost of capital (WACC), the key variables used in determining BICS value in use were:

- The direct margin: BICS direct margin is highly sensitive to its voice and messaging activities, transaction volumes, as well as to the pricing of mobility and capacity products, competitive pressure on the margins, speed of new products take off.
- The operational expenditures: BICS expenditures are sensitive to inflation, especially in Belgium where salaries are directly indexed to inflation.
- The capital expenditures.

Route Mobile

Route Mobile's growth rate of 5.00% is based on the weighted average GDP growth rate of the regions where Route Mobile terminates its traffic. The weighting is based on Route Mobile's cost of goods sold in those regions.

Note 4. Intangible assets with finite useful life

(EUR million)	Licenses	Customer base & trade name	TV rights	Intangible Fixed & Mobile network	Software applications	Other intangibles and Intangibles under construction	Total
Cost							
As at 1 January 2023	895	945	561	637	2,734	103	5,874
Additions	0	0	106	61	264	19	450
Derecognition	-134	0	-43	-31	-48	-6	-261
Reclassifications	0	0	0	1	2	-2	0
Foreign exchange adjustment	0	-3	0	0	-1	0	-4
As at 31 December 2023	761	941	624	667	2,951	113	6,058
Additions	9	0	132	62	256	19	479
Acquisition of subsidiary	0	453	0	0	2	20	475
Derecognition	0	-8	-222	-7	-96	-9	-341
Reclassifications	0	0	0	-18	11	7	0
Foreign exchange adjustment	0	8	0	0	3	0	11
As at 31 December 2024	770	1,394	533	705	3,127	151	6,681
Accumulated amortization and impairment							
As at 1 January 2023	-211	-854	-384	-452	-2,124	-70	-4,095
Amortization charge for the year	-37	-21	-142	-74	-240	-11	-525
Derecognition	134	0	43	31	48	6	261
Foreign exchange adjustment	0	2	0	0	1	0	3
As at 31 December 2023	-114	-873	-483	-495	-2,316	-75	-4,356
Amortization charge for the year	-40	-44	-157	-66	-258	-16	-581
Acquisition of subsidiary	0	0	0	0	0	-3	-3
Derecognition	0	8	222	7	96	8	341
Reclassifications	0	0	0	12	-8	-4	0
Foreign exchange adjustment	0	-4	0	0	-2	0	-6
As at 31 December 2024	-154	-912	-417	-543	-2,488	-91	-4,605
Carrying amount as of 31 December 2023	647	69	141	172	635	38	1,702
Carrying amount as of 31 December 2024	617	482	116	162	639	60	2,076

The GSM and UMTS licenses acquisition value include the costs related to the Global System for Mobile communication ("GSM") and Universal Mobile Telecommunication System ("UMTS").

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

The customer bases, trade names and patents were recognized mainly as a result of the purchase price allocation performed when the Group acquired control over Route Mobile, BICS, TeleSign and Mobile Vikings.

In 2024, the Group acquired TV rights for an amount of EUR 132 million mainly broadcasting rights. In July 2020, Proximus and Eleven entered into an agreement whereby Proximus acquired the right to broadcast to its customers Eleven's Pro League specific channels (national). The contract was signed for a duration of 5 years. The contract with Eleven related to international football events was extended until 2025.

Note 5. Property, Plant and Equipment

(EUR million)	Land and buildings	Fixed Network	Mobile Network	Network for converged services	Technical equipment	Other tangible assets and assets under construction	Total
Cost							
As at 1 January 2023	166	9,327	1,477	40	1,325	263	12,599
Additions	6	669	103	2	88	12	878
Derecognition	-17	-541	-593	0	-122	-130	-1,402
Reclassifications	0	0	4	0	5	-9	0
As at 31 December 2023	155	9,455	991	43	1,296	136	12,075
Additions	7	581	126	5	76	108	904
Acquisition of subsidiary	3	0	0	0	73	536	612
Derecognition	-7	-516	-95	-7	-80	-6	-711
Classified as held for sale (*)	-44	0	0	0	-158	0	-202
Reclassifications	0	0	0	0	76	-76	0
Exchange adjustment	0	0	0	0	1	0	1
As at 31 December 2024	113	9,520	1,022	41	1,284	699	12,679
Accumulated depreciation and impairment							
As at 1 January 2023	-59	-6,519	-1,182	-28	-1,040	-240	-9,068
Depreciation charge for the year	-9	-353	-90	-5	-110	-5	-572
Derecognition	15	541	593	0	122	130	1,400
As at 31 December 2023	-53	-6,332	-679	-33	-1,028	-116	-8,241
Depreciation charge for the year	-10	-362	-88	-4	-106	-6	-575
Acquisition of subsidiary	0	0	0	0	-2	0	-2
Impairment charge	0	0	0	0	0	-36	-36
Derecognition	6	514	95	7	82	6	710
Classified as held for sale (*)	39	0	0	0	136	36	211
Reclassifications	1	-1	0	0	2	-2	0
Foreign exchange adjustment	0	0	0	0	-1	0	-1
As at 31 December 2024	-18	-6,181	-672	-30	-916	-118	-7,934
Carrying amount as of 31 December 2023	102	3,123	312	10	268	20	3,834
Carrying amount as of 31 December 2024	96	3,339	350	11	368	580	4,745

(*) see note 16

The carrying amount of tangible fixed assets increased by EUR 910 million to EUR 4,745 million, mainly driven by the strong ramp-up of fiber deployment, resulting from Proximus own activities and from the acquisition of control on Fiberklaar and the Mobile network upgrade and consolidation, supporting the Group growth and efficiency ambitions. Other tangibles and assets under construction increased by EUR 634 million essentially attributable to the acquisition of Fiberklaar. Within Fiberklaar, fiber roll out is classified as Assets Under Construction (AUC) until the 60% Home Passed (HP) milestone is reached.

Per December 2024, the gross carrying amount of fully depreciated property, plant and equipment that is still in use amounts to EUR 5.525 million the majority of which is related to technical and network equipment.

Note 6. Leases

The Group leases several assets including buildings (offices, shops, technical rooms …), mobile sites (i.e. facilities to install mobile communication equipment), fleet (management cars, utility cars & bikes) and ICT equipment (mainly through the partnership with HCL Technologies that provides the datacenters with equipment). Other assets, like printing machines, are included in ICT because the amounts are not material.

The leases generally have lease terms between 4 and 15 years and the average lease term is 9 years.

The carrying amounts of right-of-use assets recognized and the movements during the period are disclosed below

(EUR million)	Buildings	Mobile sites	Fleet	ICT & Other	Total
As at 1 January 2023	126	91	41	20	277
New contracts	40	10	37	16	103
Depreciations	-27	-29	-26	-6	-88
Contract modifications/disposals/reassessments	-2	16	1	-1	16
As at 31 December 2023	137	89	53	29	308
New contracts	13	8	44	18	83
Depreciations	-32	-29	-32	-10	-103
Contract modifications/disposals/reassessments	6	11	-3	5	19
As at 31 December 2024	124	79	63	42	307

In 2023 the increase in new building contracts was driven by the lease of 'Boreal', the office that serves as temporary residence during the development of Proximus' new headquarters. This contract made 2023 an exception in the year-over-year downward trend of building leases. The breakthrough of electric cars leads to a significant increase in the purchase price of new fleet contracts.

The electrification of the Proximus fleet continued in 2024, at an even higher pace. The number and value of ICT equipment leases increased significantly as well. The downward trend of building leases was resumed after one year. In mobile site leases the effect can be observed, for the first time, from the consolidation with Orange (through Mwingz).

The carrying amounts of lease liabilities and the movements during the period are disclosed below:

(EUR million)	Buildings	Mobile sites	Fleet	ICT & Other	Sub-leases	Total
As at 1 January 2023	126	83	40	13	9	272
New contracts	40	10	37	15	0	103
Contract modifications/disposals/reassessments	-2	16	2	-1	0	16
Interest expenses	3	3	1	0	0	7
Capital Reimbursements	-26	-29	-26	-14	2	-93
Interest Reimbursements	-3	-2	-1	0	0	-5
As at 31 December 2023	138	82	53	14	11	298
New contracts	13	8	88	3	0	112
Contract modifications/disposals/reassessments	7	11	-47	13	0	-16
Interest expenses	4	3	2	0	0	10
Capital Reimbursements	-31	-28	-32	-8	-2	-101
Interest Reimbursements	-4	-3	-2	0	0	-10
As at 31 December 2024	126	73	63	22	10	294
Current portion	28	25	26	13	3	96
Non-current portion	99	48	36	10	6	198

There is no material cash outflow in 2024 relating to leases that have not commenced on 31 December 2024.

(EUR million)	2023	2024
The following are the amounts recognized in profit or loss:		
Depreciation	-88	-103
Interest expenses	-7	-10
Total	-95	-113
The Group had total cash outflows for leases of		
Repayment of lease liabilities (cash out for financing activities)	-93	-101
Interest expenses (in the operating cash flow)	-5	-10
Total	-98	-110

The maturity table of the undiscounted expected future cashflows to the lease liabilities are disclosed below:

(EUR million)	2024	2025	2026	2027	2028	2029	2030-2048	Total
As at 31 December 2023								
Undiscounted lease payments	96	65	54	32	18	14	40	318
As at 31 December 2024								
Undiscounted lease payments		103	69	45	26	18	50	311

Note 7. Contract costs

Contract costs include mainly the asset recognized in relation to commissions paid to dealers for the acquisition of post-paid contracts. These costs directly related to contracts, are incurred only because the Group entered into contracts and are expected to be recovered over the contract duration. Contract costs include also the expenses activated to ensure the matching principle with revenue. These activated expenses are taken to profit and loss at the same pace as the recognition of the related revenue.

For commissions related to the acquisition of mobile prepaid customers, the Group applies the practical expedient provided for in IFRS 15, allowing to expense as incurred incremental costs to obtain a contract if otherwise would have been deferred over one year or less.

The asset is deferred on a straight-line basis over 3 years for residential contracts acquired before 2024. For contracts acquired from 2024 onwards, costs are deferred over four years, reflecting the observed increase in customer lifetime. Contracts belonging to the enterprise market are deferred over 5 years. The deferral of these costs is recognized according to their nature being 'cost of material and services related to revenue'.

Movements on contract costs in 2024 and 2023 are as follows:

	As at 31 December	
(EUR million)	**2023**	**2024**
Balance as at 1 January	111	111
Decrease/ Increase in contract assets relating to existing contracts in the opening balance		
Normal evolution	-68	-63
New contract costs	68	55
Balance as at 31 December	111	103

The portion of the balance as at 31 December 2024 and 2023 of the contract costs deferred within the year and deferred more than one year are as follows:

	As at 31 December	
(EUR million)	**2023**	**2024**
Contract costs	111	103
Deferred within 12 months	56	48
Deferred beyond 12 months	55	54

Note 8. Investments in subsidiaries, joint operations, joint ventures and associates

Note 8.1. Investments in subsidiaries

The consolidated financial statements include the financial statements of Proximus SA and the subsidiaries listed in the following table (the percentage in the table below represents the percentage of shares held by the Group):

Name	Registered office	Country of incorporation	2023	2024
Proximus SA under Public Law	Bld du Roi Albert II 27 1030 Bruxelles VAT BE 0202.239.951	Belgium	Parent company	
PXS Re	Rue de Merl 74 2146 Luxembourg	Luxemburg	100%	100%
Connectimmo SA	Bld du Roi Albert II 27 1030 Bruxelles VAT BE 0477.931.965	Belgium	100%	100%
Proximus Media House SA	Rue Carli 2 1140 Evere VAT BE 0875.092.626	Belgium	100%	100%
Proximus NXT Nederland BV (previously named Telindus Isit BV)	Krommewetering 7 3543 AP UTRECHT VAT NL 30135115	The Netherlands	100%	100%
Proximus Luxembourg SA	18 rue du Puits Romain 8070 Bertrange VAT LU 15605033	Luxemburg	100%	100%
Proximus NXT IT SA	Koning Albert II laan 27 1030 Brussels VAT BE 0826.942.915	Belgium	100%	100%
Proximus Global SA (previously named Proximus Opal SA)	Bld du Roi Albert II 27 1030 Bruxelles VAT BE 0861.585.672	Belgium	100%	91%
Be-Mobile SA	Kardinaal Mercierlaan 1A 9090 Melle VAT BE 0881.959.533	Belgium	93%	93%
Flitsmeister BV	Landjuweel 24 3905 PG Veenendaal VAT NL 55408567	The Netherlands	93%	93%
Cascador BV	Koning Albert II laan 27 1030 Brussels VAT BE 0648 964 048	Belgium	100%	100%

Name	Registered office	Country of incorporation	2023	2024
Clearmedia NV	Merksemsesteenweg 148 2100 Deurne VAT BE 0831.425.897	Belgium	100%	100%
Davinsi Labs NV	Borsbeeksebrug 28/2verd 2600 Antwerpen VAT BE 0550.853.793	Belgium	100%	100%
Belgacom International Carrier Services Mauritius Ltd	Chancery House 5th floor , Lislet, Geoffrey Street Port Louis 1112-07	Mauritius (1)	100%	91%
Belgacom International Carrier Services SA	Bld du Roi Albert II 27 1030 Brussels VAT BE 0866.977.981	Belgium (1)	100%	91%
Belgacom International Carrier Services Deutschland GMBH	Eichweisenring 11 70567 Stuttgart VAT DE 812.710.228	Germany (1)	100%	91%
Belgacom International Carrier Services UK Ltd	2 New Bailey, 6 Stanley Street, Salford Greater Manchester M3 5GS	United Kingdom (1)	100%	91%
Belgacom International Carrier Services Nederland BV	Wilhelminakade 173, unit 41 32 3072 AP Rotterdam VAT NL 808.026.628.B01	The Netherlands (1)	100%	91%
Belgacom International Carrier Services North America Inc	Corporation trust center - 1209 Orange street USA - 19801 Willington Delaware	United States (1)	100%	91%
Belgacom International Carrier Services Asia Pte Ltd	C/O Tricor Singapore Pte Ltd 9 Raffles Place, #26-01 Singapore 048619	Singapore (1)	100%	91%
Belgacom International Carrier Services (Portugal) SA	Avenida da Republica, 50, 10th floor 1069-211 Lisboa VAT PT 505.146.720	Portugal (1)	100%	91%
Belgacom International Carrier Services Italia Srl	Via della Moscova 3 20121 Milano VAT IT 13276650150	Italy (1)	100%	91%
Belgacom International Carrier Services Spain SL	Calle Salvatierra, 4, 2c 28034 Madrid	Spain (1)	100%	91%
Belgacom International Carrier Services Switzerland AG	Gesellschaftsstrasse 27 3001 Bern VAT CHE-109.559.886	Switzerland (1)	100%	91%
Belgacom International Carrier Services Austria GMBH	Wildpretmarkt 2-4 1010 Wien	Austria (1)	100%	91%
Belgacom International Carrier Services Sweden AB	Drottninggatan 30 411-14 Goteborg	Sweden (1)	100%	91%
Belgacom International Carrier Services JAPAN KK	10-10 Shirokanedai 3-Chome, Minato-ku Tokyo 108-0071	Japan (1)	100%	91%
Belgacom International Carrier Services China Ltd	5/F Manulife Place 348 Kwun Tong Road, Kowloon Hong Kong	China (1)	100%	91%

Name	Registered office	Country of incorporation	2023	2024
Belgacom International Carrier Services Australia Pty Ltd	1 Margaret Street - Level 11 Sydney NSW 2000 Australia VAT AU93.604.062.900	Australia (1)	100%	91%
Belgacom International Carrier Services Dubai FZ-LLC	Dubai Internet City Premises 306 - Floor 03- Building 02 -PO box Dubai	United Arab. Emirates (1)	100%	91%
Belgacom International Carrier Services South Africa Proprietary Ltd	Highveld Technopark 119 Witch-Hazel Avenue Highveld Technopark	South Africa (1)	100%	91%
Belgacom International Carrier Services Kenya Ltd	5th Floor, West Wing, ICEA Lion Center Riverside Park, PO Box 10643 00100 Nairobi	Kenya (1)	100%	91%
Belgacom International Carrier Services France SAS	Rue du Colonel Moll 3 75017 Paris VAT FR87.422.588.285	France (1)	100%	91%
Belgacom International Carrier Services Malaysia	Level 6, Menara 1 Dutamas Solaris Dutamas, No. 1 Jalan Dutamas 1, 50480 Kuala Lumpur No. 202001015524 (1371844-D)	Malaysia (1)	100%	91%
TeleSign Holdings Inc	13274 Fiji Way , Suite 600 Marina del Rey, CA 90292	United States	100%	91%
TeleSign Corporation	13274 Fiji Way , Suite 600 Marina del Rey, CA 90292	United States	100%	91%
TeleSign UK	2 New Bailey, 6 Stanley Street, Salford Greater Manchester M3 5GS	United Kingdom	100%	91%
TeleSign Mobile Ltd	2 New Bailey, 6 Stanley Street, Salford Greater Manchester M3 5GS	United Kingdom	100%	91%
TeleSign Doo	Tresnjinog cveta 1 11070 Novi Beograd	Serbia	100%	91%
TeleSign Netherlands B.V.	2 New Bailey, 6 Stanley Street, Salford Greater Manchester M3 5GS	United Kingdom	100%	91%
TeleSign Singapore Pte. Ltd.	1 Robinson Road, #17-00 AIA Tower Singapore (048542)	Singapore	100%	91%
TeleSign (Beijing) Technology Co., Ltd.	Office 1551, 15/F, Office Building A, Parkview 9 Dongdaqiao Road, Chaoyang District Beijing 100020	P.R. China	100%	91%
Codit Holding BV	Gaston Crommenlaan 14, box 301 9050 Ledeberg VAT BE 662.946.401	Belgium	100%	100%
Codit BV	Gaston Crommenlaan 14, box 301 9050 Ledeberg VAT BE 0471.349.823	Belgium	100%	100%
Codit Switzerland AG	Wiesenstrasse 10a 8952 Schlieren VAT CHE-335.776.516	Switzerland	100%	100%

Name	Registered office	Country of incorporation	2023	2024
Codit Integration Ltd.	25 Cabot Square E14 4QZ London VAT GB 241.5781.10	United Kingdom	100%	100%
Codit Managed Services BV	Gaston Crommenlaan 14, box 301 9050 Ledeberg VAT BE 0835.734.875	Belgium	100%	100%
Codit Mare Limited	International House, Mdina Road BKR 3000 Mriehel C55412	Malta	100%	100%
Codit Nederland B.V	Krommewetering 7 3543 AP Utrecht VAT NL 30246968	The Netherlands	100%	100%
Votijnit Lda. (Codit Portugal)	Edificio LACS Anjos, Rua Febo Moniz, 27 1150-152 Lisboa NIPC 510.595.251	Portugal	100%	100%
Codit Software Limited	International House, Mdina Road BKR 3000 Mriehel C64225	Malta	100%	100%
Codit France S.A.S.	18, Boulevard Malesherbes 75008 Paris 08 VAT FR 0478.300.189	France	100%	100%
UMBRiO Holding BV	Bisonspoor 3002-A501 3605 LT Maarssen VAT NL 58566317	The Netherlands	100%	100%
Mobile Vikings NV	Kempische Steenweg 309 - box1 3500 Hasselt VAT BE 0886,946,917	Belgium	100%	100%
Telesign Belgium	Koning Albert II laan 27 1030 Brussels VAT BE 0781.957.877	Belgium	100%	91%
3M Digital Networks Private Limited (Mobtexting)	45/B, Subam Complex, 1st A Main 3rd Floor, Rear Wing, Sarakki Indl Layout, J P Nagar, Phase-3, Bengaluru, Karnataka 560 078 U72200KA2012PTC066750	India (1)	100%	91%
Proximus Ada	Koning Albert II laan 27 1030 Brussels VAT BE 0781.848.902	Belgium	100%	100%
Doktr	Koning Albert II laan 27 1030 Brussels VAT BE 0787.949.212	Belgium	80%	80%
Proximus Luxembourg Infrastructure	18 rue du Puits Romain 8070 Bertrange VAT LU 34353281	Luxemburg	100%	100%
Proximus d.o.o	Tresnjinog Cveta 1/9 Beograd-Novi Beograd	Serbia (5)	100%	100%
BICS South Korea LLC	#401, 4F, 23 Jong-ro 12-gil (Gwancheol-dong), Jongno-gu, Seoul	South Korea (5)	100%	91%
Telesign Colombia S.A.S	Cr71 B N°49 A27- Sec 2 Bogota DC Tax ID 9016318595	Colombia (5)	100%	91%

Name	Registered office	Country of incorporation	2023	2024
Route Mobile (UK) Limited	183-189 The Vale London, W3 7RW VAT GB117999757	United Kingdom (2) (3)	0%	68%
Route Mobile Inc.	3240 E State Street Ext. Hamilton, NJ 08619	United States (2) (3)	0%	68%
Route Connect (Kenya) Limited	Standard House Plot Number 209/4045, House Nairobi, Standard Street, P.O. Box 67290 Postal Postal Code - 00200 - City Square.	Kenya (2) (3)	0%	68%
365squared Limited	Velzon Building, Block B, Triq Pantar, Lija LJA2023, Malta VAT MT21313106	Malta (2) (3)	0%	68%
Route Mobile Nepal Private Limited	Ward no 11, Trade tower Thapathali,Kathmandu Metropolitan City, Nepal 44600 VAT 606705057	Nepal (2) (3)	0%	68%
Route Mobile Lanka (Private) Limited	47, Alexandra Place Colombo 07, 00700	Sri Lanka (2) (3)	0%	68%
Route Mobile (Bangladesh) Limited	Genetic Bharo Bhuiyan House CWN 3A (A), Road-49, Level 13 Gulshan 2, Dhaka-1212, Bangladesh VAT 001224203-0101	Bangladesh (2) (3)	0%	68%
Route Mobile Malta Limited	Velzon Building, Block B Triq Pantar, Lija LJA2023, Malta VAT MT25478605	Malta (2) (3)	0%	68%
Route Mobile Uganda Limited	Ntinda Complex, Plot 33 Minds Road Block B, 3rd Floor, P O Box. 40411, Kampala	Uganda (2) (3)	0%	68%
Route SMS Solutions Zambia Limited	2nd Floor, Lotti House, Suite 5 Western Wing, Cario Road Lusaka	Zambia (2) (3)	0%	68%
PT Route Mobile Indonesia	Grand Slipi Tower Lt.9 Unit G Jl. Letjen S.Parman Kav22-24, Palmerah Jakarta Barat 11480, Indonesia VAT 42.515.929.0-031.000	Indonesia (2) (3)	0%	68%
Send Clean INC	16192 Coastal Highway in the city of Lewes, Country of Sussex	United States (2) (3)	0%	68%
Masivian S.A.S	Carrera 13# 98-70 Of. 305, Bogota, Colombia Bogota, Colombia VAT 901.034.523-5	Columbia (2) (3)	0%	68%
Masiv Chile SpA	Luis Thayer Ojeada 236 of 31 Comuna providencia	Chili (2) (3)	0%	68%
Mobilelink Telecomunicaciones SpA	Av del Parque 5339 of 202 Huechuraba	Chili (2) (3)	0%	68%
Route Mobile Mexico S. de R.L. de C.V.	Calzada las Aguilas 1124 C304 San Clemente Sur	Mexico (2) (3)	0%	68%
Estratec S.A.S	Carrera 13#98-70 OF 305 Bogota, Colombia VAT 830.121.553-1	Columbia (2) (3)	0%	68%

Name	Registered office	Country of incorporation	2023	2024
Elibom Colombia S.A.S	Carrera 13#98-70 OF 305 Bogota, Colombia VAT 830.126.387-8	Colombia (2) (3)	0%	68%
Masivian Peru SAC	Av. Juan de Arona 755 Int 1101 1102 san isidro lima, Perú	Peru (2) (3)	0%	68%
Trusense Identity Limited	183-189 The Vale London, W3 7RW	United Kingdom (2) (3)	0%	68%
Route SMS Solutions Nigeria Limited	Suite 202, AHCN Towers, CIPM Road Central Business District, Alausa, Ikeja, Lagos VAT 17929373-0001	Nigeria (2) (3)	0%	68%
Route SMS Solutions FZE	A1-401B, Building No. A1 Al Hamra Industrial Zone-FZ, RAK United Arab Emirates VAT 100295481400003	United Arab Emirates (2) (3)	0%	68%
M.R Messaging FZE	Al Shmookh Business Center, One UAQ, UAQ Umm Al Quwain, U.A.E VAT 100464091600003	United Arab Emirates (2) (3)	0%	68%
Mr Messaging (Holding) Limited	BONNICI HOUSE, TRIQ IS- SARDIN, ST. PAUL'S BAY, Malta	Malta (2) (3)	0%	68%
Mr Messaging Limited	2nd Floor BONNICI HOUSE, TRIQ IS- SARDIN, ST. PAUL'S BAY, Malta VAT MT21787513	Malta (2) (3)	0%	68%
Mr Messaging South Africa (Pty) Limited	21 KLEIN CONSTANTIA ROAD, CONSTANTIA, CONSTANTIA, CONSTANTIA, WESTERN CAPE, VAT 4140278476	South-Africa (2) (3)	0%	68%
Route Ledger Technologies Private	408, Fourth Floor, Evershine Mall Mind Space New Link Road,Malad (West) VAT 27AALCS0827P1ZR	India (2) (3)	0%	68%
Send Clean Private Limited	401,Fourth Floor, Evershine Mall New link Road, Malad West., Mumbai, VAT 27AACCC1301P1ZT	India (2) (3)	0%	68%
Route Mobile PTE Ltd.	23 New Industrial Road, #04-09 Solstice Business Center, Singapore 536209 VAT 201628553C	Singapore (2) (3)	0%	68%
Call 2 Connect India Private Limited	401,Fourth Floor, Evershine Mall New link Road, Malad West. Mumbai-400064 VAT 27AACCC1911B1ZE	India (2) (3)	0%	68%
Route Connect Private Limited	401, Fourth Floor, Evershine Mall,Meter Cabin New Link Road, Malad West, Mumbai City MUMBAI, Maharashtra, India, 400064 VAT 27AAICR8602G1Z9	India (2) (3)	0%	68%
Fiberklaar Midco BV	Raymonde de Larochelaan 13 9051 Sint-Denijs-Westrem VAT BE 760.489.106	Belgium (4)	0%	100%
Fiberklaar BV	Raymonde de Larochelaan 13 9051 Sint-Denijs-Westrem VAT BE 760.489.106	Belgium (4)	0%	100%
Datacenter United Brussels	Rue Carli 2 1140 Evere VAT 1 015 614 744	Belgium (2)	0%	100%

(1) Entity of BICS Group

(2) Entity created/acquired in 2024

(3) Entity of Route Mobile Group

(4) Entity fully acquired in 2024

(5) Entity created/acquired in 2023

Note 8.2. Material subsidiaries with non-controlling interests

Detail of non-wholly owned subsidiaries of the Group that have material non-controlling interests

	Proportion of ownership interests and voting rights held by non-controlling interests			
	As at 31 December 2024	As at 31 December 2024	As at 31 December 2024	As at 31 December 2024
	Proximus Global SA (previously named Proximus Opal SA) (1)	Route Mobile (Group)	BICS (Group)	Telesign Group
	Belgium	India	Belgium	United States
	9%	32%	9%	9%
	(4)	(4) (5)	(3) (4) (5)	(4) (5)
Summarized financial information in respect of each of the Group's subsidiaries that has material non-controlling interests				
Current assets	135	301	680	103
Non-current assets	96	882	461	176
Current liabilities	1	123	542	162
Non-current liabilities	0	210	31	5
Equity attributable to owners of the company	223	682	518	112
Equity attributable to non-controlling interests	8	168	49	0
Revenue (total)	0	335	959	483
Expenses (operating)	-2	-293	-838	-492
Profit for the year	0	8	70	-19
Attributable to:				
Equity holders of the parent	1	-2	70	-19
Non-controlling interests	-1	10	0	0
Dividends paid to non-controlling interests	0	2	0	0
Net cash inflow from operating activities	555	48	101	-18
Net cash outflow from investing activities	-629	40	-38	-12
Net cash inflow / (outflow) from financing activities (2)	178	-27	-59	17
Exchange rate impact	0	0	0	2
Net cash inflow / (outflow)	103	61	4	-11

(1) Proximus Global SA is the mother company of Telesign Holdings Inc and Belgacom International Carrier Sevices SA, and holds 100% of the shares in those entities

(2) Including lease payments

(3)The partial disposal of BICS took place on December 31, 2024

(4) Including intercompany transactions

(5) excluding intercompany transactions within the Sub Group

As of December 31, 2024, there are no significant restrictions on the ability of these companies to transfer funds to the Group head company, either in the form of cash dividends or loan repayments.

Note 8.3. Investments in joint operations, joint ventures and associates

Note 8.3.1 Investments in joint operations

The Group has a material joint operation in MWingz, located Bld Simon Bolivar 34 in 1000 Brussels (VAT BE 0738 987 372). In November 2019, Proximus and Orange Belgium entered into a strategic agreement to share a part of their mobile access networks. The shared mobile access network is planned, built and operated by this joint company, owned 50/50 by Proximus and Orange Belgium which started its services to the shareholders in April 2020. The agreement is based on the following principles:

- The operators contractually share control of the agreement, i.e. decisions about the relevant activities require unanimous consent of the parties.
- Mwingz exclusively delivers services to the parents.

In its consolidated financial statements, the Group accounts Mwingz as a joint operation and recognizes its share in the assets and liabilities and its share in Mwingz costs from third parties, based on its ownership interest. Revenues from the sale of joint operation services to Proximus and Orange Belgium are eliminated.

Note 8.3.2 Investments in joint ventures and associates

(EUR million)	2023	2024
Carrying amount	90	23
Profit / (loss) of continuing operations	-30	-18

The decrease in carrying amount of EUR 67 million is due to Proximus acquiring full control of Fiberklaar in 2024. The entity has now been reclassified from an associate to a subsidiary. New investments (EUR 20 million) and losses of the year (EUR -20 million) do offset each other. The Group had interests in the following joint ventures and associates:

Name	Registered office	Country of incorporation	Group's participating interests	
			2023	2024
Associates				
Belgian Mobile ID SA/NV	Markiesstraat 1 1000 Brussel VAT BE 541.659.084	Belgium (2)	15%	15%
Synductis CV	Brusselsesteenweg 199 9090 Melle VAT BE 502.445.845	Belgium (2)	17%	17%
Experience @ work CVBA	Minderbroedersgang 12 2800 Mechelen VAT BE 627.819.632	Belgium	30%	30%
Tessares SA/NV	Avenue Jean Monnet 1 1348 Ottignies-Louvain-la-Neuve VAT BE 600.810.278	Belgium	23%	23%
Fiberklaar Midco BV	Raymonde de Larochelaan 13 9051 Sint-Denijs-Westrem VAT BE 760,489,106	Belgium (1)	50%	0%
Fiberklaar BV	Raymonde de Larochelaan 13 9051 Sint-Denijs-Westrem VAT BE 760,540,475	Belgium (1)	50%	0%
aug.e NV (former I.Leco NV)	Berkenlaan 8C 1831 Machelen VAT BE 471,967,356	Belgium	48%	48%
Belgian Parking Register NV	Kardinaal Mercierlaan 1A 9090 Melle VAT BE 0778.406.687	Belgium	50%	50%
Ads&Data	Harensesteenweg 226 1800 Vilvoorde VAT BE 0809.309.701	Belgium (2)	11%	11%
Glasfaser Ostbelgien	Klötzerbahn 24 4700 Eupen VAT BE 0791.811.295	Belgium	50%	50%
FTI NV (Flanders Technology&Innovation)	Green Energy Park Research Park 160 1731 Zellik VAT BE 11003,648,706	Belgium (4)	11%	11%
Clarence S.A.	202, Z.A.E.Wolser F. 3290 Bettembourg VAT LU 35.288.286	Luxemburg (4)	40%	40%
Route Mobile LLC	ONE BY OMNIYATH, SHAIKH ZAYED ROAD SHAIKH ZAYED ROAD, BUSINESS BAY DUBAI, Dubai, United Arab Emirates, 58526 VAT 100284371000003	United Arab (3) (5)	0%	33%
Route Mobile Communication Services	34, Wafra Downtown, Floor 4, Office No. 7 Block 5, Ahmed Al Jaber st, P.O.Box - 443- Sharq 153000, Kuwait.	Kuwait (3) (5)	0%	33%
Route Mobile Arabia Telecom	Office 14, Building 7533, 4260 12476, Othman Al Taawun District, Riyadh, Kingdom of Saudi VAT 311053171900003	Saudi-Arabia (3) (5)	0%	48%
Route Mobile Limited (Ghana)	Plot 8 (HW9) Teshie Rasta Rd, Mangoase La Dade – Kotopon, GL – 094-6225 VAT C0006675603	Ghana (3) (5)	0%	48%

Joint ventures				
Unifiber Midco SA	Waterloo Office Park Drève Richelle 161 D, Boite 20 1410 Waterloo 0771.814.647 RPR/RPM	Belgium	50%	50%

Unifiber SA	Waterloo Office Park Drève Richelle 161 D, Boite 20 1410 Waterloo 0771.870.372 RPR/RPM	Belgium	50%	50%

(1) Entity fully acquired in 2024
(2) Significant influence as proximus has a board member
(3) Entity of Route Mobile Group
(4) Entity created in 2023
(5) Entity acquired in 2024

Fiberklaar was co-created in March 2021 with EQT Infrastructure to accelerate the roll-out of fiber in Flanders. Fiberklaar works to design, build, maintain, and upgrade the fiber network across the region to accelerate super-fast and stable fiber connectivity in Flanders. Fiberklaar's target is to connect 0.8 million homes and businesses in Flanders by 2028. At the end of July 2024, Proximus acquired all the shares held by EQT, thereby obtaining 100% ownership of Fiberklaar (see note 8.4). Consequently, Proximus has fully consolidated Fiberklaar since that date, having previously accounted for it as an associate (under IAS 28).

Unifiber was co-created in July 2021 with Eurofiber to accelerate the roll-out of fiber in Wallonia. Unifiber works to design, build, maintain, and upgrade the fiber network across the region to accelerate super fast and stable fiber connectivity in Wallonia. Unifiber's target is to connect 0.6 million homes and businesses in Wallonia by 2028. Proximus holds 49.99% of Unifiber and the arrangement qualifies as joint venture under IAS 28.

In September 2022, Proximus co-created "Glasfaser Ostbelgien" or GO Fiber, a public-private partnership with the German-speaking Community and Ethias. Its objective is to connect almost all the 40,000 homes and businesses in this region, including in the so-called "white zones". Proximus owns 49.96% of Glasfaser Ostbelgien. The arrangement qualifies as associate under IAS 28.

Contingencies and commitments in relation with the joint-ventures and associates fiber entities (Unifiber and Glasfaser Ostbelgien):

Imposed to the fiber entities

- After the roll-out period, Unifiber is required to meet the net debt/EBITDA target ratios defined in their shareholders' agreements. Available cash must be used to meet these targets as a matter of priority before any distribution to shareholders.

Imposed to the fiber entities' shareholders

- Proximus has a contractual obligation to financially support Unifiber by acquiring a predefined volume of fiber connections for the already deployed areas. This will be done by the complete migration of its customer base and the phasing out of its copper network within a few years after the completion of the fiber rollout. For Glasfaser Ostbelgien, there is no predefined volume, but there is still the migration commitment.
- Upon the occurrence of a "Flip Over Event" (such as the achievement of the deployment of the network on a targeted number of households, a predefined date, etc.), the shareholders of the fiber entities are obliged to transfer the minimum number of shares required to Proximus for the latter to obtain control by having the majority of the shareholding. If necessary, and in the most limited way possible, adaptations could be made to the shareholders' agreements in order to ensure control at Proximus after Flip Over. The earliest change of control is expected to occur in 2031.
- At the timing of the Flip Over, Proximus has the right to acquire the number of shares necessary to own at least 50% plus one and up to 75% minus one of Glasfaser Ostbelgien Shares.
- Unifiber and Glasfaser Ostbelgien will maximize their funding through debt and operating cash flows. The shareholders will supplement the remaining financing needs with a capital injection, pro rata to their share.
- All shares held by Midco Unifiber in Unifiber are pledged to financial institutions as part of the financing arrangements obtained by Unifiber. The same applies to the shares held in Glasfaser Ostbelgien

Changes in associates and joint ventures:

(EUR million)	Unifiber SA	Fiberklaar BV	Other Associates	Total
Carrying amount				
As at 1 January 2023	2	39	2	43
Investments	15	60	2	77
Loss for the year	-7	-21	-2	-30
As at 31 December 2023	11	77	2	90
Investments	15	0	3	18
Loss for the year	-9	-11	2	-18
Transfer to subsidiaries	0	-67	0	-67
As at 31 December 2024	17	0	7	23

Summary of balance sheet, profit and loss and other comprehensive income of the material associates and joint ventures:

	Unifiber		Fiberklaar	
(EUR million)	2023	2024	2023	YTD-Jul 24*
Non-current assets	188	363	492	630
Current assets	26	26	31	46
Cash and cash equivalents	14	20	26	38
Total assets	214	390	523	676
Equity	26	37	180	162
Non-current liabilities	153	302	290	460
Interest-bearing liabilities	151	302	290	460
Current liabilities	35	51	53	54
Total liabilities and equity	214	390	523	676
Total income	1	1	2	4
Total operating expenses before depreciation and amortization	-4	-4	-15	-7
Depreciation and amortization	-1	-1	-1	-2
Finance income	1	3	3	3
Interests and debt charges on financial instruments at amortized costs	-18	-19	-18	-17
Tax expense	0	2	0	0
Profit or loss from continuing operations	-21	-19	-28	-18
Total comprehensive income	-21	-19	-28	-18
% ownership	50%	50%	50%	50%
Share held in Equity	13	18	90	81
Harmonization and retreatment	-2	-2	-12	-14
Carrying amount	11	17	77	67

Note 8.4. Acquisitions and disposal of subsidiaries, joint ventures and associates

Acquisitions in 2024

Acquisition of Route Mobile Limited

On May 8, 2024, after receiving all necessary regulatory approvals, Proximus Group completed the acquisition of a 58% stake in Route Mobile. Route Mobile is a global service company developing cloud communication services that has created a scalable and flexible industry leading global CPaaS platform, with omnichannel capabilities and built a position as a gateway, with global network and coverage, and full suite of A2P messaging solutions. This acquisition was conducted through Proximus Global, a Proximus group wholly owned subsidiary prior to the transaction. The initial cash consideration for this transaction was INR 59,224 million (EUR 662 million), which equates to a share price of INR 1,626.40.

To mitigate the risk of currency fluctuations until the closing of the transaction, Proximus Global entered a derivative foreign exchange forward contract at the time of deal signing. This hedging transaction, to which hedge accounting was applied, was settled in May 2024, resulting in a payment of EUR 26 million to Proximus Global.

Additionally, a mandatory tender offer (MTO) was completed on April 26, 2024. Under this offer, Proximus Global acquired an additional 25.11% stake in Route Mobile at the same initial share price, amounting to a consideration of EUR 293 million.

As a result of these transactions, Route Mobile has become a subsidiary of Proximus Global, with Proximus Global holding 83.11% of the extended voting share capital and common stock of Route Mobile. This percentage changed post-acquisition (see chapter “Post-Acquisition Date”) due to a sale of shares by Proximus Global in the third quarter of 2024, the exercise of stock options granted by Route Mobile under the two ESOP plans launched in 2017 and 2021 (see note 35) and the contribution of BICS shares, a Group subsidiary fully owned by Proximus SA before the contribution, to Proximus Global. The shareholding percentage remains subject to further dilution due to the outstanding stock options as of December 31, 2024.

Concurrently with the above acquisition, the founding shareholders of Route Mobile acquired a 12.72% equity stake in Proximus Global on May 23, 2024, for a consideration of EUR 300 million. In substance, this transaction represents a change in ownership interest in Proximus Global without loss of control by Proximus Group. Therefore, it qualifies as an equity transaction between shareholders under the economic entity model in IFRS 10. The difference between the amount by which the non-controlling interests of Proximus Global (excluding interest in Route Mobile) is recorded (EUR 17 million), and the fair value of the consideration transferred (EUR 182 million), amounted to EUR 165 million and was recognized directly in equity.

After accounting for this reinvestment to acquire Route Mobile, the total net cash outflow (excluding the cash present within Route Mobile at the acquisition date) amounted to EUR 629 million. This was financed by the issuance of a EUR 700 million bond on March 20, 2024. As a result, Proximus Group held a 72.54% ownership stake in Route Mobile.

The different steps of the acquisition are one single transaction as they were negotiated together and/or result from legal requirements.

The consideration is detailed as follows (EUR million) :	
Mandatory tender offer (MTO) of 25.11% of ownership interests in Route Mobile	293
Acquisition of 58% of ownership interests in Route Mobile	662
Impact of cash flow hedge	-26
Cash received from Sellers	-300
Cash Consideration	629
Sale 12,72% shares of Proximus Opal (excluding interest in Route Mobile)	182
Total Consideration	812

The cash outflow on acquisition is as follows (EUR million):	
Total net cash outflow to acquire the subsidiary	629
Net cash acquired of the subsidiary	-41
Transaction costs (being part of the operating cash flow)	28
Net cash outflow	616

Assets acquired and liabilities assumed

The table below shows the provisional amounts for the net assets acquired and goodwill recognized at the acquisition date:

The fair value of the identifiable assets and liabilities of Route Mobile as at the date of acquisition is detailed as follows:

EUR million	Fair Value recognized at acquisition	Carrying value
Goodwill acquired	0	57
Intangible assets with finite useful life	469	38
Property, plant and equipment	5	4
Right of use asset	3	3
Deferred income tax assets	2	1
Other non-current assets	136	43
Trade receivables	146	146
Current income tax assets	1	1
Other current assets	20	20
Investments	30	30
Cash and cash equivalents	41	41
Total assets	853	386
Non-current interest-bearing liabilities	9	9
Lease liabilities	3	3
Liability for pensions and termination benefits	1	1
Provisions for liabilities and charges	114	3
Deferred income tax liabilities	97	5
Other non-current payables non-interest bearing	8	8
Current interest-bearing liabilities	25	25
Trade payables	70	70
Contract liabilities	3	3
Other current payables	4	4
Income tax payables	9	9
Total liabilities	343	140
Net assets acquired	510	245
Consideration	812	
Non-controlling interests (PPA)	120	
Preliminary Goodwill arising on acquisition	421	

The table above includes a sellers indemnification asset of EUR 93 million for the sole benefit of Proximus Global, recognized in relation to contingent liabilities, within the framework of the PPA. This asset is therefore entirely allocated to Proximus Global. No NCI has been calculated on it, unlike the contingent liabilities.

The Group identified and separately recognized on an aggregated basis the following intangible assets in this business combination: trademarks, customer relationships and technology platforms, software and licences and non-compete agreements. All together, the fair value of the identified intangible assets is EUR 469 million as of December 31, 2024. The valuation of assets identified was based on the following methods:

(1) Customer relationships: using a Multi Excess Earnings Method (MEEM), in which the value of a specific intangible asset is estimated from the residual earnings after fair returns on all other assets employed (including other intangible assets) are deducted from the business' after-tax operating earnings.

(2) Trademarks and technology platforms: using the Relief-from-royalty method, estimating the value of future foregone royalty payments over the life of the asset by virtue of owning the asset.

The recognition of the fair value of the intangible assets resulted in additional amortization expense amounting to EUR 23 million for the period between the acquisition date and December 31, 2024.

The fair value of PPE ("land & buildings") amounts to EUR 5 million as of December 31, 2024. A fair value step-up of EUR 0.5 million has been recognised related to the office in Dubai estimated on the basis of publicly available selling price per square foot of similar buildings in Dubai (i.e., market comparable prices) with a 10% discount.

Fair value estimates are based on a complex series of judgments about future events and uncertainties and rely heavily on estimates and assumptions used to determine the estimated fair value assigned to each class of assets acquired and liabilities assumed, as well as asset lives.

The deferred tax liability of EUR 92 million as of December 31, 2024, has been recognized in relation to the fair value step up of tangible and intangible assets applying the Indian corporate income tax rate.

Contingent liabilities that met recognition requirements under IFRS 3 have been identified and provisionally measured at EUR 104 million, pending further investigation and detailed risk analysis. These contingencies are valued based on currently available information and could be revised depending on the outcome of ongoing review work. In accordance with the Route Mobile Share Purchase Agreement, these contingencies are largely offset by the seller's indemnification for the benefit of Proximus Global, amounting to EUR 93 million (100 million USD), limiting the net exposure to less than EUR 20 million as of the acquisition date. Recalculations have not yet been fully performed and finalised in this respect as of December 31, 2024.

Additional provisions for onerous supplier contracts have been recognized for a total amount of EUR 6 million, as SMS volumes from clients reduced significantly due to stringent sanctions imposed upon Myanmar. The contract allows for renegotiation in such situations. Although the outcome of the discussions is still pending, the estimated amount has already been recognized on the opening balance sheet as of the date of acquisition. A deferred tax asset of EUR 0.3 million has been recognized in relation to the provision for onerous contracts, applying the Maltese corporate income tax rate.

The Group elected to recognize non-controlling interests at their proportionate share of the acquired net identifiable assets, valued at their acquisition date fair value. Additionally, the outstanding vested and unvested ESOP share-based payment transactions have been measured at their market-based value as if the acquisition date were the grant date. They are allocated to the non-controlling interest based on the ratio of the portion of the vesting period completed to the total vesting period, for an amount of EUR 4 million. As a result of the revised purchase price allocation exercise, the total non-controlling interests amounted to EUR 120 million in addition to the EUR 17 million recognized in relation to the transaction qualifying as an equity transaction (see above the text on the equity transaction).

The goodwill is attributable to expected synergies with the Group, as the combination will enable it to thrive by delivering a distinctive customer value proposition and making structural changes to create a more sustainable and efficient operating model. The acquisition also brings the potential to drive significant revenue and margin synergies for the Group, contributing to the Group's revenue growth from closing date and being accretive to Proximus' earnings in future years.

Route Mobile was consolidated using the full-integration method as of April 30, 2024. In the course of the period ended December 31, 2024, the accounting for the business combination related to the Route Mobile transaction ("purchase price allocation") is still provisional. The allocation of the acquisition price to Route Mobile's underlying assets has been changed since acquisition, as explained above, which resulted in an increase of goodwill by EUR 7 million. The condensed consolidated statement of financial position as per December 31, 2024, has been restated accordingly.

Acquisition-related costs, which include legal and other fees, amounted to EUR 28 million, have been recorded primarily under operating expense. According to IFRS 3 'Business Combinations', the payment of these costs cannot be considered part of the consideration transferred to the sellers in exchange for control of Route Mobile. The costs to issue the EUR 700 million bond to finance the transaction, and are part of the acquisition-related costs, are deferred over the duration of the bond. These costs amounted to EUR 6.2 million.

Post-acquisition date

To comply with Indian regulation, which mandates that the public shareholding of an Indian listed company must be at least 25%, Proximus Global sold 5,024,376 shares in the third quarter of 2024. This sale, equivalent to 8.0% of Route Mobile's total outstanding shares, generated proceeds of EUR 90 million. Consequently, Proximus Global's shareholding in Route Mobile decreased from 83.11% to 75.11% as of December 31, 2024. The Group's shareholding percentage consequently decreased from 72.54% to 65.56%. This transaction qualified as an equity transaction as resulting in a decrease of ownership without loss of control. It led to an increase of the non-controlling interests by EUR 43 million and of the shareholders 'equity by EUR 47 million. These two items account for nearly the entire EUR 83 million reported in the cash flow from financing activities.

The exercise of stock options granted by Route Mobile under the two ESOP plans launched in 2017 and 2021 (see note 35) in September and November 2024 led to further dilution of the Group's shareholding in Route Mobile. A total of 174,165 shares were exercised, resulting in Proximus Global's stake in Route Mobile decreasing from 75.11% to 74.90% (and from 65.56% to 65.37% at Group level). These transactions qualified as equity transactions as resulting in a decrease of ownership without loss of control.

The Group transferred all of the BICS shares owned by Proximus SA (ownership of 100% before the transaction) to Proximus Global, an entity that it controlled and owned at 87.28 %. This transfer, effective as of December 31, 2024, encompassed all business activities of BICS and was structured as a contribution in kind against issuance of new shares of Proximus Global. The transaction led to the increase of the Proximus Group shareholding in Proximus Global from 87.28% to 91.30%, and de facto, to an increase in the shareholding in TeleSign (from 87.28% to 91.30% and Route Mobile from 65.37% to 68.35% and a decrease in BICS shareholding from 100% to 91.30%. The transaction qualifies as a business combination under common control, for which the Group opted to use the 'predecessor accounting' method. The choice of the method was based on the transaction substance and specific facts and circumstances and because it better reflects the continuity of control. Consequently, the transaction resulted in a EUR 32 million loss recognized in shareholders' equity, as also qualifying as equity transaction. Non-controlling interests increased by EUR 32 million.

EUR 304 million revenue (Group share) is included in the Group consolidated income statement for the reporting period since acquisition. Except for transaction and acquisition costs, the net income (Group share, incl. PPA adjustments) generated by Route Mobile included in the consolidated income statement for the reporting period since acquisition is EUR -2 million.

Route Mobile contribution to the Group revenue (Group share) and net income (Group share, incl. PPA adjustments), assuming that Route Mobile acquisition date would have been January 1, 2024, would have been, by the end of December 2024, EUR 454 million, and EUR 16 million accordingly and would have been materially different from what is included now in the consolidated income statement.

Acquisition of Fiberklaar

Fiberklaar was co-created in March 2021 by Proximus and EQT Infrastructure to accelerate the roll-out of fiber in Flanders. Fiberklaar works to design, build, maintain, and upgrade the fiber network across the region to accelerate super-fast and stable fiber connectivity in Flanders.

On 26 July 2024, Proximus Group reached an agreement with EQT Infrastructure on the acquisition of its majority stake (50.33%) in Fiberklaar Group (hereinafter 'Fiberklaar'), for a purchase price of EUR 246 million. Of this amount, EUR 186 million was paid at the acquisition date, with the remaining balance to be paid in December 2025. This acquisition was conducted by Proximus NV/SA from the seller of Nexus Infrastructure SARL ('EQT'). As a result of the acquisition, Fiberklaar has become a subsidiary of Proximus NV/SA, holding 100% of the extended voting share capital and common stock of Fiberklaar.

It has been concluded that the acquisition of Fiberklaar by Proximus is qualified as a business combination under IFRS 3. Fiberklaar has substantive processes that are critical to the ability to develop and convert the inputs and conduct its operations.

Prior to the acquisition, Proximus already held a 49.67% stake in Fiberklaar which qualified as an associate under IAS 28. As a result, the transaction qualifies as a business combination achieved in stages (known as a 'step acquisition') as Proximus acquires control of Fiberklaar through this transaction. The previously held equity interest is remeasured to fair value immediately before the acquisition date, and the resulting gain is recognized in profit or loss. The fair value of the previously held interest then forms one of the components that is used to calculate goodwill, along with consideration, less the fair value of identifiable net assets.

The transaction is financed by the issuance of commercial paper and an EUR 700 million long-term hybrid bond (see note 19).

The fair value of previously held interests of 49.67% in Fiberklaar is the following:

Fair value of previously held equity interest (EUR million)	Fair value
Carrying amount of equity interest	67
Gain on equity interest	78
Fair value of previously held equity interest	144

The consideration transferred consists of the following items:

Consideration transferred (EUR million)	Fair value
I. Upfront consideration	186
II. Deferred consideration	57
Total consideration transferred	243

At transaction date, the net cash outflow to acquire the control of Fiberklaar is as follows:

The cash outflow on acquisition is as follows (EUR million):	
Total net cash outflow to acquire the subsidiary	186
Net cash acquired of the subsidiary	-38
Transaction costs (being part of the operating cash flow)	2
Net cash outflow	150

The table below shows the final amounts for the net assets acquired and goodwill recognized for this acquisition.

The fair value of the identifiable assets and liabilities of Fiberklaar as at the date of acquisition is detailed as follows:

EUR million	Fair Value recognized at acquisition	Carrying value
Intangible assets with finite useful life	3	3
Property, plant and equipment	606	627
Right of use asset	2	0
Other non-current assets	0	0
Trade receivables	4	4
Other current assets	3	5
Cash and cash equivalents	38	38
Total assets	656	676
Non-current interest-bearing liabilities	460	460
Lease liabilities	2	0
Trade payables	47	47
Other current payables	12	7
Total liabilities	522	514
Net assets acquired	134	162
Net identifiable assets acquired (excluding pre-existing relationships)	134	
Consideration	243	
Fair value of previously held equity interest	144	
Trade payable of Proximus to Fiberklaar (previously existing relationship)	-1	
Trade receivable of Proximus from Fiberklaar (previously existing relationship)	1	
Goodwill arising on acquisition	253	

The business combination settled pre-existi ng relationships between Proximus and Fiberklaar. This includes contractual seller and customer relationships between these parties. The settlement occurred as the relationship became an 'inter-company' relationship and was eliminated upon acquisition in the net amount of EUR 0.51 million. This is not part of the business combination and is accounted for separately. In accordance with IFRS 3, no gain or loss has been recognized related to the pre-existing contractual relationships that have been effectively settled by the transaction, as the terms of those contracts for the favorable or unfavourable part of are neither favourable or unfavourable at the acquisition date.

The fair value of assets acquired, and liabilities assumed, the allocation of the acquisition price to underlying assets has been finalized during the measurement period at the reporting date as of December 31, 2024. Fair value estimates are based on a complex series of judgments about future events and uncertainties and rely heavily on estimates and assumptions. The goodwill as presented above is not subject to further change. Compared to initial business combination accounting, and the opening balance sheet as of July 31, 2024, the fair value of derivative liabilities has been increased with EUR 0.53 million, which also resulted in a corresponding increase in goodwill. This measurement period adjustment does not have a material impact on the Group's results of operations and financial position.

The goodwill is attributable to expected synergies with the Group. The acquisition ensures enhanced strategic autonomy and increased flexibility for Proximus in the deployment of fiber in Flanders. Through the future integration of its operations, Proximus secured full owner-economics of the network. The agreement is expected to generate synergies through optimizing funding and operating costs and will allow to exchange best practices and continue to roll out fiber in an efficient, qualitative, and customer-friendly way going forward. Fiberklaar will pursue its operations as a standalone entity within the Proximus Group. Fiberklaar will continue to be led by the current management team, with 100% representation of Proximus in the Board of Directors and reinforced operational collaboration between both companies.

Acquisition-related costs, which include legal and other fees for an amount of EUR 1.7 million have been recorded essentially under operating expenses. The payment of these costs cannot be considered as being part of the consideration transferred to the sellers in exchange for control of Fiberklaar in accordance with the provisions in IFRS 3 'Business Combinations'.

Acquisitions and disposals of 2023

EDPNET

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

Note 9. Equity investments measured at fair value

At 31 December 2024 and 2023, the group held participating interests in non-quoted companies, the fair value amounted to EUR 3 million in 2023 and EUR 2 million in 2024.

The group elected to classify at initial recognition these interests at fair value through other comprehensive income as they are not held for a purpose of trading but acquired with a long-term strategic view.

Note 10. Income taxes

Gross deferred income tax assets / (liabilities) relate to the following:
(EUR million)

	As at 31 December	
	2023	2024
Accelerated depreciation	-37	-32
Fair value adjustments on acquisition	-18	-101
Statutory provision not retained under IFRS	-10	-11
Remeasurement of financial instruments to fair value	-51	-47
Deferred taxation on sales of property, plant and equipment	-8	-7
Post-employment, termination and other benefits	-37	-65
Deferred taxation on contract assets & contract costs	-69	-75
Gross deferred income tax liabilities	-229	-340
Fair value adjustment on fixed assets	11	11
Tax losses carried forward	0	15
Provisions for liabilities and charges	12	9
Other	13	9
Gross deferred income tax assets	36	44
Net deferred income tax assets / (liabilities), when grouped per taxable entity, are as follows :		
Net deferred income tax liability	-197	-313
Net deferred income tax asset	4	17

The movements in 2024 of the deferred tax position are as follows
(EUR million)

As at 31 December 2023	-193
Decrease as the result of the purchase price allocation	-92
Decrease recognized through other comprehensive income	-29
Increase recognized in income statement	18
As at 31 December 2024	-296

The 2024 deferred tax expense in the profit or loss is mainly the consequence of the increase in the FV adjustments on acquisitions, tax losses carried forward, and the post-employment and termination benefits. This expense is partially offset by the decrease of the deferred tax on temporary differences.

The deferred income tax assets on fair value adjustment of fixed assets relate mainly to the elimination of the gain resulting from the intercompany sale at fair value of certain fixed assets.

2024 in EUR	Total tax deductions and credit carried forward	Tax losses to carry forward	Dividend received deduction	Tax credit carried forward	Limitation disallowed expenses carried forward	Recognized as deferred tax asset
Belgacom International Carrier Services Deutschland GMBH	9,231,248	9,231,248		0	0	0
Belgacom International Carrier Services France SAS	1,267,314	1,267,314		0	0	0
Codit Holding BV	147,057	147,057		0	0	0
DOKTR	3,336,880	3,336,880	0	0	0	
TeleSign Corporation	42,606,651	37,624,990		3,412,855	1,568,806	14,760,270
	56,589,150	51,607,489	0	3,412,855	1,568,806	14,760,270

Deferred tax assets have not been recognized in respect of the losses of subsidiaries that have been loss-making for several years. Cumulative tax losses and other assets carried forward available for such companies amounted to EUR 57 million at 31 December 2024 All tax losses are carried forward, unlimited in time without any expiring date.(EUR 46 million in 2023). The offset of US tax losses is generally limited to 80% of the taxable income.

In the income statement, deferred tax income/ (expense) relate to the following:

	Year ended 31 December	
(EUR million)	2023	2024
Accelerated depreciation	3	5
Fair value adjustments on acquisition	2	9
Remeasurement of financial instruments to fair value	-3	0
Deferred taxation on sales of property, plant and equipment	-1	0
Post-employment, termination and other benefits	-5	0
Tax losses carried forward	0	15
Contract assets and contract cost	-8	-6
Other	2	-5
Deferred tax expense of the year	-10	18

The consolidated income statement includes the following tax expense:

	As at 31 December	
(EUR million)	2023	2024
Current income tax expense	-94	-75
Deferred income tax	-10	18
Income tax expense reported in consolidated income statement	-104	-57

The reconciliation of income tax expense at the statutory income tax rate to income tax expense at the group's effective income tax rate for each of the two years ended is as follows:

(EUR million)	2023	2024
Income before taxes	461	513
At Belgian statutory income tax rate of 25%	115	128
Lower income tax rates of other countries	2	2
Non-taxable income	-27	-40
Non-deductible expenditures for income tax purposes	11	12
Non-deductible losses from subsidiaries	0	13
Non-deductible losses from joint ventures and associates	7	5
Non-taxable remeasurement	0	-19
Investment deduction	0	-6
Income tax adjustments related to prior years	0	-23
Other	-4	-14
Income tax expense	104	57
Effective income tax rate	22.61%	11.15%

The 2024 effective income tax rate amounts to 11,15% which is lower compared to the effective income tax rate of 22.61% in 2023. The lower tax rate in 2024 compared to 2023 is mainly linked to the non-taxable remeasurement resulting from the Fiberklaar acquisition and the tax adjustments related to prior years. The latter includes partially the recognition of the deferred tax assets for losses carried forward of Telesign, investment tax incentives and R&D tax incentives. The effective tax rate for 2024 is positively impacted by tax provision adjustments related to prior years (recording of previously non-recognized tax attributes carried forward and tax investment incentives relating to prior years but granted in 2024) and a non-taxable remeasurement gain. The normalized ETR for FY24 correcting for the above elements amount to a similar percentage as last year. The non-taxable income mainly relates to the application of general principles of tax law such as the patent and innovation income deduction applicable in Belgium.

Pillar II

The Pillar II Model Rules released on 20 December 2021 are part of the Two-Pillar Solution to address the tax challenges of the digitalisation of the economy that were agreed by 137 member jurisdictions of the OECD/G20 Inclusive Framework on BEPS and endorsed by the G20 Finance Ministers and Leaders in October 2021. The Pillar Two Model Rules are designed to ensure large multinational enterprises (MNEs) pay a minimum level of tax on the income arising in each jurisdiction where they operate.

Pillar Two legislation has been enacted or implemented in some jurisdictions where the Group is active, including in Belgium where the Group is headquartered. The Group is in scope of the Pillar II legislation, given its consolidated revenues exceed the applicable thresholds. The legislation is effective for the Group’s financial year 2024.

IAS 12 has been amended and now includes a temporary exception to recognising and disclosing information about deferred tax assets and liabilities that are related to tax law that is enacted or substantively enacted to implement the Pillar Two legislation. The Group applies this temporary exception.

Currently, the implementation of Pillar II does not materially affect the Group’s effective tax rate (ETR), deferred tax accounting and overall tax planning strategy. Therefore, the Group does not anticipate a material increase in its overall tax expenses due to Pillar II adjustments, with no substantial impact on cash tax outflows in the short to medium term.

Note 11. Assets and liabilities for pensions, other post-employment benefits and termination benefits

The Group has several plans that are summarized below:

(EUR million)	As at 31 December 2023	2024
Termination benefits and additional compensations in respect of restructuring programs	82	61
Defined benefit plans for complementary pension plans net liability / (net asset)	-187	-296
Other pension plans	1	3
Post-employment benefits other than pensions	293	293
Net asset recognized in the balance sheet	187	296
Net liability recognized in the balance sheet	377	358
Net liability (current)	40	34
Net liability (non-current)	337	324

The calculation of the liability is based on the assumptions established at the balance sheet date. The assumptions for the various plans have been determined based on both macro-economic factors and the specific terms of each plan relating to the duration and the beneficiary population.

The discount rate used for the valuation of pension plans, other post-employment benefit plans and termination benefits is based on the yield of Eurozone high quality corporate bonds with a duration matching the duration of such plans.

Note 11.1. Termination benefits and additional compensations in respect of restructuring programs

Termination benefits and additional compensations included in this chapter relate to employee restructuring programs. No plan assets are accumulated for these benefits.

In 2016, the Group implemented a voluntary leave program allowing for early termination from the age of 60 (or 58 for a small group). For certain participants to the early leave restructuring plan, benefits are paid from the age of 60 until the earliest retirement date. For those entering in the plan before the age of 60 and therefore required to render service until 60, the cost of the plan was recognized for the period of service still to be delivered between the moment of entering in the program and 60. The cost evolves with the index and the discount rate. The staff turnover is considered to be zero.

In 2019, Proximus launched its Fit for Purpose (FFP) transformation plan. An analysis based on the company's future challenges has led to the identification of areas of activity that either are being modified or that are disappearing. The provision for termination benefits was entirely booked as a result of a detailed and formal communication to those affected by the plan and as these benefits were not conditional to future service. The provision includes all benefits that are paid to the participants either at dismissal date or until earlier pensionable date. The provisions also include outplacement costs. The long-term part of the provision relates to the payments to be made after more than one year (mainly until pensionable date). This evolves with the index and discount rate. The staff turnover assumption is considered to be zero in the calculation.

Any subsequent re-measurement of the liability for termination benefits and additional compensations is recognized immediately in the profit or loss.

The funded status of the plans for termination benefits and additional compensations is as follows :

	As at 31 December	
(EUR million)	2023	2024
Benefit Obligation	82	61
Benefit obligation in excess of plan assets	82	61

The movement in the net liability recognized in the balance sheet is as follows :

	As at 31 December	
	2023	2024
At the beginning of the year	116	82
Total expense (income) for the period	2	3
Payment to the participants	-35	-23
At the end of the year	82	61

The liability for termination benefits and additional compensations was determined using the following assumptions:

	As at 31 December	
(EUR million)	2023	2024
Discount rate	3.20%	2.72%
Future price inflation	2.60%	2.60%

Sensitivity analysis

An increase or decrease of 0.5% in the effective discount rate involves a fluctuation of the liability by approximately EUR 1 million.

The Group expects to pay an amount of EUR 14 million for termination benefits and additional compensations in 2025. The payments in 2024 amounted to EUR 23 million.

Note 11.2. Defined contribution and benefit plans for complementary pensions

Defined benefit plans of Proximus SA and some subsidiaries

Proximus SA and some of its Belgian subsidiaries offer defined benefit pension plans for their employees. These plans provide pension benefits, for services as of 1 January 1997 at the earliest. They provide benefits based on salary and years of service. They are financed through the Proximus Pension Fund, a legally separate entity created in 1998 for that purpose.

The financing method is intended to finance the current value of future pension obligations (defined benefit obligation – DBO) relating to the years of service already rendered in the company and taking into account future salary increase. The financing method is derived from calculations under IAS 19. The annual contribution is equal to the sum of the service cost, the net financial cost (interest cost on DBO minus the expected interest income on plan assets) and the amortization of the difference between the assets and the DBO exceeding 10% of the higher of the DBO or the assets. Therefore, the amount contributed may differ from the amount recognized in the income statement.

At 31 December 2024, the assets of the Pension Fund exceed the minimum required by the pension regulator, being the technical provision. The technical provision represents the amount needed to guarantee the short-term and long-term equilibrium of the Pension Fund. It is constituted of the vested rights increased with an additional buffer amount in order to guarantee the long-term durability of the pension financing. The vested rights represent the current value of the accumulated benefits relating to years of service already rendered in the company and based on current salaries. They are calculated in accordance with the pension regulation and applicable law regarding actuarial assumptions.

As for most of defined benefit plans, the pension cost can be impacted (positively or negatively) by parameters such as interest rates, future salary increases and inflation. These risks are not unusual for defined benefit plans.

For the complementary defined benefit pension plan, actuarial valuations are carried out at 31 December by external independent actuaries. The defined benefit obligation (DBO) and the current service cost and past service cost are measured using the projected unit credit method.

The funded status of the pension plans is as follows :

	As at 31 December	
(EUR million)	2023	2024
Defined Benefit Obligation	785	807
Plan assets at fair value	-971	-1,103
Deficit / (surplus)	-187	-296

The components recognized in the income statement and other comprehensive income are as follows :

(EUR million)	Year ended 31 December 2023	2024
Current service cost - employer	45	47
Net interest	-6	-8
Recognized in the income statement	39	40
Remeasurements		
Actuarial (gains)/losses from changes in financial assumptions	-19	-7
Actuarial (gains)/losses from changes in demographic assumptions	0	0
Actuarial (gains) / losses arising from experience adjustments	38	-22
Actuarial (gains) / losses related to return on assets, excluding amounts included in the net interest cost	-69	-86
Recognized in other comprehensive income	-50	-115
Total	-12	-75

The movement in the net liability recognized in the balance sheet is as follows :

(EUR million)	Year ended 31 December 2023	2024
At the beginning of the year	-140	-187
Expense for the period recognized in the income statement	39	40
Remeasurement recognized in other comprehensive income	-50	-115
Contributions paid	-35	-33
Net deficit/ (Net surplus)	-187	-296

Change in plan assets:

(EUR million)	As at 31 December 2023	2024
At the beginning of the year	857	971
Interest income	30	32
Return on assets, excluding amounts included in the net interest expense	69	86
Contributions paid	35	33
Benefits payments and expenses	-20	-20
At the end of the year	971	1,103

Change in the defined benefit obligation:

	As at 31 December	
(EUR million)	2023	2024
At the beginning of the year	716	785
Service cost	45	47
Interest cost	24	25
Benefits payments and expenses	-20	-20
Actuarial losses/ (gain)	19	-29
At the end of the year	785	807

The pension liability was determined using the following assumptions:

	As at 31 December	
(EUR million)	2023	2024
Discount rate	3.30%	3.20%
Future price inflation	2.60%	2.60%
Nominal future salary increases	3.10%-3.85%	3.30%-3.85%
Nominal future baremic salary increase	3.60%-3.75%	3.60%-3.75%
Mortality	BE Prospective IA/BE	BE Prospective IA/BE

The staff turnover is considered in the calculation of the pension liability. For statutory employees it is assumed to be zero and for contractual employees is based on a degressive withdrawal rate based on the age.

The pension liability is determined based on the entity's best estimate of the financial and demographic assumptions which are reviewed on an annual basis.

The duration of the obligation is 12.93 years.

Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit plans obligations are discount rate, inflation and real salary increase. The sensitivity analysis has been determined based on reasonable possible changes of the respective assumptions, while holding the other assumptions constant.

We expect, that considering the current uncertainties on the market, the level of discount rate to remain comparable in 2025 and that the inflation will slightly evolve but remain relatively high still for a relatively long period of time,

If the discount rate increases (or decreases) by 0.5%, the estimated impact on the defined benefit obligation would be a decrease (or increase) by around 6% to 7%.

If the inflation rate increases (or decreases) by 0.25%, the defined benefit obligation would increase (or decrease) by around 2% to 3%.
If the real salary increases (decreases) by 0.25%, the defined benefit obligation would increase (decrease) by around 5 % to 6%.

Plan assets

The assets of the pension plans are detailed as follows:

(EUR million)	As at 31 December 2023	2024
Equity instruments	49.9%	51.5%
Debt instruments	35.8%	35.3%
Convertible bonds	4.5%	4.3%
Other (property, infrastructure, Private equity funds, insurance deposits)	9.8%	9.0%

The actual return on plan assets is as follows:

(EUR million)	As at 31 December 2023	2024
Actual return on plan assets	100	118

The investment strategy of the Pension Fund is defined to optimize the return on investment within strict limits of risk control and taking into account the profile of the pension obligations. The relatively long duration of the pension obligations (12.93 years) allows to allocate a reasonable portion of its portfolio to equities. Over the last five years, the pension fund has significantly increased the diversification of its investment portfolio across asset classes, regions and currencies in order to reduce the overall risk and improve the expected return.

At the end of 2024 the portfolio was invested by about 51.5% in listed equities (in Europe, US, World and Emerging Markets), about 35.3% in debt instruments (government bonds, corporate bonds, senior loans and private debt) and about 4.3% in convertible bonds (World ex US), the remaining part being invested in European infrastructure, global private equity, European non-listed real estate and cash. The actual implementation of the investments is outsourced to specialized asset managers.

Nearly all investments are done via mutual investment funds. Direct investments amount for less than 1% of the assets. Equity instruments, debt instruments (except private debt) and convertible bonds have quoted prices in active markets. The other assets, amounting for less than 10.0% of the portfolio are not quoted. The Pension Fund does not directly invest in Proximus shares or bonds, but it is not excluded that some Proximus shares, or bonds are included in some of the mutual investment funds in which the pension Funds invests.

The Proximus Pension Fund has taken a proactive approach about the inclusion of ESG criteria in its investment policy. As almost all investments are made through collective funds managed by external managers, this approach involves an ongoing dialogue with the managers, inviting them to take these criteria into account.

The Group expects to contribute an amount of EUR 23 million *to this Defined Benefit Plan in 2025*.

Other pension plans

The Group also operates another defined benefit plan with a more limited amplitude, being a Defined Benefit Obligation EUR 7 million and plan assets of EUR 5 million resulting in a net liability of EUR 2 million. A newly acquired subsidiary in the group operates limited amplitude unfunded gratuity plans, being a Defined Benefit Obligation EUR 1 million.

The Group operates some plans based on contributions for qualifying employees. For the plans operated abroad, the Group does not guarantee a minimum return on the contribution. For those operated in Belgium a guaranteed return is provided. All plans (operated in Belgium and abroad open and closed) are not material at Group level and do not present any net liability material for the Group.

Note 11.3. Post-employment benefits other than pensions

Historically, the Group grants to its retirees' post-employment benefits other than pensions in the form of socio-cultural aid premium, train tickets and other social benefits including a subsidized hospitalization plan. There are no plan assets for such benefits.

The subsidy to the hospitalization plan is based on an indexed fixed amount per beneficiary.

The funded status of the plans is as follows :

	As at 31 December	
(EUR million)	2023	2024
Defined Benefit Obligation	293	293
Net liability recognized in the balance sheet	293	293

The components recognized in the income statement and other comprehensive income are as follows :

	Year ended 31 December	
(EUR million)	2023	2024
Current service cost - employer	3	3
Interest cost	10	9
Expense recognized in the income statement, before curtailment, settlement and special termination benefits	13	12
Special termination benefits		
Curtailment or settlement loss / (gain) and past service cost	0	-2
Recognized in the income statement	13	10
Remeasurements		
Actuarial losses from changes in financial assumptions	1	6
Effect of experience adjustments	-1	-1
Recognized in other comprehensive income	0	5
Total	13	15

.

The movement in the net liability recognized in the balance sheet is as follows :

	As at 31 December	
(EUR million)	2023	2024
At the beginning of the year	295	293
Expense for the period recognized in the income statement	13	10
Remeasurement recognized in other comprehensive income	0	5
Payment to the participants	-15	-15
At the end of the year	293	293

The liability for post-employment benefits other than pensions was determined using following assumptions :

	As at 31 December	
	2023	2024
Discount rate	3.30%	3.20%
Future cost trend (index included)	2.60%	2.60%
Mortality	BE Prospective IA/BE	BE Prospective IA/BE

The liability for post-employment benefits other than pensions is determined based on the entity's best estimate of the financial and demographic assumptions which are reviewed on an annual basis.

The duration of the obligation is 11.75 years.

Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit plans obligations are discount rate, inflation, future cost trend and mortality. The sensitivity analysis has been performed based on reasonable possible changes of the respective assumptions, while holding the other assumptions constant.

If the discount rate increases (or decreases) by 0.5%, the defined benefit obligation would decrease (or increase) by around 6%.

If the future cost trend increases (or decreases) by 0.5%, the defined benefit obligation would increase (or decrease) by around 6%.

If a 1-year age correction would be applied to the mortality tables, the defined benefit obligation would change by around 4%.

The Group expects to contribute an amount of EUR 17 million to these plans in 2025.

Note 12. Other non-current assets

(EUR million)	Note	As at 31 December 2023	2024
Other derivatives	32.1	71	1
Income tax receivable		0	3
Other financial assets at amortized cost		21	113
Total		92	117

The amount of EUR 71 million at December 31, 2023, relating to derivatives, consisted mainly of the following items:

- A 10-year forward starting interest rate swap for a notional amount of EUR 500 million entered on February 2022 to cover the Group exposure to the variability in cash flows attributable to the long-term interest rate risk associated with a highly probable forecasted transactions, being a 10-year bond to be issued in April 2025. The Group applies hedge accounting to this swap. The fair value of this financial instrument amounted to EUR 58 million as at 31 December 2023.
- A zero-cost collar swaption entered by the group in 2023 to protect the value of its existing pre-hedging interest rate swap against interest rates fluctuations. The fair value of this financial instrument amounted to EUR 13 million as at 31 December 2023.

These two financial instruments were reclassified as short-term during 2024, their underlying maturing in 2025 (see note 15).

Other financial assets concern long term cash guarantees and long-term receivables non-trade. As of 31 December 2024, these assets comprise a seller's indemnification asset of EUR 93 million, exclusively benefiting Proximus Global. This asset is recognized in relation to contingent liabilities within the framework of Route Mobile Purchase Price Allocation (PPA) (see note 8.4).

Note 13. Inventories

(EUR million)	As at 31 December 2023			2024		
	Gross amount	Written off	Net amount	Gross amount	Written off	Net amount
Raw materials, consumables and spare parts	55	-6	48	43	-6	37
Work in progress and finished goods	21	0	21	27	0	27
Goods purchased for resale	95	-5	89	86	-3	83
Total	171	-12	159	156	-8	147

'Raw materials, consumables, and spare parts' are mainly materials for the gigabit network, like cables and installation tools.

'Work in progress and finished goods' contain mainly projects which are not yet completed.

Goods purchased for resale are CPE's (customer premises equipment), like smartphones/tablets and their related accessories (52%), equipment for internet and TV at home (decoders (13%), modems (13%), TV's (3%)), ICT equipment (12%), terminals (4%) and PABX (2%).

Note 14. Trade receivables and contract assets

14.1 Trade receivables

	As at 31 December	
(EUR million)	**2023**	**2024**
Trade receivables	866	1,046
Trade receivables - gross amount	952	1,128
Loss allowance	-86	-82

Trade receivables are amounts due by customers for goods sold or services performed in the ordinary course of business. Most trade receivables are non-interest bearing and are usually on 30-90 days terms. For TeleSign most customers have a 30-day term, with few exceptions which have a 60-day term. Terms are somewhat longer for the receivables of the International Carrier Services segment (BICS) since major part of its trade receivables relates to other Telco operators. Given the bilateral nature of BICS business, netting practice is very common, but this process can be quite long. The related netting agreements are not legally enforceable.

BICS business being rather volatile, therefore when analysing variances in the cashflow those related to trade receivables and trade payables should be considered together.

For the Domestic business, the netting payment is also applied with some other telecom operators.

Route Mobile applies netting payments for a limited number of customers. The amounts concerned are immaterial.

For the years presented, no trade receivables were pledged as collaterals. In 2024, Proximus Group received bank and parent guarantees of EUR 7 million (in 2023, EUR 7 million) as securities for the payment of outstanding invoices.

14.2 Contract assets

	As at 31 December	
(EUR million)	**2023**	**2024**
Contract assets gross	176	210
Settled within 12 months of the reporting period	127	152
Settled after 12 months of the reporting period	49	58
Loss allowance	-10	-12
Contract assets net	167	198

The evolution of the gross amount of the contract assets during the year, can be explained as follows:

	As at 31 December	
(EUR million)	**2023**	**2024**
Balance at 1 Jan	145	176
Decrease in contract assets relating to existing contracts in the opening balance	-165	-203
Normal evolution	-142	-173
Anticipated termination	-23	-30
New contract assets	197	236
Balance at 31 Dec	176	210

Contract assets are mainly generated by contracts containing joint mobile and fixed-line telephony offers with a subsidized handset and services to be provided over a 24-month period. (see note 2). The increase in the balance of contract assets compared with 2023 is mainly due to the increase in the number of Proximus SA contracts in force at the end of 2024, and to the increase in the price of handsets included in the offers.

14.3 Loss allowance on trade receivables and contract assets

The group applies the IFRS 9 simplified approach for measuring the expected credit losses. This approach uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets of residential and corporate markets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to a right to consideration in exchange of goods and services that have already transferred and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables of the residential and corporate markets are a reasonable approximation of the loss rates for the contract assets. These expected loss rates correspond to historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The methodology applied to measure the expected credit losses for trade receivables is described in note 2.20.3.

The analysis of trade receivables that were past due but not impaired is as follows:

As at 31 December (EUR million)	Gross receivables / contract assets	Loss allowance	Net carrying amount	Not past due	Past due < 30 days	Past due 30-60 days	Past due 60-90 days	Past due 90-180 days	Past due 180-360 days	Past due > 360 days
Trade receivables										
2022	1,025	-87	938	593	86	42	25	60	10	123
2023	952	-86	866	557	85	25	16	49	25	110
2024	1,128	-82	1,046	700	105	48	23	49	25	96
2024 % loss allowance on trade receivables			7%	1%	1%	3%	8%	17%	21%	35%
The loss allowance on contract assets was as follows :										
Contract assets	210	-12	198	198						
2024 % loss allowance on contract asset			6%	6%						

The closing loss allowances for trade receivables and contract assets as at 31 December 2024 reconciles to the opening loss allowances as follows:

The evolution of the allowance for doubtful debtors is as follows:

(EUR million)	Trade receivables	Contract assets	Total
As at 1 January 2023	87	8	95
Increase in loss allowance through income statement	34	2	36
Receivables written off as uncollectible	-33	0	-33
Other movements	-1	0	-1
As at 31 December 2023	86	10	96
Increase in loss allowance through income statement	32	2	34
Receivables written off as uncollectible	-37	0	-37
As at 31 December 2024	82	12	93

Note 15. Other current assets

(EUR million)	Note	As at 31 December 2023	2024
VAT receivables		6	13
Derivatives	32.1	2	69
Prepaid expenses		153	181
Accrued income		4	5
Other receivables		36	61
Total		202	329

The amount of EUR 69 million at December 31, 2024, relating to derivatives, consisted mainly of two financial instruments reclassified from the other non-current assets during 2024 (see note 12):

- a 10-year forward starting interest rate swap for a notional amount of EUR 500 million, that was entered on February 2022 to cover the Group exposure to the variability in cash flows attributable to the long-term interest rate risk associated with one highly probable forecasted transaction, being the issue of a 10-year bond to be issued in April 2025. The Group applies hedge accounting to this swap. The fair value of this instrument amounted to EUR 56 million as of 31 December 2024.
- a zero-cost collar swaption entered by the group in 2023 to protect the value of its existing pre-hedging interest rate swap against interest rates fluctuations. The fair value of this financial instrument amount to EUR 12 million as at 31 December 2024. The Group does not apply hedge accounting to this financial instrument.

Prepaid expenses growth is largely due to ICT fees (EUR 105 million in 2024 versus EUR 75 million in 2023), spectrum interests (EUR 26 million in 2024 versus EUR 35 million in 2023) (see also Note 29 and 32.2 for P&L impact of spectrum interests), and fiber deployment (EUR 17 million in 2024 versus EUR 8 million in 2023).

Other receivables increase is mainly related to short-term security deposits (EUR 30 million 2024 versus EUR 0 million in 2023) originating from the acquisition of Route Mobile.

Note 16. Non-current assets held for sale

(EUR million)	Assets		Liabilities	
As at 31 December	2023	2024	2023	2024
Proximus Towers	99	62	0	0
Datacenter business	0	23	0	2
Mobile towers infrastructure in Luxemburg	0	8	0	8
Total	99	94	0	10

Proximus Towers

Following the termination of the redevelopment project of Proximus headquarters with Immobel, Proximus launched a new Request for Proposal (RFP) in September 2024 for its new headquarters in Brussels. This RFP included specific minimum requirements for the disposal of the towers. By December 2024, Proximus had entered the final phase of the RFP selection process and, therefore, considered the criteria for classifying this asset as held for sale to be met as of December 31, 2024. The Group recognized an impairment loss of EUR 36 million in December 2024 to adjust the carrying amount of the assets concerned to their fair value less cost to sell.

(EUR million)	Land and buildings	Technical equipment	Total
Cost	364	18	383
Depreciation	-272	-12	-284
Carrying amount as of 31 December 2023	92	6	99
Impairment loss	-30	-6	-36
Carrying amount as of 31 December 2024	62	0	62

Sale of datacenter business to Datacenter United

In the fourth quarter of 2024, Proximus reached an agreement with the Belgium-based service provider Datacenter United to sell its datacentre business for an enterprise value of EUR 128 million. The transaction is expected to close by the first quarter of 2025, pending applicable regulatory approvals and the completion of social dialogue regarding the transfer of affected employees. The transaction perimeter includes real estates in Evere and Mechelen.

The table below provides the carrying amount of the main assets and liabilities associated with the business to be transferred, which were reclassified as 'held for sale' as of December 31, 2024.

Carrying amount of the assets and liabilities classified as "held for sale" (in EUR million)	As at 31 December 2024
Plant property and equipment	23
Assets classified as held for sale	23
Trade payable	2
Liabilities classified as held for sale	2

Sale of mobile tower infrastructure in Luxembourg

Proximus Group signed on November 2024 a binding agreement with InfraRed Capital Partners (InfraRed) to sell 100% of the shares of Proximus Luxembourg Infrastructure (PLI) for a total consideration of EUR 108 million (including cash on the balance sheet) to InfraRed's European Infrastructure Income Fund 4 (EIIF4). In the context of this transaction, Proximus Luxembourg will remain an anchor tenant on the sites transferred.

The table below provides the carrying amount of the main assets and liabilities associated with the business to be transferred, which were reclassified as 'held for sale' as of December 31, 2024.

Carrying amount of the assets and liabilities classified as "held for sale" (in EUR million)	As at 31 December 2024
Plant property and equipment	4
Ruo PPE	4
Assets classified as held for sale	8
Leasing and similar obligations	4
Provisions for liabilities and charges	2
Current tax liabilities	2
Liabilities classified as held for sale	8

Note 17. Investments and Cash and cash equivalents

(EUR million)	Note	As at 31 December 2023	2024
Marketable securities		0	2
Term account at amortized costs		0	40
Investments		0	41
Term account at amortized costs	32.4	488	252
Cash at bank and in hand	32.4	227	245
Cash and cash equivalents		716	497

Note 17.1. Investments

Investments rose by EUR 41 million in 2024 compared to 2023, following the acquisition of Route Mobile. These investments, managed by Route Mobile, consist of EUR 39 million in short-term deposits with original durations exceeding three months, and EUR 2 million in fund shares, which are remeasured at fair value through profit and loss (level 2 financial instruments).

Note 17.2 Cash and cash equivalents

Short-term deposits are made for original periods varying between one day and three months, depending on the immediate cash requirements of the Group, and earn or pay interest at the respective short-term deposit rates. Interest rates applied on cash with banks are floating as corresponding to the daily bank deposit rates.

The cash and cash equivalents are held with financial institutions, sovereign and supranational agencies, money market funds counterparties with a long-term credit rating of minimum A-. Therefore, the expected credit loss on cash and cash equivalents is deemed immaterial.

Note 18. Equity

Note 18.1 Shareholders' equity

At 31 December 2024, the share capital of Proximus SA amounted to EUR 1 billion (fully paid up), represented by 338,025,135 shares, with no par value and all having the same rights, provided such rights are not suspended or cancelled in the case of treasury shares. The Board of Directors of Proximus SA is entitled to increase the capital for a maximum amount of EUR 200 million until September 6, 2026.

The Company may acquire its own shares and transfer the shares thus acquired in accordance with the provisions of the New Commercial Code of Companies and Associations. The Board of Directors is empowered by article 13 of the Articles of Association to acquire the maximum number of own shares permitted by law. The price paid for these shares must not be more than five percent above the highest closing price in the thirty-day trading period preceding the transaction nor more than ten percent below the lowest closing price in that same thirty-day period. Said authorization is renewed and granted for a period of five years as of 21 April 2021.

In December 2015, a new law was adopted by the Belgian Parliament with the purpose of modernizing the 1991 Law reforming certain economic public companies, especially by the flexibility of certain organizational constraints in order to create a level playing field with competing companies, by aligning the corporate governance to the normal rules for listed companies in Belgium and by defining the framework for the government to decrease their participation below 50%. The General Shareholders Meeting of 2016 decided to change the bylaws in order to incorporate the amendments made to the 1991 Law.

On 31 December 2024, the number of treasury shares amounted to 15,563,461 (15,401,433 in 2023).

In 2024 and 2023, the Group sold respectively 7,709 and 2,746 treasury shares to its senior management for less than EUR 1 million under share purchase plans at a discount of 16.66% (see note 35). In addition, on July 25, 2024, the Board of Directors decided to grant 75,000 shares for free to the Chief Executive Officer (see note 35).

Number of shares (including treasury shares):	2023	2024
As at 1 January	338,025,135	338,025,135
As at 31 December	338,025,135	338,025,135

Number of treasury shares:	2022	2024
As at 1 January	15,632,628	15,401,433
Sale under a discounted share purchase plan	-2,746	-7,709
Free grant of shares	0	-75,000
Purchase / (Sale) of treasury shares	-228,449	244,737
As at 31 December	15,401,433	15,563,461

Following specific significant events have impacted the equity attributable to the shareholders in 2024:

- The issuance of a hybrid bond for EUR 700 million:
  On 2 October 2024, Proximus completed the placement of an inaugural hybrid bond issuance for an amount of EUR 700 million (pricing date: 25 September 2024). The hybrid notes are subordinated, perpetual and will initially carry a coupon of 4.75% until 2 October 2031 (the “First Reset Date”), with a reset on that date and every five years thereafter. The notes will be callable from 2 July 2031 to the First Reset Date and on any interest payment date thereafter. The hybrid bond is rated BB+ by S&P and Baa3 by Moody’s and are eligible to an intermediate 50% equity content from both S&P and Moody’s. The Group classified this hybrid bond as equity instrument as the security is a perpetual instrument without any obligation for the Group to redeem the principal amount except under the winding-up of the issuer which corresponds, based on the terms and conditions of the contract, to the current definition of liquidation under IAS 32..
  The accrued interests and the issuance costs, amounting to EUR 12 million as of 31 December 2024, were recognized directly in equity.
- Acquisition of control of Route Mobile (+ EUR 181 million):
  As explained in note 8.4, the Group acquired the control of Route Mobile in 2024. The transaction itself (impact on equity: EUR 165 million), followed by a partial disposal of the Group stake in the entity (EUR 47 million), in compliance with the Indian regulation, and the contribution of BICS shares from Proximus SA to Proximus Global (EUR -32 million), led to an increase of the shareholders’ equity by EUR 181 million.

Note 18.2 Non-controlling interests

Non-controlling interests increased in 2024 essentially due to the acquisition of control in Route Mobile in May 2024 (see Note 8.4). The transaction itself (+ EUR 138 million), followed by a partial disposal of the Group stake in the entity (+ EUR 43 million), in compliance with the Indian regulation, and the contribution of BICS shares from Proximus SA to Proximus Global (EUR 32 million), led to an increase of the shareholders” equity by EUR 213 million.

Note 19. Interest-bearing liabilities

Note 19.1 Non-current interest-bearing liabilities

		As at 31 December	
(EUR million)	Note	2023	2024
Unsubordinated debt (bonds, notes)		2,881	3,079
Credit institutions		400	884
Other loans		27	19
Total		3,308	3,981

2024 events

On March 20, 2024, Proximus issued an EUR 700 million bond that carries an annual fixed coupon of 3.75% with a 10-year maturity due March 27, 2034. The issue is rated BBB+ by S&P and A2 by Moody's, in line with the long-term credit rating of Proximus.

Proximus acquired control of Fiberklaar on August 1, 2024 (see note 8.4). The entity had signed a capex facility with a consortium of credit institutions to finance the rollout of its fibre optic network. The capex facility is drawn based on the entity's capex needs. The interest rate applicable to the entire amount borrowed is variable and reviewed quarterly (last applicable rate was 5.65%). The entire credit line is repayable in full in October 2028. As of 31 December 2024, the amount borrowed amounted to €480 million (EUR 460 million at acquisition date).

An EUR 500 million bond has been transferred from non-current to current interest-bearing liabilities as maturing in October 2025.

On 2 October 2024, Proximus completed the placement of an inaugural hybrid bond issuance for an amount of EUR 700 million (pricing date: 25 September 2024). The financial instrument is classified entirely as equity (see notes 2 and 18) and is consequently not included in the table above.

2023 events

On March 8, 2023, Proximus issued an EUR 500 million bond carrying an annual fixed coupon of 4.00% with a 7-year maturity due 8 March 2030. The cash flow hedge for a nominal amount of EUR 500 million was unwound at that date and resulted in a payment of EUR 20 million received from the hedge counterparty.

On the 10th of November 2023, Proximus successfully priced a EUR 750 million bond transaction. The bond carries a coupon of 4.125% and has a 10-year maturity due on the 17th of November 2033. The related cash flow hedge for a nominal amount of EUR 600 million was unwound at that date and resulted in a payment of EUR 111 million received from the hedge counterparty.

An EUR 600 million bond had been transferred from non-current to current interest-bearing liabilities in 2023 as maturing in April 2024.

Other

In 2021, Proximus entered a partnership with HCL Technologies whereby that company operates and maintains Proximus' private cloud infrastructure. Other loans consist in the long-term part of the asset financing arrangement (nominal amount of EUR 65 million) received by Proximus in 2022. As at 31 December 2024, Proximus had already repaid this financial liability for EUR 37 million (EUR 28 million by year-end 2023) resulting from the partnership, for the infrastructure that remains in the Proximus datacenters and under its control.

All long-term debt is unsecured. During 2024 and 2023 there have been no defaults or breaches on loans payables.

Non-current interest-bearing liabilities as at 31 December 2024 are summarized as follows:

	Carrying amount (EUR million)	Nominal amount (EUR million)	Measurement under IFRS 9	Maturity date	Interest payment / repriceable (b)	Interest rate payable	Effective interest rate
Unsubordinated debentures							
Floating rate borrowings							
JPY (a)	11	11	Amortized cost	Dec-26	Semi-annually	2.48%	2.48%
Fixed rate borrowings							
EUR	150	150	Amortized cost	Mar-28	Annually	3.19%	3.22%
EUR	100	100	Amortized cost	Sep-31	Annually	1.75%	1.78%
EUR	150	150	Amortized cost	May-40	Annually	1.50%	1.52%
EUR	734	750	Amortized cost	Nov-36	Annually	0.75%	1.05%
EUR	496	500	Amortized cost	Mar-30	Annually	4.00%	3.60%
EUR	744	750	Amortized cost	Nov-33	Annually	4.13%	2.75%
EUR	694	700	Amortized cost	Mar-34	Annually	3.75%	3.86%
Credit institutions							
Fixed rate borrowings							
EUR	400	400	Amortized cost	Mar-28	Annually	1.23%	1.04%
Floating rate borrowings							
EUR	480	480	Amortized cost	Dec-28	Quarterly	5.65%	5.65%
USD	4	4	Amortized cost	Oct-26	Quarterly	7.28%	7.28%
Other loans							
EUR	19	19	Amortized cost	Nov-28	Monthly	3.04%	3.04%
Total	3,981	4,013					

(a) converted into a floating rate borrowing in EUR via currency interest rate swap

(b) for floating rate borrowings, interest rate is the one prevailing at the last repricing date before 31 December 2024

Non-current interest-bearing liabilities as at 31 December 2023 are summarised as follows:

	Carrying amount (EUR million)	Nominal amount (EUR million)	Measurement under IFRS 9	Maturity date	Interest payment / repriceable (b)	Interest rate payable	Effective interest rate
Unsubordinated debentures							
Floating rate borrowings							
JPY (a)	11	11	Amortized cost	Dec-26	Semi-annually	3.76%	3.76%
Fixed rate borrowings							
EUR	150	150	Amortized cost	Mar-28	Annually	3.19%	3.22%
EUR	499	500	Amortized cost	Oct-25	Annually	1.88%	2.05%
EUR	150	150	Amortized cost	May-40	Annually	1.50%	1.52%
EUR	733	750	Amortized cost	Nov-36	Annually	0.75%	1.05%
EUR	495	500	Amortized cost	Mar-30	Annually	4.00%	3.60%
EUR	100	100	Amortized cost	Sep-31	Annually	1.75%	1.78%
EUR	743	750	Amortized cost	Nov-33	Annually	4.13%	2.75%
Credit institutions							
Fixed rate borrowings							
EUR	400	400	Amortized cost	Mar-28	Annually	1.23%	1.04%
Other loans							
EUR	27	27	Amortized cost	Nov-28	Monthly	3.04%	3.04%
Total	3,308	3,338					

(a) converted into a floating rate borrowing in EUR via currency interest rate swap

(b) for floating rate borrowings, interest rate is the one prevailing at the last repricing date before 31 December 2023

Unsubordinated debentures in EUR and in JPY are issued by Proximus SA. The capital is repayable in full on the maturity date. Loans from credit institutions labelled in USD were part of the liabilities assumed when Proximus acquired Route Mobile (see note 8.4).

Over the two years presented, an interest rate and currency swap (IRCS) was used to manage the currency and interest rate exposure on the JPY unsubordinated debentures. The swap enabled the Group to transform the interest rate on these debentures which are fully hedged economically, from a fixed interest rate to a floating interest rate. and converting the remaining liability in JPY into fixed rate liability in EUR (see note 32.1).

The group used interest rate swaps to mitigate the risk of interest rate variations between the hedge inception date and the issuance date of highly probable fixed rate long-term debts. In the tables above, the effective interest rates of the debts affected by these hedges incorporate the effects of these hedges once they have matured.

Among all the bonds listed above, only the €400 million bond issued by Proximus from the EIB on March 7, 2018, with a maturity date in 2028, included covenants. These covenants could trigger a mandatory prepayment of the bond in following situations:

- Change of Law. Change of Law typically refers to any modification, repeal, or introduction of new laws, regulations, directives, treaties, or legal interpretations that could impact the terms, performance, or enforceability of the loan agreement.
- Illegality.
- Loss-of-rating event. A loss-of-rating event includes situations where:
    i. the Group S&P credit rating would drop to BBB or below, or

ii. the Group Moody's credit rating would drop to Baa2 or below, or

iii. all of the credit ratings of both rating agencies referred to cease to be published.

- Proximus currently has a S&P credit rating of BBB+ and a Moody's credit rating of A3.

These conditions were met at the end of the reference period and the Group expects this to be the case for the entire term of the loan.

As of December 31, 2024, there were no indications of potential non-compliance with these covenants within the twelves next months.

Note 19.2 Current interest-bearing liabilities

(EUR million)	As at 31 December 2023	2024
Current portion of amounts payable > 1 year		
Unsubordinated debt (bonds, notes)	600	499
Credit institutions	0	17
Other loans	10	9
Credit institutions	1	0
Total	611	525

2024 events

A bond of EUR 500 million will mature in October 2025 and was transferred from non-current to current interest-bearing liabilities.

An EUR 600 bond had been transferred from non-current to current interest-bearing liabilities in 2023. It.matured in April 2024.

2023 events

The Group repaid in May 2023 a bond of EUR 100 million which was transferred from non-current to current interest-bearing liabilities in 2022.

Other

The other loan represents the current portion part of the asset financing arrangement with HCL.

The tables below detail the current portion of the unsubordinated debentures maturing within one year.

Current interest-bearing liabilities as at 31 December 2024 are summarised as follows:

	Carrying amount (EUR million)	Nominal amount (EUR million)	Measurement under IFRS 9	Maturity date	Interest payment / repriceable	Interest rate payable	Effective interest rate
Current portion of interest-bearing-liabilities > 1 year							
Unsubordinated debentures							
Fixed rate borrowings							
EUR	499	500	Amortized cost	Oct-25	Annually	1.88%	2.05%
Credit institutions							
Floating rate borrowings							
USD	2	2	Amortized cost	Apr-25	Quarterly	6.99%	6.99%
USD	14	14	Amortized cost	Oct-25	Quarterly	7.28%	7.28%
Other loans							
Fixed rate borrowings							
EUR	9	9	Amortized cost	Nov-25	Monthly	3.04%	3.04%
Total	525	526					

Current interest-bearing liabilities as at 31 December 2023 are summarized as follows:

	Carrying amount (EUR million)	Nominal amount (EUR million)	Measurement under IFRS 9	Maturity date	Interest payment / repriceable	Interest rate payable	Effective interest rate
Current portion of interest-bearing-liabilities > 1 year							
Unsubordinated debentures							
Fixed rate borrowings							
EUR	600	600	Amortized cost	Apr-24	Annually	2.38%	2.46%
Other loans							
EUR	10	10	Amortized cost	Nov-28	Monthly	3.04%	3.04%
Interest-bearing-liabilities							
Credit institutions							
Fixed rate borrowings							
EUR	1	1	Amortized cost	Daily	Daily	8.90%	8.90%
Total	611	611					

Note 19.3 Information about the Group financing activities related to interest-bearing liabilities

(EUR million)	As at 31 December 2023	Cash flow issuance	Cash flow repayments	Non-cash changes	As at 31 December 2024
Non-current					
Unsubordinated debt (bonds, notes)	2,881	694	0	-496	3,079
Credit institutions	400	20	0	464	884
Other loans	27	0	0	-9	19
Current portion of amounts payable > one year					
Unsubordinated debt (bonds, notes)	600	0	-600	499	499
Credit institutions held to maturity	0	0	-14	31	17
Other current interest-bearing liabilities					
Credit institutions	1	0	-1	0	0
Other loans	10	0	-10	9	9
Total liabilities from financing activities excluding lease liabilities	3,919	714	-625	498	4,506
Lease liabilities current and non-current	298	0	0	-4	294
Total liabilities from financing activities including lease liabilities	4,217	714	-625	494	4,800

(EUR million)	As at 31 December 2022	Cash flow issuance	Cash flow repayments	Non-cash changes	As at 31 December 2023
Long-term					
Unsubordinated debt (bonds, notes)	2,239	1,238	0	-597	2,881
Credit institutions	400	0	0	0	400
Other loans	37	0	0	-10	27
Current portion of amounts payable > one year					
Unsubordinated debt (bonds, notes)	100	0	-100	600	600
Credit institutions held to maturity	1	0	-1	0	0
Other current interest-bearing liabilities					
Credit institutions	0	1	0	0	1
Other loans	10	0	-10	10	10
Unsubordinated debt (bonds, notes)	477	0	-477	0	0
Total liabilities from financing activities excluding lease liabilities	3,264	1,239	-588	3	3,919
Lease liabilities current and non-current	272	0	-92	119	298
Total liabilities from financing activities including lease liabilities	3,535	1,239	-680	122	4,217

2024 events

The cash flow issuance of EUR 694 million corresponds to the issuance of an EUR 700 million bond on March 20, 2024, net of transaction costs and re-offer price effects. The increase in loan from credit institutions (EUR 20 million) corresponds to the additional amount borrowed by Fiberklaar for the deployment of its fibre network since its acquisition by Proximus Group.

The non-cash charges related to the credit institutions in 2024, refer essentially for the non-current items to the loans assumed in the business combination involving Fiberklaar, for EUR 460 million, and Route Mobile for the balance. For the current portion of non-current credit institutions, the amount of EUR 31 million is entirely related to Route Mobile acquisition.

The 2024 non-cash changes were also affected by the transfer from non-current to current of the EUR 500 million bond maturing in October 2025.

The cash flow repayments and the non-cash changes in relation with the current and non-current other loans in 2024 and 2023 relate to the short-term and long-term part of the asset financing arrangement (nominal amount of EUR 65 million) foreseen in the context of that partnership with HCL Technologies (see note 19.1).

2023 events

The cash flow issuance of EUR 1,238 million corresponds to the cash obtained by Proximus from the two bonds emissions (March and November 2023), net of all directly related costs of issuance.

The non-cash changes in 2023 refer to the transfer of a EUR 600 million bond from non-current to current.

Note 20. Provisions

(EUR million)	Workers' accidents	Litigation / Claims	Illness days	Dismantling pylons	Business combinations	Other	Total
As at 1 January 2023	26	29	14	41	0	25	136
Additions	1	7	0	0	0	7	15
Utilisations	-2	-1	0	-2	0	-1	-6
Withdrawals	0	-4	-1	0	0	-6	-11
Unwinding	1	1	0	0	0	1	3
As at 31 December 2023	26	32	13	40	0	27	137
Additions	0	5	0	1	105	16	126
Utilisations	-2	-7	0	-5	0	-2	-17
Withdrawals	-1	-2	-1	0	0	-7	-11
Unwinding	1	1	0	0	0	0	3
Held for sale	0	0	0	-2	0	0	-2
Transfer to ST	0	0	0	0	0	-3	-3
Transfer	0	3	0	0	1	-4	0
As at 31 December 2024	24	31	12	34	106	27	233

The provision for workers' accidents relates to compensation that Proximus SA should pay to members of personnel injured (including professional illness) when performing their job and on their way to work. Until 31 December 2002, according to the law of 1967 (public sector) on labour accidents, compensation was funded and paid directly by Proximus. This provision (annuities part) is based on actuarial data including mortality tables, compensation ratios, interest rates and other factors defined by the law of 1967 and calculated with the support of a professional insurer. Considering the mortal ity table, it is expected that most of these costs will be paid out until 2062. As from 1 January 2003, contractual employees are subject to the law of 1971 (private sector) and statutory employees remain subject to the law of 1967 (public sector). For both the contractual and statutory employees, Proximus is covered as from 1 January 2003 by insurance policies for workers' accidents and therefore will not directly pay members of personnel.

The provision for litigation/claims represents management's best estimate for probable losses due to pending litigation where the Group has been sued by a third party or is subject to a judicial dispute. The expected timing of the related cash outflows depends on the progress and duration of the underlying judicial procedures. It also represents claims that arise from damage suffered by third parties for which Proximus is held liable.

The provision for illness days represents management's best estimate of probable charges related to the granting by Proximus of accumulating non-vesting illness days to its statutory employees.

The provision for dismantling of pylons includes the expected costs for dismantling and restoration of the sites on which the antennas are located. It is expected that most of these costs will be paid during the period 2024-2050. The provision for restoration costs is estimated at current prices and discounted using a discount rate of 3.4% based on the expected timing to settle the obligation.

The Group recognized the fair value of a contingent liability within the framework of the Route Mobile purchase price allocation (see note 8.4)

The provision for other risks is mainly HR-related (time saving, jubilee premium, …).

Note 21. Other non-current payables

(EUR million)	As at 31 December 2023	2024
Other non-current payables interest-bearing	559	522
Other non-current payables non-interest-bearing	45	31
Derivatives	1	3
Other amounts payable	44	28
Total	604	553

The interest-bearing liabilities include spectrum licenses. This non-current interest-bearing payable is settled through annual instalments over the life of the license (note 4 and 29). The interest on the payable is calculated on the outstanding long-term debt. The legal interest rate used is equal to the average of the 1-year EURIBOR interest rate for the month of December of the previous year, rounded up to the nearest quarter % and increased by 2%.

The non-interest-bearing liabilities include broadcasting and content rights payable over the part of the contract duration that is more than one year (mostly less than 5 years), the part of the spectrum licenses that is non-interest-bearing, and the fair value of the part of the Virtual Power Purchase Agreement (see note 2) that will settle in more than one year (EUR 3 million).

The transfer of long-term debts to short-term debts was greater than the new additions in 2024, which explains the decrease in the balance of other non-current debts compared to the situation end of 2023.

Note 22. Other current payables

(EUR million)	As at 31 December 2023	2024
VAT payables	42	41
Payables to employees	121	134
Accrual for holiday pay	97	101
Accrual for social security contributions	51	67
Advances received on contracts	41	12
Other taxes	108	118
Deferred income	11	8
Accrued expenses	44	65
Other debts non-interest-bearing	150	279
Subtotal Other debts non-interest-bearing	666	824
Other debts interest-bearing	37	37
Subtotal Other current payables	703	861
Contract Liability	126	121
Total	829	982

Contract liabilities comprise the Group's obligation to transfer goods or services in the future to a customer for which the Group has received consideration from the customer or the amount is due. The part of the contract liability as of 31 December 2023 recognized in revenue in 2024 is disclosed in Note 23.

The increase of the captions "payables to employees" and "accrual for social security contribution" is mainly linked to the implementation of a different concept on bonus calculation. The increase of the caption "other taxes" is linked to an increase of property tax and tax on pylons. The increase of the accrued expenses is due to the increase of the accrued interest payables. The decrease in the "advances received" is linked to the recognition in the 2024 income statement of the EUR 30 million indemnity received from Immobel in 2023.

The other debts interest and non-interest-bearing are mainly payables linked to broadcasting, spectrum and the portion of Fiberklaar' s purchase price deferred to last quarter of 2025 (see note 8.4).

Tax on pylons

Local taxes on mobile network equipment have been levied by certain provinces and municipalities for over 20 years in Belgium.

Proximus has consistently challenged the legality of these taxes in all regions, based on a variety of legal arguments. The European Court of Justice ruled in two Proximus cases of December 2015 that a tax on pylons is not, per se, in contradiction with European law. Proximus continues to launch legal proceedings with respect to taxes on pylons received from municipalities and provinces in the three regions based on other arguments.

Provisions are recorded based on assessments of the legal proceedings of outside counsel based on prevailing case law. Interest charges for unpaid tax bills are recorded monthly at the legal tax rate.

The position recognized in the Financial Statements reflects management's best estimate of the probable outcome.

Note 23. Net revenue

Net revenue corresponds to the revenue from contracts with customers. The group derives revenue from the transfer of goods and services over time and at a point in time as follows:

	As at 31 December	
(EUR million)	**2023**	**2024**
Net revenue recognized at one point in time	710	728
Net revenue recognized over time	5,283	5,648
Total	5,993	6,376

The disaggregation of net revenue is based on types of goods and services delivered and market and type of customers as follows:

(EUR million)		As at 31 December 2023	2024
Domestic			
Residential			
	Customer services revenues (X-play) (1)	1,880	1,973
	Prepaid	35	28
	Terminals (2)	279	306
	Lux. Telco (3)	135	133
	Other	46	37
	Total Residential	*2,375*	*2,477*
Business			
	Services (4)	1,622	1,641
	Products (5)	298	318
	Lux. Telco (3)	25	27
	Total Business	*1,945*	*1,986*
Wholesale			
	Fixed & Mobile wholesale services (6)	142	163
	Interconnect (7)	116	91
	Total Wholesale	*258*	*253*
Other		*32*	*49*
Total Domestic		4,610	4,766
Communications & Data		882	1,146
P2P Voice & Messaging		663	598
Global eliminations		-106	-75
Total International		1,439	1,669
Eliminations		-56	-59
Total Net Revenue		5,993	6,376

(1) Customer services revenues (X-play): 'Play' is a subscription to either Fixed Voice, Fixed Internet, dTV or Mobile Postpaid (paying Mobile cards).

A 4-Play customer subscribes to all four services. 'X-Play' is the sum of single play (1-play) and multi-play (2-play + 3-play + 4-play).

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

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

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

(5) Business Products: corresponds to Terminals & IT

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

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

The following table presents the transaction price assigned to unfulfilled performance obligations at December 31, 2024 and 2023. Unfulfilled performance obligations are the services that the Group is obliged to provide to customers during the remaining fixed term of the contract and consideration received from customers before satisfying performance obligations such as advances for airtime.

Unfulfilled performance obligations at 31 December 2024

	Expected timing of recognition		
(EUR million)	**2025**	**2026**	**> 2026**
Transaction price allocated to performance obligations that are unsatisfied at reporting date	225	77	29
Related to contract liabilities	73	19	29
Related to contract assets	152	58	0

Unfulfilled performance obligations at 31 December 2023

	Expected timing of recognition		
(EUR million)	**2024**	**2025**	**> 2025**
Transaction price allocated to performance obligations that are unsatisfied at reporting date	201	66	36
Related to contract liabilities	74	17	36
Related to contract assets	127	49	0

The increase in the balance of contract assets (see note 14.2) compared with 2023 is mainly due to the increase in the number of Proximus SA contracts in force at the end of 2024, and to the increase in the price of handsets included in the offers.

Note 24. Other operating income

	As at 31 December	
(EUR million)	**2023**	**2024**
Gain on disposal of intangible assets and property, plant and equipment	6	3
Miscellaneous reinvoicing and recovery of expenditures	45	48
Other income	4	112
Total	56	163

"Miscellaneous reinvoicing and recovery expenditures" includes compensation for network damage by third parties as well as employee and third-party contributions for sundry services.

The 2024 increase in Other Income is mainly the result of the remeasurement to fair value (EUR 78 million) of previously held equity interest in Fiberklaar, immediately before the acquisition of the entity (see note 8.4), and the indemnity (EUR 30 million) received from Immobel as final settlement of the project related to the redevelopment of Proximus headquarters by this company.

Note 25. Costs of materials and services related to revenue

	As at 31 December	
(EUR million)	**2023**	**2024**
Purchases of materials	554	601
Purchases of services	1,644	1,766
Total	2,198	2,367

Goods and services directly related to revenue are external variable costs incurred in the context of a sales transaction, and that changes in proportion to sales. In the Proximus Group, it mainly includes traffic expenses (interconnection costs, termination costs…) , subscriber acquisition and retention costs, external costs directly related to ICT contracts such as equipment, maintenance, vendor support being recharged to the customers and costs related to Proximus TV such as content costs and variable broadcasting rights. It includes also cost of goods and work in progress being invoiced to customers.

Purchases of materials are shown net of work performed by the enterprise that is capitalized for an amount of EUR 76 million in 2024 and of EUR 88 million in 2023. It includes mainly modems, WIFI boosters and set top boxes installed on client premises.

Note 26. Workforce expenses

(EUR million)	As at 31 December 2023	2024
Salaries and wages	766	800
Social security expenses	177	196
Pension costs	45	47
Post-employment benefits other than pensions and termination benefits	3	2
External Workforce	282	305
Other workforce expenses	71	85
Total	1,343	1,435

Workforce expenses are expenses related to own employees as well as to external working parties.

Salaries & wages and social security expenses are shown net of work performed by the enterprise that is capitalized for an amount of EUR 149 million in 2024 and EUR 152 million in 2023. The higher increase of social security expenses, compared to salaries & wages, is partially linked to post-covid discounts granted by the government (until medio 2023).

Post-employment benefits other than pensions and termination benefits include the impact of the FFP transformation plan that was implemented in 2019.

External workforce expenses include consultancy and outsourcing costs.

Other workforce expenses include costs relating to internal workforce (such as meal vouchers, social activities, workers accident insurance, train tickets for actives).

Note 27. Non-Workforce expenses

(EUR million)	As at 31 December 2023	2024
Service and capacity contracts and non-lease components of renting contracts	83	105
Maintenance	116	121
Utilities	111	100
Advertising and public relations	105	106
Administration, training, studies and fees	156	151
Telecommunications, postage costs and office equipment	28	30
Loss allowance	34	34
Taxes other than income taxes	15	32
Other non-workforce expenses	73	112
Total	722	790

The increase in Other Non-Workforce expenses is mainly related to an impairment on assets held for sale.

Note 28. Depreciation and amortization

(EUR million)	As at 31 December 2023	As at 31 December 2024
Amortization of licenses and other intangible assets	525	581
Depreciation of property, plant and equipment	572	575
Depreciation of right of use	88	103
Total	1,185	1,259

Note 29. Net finance cost

(EUR million)	As at 31 December 2023	2024
Finance income	10	27
Interest income on financial instruments		
At amortized costs	7	17
Fair value adjustments of financial instruments		
Not in a hedge relationship - FVTPL	0	4
Other finance income	2	5
Finance costs	-119	-186
Interests and debt charges on financial instruments at amortized costs		
Interests charges on non-current debenture (bonds and loans)	-65	-119
Deferral of debentures issuance costs	-3	-4
Recycling to profit or (loss) of matured hedged	4	14
Lease interests	-8	-11
Interest charges on long term payables	-32	-37
Interests charges on short term debt	-9	-9
Fair value adjustments of financial instruments		
Not in a hedge relationship - FVTPL		
Zero collar swaption	13	-1
Currency option	-1	-1
Interest rate swaps	0	-4
Put option on non-controlling interests	-2	-2
VPPA	-6	0
Discounting charges		
On provisions	-2	0
On pensions and other post-employment benefits	-7	-7
Other finance costs	-3	-4
Total	-110	-159

Main items affecting negatively the Group net finance cost

The increase in interest on unsubordinated debentures (EUR – 55 million) is primarily due to the progressive rise in Proximus' debt, which includes bond issuances in March 2023 (EUR 500 million), November 2023 (EUR 750 million), as well as April 2024 (EUR 700 million). This effect is partially offset by the repayment of a bond (EUR 600 million) in April 2024. The growth in interest expenses is also impacted by the interest recognized (EUR 15 million) on long-term loans consolidated by Proximus following the acquisitions of Fiberklaar and Route Mobile.

Lower (EUR -15 million) positive remeasurement to fair value of the zero-collar swaption entered in May 2023 by the Group to protect the positive Mark-to-Market value of the existing pre-hedge for April 2025. The Group does not apply hedge accounting to this transaction.

Unfavourable remeasurements to fair value (EUR - 4 million) of the hedges entered by Fiberklaar to cover its exposure to the variability in cash flows attributable to its long-term borrowings.

Interest charges on long term payables, include essentially the interests due on the spectrum liabilities, which were negatively affected by the evolution of the interest rates.

Main items affecting positively the Group net finance cost

The increase in short-term interest of EUR 10 million is primarily due to an average cash surplus that was higher than in 2023.

The positive remeasurement of €4 million for the EUR/INR option was entered into by the Group as a hedge against currency risk related to the Mandatory Takeover Offer (MTO) conducted in accordance with Indian regulations, following the acquisition of Route Mobile (see note 32.1).

The positive impact (EUR 10 million) of the recycling to profit of the two interest-rates hedges, to which the Group applied hedge accounting, and that were unwound in March and November 2023 when the corresponding bonds were issued.

The remeasurement to fair value of the Virtual Power Purchase Agreements, a hedging instrument to which the Group does not apply hedge accounting, amounted to EUR - 6 million in 2023. The value of this instrument stabilized in 2024 around its value at year end 2023.

Note 30. Earnings per share

Basic earnings per share are calculated by dividing the net income for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net income for the year attributable to ordinary shareholders, by the weighted average number of ordinary shares outstanding during the year, both adjusted for the effects of dilutive potential ordinary shares.

The following table reflects the income and share data used in the computation of basic and diluted earnings per share.

	As at 31 December	
	2023	2024
Net income attributable to ordinary shareholders (EUR million)	357	447
Adjusted net income for calculating diluted earnings per share (EUR million)	357	447
Weighted average number of outstanding ordinary shares	322,442,197	322,573,717
Weighted average number of outstanding ordinary shares for diluted earnings per share	322,442,197	322,573,717
Basic earnings per share (EUR)	1.11	1.39
Diluted earnings per share (EUR)	1.11	1.39

The sale of shares to the company management under share purchase plans at a discount of 16.70% had a dilutive effect, as did the 75,000 shares granted to the Chief Executive Officer at no cost (see note 35). The effect was insignificant in both 2024 and 2023.

Note 31. Dividends paid and proposed

	2023	2024
Dividends on ordinary shares:		
Proposed dividends (EUR million)	388	194
Number of outstanding shares with dividend rights	323,317,404	323,155,376
Dividend per share (EUR)	1.2	0.6
Interim dividend paid to the shareholders (EUR million)	161	161
Interim dividend per share (EUR)	0.5	0.5

The proposed dividends for 2023 have been effectively paid in April 2024, net of the interim dividend paid in December 2023. The interim dividends for 2024 have been paid in December 2024.

Note 32. Additional disclosures on financial instruments

Note 32.1. Derivatives

The Group makes use of derivatives such as interest rate swaps (IRS), interest rate and currency swaps (IRCS), forward foreign exchange contracts and currency options. In the tables below, derivatives to which the Group applies hedge accounting are referred to as "Derivatives held-for-hedging".

		As at 31 December	
(EUR million)	**Note**	**2023**	**2024**
Non-current assets			
Derivatives held-for-hedging	12	58	0
Derivatives held-for-trading		13	0
Other derivatives	12	0	1
Current assets			
Derivatives held-for-hedging	15	2	57
Derivatives held-for-trading	15	2	12
Total assets		76	70
Non-current liabilities			
Derivatives held-for-trading		3	4
Current liabilities			
Derivatives held-for-hedging		1	1
Derivatives held-for-trading		2	13
Total liabilities		5	18

The tables below show the positive and negative fair value of derivatives, included in the balance sheet respectively as current/non-current assets or liabilities.

As at 31 December 2024	Fair value	
(EUR million)	Asset	Liability
Forward foreign exchange contracts	1	-1
Interest rate swaps	56	0
Derivatives qualifying for hedge accounting	57	-1
Virtual Power Purchase Agreement (VPPA)	0	-4
Zero collar swaption	12	0
Interest rate and currency swaps	0	-1
Interest rate swaps	0	-9
Interests and currency related - other derivatives	1	0
Forward foreign exchange contracts	0	-3
Derivatives not qualifying for hedge accounting	14	-17
Total	70	-18

As at 31 December 2023	Fair value	
(EUR million)	Asset	Liability
Forward foreign exchange contracts	2	-1
Interest rate swaps	58	0
Derivatives qualifying for hedge accounting	60	-1
Virtual Power Purchase Agreement (VPPA)	0	-3
Zero collar swaption	13	0
Forward foreign exchange contracts	2	0
Non-deliverable currency option	0	-1
Derivatives not qualifying for hedge accounting	16	-5
Total	76	-5

The group entered a forward interest rate swap for a notional amount of EUR 500 million on February 2022 to cover the Group exposure to the variability in cash flows attributable to the long-term interest rate risk associated with a highly probable forecasted transactions, being a 10-year bond to be issued in April 2025 (Note 12). The Group applies hedge accounting to this swap (cash flow hedging). The fair value of this instrument amounted to EUR 56 million in 2024 and EUR 58 million in 2023.

In order to preserve the positive Mark-to-Market value of the existing pre-hedge for April 2025, Proximus entered in May 2023 a swaption collar. The trade was structured as a zero-cost collar swaption, so that there was no upfront premium to be paid. The Group does not apply hedge accounting to this transaction. The fair value of this financial instrument amounted to EUR 12 million as of 31 December 2024 and EUR 13 million as at 31 December 2023.

Fiberklaar, an entity specializing in the rollout of fiber optic networks and controlled by Proximus since May 1, 2024, has signed a loan agreement with a credit institution to finance the rollout of its fiber optic network. The credit line negotiated under the loan agreement is drawn quarterly, according to Fiberklaar needs. The interest rate applicable to the entire amount borrowed is variable and reviewed quarterly. The entire credit line will be repayable in full in October 2028. Fiberklaar has hedged its exposure to the variability of cash flows attributable to the long-term interest rate risk associated with the utilization of the credit line by entering into a forward interest rate swap for a notional amount of up to EUR 750 million. The entity does not apply hedge accounting to this interest-rate swap. The fair value of this instrument amounted to - 9 million euros as of December 31, 2024.

On 17 July 2023, Proximus Group has signed a definitive agreement to acquire through Proximus Global, a 58% interest in Route Mobile, a global company specialized in CPaaS services, listen on NSE and BSE in India with a market capitalization of EUR 1.1billion. At the signing of the deal the Group entered a derivative foreign exchange forward contract in a hedge accounting relationship, in order to hedge against exposure to changes in the Indian rupee exchange rate for the purchase consideration between signing and closing. The Group applies hedge accounting to this hedging transaction. The fair value of this financial instrument amounted to EUR 2 million as of 31 December 2023. It was settled in April 2024 for a total amount of EUR 26 million in favour of Proximus Group.

The acquisition of the majority stake in Route Mobile was expected to trigger, in accordance with Indian regulations, a Mandatory Takeover Offer (MTO) for up to 26% of the total shares outstanding. This MTO occurred, as a result of which Proximus Group acquired an additional 25.11% interest in Route Mobile. Proximus Group entered an EUR/INR option for this MTO process. The Group did not apply hedge accounting to this hedging transaction. This hedging instrument is remeasured to Fair Value through P&L (financial result). Its fair value amounted to EUR -1 million as of 31 December 2023. It was settled in March 2024 for a total amount of EUR 2.6 million in favour of Proximus Group.

Interest rate and currency swaps (IRCS) are used to manage the currency and interest rate exposure on outstanding JPY 1.5 billion unsubordinated debentures (see note 19). The value of the IRCS was immaterial in 2023 and amounted to EUR -1 million as of 31 December 2024.

Note 32.2. Financial risk management objectives and policies

The Group's main financial instruments comprise unsubordinated debentures, trade receivables and trade payables. The main risks arising from the Group's use of financial instruments are interest rate risk, foreign currency risk, liquidity risk and credit risk.

All financial activities are subject to the principle of risk minimization. To achieve this, all matters related to funding, foreign exchange, interest rate and counterparty risk management are handled by a centralized Group Treasury department. Simulations are performed using different market (including worst case) scenarios with a view to estimating the effects of varying market conditions. All financial transactions and financial risk positions are managed and monitored in a centralized treasury management system.

Group Treasury operations are conducted within a framework of policies and guidelines approved by the Leadership Squad and the Board of Directors. Group Treasury is responsible for implementing these policies. According to the policies, derivatives are used to hedge interest rate and currency exposures. Derivatives are used exclusively as hedging instruments, i.e., not for trading or other speculative purposes. Derivatives used by the Group mainly include forward exchange contracts, interest rate swaps and currency options.

The tables below provide a reconciliation of changes in equity and statement of OCI by hedge type for 2024 and 2023

(EUR million)	Note	Gain taken to equity	Transfer to profit or loss for the period
Cash flow hedge on foreign currency transactions	OCI	-1	0
Interest rate swaps	OCI	-1	0
Amortization of cumulated remeasurements of settled interest rate swap	OCI	0	-10
Changes in other comprehensive income in relation with cash flow hedges		-3	-10

OCI = other comprehensive income

The amount of EUR – 10 million corresponds to the recycling to profit of four hedges, entered in relation with future issuance of bonds, and that matured in 2018, 2021 and 2023.

(EUR million)	Note	Gain taken to equity	Transfer to profit or loss for the period
Cash flow hedge on foreign currency transactions	OCI	2	0
Interest rate swaps	OCI	-12	0
Amortization of cumulated remeasurements of settled interest rate swap	OCI	0	-3
Changes in other comprehensive income in relation with cash flow hedges		-10	-3

OCI = other comprehensive income

The amount of EUR – 12 million corresponds to the negative remeasurement to fair value of the interest rate hedges during the year, two of which settled respectively in March and November 2023.

Interest rate risk

The Group's exposure to changing market interest rates primarily relates to its long-term financial obligations. Group Treasury manages exposure of the Group to changes in interest rates and the overall cost of financing by using a mix of fixed and variable rate debts, in accordance with the Group's financial risk management policies. The aim of such policies is to achieve an optimal balance between total cost of funding, risk minimization and avoidance of volatility in financial results, whilst considering market conditions and opportunities as well as overall business strategy.

Proximus' non-current interest-bearing liabilities (including their current portions) as at 31 December 2024 and 2023 were mainly fixed-rate debts, as shown in the tables below. These tables also show the average interest rate of these debts, as well as their average time to maturity and the effect of the interest rate and currency swap agreements (IRCS) on the bond labelled in JPY. Lease liabilities and current interest-bearing liabilities are not considered in these two tables.

The weighted average interest rates shown in the tables below include the effects of the hedges entered to cover the Group exposure to the variability in cash flows attributable to the long-term interest rate risk associated with bonds to be issued and that were issued as planned, in 2018, 2021 and 2023.

	As at 31 December 2024								
	Direct borrowing			IRCS agreements			Net obligations		
	Notional amount	Weighted average interest rate (1)	Average time to maturity	Amount payable (receivable)	Weighted average interest rate (1)	Average time to maturity	Amount payable (receivable)	Weighted average interest rate (1)	Average time to maturity
	(EUR million)		(in years)	(EUR million)		(in years)	(EUR million)		(in years)
EUR									
Fixed	5,180	2.85%	7				5,180	2.85%	7
Variable				11	2.48%	2	11	2.48%	2
JPY									
Fixed	11	5.04%	2	-11	-5.04%	2			
Variable									
USD									
Variable	20	7.27%	1				20	7.26%	1
Total	5,211	2.85%	7	0			5,211	2.85%	7

(1) Weighted average interest rate taking into account last repriced interest rates for floating borrowings.

The loans from credit institutions labelled in USD are financial liabilities assumed from Route Mobile when Proximus Group acquired the control of this entity in 2024.

The Group issued two bonds in 2024, among which an EUR 700 million hybrid bond classified as equity instrument (see notes 2 and 18), for a total notional amount of EUR 1,400 million and repaid a maturing bond for an amount of EUR 600 million. The table above includes the hybrid bond. The Group also assumed an additional loan from credit institutions when it acquired the control of Fiberklaar (see note 8.4). The carrying amount of this loan amounted to EUR 480 million as of 31 December 2024.

	As at 31 December 2023								
	Direct borrowing			IRCS agreements			Net obligations		
	Notional amount	Weighted average interest rate (1)	Average time to maturity	Amount payable (receivable)	Weighted average interest rate (1)	Average time to maturity	Amount payable (receivable)	Weighted average interest rate (1)	Average time to maturity
	(EUR million)		(in years)	(EUR million)		(in years)	(EUR million)		(in years)
EUR									
Fixed	3,900	1.97%	7				3,900	1.97%	7
Variable				11	3.76%	2.96	11	3.76%	3
JPY									
Fixed	11	5.04%	3	-11	-5.04%	2.96			
Total	**3,911**	**1.98%**	**7**	**0**			**3,911**	**1.98%**	**7**

(1) Weighted average interest rate taking into account last repriced interest rates for floating borrowings.

The Group issued two bonds in 2023 for a notional amount of EUR 1,250 million and repaid a maturing bond for an amount of EUR 100 million. The Group acquired spectrum licences in 2022 (see Note 4) and the corresponding unique fees (fixed amounts) are payable in annual instalments over the duration of the contractual rights acquired. The interest rate applicable to the outstanding liabilities is variable (see note 21) and revised annually. The Group does not hedge its exposure to the variability in cash flows attributable to changes in this interest rate.

Foreign currency risk

The Group's main currency exposures result from its operating activities. Such exposure arises from sales or purchases by operating units in currencies other than their balance sheet currency. Transactions in foreign currencies mainly occur in the global segment, including International Carrier Services ("BICS"), TeleSign and Route Mobile, an entity acquired in 2024. Indeed, their activities generate payments to and receipts from the companies they interact with in various foreign currencies. Next to these, Proximus as well as several of its affiliates also engage in international activities (ICT, roaming, capital and operating expenditure) giving rise to currency exposures.

Risks from foreign currencies are hedged to the extent that they are liable to influence the Group's cash flows. Foreign currency risks that do not influence the Group's cash flows (i.e., the risks resulting from the translation of assets and liabilities of foreign operations into the Group's reporting currency) as a rule are not hedged. However, the Group could envisage hedging such so-called translation differences should their potential impact become material to the Group's consolidated financial statements.

The typical financial instruments used to hedge foreign currency risk are forward foreign exchange contracts and currency options.

In 2024 and 2023, the Group only incurred currency exposures relative to its operating activities. Foreign currency transactions are recognized in functional currency on initial recognition at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at balance sheet date using the exchange rate at that date. The net exchange difference on the translation of these monetary assets and liabilities are recorded via the income statement. However, in a limited number of cases, hedge accounting has been applied, the effective portion of the gains and losses on the hedging instrument is recognized via other comprehensive income until the hedged item occurs. If the hedged transaction leads to the recognition of an asset, the carrying amount of the asset at the time of initial recognition incorporates the amount previously recognized via other comprehensive income. The ineffective portion of a cash flow hedge is always recognized in profit or loss.

The Group performed a sensitivity analysis on the main currency pairs to which it is exposed in its operating activities, for the year 2024.

Foreign currency Group's net position as at 31/12/2024 (in currency)			P&L effect if foreign								Closing rate
			-15.0%	-10.0%	-5.0%	-2.5%	2.5%	5.0%	10.0%	15.0%	
4,218,629	USD	USD/EUR	-609,100	-406,067	-203,033	-101,517	101,517	203,033	406,067	609,100	0.96
-890,073	GBP	GBP/EUR	161,016	107,344	53,672	26,836	-26,836	-53,672	-107,344	-161,016	1.21
-3,364,907	CHF	CHF/EUR	536,269	357,512	178,756	89,378	-89,378	-178,756	-357,512	-536,269	1.06
7,194,197	SDR	SDR/EUR	-1,354,113	-902,742	-451,371	-225,686	225,686	451,371	902,742	1,354,113	1.25
3,506,976	AUD	AUD/EUR	-313,646	-209,097	-104,549	-52,274	52,274	104,549	209,097	313,646	0.60
4,218,629	EUR	EUR/USD	-632,794	-421,863	-210,931	-105,466	105,466	210,931	421,863	632,794	1.04
487,499	EUR	EUR/INR	-73,125	-48,750	-24,375	-12,187	12,187	24,375	48,750	73,125	88.93
-530,342	USD	USD/INR	76,573	51,048	25,524	12,762	-12,762	-25,524	-51,048	-76,573	85.60
6,899,311	EUR	EUR/GBP	-1,034,897	-689,931	-344,966	-172,483	172,483	344,966	689,931	1,034,897	0.83
-16,717,538	USD	USD/GBP	2,413,736	1,609,158	804,579	402,289	-402,289	-804,579	-1,609,158	-2,413,736	0.80
-242,190	EUR	EUR/AED	36,328	24,219	12,109	6,055	-6,055	-12,109	-24,219	-36,328	3.80
395,001	GBP	GBP/AED	-71,456	-47,638	-23,819	-11,909	11,909	23,819	47,638	71,456	4.59
-466,527	USD	USD/COP	67,359	44,906	22,453	11,226	-11,226	-22,453	-44,906	-67,359	4386.71

Notes:

- Net position, in the table above, is defined as the sum, for all Group entities with the same balance sheet (base) currency, of cash positions in foreign currencies, customers' and suppliers' invoices expressed in foreign currencies, and currency derivatives. Foreign currency positions are expressed in their respective currencies (not translated in EUR).
- +xx % means when foreign currency wins xx % vs. its base currency. The result is converted in EUR.
- -xx% means when foreign currency loses xx% vs. its base currency. The result is converted in EUR.
- A positive sign means a profit in P&L
- A negative sign means a loss in P&L

Credit risk and significant concentrations of credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk encompasses all forms of counterparty exposure, i.e. where counterparties may default on their obligations to Proximus in relation to lending, hedging, settlement and other financial activities.

The Group's maximum exposure to credit risk (not taking into account the value of any collateral or other security held) in the event the counterparties fail to perform their obligations in relation to each class of recognized financial assets, including derivatives with positive market value, is the carrying amount of those assets in the balance sheet and bank guarantees granted.

To reduce the credit risk in respect of financing activities and cash management of the Group, transactions are only entered into with leading financial institutions whose long-term credit ratings equal at least A- (S&P).

The Group applies the IFRS 9 simplified approach for measuring the expected credit losses for trade receivables and contract assets, meaning the lifetime expected credit loss. The determination of this loss allowance might be at portfolio or individual level, depending on the assessed risk related to the customer.

Credit risk on operating activities with significant clients is managed and controlled on an individualized basis. When needed, the Group requests additional collaterals. These significant customers are however not material to the Group, since the client portfolio of the Group is mainly composed of many small customers. Hence, credit risk and concentration of credit risk on trade receivables is limited. For amounts receivable from other telecommunication companies, the concentration of credit risk is also limited due to netting agreements (see note 14.3) with accounts payable to these companies, prepayment obligations, bank guarantees, parent guarantees and the use of credit limits obtained via credit insurance.

The Group is exposed to credit loss in the event of non-performance by counterparty on short-term bank deposits and financial derivatives (see note 32.2). However, the Group does not anticipate non-performance by any of these counterparties as it only deals with prime financial institutions, and, as a rule, only invests in highly liquid and short-term securities (mainly cash and cash equivalents), for which, seen the excellent rating of the counterparts, the Group do not calculate loss allowances provisions.

Moreover, the Group monitors potential changes in credit risk on counterparties by tracking their external credit ratings on an ongoing basis as well as evolutions in its bank's credit default swap rates (a leading indicator often anticipating on future rating changes).

In addition, the Group is exposed to credit risk by occasionally granting non-recourse bank guarantees in favour of some of its institutional or governmental clients. It had granted bank guarantees for an amount of EUR 52 million as at 31 December 2024 (EUR 102 million at 31 December 2023).

Finally, the Group has not pledged any financial assets, nor does it hold any collateral against any of its counterparties, except for all shares held by Midco Unifiber in Unifiber, as explained in note 8.3.2.

Liquidity risk

In accordance with the treasury policy, Group Treasury manages its overall cost of financing by using a mix of fixed and variable rate debts.

A liquidity reserve in the form of credit lines and cash is maintained to always guarantee the solvency and financial flexibility of the Group. For this purpose, Proximus entered committed bilateral credit agreements with different maturities and into a committed sustainable linked Syndicated Revolving Facilities for a total amount of EUR 750 million (EUR 750 million in 2023). For medium to long-term funding, the Group uses bonds and medium-term notes. The maturity profile of the debt portfolio is spread over several years. Group Treasury frequently assesses its funding resources considering its own credit rating and general market conditions.

The table below summarizes the maturity profile of the Group's non-current (and related current portions) interest-bearing liabilities at each reporting date. This maturity profile is based on contractual undiscounted interest payments and capital reimbursements. For floating rate liabilities, interest rates used to determine cash outflows are the ones prevailing at their last price fixing date before reporting date (as of 31 December 2024 and 2023, respectively). Lease liabilities (for the leasing liabilities maturity profile, see note 6), derivatives and current interests-bearing liabilities are not considered in this table.

(EUR million)	2024	2025	2026	2027	2028	2028-2040
As at 31 December 2023						
Capital	610	509	18	7	155	2,650
Interests	95	81	71	71	70	272
Total	705	590	89	77	225	2,922
As at 31 December 2024						
Capital		526	21	7	1,035	2,950
Interests		135	125	124	124	429
Total		661	146	131	1,159	3,379

The tables below summarize for 2024 and 2023, the repayment of spectrum liabilities and interest payments on the outstanding balance. The interest shown in this table is calculated based on a rate of 4.5% for 2024 and the remaining maturities (respectively 5.75% and 5% in 2023). Spectrum liabilities are included in the current and non-current interest-bearing liabilities.

(EUR million)	2025	2026	2027	2028	2028-2042
As at 31 December 2024					
Capital	37	37	39	39	419
Interests	23	22	20	19	105
Total	61	59	60	57	524

(EUR million)	2025	2026	2027	2028	2028-2042
As at 31 December 2023					
Capital	37	37	37	37	412
Interests	26	24	22	21	116
Total	63	61	59	57	528

Bank credit facilities at 31 December 2024

In addition to the interest-bearing liabilities disclosed in notes 19.1 and 19.2, the Group is backed by committed credit facilities of EUR 750 million (EUR 750 million in 2023). These facilities are provided by a diversified group of Belgian and international banks. As at 31 December 2024, there were no outstanding balances under any of these facilities. A total of EUR 750 million (EUR 750 million in 2023) of credit lines was therefore available for drawdown as at 31 December 2024.

The Group also uses a EUR 5 billion Euro Medium-term Note ("EMTN") Program and a EUR 1 billion Commercial Paper ("CP") Program. As at 31 December 2024, there was an outstanding balance under the EMTN Program of EUR 3,600 million, whereas the Commercial Paper Program was fully undrawn with an outstanding amount of EUR 0 million.

Supplier finance arrangements

Proximus utilized bills of exchange to extend the payment term for one of its vendors from 30 days to the Proximus' standard payment term of 60 days. The extension to the payment term of 60 days is subject to a standard interest rate based on market conditions. Since these liabilities are for goods or services formally invoiced by suppliers and are part of the working capital used in Proximus' normal operating cycle, they remain classified as trade payables on the Balance Sheet, along with other trade payables.

(EUR million)	As at 31 December 2023	As at 31 December 2024
Carrying amount of the financial liabilities that are subject to supplier finance arrangements	15	18
Presented as part of "Trade and other payables", including:	15	18
Trade payables for which suppliers have already received payment from the finance provide	15	18

Note 32.3. Net financial position of the Group and capital management

The Group defines the net financial position as the net amount of investments, cash and cash equivalents minus any interest-bearing financial liabilities and related derivatives, including re-measurement to fair value and lease liabilities. The net financial position does not include non-current trade payables.

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

		As at 31 December	As at 31 December
(EUR million)	Note	2023	2024
Investments, Cash and cash equivalents	16 / 17	716	538
Derivatives (current and non-current)	12	72	57
Assets		787	595
Non-current liabilities (*)	19.1	-3,518	-4,175
Current liabilities (*)	19.2	-699	-626
Liabilities		-4,217	-4,801
Net financial position (*)		-3,429	-4,206
Of which Leasing liabilities		298	294
Adjusted financial position (**)		-3,131	-3,912

(*) Including derivatives and leasing liabilities

(**) The adjusted financial position excludes leasing liabilities

The purpose of the Group's capital management is to maintain net financial debt and equity ratios that always allow for security of liquidity via flexible access to capital markets, 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, except for the shares sold to senior management of the group at a discount of 16.66% and those granted for free to the Group Chief Executive Officer (see note 35).

Note 32.4 Categories of financial instruments

The following tables present the Group's financial instruments per category defined under IFRS 9, as well as gains and losses resulting from re-measurement to fair value.

Based on market conditions at 31 December 2024, the carrying amount of the unsubordinated debentures and of the different loans granted by credit institutions to Proximus SA, Fiberklaar and Route Mobile, and that are accounted for at amortized cost, exceeded by EUR 240 million, or 5%, their fair value (EUR 268 million in 2023, or 7%).

The 2024 and 2023 fair values, calculated for each debenture separately, were obtained by discounting the cumulated cash outflows generated by each debenture with the interest rates at which the Group could borrow at respectively 31 December 2024 and 31 December 2023 for similar debentures with the same remaining maturities.

The Group did not reclassify, during the period, financial instruments from one category to another.

The following table shows the classifications under IFRS 9 for each class of assets and financial liabilities as at 31 Dec 2024. In the tables below, derivatives to which the Group applies hedge accounting are referred to as “Derivatives held-for-hedging”.

The following table shows the classifications under IFRS 9 for each class of assets and financial liabilities as at 31 Dec 2024

As at 31 December 2024 (EUR million)	Note	Classification under IFRS 9	Carrying amount under IFRS 9	Fair value
ASSETS				
Non-current assets				
Equity investments	9	FVOCI	2	2
Other non-current assets				
Derivatives held for trading	32.1	FVTPL	1	1
Other financial assets		Amortized cost	12	12
Current assets				
Trade receivables	14	Amortized cost	1,046	1,046
Interests bearing				
Other receivables		Amortized cost	5	5
Non-interests bearing				
Other receivables		Amortized cost	46	46
Derivatives held for trading	32.1	FVTPL	12	12
Derivatives held-for-hedging	32.1	Hedging instrument	56	56
Derivatives held-for-hedging	32.1	Hedging instrument	1	1
Investments	16	FVTPL	2	2
Investments	16	Amortized cost	40	40
Cash and cash equivalents				
Short-term deposits	17	Amortized cost	252	252
Cash at bank and in hand	17	Amortized cost	245	245
LIABILITIES				
Non-current liabilities				
Interest-bearing liabilities				
Unsubordinated debt (bonds, notes)	19.1	Amortized cost	3,079	2,898
Credit institutions	19.1	Amortized cost	884	862
Other loans	19.1	Amortized cost	19	19
Non-interest-bearing liabilities				
Derivatives held-for-trading	32.1	FVTPL	3	3
Derivatives held-for-trading	32.1	FVTPL	1	1
Other non-current payables	21	FVTPL	2	2
Other non-current payables	21	Amortized cost	26	26
Other amounts payable, interest-bearing		Amortized cost	522	522
Current liabilities				
Interest-bearing liabilities, current portion				
Unsubordinated debt (bonds, notes)	19.2	Amortized cost	499	495
Credit institutions	19.2	Amortized cost	17	17
Other loans	19.2	Amortized cost	9	9
Trade payables		Amortized cost	1,508	1,508
Other current payables				
Derivatives held-for-hedging	32.1	Hedging instrument	1	1
Derivatives held for trading	32.1	FVTPL	3	3
Derivatives held for trading	32.1	FVTPL	9	9
Other debt		FVTPL	8	8
Other amounts payable		Amortized cost	571	571
Other amounts payable, interest-bearing		Amortized cost	37	37

FVTPL: Financial assets/liabilities at fair value through profit and loss

FVTOCI: Financial assets at fair value through other comprehensive income

The following table shows the classifications under IFRS 9 for each class of assets and financial liabilities as at 31 Dec 2023

As at 31 December 2023 (EUR million)	Note	Classification under IFRS 9	Carrying amount under IFRS 9	Fair value
ASSETS				
Non-current assets				
Equity investments	9	FVOCI	3	3
Other non-current assets				
Derivatives held for trading	32.1	FVTPL	13	13
Derivatives held-for-hedging	32.1	Hedging instrument	58	58
Other financial assets		Amortized cost	6	6
Current assets				
Trade receivables	14	Amortized cost	866	866
Interests bearing				
Other receivables		Amortized cost	15	15
Non-interests bearing				
Other receivables		Amortized cost	19	19
Derivatives held for trading	32.1	FVTPL	2	2
Derivatives held-for-hedging	32.1	Hedging instrument	2	2
Cash and cash equivalents				
Short-term deposits	17	Amortized cost	488	488
Cash at bank and in hand	17	Amortized cost	227	227
LIABILITIES				
32.1				
Interest-bearing liabilities				
Unsubordinated debt (bonds, notes)	19.1	Amortized cost	2,881	2,684
Credit institutions	19.1	Amortized cost	400	370
Other loans	19.1	Amortized cost	27	27
Non-interest-bearing liabilities				
Derivatives held-for-trading	32.1	FVTPL	3	3
Other non-current payables	21	Amortized cost	43	43
Other amounts payable, interest-bearing		Amortized cost	559	559
Current liabilities				
Interest-bearing liabilities, current portion				
Unsubordinated debt (bonds, notes)	18	Amortized cost	600	597
Other loans	19.1	Amortized cost	10	10
Interest-bearing liabilities				
Credit institutions		Amortized cost	1	1
Trade payables		Amortized cost	1,433	1,433
Other current payables				
Derivatives held for trading	32.1	FVTPL	1	1
Derivatives held for trading	32.1	FVTPL	1	1
Derivatives held-for-hedging	32.1	Hedging instrument	1	1
Other debt		FVTPL	5	5
Other amounts payable		Amortized cost	453	453
Other amounts payable, interest-bearing		Amortized cost	37	37

FVTPL: Financial assets/liabilities at fair value through profit and loss

FVTOCI: Financial assets at fair value through other comprehensive income

Note 32.5 Fair value of financial assets and liabilities

Financial instruments measured at fair value are disclosed in the table below according to the valuation technique used. The hierarchy between the techniques reflects the significance of the inputs used in making the measurements:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable for the asset or liability, either directly or indirectly.

Level 3: valuation techniques for which all inputs which have a significant effect on the recorded fair value are not based on observable market data.

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

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

- Derivatives in Level 2

These derivatives include mainly the interest rate swaps and interest rate and currency swaps (IRCS) the Group entered to reduce the interest rate and currency fluctuations on some of its long-term debentures and also the zero-collar swaption entered into to preserve the positive Mark-to-Market value of the existing pre-hedge for April 2025. The fair values of these instruments are determined by discounting the expected contractual cash flows using interest rate curves in the corresponding currencies and currency exchange rates, all observable on active markets.

- Unsubordinated debentures

The unsubordinated debentures are recognized at amortized cost. Their fair values, calculated for each debenture separately, were obtained by discounting the interest rates at which the Group could borrow at 31 December 2023 for similar debentures with the same remaining maturities.

The financial instruments classified among the level 3 category include:

- Virtual Power Purchase Agreement

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

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

The remeasurement to fair value of the VPPA in 2024 resulted in a cost of less than EUR 1 million.

- Put option

The put option is the right granted to the former owner of Be-Mobile to sell its own remaining shares to Proximus at specific times for a price to be determined in accordance with contractually agreed terms. The elements on which the valuation is based are not directly or indirectly observable on the market. The instrument fair value is very depending on Be-mobile realistic present and future performances.

The fair value of the put option increased by EUR 2 million compared to its value as of 31 December 2023.

- Contingent consideration related to Route Mobile

Route Mobile's net asset acquired included a contingent liability related to a past business combination. This financial liability is classified as a level 3 financial instrument measured at fair value.

The table below shows the changes in this debt since the acquisition date (in M€)

(EUR million)	
Balance as at acquisition date (01/05/24)	8
Fair value change of contingent consideration	-5
Payment of purchase consideration for business combination	-2
Foreign currency translations adjustment	1
Balance as at 31 December 2024	2

The tables below disclose the Group assets and liabilities measure at fair value and their classification (level 1, 2 or 3), as of 31 December 2024 and 2023.

As at 31 December 2024				Fair values measurement at end of the reporting period using:		
(EUR million)	Note	Classification under IFRS 9	Fair value	Level 1	Level 2	Level 3
ASSETS						
Non-current assets						
Equity investments	9	FVOCI	2			X
Other non-current assets						
Derivatives held for trading	32.1	FVTPL	1		X	
Current assets						
Non-interests bearing						
Derivatives held for trading	32.1	FVTPL	12		X	
Derivatives held-for-hedging	32.1	Hedging instrument	56		X	
Derivatives held-for-hedging	32.1	Hedging instrument	1	X		
Investments	16	FVTPL	2		X	
LIABILITIES						
Non-current liabilities						
Interest-bearing liabilities						
Unsubordinated debt (bonds, notes)	19.1	Amortized cost	2,898		X	
Credit institutions	19.1	Amortized cost	862		X	
Other loans	19.1	Amortized cost	19		X	
Non-interest-bearing liabilities						
Derivatives held-for-trading	32.1	FVTPL	3			X
Derivatives held-for-trading	32.1	FVTPL	1		X	
Other non-current payables	21	FVTPL	2			X
Current liabilities						
Interest-bearing liabilities, current portion						
Unsubordinated debt (bonds, notes)	19.2	Amortized cost	495		X	
Credit institutions	19.2	Amortized cost	17		X	
Other loans	19.2	Amortized cost	9		X	
Other current payables						
Derivatives held-for-hedging	32.1	Hedging instrument	1	X		
Derivatives held for trading	32.1	FVTPL	3	X		
Derivatives held for trading	32.1	FVTPL	9	X		
Other debt		FVTPL	8			X

FVTPL: Financial assets/liabilities at fair value through profit and loss

FVTOCI: Financial assets at fair value through other comprehensive income

As at 31 December 2023				Fair values measurement at end of the reporting period using :		
(EUR million)	Note	Classification under IFRS 9	Fair value	Level 1	Level 2	Level 3
ASSETS						
Non-current assets						
Equity investments	9	FVOCI	3			X
Other non-current assets						
Derivatives held for trading	33.1	FVTPL	13		X	
Derivatives held for hedging	32.1	Hedging instrument	58		X	
Current assets						
Non-interest-bearing receivables						
Derivatives held for trading	32.1	FVTPL	2	X		
Derivatives held-for-hedging	33.1	Hedging instrument	2		X	
LIABILITIES						
Non-current liabilities						
Interest-bearing liabilities						
Unsubordinated debt (bonds, notes) except for their "non-closely related" embedded derivatives	19.1	Amortized cost	2,684		X	
Credit institutions	19.1	Amortized cost	370		X	
Other loans	19.1	Amortized cost	27		X	
Non-interest-bearing liabilities						
Other derivatives	32.1	FVTPL	3			X
Current liabilities						
Interest-bearing liabilities, current portion						
Unsubordinated debt (bonds, notes)	19.2	Amortized cost	597		X	
Other loans	19.2	Amortized cost	10		X	
Interest-bearing liabilities						
Credit institutions	19.2	Amortized cost	1		X	
Non-interest-bearing liabilities						
Derivatives held for trading	32.1	FVTPL	1		X	
Derivatives held for trading	32.1	FVTPL	1			X
Derivatives held-for-hedging	33.1	Hedging instrument	1	X		
Other debt		FVTPL	5			X

FVTPL: Financial assets/liabilities at fair value through profit and loss

FVTOCI: Financial assets at fair value through other comprehensive income

Note 33. Related party disclosures

Note 33.1. Consolidated companies

Subsidiaries, joint-operations, joint-ventures and associates are listed in note 8.

Commercial terms and market prices apply for the supply of goods and services between Group companies.

The transactions between Proximus SA and its subsidiaries, being related parties, are eliminated for the preparation of the consolidated financial statements. The transactions between Proximus SA and its subsidiaries are as follows:

Proximus SA transactions with its subsidiaries and joint operations	As at 31 December	
(EUR million)	2023	2024
Revenues	97	147
Costs of materials and services related to revenue	-121	-106
Net finance costs	-26	-26
Dividends received	245	108

Proximus SA position with its subsidiaries and joint operations	As at 31 December	
(EUR million)	2023	2024
Trade receivables	21	36
Trade payables	-26	-69
Interest-bearing receivables/liabilities	-695	-878
Other receivables and liabilities	-551	-3

Note 33.2. Relationship with shareholders and other State-controlled enterprises.

The Belgian State is the majority shareholder of the Group, with a stake of 53.51%. The Group holds treasury shares for 4.60%. The remaining 41.88% are traded on the First Market of Euronext Brussels.

Relationship with the Belgian State

The Group supplies telecommunication services to the Belgian State and State-related entities. The Group also acquired substantive spectrum rights (note 4 intangible assets with finite useful life) in the spectrum auction organised by regulator BIPT, a State-related entity;. State related enterprises are those that are either State-controlled or State-jointly-controlled or State-influenced. All such transactions are made within normal customer/supplier relationships on terms and conditions that are not more favourable than those available to other customers and suppliers. The services provided to State-related enterprises do not represent a significant component of the Group's net revenue, meaning less than 5%.

Relationship with Belfius Bank NV

Belfius and Proximus, both state-controlled enterprises with the Belgian State as their majority shareholder, have reviewed their strategic partnership. As Belfius is considered a "related party" under IFRS standards, their cooperation agreement required approval from the Board of Directors, which was granted on April 29, 2021, following an independent review. The financial impact of this partnership on consolidated figures was minor as of 2022.

As part of this collaboration, the digital banking app "Banx," launched in 2020 as a sustainable banking experience ("Imagined by Proximus, powered by Belfius"), will be discontinued as of December 24. Despite its innovative approach, scaling Banx in a mature market proved difficult. Instead, Proximus customers will gain access to an exclusive Belfius banking offer, integrated within the Proximus+ app, which provides services related to energy, mobility, and future budget management.

Banx customers will receive support for migrating to Belfius or closing their accounts. Meanwhile, the successful "Beats" program—offering Proximus telecom packs via Belfius channels—will continue, having significantly grown since its 2021 launch. This restructuring strengthens the collaboration between the two enterprises, aligning with their goal of offering an integrated banking and telecom ecosystem while ensuring regulatory compliance and financial stability.

Note 33.3. Relationship with key management personnel

The remuneration of the Board of Directors was decided by the General Shareholders' Meeting of 2004.

The principles of this remuneration remained applicable in 2024 and no substantial change of the policy is expected: it foresees an annual fixed compensation of EUR 50,000 for the Chairman of the Board of Directors and of EUR 25,000 for the other members of the Board of Directors, except for the CEO. All members of the Board of Directors, except for the CEO, have the right to an attendance fee of EUR 5,000 per attended meeting of the Board of Directors. This fee is doubled for the Chairman. Attendance fees of EUR 2,500 are foreseen for each member of an advisory committee of the Board of Directors, except for the CEO. For the Chairman of the respective advisory committee, these attendance fees are doubled.

The members also receive EUR 2,000 per year for communication costs. For the Chairman of the Board of Directors, the communication costs are also doubled.

The Chairman of the Board of Directors is also Chairman of the Joint Committee and of the Pension Fund and Proximus ART. He is member of the Board of Connectimmo, our real estate affiliate); He does not receive any fees for these mandates.

For the performance of their Board mandates, the non-executive Directors do not receive any variable performance-based remuneration, nor do they receive benefits linked to complementary pension plans or any other group insurance.

The total remuneration for the Directors amounted to gross EUR 1.296.068 for 2024 and to gross EUR 1.491.432 for 2023. The directors have not received any loan or advance from the Group.

The number of meetings of the Board of Directors and advising committees are detailed as follows:

	2023	2024
Board of Directors	14	10
Audit and Compliance Committee	6	6
Nomination and Remuneration Committee	5	6
Transformation & Innovation Committee	2	2
International Committee	0	2

In its meeting of 24 February 2011, the Board adopted a "related party transactions policy" which was updated in September 2016, which governs all transactions or other contractual relationships between the company and its board members. Proximus has contractual relationships and is also a vendor for telephony, Internet and/or ICT services for many of the companies in which Board members have an executive or non-executive mandate. These transactions take place in the ordinary course of business and are arm's length of nature.

For the year ended 31 December 2023, a total gross amount (included the long-term performance-based payments) of EUR 9,110,937 (before employer social security costs) was paid or granted in aggregate to the members of the Leadership Squad, Chief Executive Officer included. In 2023, the members of the Leadership Squad were Guillaume Boutin, Dirk Lybaert (until 1 September 2023), Ben Appel (as of 16 August 2023), Geert Standaert, Renaud Tilmans, Jan Van Acoleyen, Anne-Sophie Lotgering, Jim Casteele, Antonietta Mastroianni and Mark Reid.

For the year ended 31 December 2024, a total gross amount (included the long-term performance-based payments) of EUR 10,115,929 (before employer social security costs) was paid or granted in aggregate to the members of the Leadership Squad, Chief Executive Officer included. In 2024, the members of the Leadership Squad were Guillaume Boutin, Geert Standaert, Renaud Tilmans, Jan Van Acoleyen, Anne-Sophie Lotgering, Jim Casteele, Antonietta Mastroianni, Mark Reid and Ben Appel.These total amounts of key management compensation include the following components:

- Short-term employee benefits: annual salary (base and short-term variable) as well as other short-term employee benefits such as medical insurance, private use of management cars, meal vouchers, and excluding employer social security contributions paid on these benefits.
- Post-employment benefits: insurance premiums paid by the Group in the name of members of the Executive Committee. The premiums cover mainly a post-retirement complementary pension plan.
- Performance based payments (long-term):
  - In 2024, the Group Chief Executive Office (CEO) was granted 75.000 shares for free under a deferred share-based remuneration plan. These shares, irrevocably awarded, are subject to a three-year blocking period creating pay-out rights as from August 2027 only.
  - under the Performance Value Plan, which creates pay-out rights in May 2026 (granted in 2023) or in May 2027 (granted in 2024) depending on the achievement of company driven performance criteria which consist of the free cash flow, a reputation KPI, the company's Total Shareholder Return compared to a predefined group of other European telecom operators and Environmental, Social and Governance KPI.

	As at 31 December	
EUR	2023	2024
Short-term employee benefits	6,411,511	7,198,593
Post-employment benefits	1,186,739	922,766
Termination benefits		
Performance based payments	1,512,687	1,994,570
Total	9,110,937	10,115,929

* All these amounts are gross amounts before employer's social contribution

Note 33.4. Regulations

The telecommunications sector is regulated by European legislation, Belgian federal and regional legislation and by decisions of sectors specific regulators (the Belgian Institute for Postal services and Telecommunications, commonly referred to as the "BIPT/IBPT" and the regional regulators competent for media) or administrative bodies such as the Competition authorities.

Note 34. Rights, commitments and contingent liabilities

Note 34.1. Claims, legal and tax proceedings

Our policies and procedures are designed to comply with all applicable laws, accounting and reporting requirements, regulations and tax requirements, including those imposed by foreign countries, the EU, as well as applicable labour laws.

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 as well as changes in laws and regulations or the way 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 impacts of our financial statements.

The telecommunications industry and related service businesses are characterized by the existence of many patents and trademarks. Litigation based on allegations of patent infringement or other violations of intellectual property rights is common. As the number of entrants into the market grows and the overlap of product functions increases, the possibility of an intellectual property infringement claim against Proximus increases.

Proximus is currently involved in various claims and legal proceedings, including those for which a provision has been made and those described below for which no or limited provisions have been accrued, in the jurisdictions in which it operates concerning matters arising in connection with the conduct of its business. These also include proceedings before the Belgian Institute for Postal services and Telecommunications ("BIPT"), appeals against decisions taken by the Belgian competition Authority, and proceedings with the tax administrations.

Note 34.1.1. Broadband/Broadcast Access Related Cases

Between 12 and 14 October 2010, the Belgian Directorate General of Competition started a dawn raid in Proximus's offices in Brussels. This investigation concerns allegations by Mobistar and KPN regarding the wholesale DSL services of which Proximus would have engaged in obstruction practices. This measure is without prejudice to the final outcome of the full investigation. Following the inspection, the Directorate General of Competition is to examine all the relevant elements of the case. Eventually the College of Competition Prosecutors may propose a decision to be adopted by the Competition Council. During this procedure, Proximus will be in a position to make its views heard. (This procedure may last several years.)

During the investigation of October 2010, many documents were seized (electronic data such as a full copy of mailboxes and archives and other files). Proximus and the prosecutor of the Competition authority exchanged extensive views on the way to handle the seized data. Proximus wanted to be sure that the lawyers "legal privilege" (LPP) and the confidentiality of in-house counsel advices are guaranteed. Moreover, Proximus sought to prevent the Competition authority from having access to (sensitive) data that were out of scope. Not being able to convince the prosecutor of its position, Proximus started two proceedings, one before the Brussels Court of Appeal and one before the President of the Competition Council, in order to have the communication to the investigation teams of LPP data and data out of scope suspended. On 5 March 2013, the Court of Appeal issued a positive judgment in this appeal procedure by which it ruled that investigators had no authority to seize documents containing advice of company lawyers and documents that are out of scope and that these documents should be removed/destroyed. To be noted that this is a decision on the procedure in itself and not on the merit of the case.

On 14 October 2013, the Competition authority launched a request for cassation against this decision. Proximus has joined this cassation procedure. Eventually, on 22 January 2015, the Supreme Court decided to confirm the Judgment of 5 March 2013, except for a restriction regarding older documents, which was annulled. It is up to the Court of Appeal now to take a new decision on this restriction.

In March 2014, KPN has withdrawn its complaint; Mobistar remaining the sole complainant.

Based on the facts and information available per end December 2024, management recorded no provision for this case.

Note 34.1.2. Mobile On-net cases related

In the proceedings following a complaint by KPN Group Belgium in 2005 with the Belgian Competition Authority the latter confirmed on 26 May 2009 one of the five charges of abuse of dominant position put forward by the Prosecutor on 22 April 2008, i.e., engaging in 2004-2005 in a "price-squeeze" on the professional market. The Belgian Competition Authority considered that the rates for calls between Proximus customers ("on-net rates") were lower than the rates it charged competitors for routing a call from their own networks to that of Proximus (=termination rates), increased with several other costs deemed relevant. All other charges of the Prosecutor were rejected. The Competition Authority also imposed a fine of EUR 66.3 million on Proximus (former Belgacom Mobile) for abuse of a dominant position during the years 2004 and 2005. Proximus was obliged to pay the fine prior to 30 June 2009 and recognized this charge (net of existing provisions) as a non-recurring expense in the income statement of the second quarter 2009.

Proximus filed an appeal against the ruling of the Competition Authority with the Court of Appeal of Brussels, contesting many elements of the ruling: amongst other the fact that the market impact was not examined. Also, KPN Group Belgium and Mobistar filed an appeal against said ruling.

Following the settlement agreement dated 21 October 2015, the appeals of Base and Mobistar against the decision of the Belgian Competition Authority are withdrawn. Proximus will continue its appeal procedure against this decision.

In its interim judgment of 7th of October 2020, the Brussels Court of Appeal partially annulled the decision of 26th of May 2009 of the Competition Council, based on the reasoning that (i) the Belgian Competition Authority could not have established the existence of an abuse of a dominant position for 2004 without the document seized during the illegal dawn raid, while (ii) the documents seized during the illegal dawn raid were not indispensable for the establishment of the abuse of a dominant position for 2005. Consequently, Court decided that the procedure should only be continued for the latter period (both for other procedural issues and on merits). Proximus launched a "pourvoi en cassation" against this judgment in so far, according to Proximus, the decision should not have been annulled partially (2004), but totally (2004 and 2005), exactly because of the illegality of the dawn raid. This "pourvoi en cassation" was rejected on 12th of January 2023, meaning that the procedure before the Brussels Court of Appeal further continues.

In October 2009, seven parties (Telenet, KPN Group Belgium (former Base), KPN Belgium Business (Tele 2 Belgium), KPN BV (Sympac), BT, Verizon, Colt Telecom) filed an action against Belgacom mobile (currently Proximus and hereinafter indicated as Proximus) before the Commercial Court of Brussels formulating allegations that are similar to those in the case mentioned above (including Proximus-to-Proximus tariffs constitute an abuse of Proximus's alleged dominant position in the Belgian market), but for different periods depending on the claimant, in particular, in the 1999 up to now timeframe (claim for EUR 1 provisional and request for appointment of an expert to compute the precise damage). In November 2009 Mobistar filed another similar claim for the period 2004 and beyond.

Following the settlements with Telenet, KPN, BASE Company and Orange, the only remaining claimants are BT, Verizon and Colt Telecom.

On 17th June 2024, the Commercial Court of Brussels has decided to appoint an expert. Following this decision, the parties entered into settlement discussions, which led to an agreement on 26th of December 2024, which will put definitively an end to this procedure.

Note 34.1.3. GDPR case Telesign

Mid 2023, NOYB (a non-profit privacy activist organisation) representing 9 (currently unnamed) complainants has made public that it has filed a complaint in connection with the activities of Telesign before the Belgian Data Protection Authority (BDPA).

In its complaint, NOYB alleges that Proximus failed to answer adequately and timely the access requests of 2 complainants, that BICS did not properly inform data subjects about the processing of their personal data, misused electronic communication data for other purposes than those allowed by the regulatory framework and transferred personal data to a US company without respecting the conditions set after the so-called "Schrems II decision", and that Telesign did not properly inform data subjects about the processing of their personal data, lacks a valid legal basis, applies unlawful profiling and automated decision making, and does not respect the conditions of the aforementioned "Schrems II decision" when transferring personal data to the US and further to their customers.

Mid 2024, Proximus, BICS and TeleSign have each received a letter from the Belgian Data Protection Authority (BeDPA), containing a series of questions to which answers were formulated and shared. Proximus, BICS and Telesign will fully collaborate with the BeDPA in relation to possible additional answers, the timing of which is not known. Based on the facts and information available, management recorded no provision for this case.

Note 34.1.4. Tax proceedings

Indian case

BICS received withholding tax assessments from the Indian tax authorities in relation to payments made by an Indian tax resident customer to BICS in the period 1 April 2007 to 31 March 2017. For 2 assessment years (AY2008-2009 and AY 2012-2013), an appeal filed by BICS is still pending with the High Court after the Indian courts had annulled earlier assessments notes issued by the Indian tax authorities. For the other assessment years, the Indian competent Courts issued positive judgments, annulling the withholding tax assessments. The limitation to file an appeal has lapsed for 6 assessment years and for 2 assessment years (AY 2014-2015 and AY 2015-2016), the tax authorities can still file an appeal. BICS also received a new withholding tax assessment from the Indian tax authorities for the period 1 April 2017 to 31 March 2018 for which BICS filed appeal. Given the evolution in the case pattern the Group does no longer consider this to be a contingent liability at year-end. Management assesses that the position as recognized in the financial statements reflects the best estimate of the remote outcome.

Excess profit ruling

On 11 January 2016, the European Commission announced its decision to consider Belgian tax rulings granted to multinationals regarding "Excess Profit" as illegal state aid (hereafter "Decision").

BICS applied such tax ruling for the period 2010-2014 and paid the deemed aid recovery assessments. Furthermore, both BICS and the Belgian State filed an appeal against the decision of the European Commission before the EU General Court. The EU General Court ruled in its decision of 14 February 2019 in favour of the Belgian State against the European Commission based on the argument that there is no "state aid scheme". The European Commission filed an appeal against this decision with the Court of Justice of the EU (hereafter CJEU) on 24 April 2019. In addition, on 16 September 2019, the European Commission opened a separate in-depth investigation into 39 individual excess profit rulings, including the excess profit rulings obtained by BICS. The individual opening decisions were eventually published on 31 August 2020. BICS submitted its comments to the Commission on 29 September 2020. On 16 September 2021, the CJEU held that the Decision correctly found that the excess profit ruling system constitutes an "aid scheme" and referred the case back to the General Court, for a decision on whether or not the EPR "scheme" also amounted to illegal State aid. On 20 September 2023, the EU General Court determined that the European Commission was correct to find, in 2016, that the Belgian tax scheme relating to excess profit infringes EU State aid rules. The amount to recover is EUR 24 million (to be increased with possible moratorium interests). On 30 November 2023, BICS introduced an appeal before the CJEU against the decision of the EU General

Court. Management assesses that the position as recognized in the financial statements still reflects the best estimate of the probable outcome.

Note 34.2. Capital expenditure commitments

At 31 December 2024, the Group had contracted commitments of EUR 534 million (intangible assets EUR 17 million; tangible assets EUR 517 million). Investments will occur mainly during the year 2025 (€530 million).

At 31 December 2023 the contracted commitments amounted EUR 708 million (intangible assets EUR 35 million; tangible assets EUR 673million)

In addition, by acquiring certain spectrum rights in 2022, the group committed to pay annual fees, that it considers to be variable and contingent, for a net present value of EUR 262 million. The "annual fee" is a spectrum availability fee and is subject to an annual indexation adjustment.

The tangible assets are mainly related to commitments related to technical and network equipment related to the further accelerated investment plan for Fiber.

Note 34.3. Purchase commitments of shares

In the context of various acquisitions, there are contingent commitments (put option) for a total amount of EUR 7,5 million per end of 2024 (EUR 5.2 million as at 31 December 2023).

Note 34.4. Other rights and commitments

At 31 December 2024, the Group has the following other rights and commitments:

Note 34.4.1. Guarantees

The Group received guarantees for EUR 7 million from its customers to guarantee the payment of its trade receivables and guarantees for EUR 30 million from its suppliers to ensure the completion of contracts or works ordered by the Group. The Group granted guarantees for an amount of EUR 142 million (including the bank guarantees mentioned in note 32.2) to its customers and other third parties to guarantee, among others, the completion of contracts and works ordered by its clients and the payment of rental expenses related to buildings and sites for antenna installations.

Note 34.4.2. Partnership with HCL Technologies

In 2021 Proximus entered a partnership with HCL Technologies whereby that company operates and maintains Proximus' private cloud infrastructure.

HCL and Proximus concluded an asset financing arrangement (nominal amount of EUR 65 million, carrying amount of EUR 28 million, see Note 5) for the infrastructure that remains in the Proximus datacenters and under Proximus control which is recognized as a finance lease for which Proximus has an obligation to repurchase the assets. On top of that financing for existing assets the partnership includes a lease for the renewal of infrastructure (nominal amount of €31 million, carrying amount of €25 million, see Note 6).

Note 34.4.3. Partnership between BICS and Ooredoo Group

BICS has entered into multiyear contractual agreements whereby BICS will manage end-to-end traffic for operators. These agreements include a commitment (subject to satisfying certain conditions on ongoing basis) from BICS to send inbound traffic to certain operators for an aggregated amount not exceeding EUR 50 million per annum with a maximum duration of 3 years, of which 1 year remaining.

Note 34.4.4. Partnership with Microsoft

In the second quarter of 2024, Proximus entered into a five-year strategic partnership with Microsoft. Under this agreement, Proximus Group has committed €140 million over a five-year period (from mid-2024 to mid-2029) to utilize Azure services (Public Cloud) and Marketplace services (for the purchase of non-Microsoft licenses) through the Microsoft platform. Should Proximus fail to meet this commitment by the end of the fifth year, it will have an additional sixth year (grace period) to fulfil its obligations.

Note 34.4.5. Wallonia Deal (Tax on Pylons - TOP)

On 6th June 2024, Proximus and the other mobile telecom operators signed a new deal with the Walloon Region for the period FY23-FY26 (potentially to be extended to FY27). In exchange for the commitment of the Walloon Region not to levy regional TOPs and to take measures to incentivize Walloon communes and provinces not to levy any communal / provincial TOPs, the operators have agreed to (i) a payment obligation of EUR 20.5 million at sector level over the deal period to the Walloon Region and (ii) to make additional investments in the Walloon Region for an amount of EUR 45 million sector level over the deal period. A protection mechanism is foreseen enabling operators to deduct TOPs (capped at a maximum of EUR 8.8 million at sector level over the deal period) still levied by Walloon communes and provinces from the payments due to the Region. Sector level amounts will be split to the different Operators per an allocation key based on the Operator's actual mobile footprint.

Note 34.4.6. Sale of datacenter business to Datacenter United

In the fourth quarter of 2024, Proximus reached an agreement with the Belgium-based service provider Datacenter United for the sale of its datacenter business. The transaction is expected to close by the first quarter of 2025, pending applicable regulatory approvals and the completion of social dialogue regarding the transfer of affected employees. In the context of this agreement, Proximus will enter into a 10-year Master Service Agreement (MSA) with the acquirer to secure the provision of datacenter service. Proximus is committed to a certain colocation capacity and related services for approximately 7 million euros per year for the MSA period. The transaction perimeter also includes real estate in Evere and Mechelen where Proximus will then enter into a separate multi-year Lease Agreement for office and telecommunications spaces. It represents rental expense of approximately 3 million euros till 2028 and approximately 0.6 million euros thereafter.

Note 34.4.7. Sale of mobile tower infrastructure in Luxembourg

Proximus Group signed in November 2024 a binding agreement with InfraRed Capital Partners to sell 100% of the shares of Proximus Luxembourg Infrastructure for a total consideration of EUR 108 million (including cash on the balance sheet) to InfraRed's European Infrastructure Income Fund 4. In the context of this transaction, Proximus Luxembourg will remain an anchor tenant on the sites transferred. A long-term master service agreement has been signed and will ensure continued access to the infrastructure for Proximus Luxembourg, guaranteeing uninterrupted mobile services and consistent network coverage for Tango and Proximus NXT customers.

Note 35. Share-based Payment

Discounted Share Purchase Plans

In 2024 and 2023, the Group launched Discounted Share Purchase Plans.

Under the 2024 and 2023 plans, Proximus sold respectively 7,709 and 2,746 shares to the senior management of the Group at a discount of 16.66% compared to the market price (discounted price for EUR 6,11 per share in 2024 and for EUR 6.12 in 2023). The cost of the discount is below EUR one million in 2024 and in 2023 and was recorded in profit or losses workforce expenses (see note 26). This has an immaterial dilutive effect.

In addition, on July 25, 2024, the Board of Directors decided to grant 75,000 shares for free to the Chief Executive Officer. This has an immaterial dilutive effect.

Performance Value Plan

In 2019, 2020 and 2021 Proximus launched tranches of the "Performance Value Plan" for its senior management. Under this Cash-Settled Long-Term Performance Value Plan, the granted awards are blocked for a period of 3 years after which the Performance Values vest. The final paid amount depends on the results of 3 KPI's which are: the Proximus' Total Shareholder Return compared to a group of peer companies (40%), the group Free Cash Flow (40%) and the Reputation Index (20%). The final KPI is the average of the intermediary results of the 3 calendar years.

In 2022, 2023 and 2024, Proximus launched tranches of the "Performance Value Plan" for its senior management. Under this Cash-Settled Long-Term Performance Value Plan, the granted awards are blocked for a period of 3 years after which the Performance Values vest. The final paid amount depends on the results of 4 KPI's which are: the Proximus' Total Shareholder Return compared to a group of peer companies (25%), the group Free Cash Flow (25%), the Reputation Index (25%) and the Environmental, Social and Governance (ESG) (25%). The final KPI is the average of the intermediary results of the 3 calendar years.

The fair value of the tranches 2022, 2023 and 2024 amounted respectively to EUR 6, 7 and 10 million as of 31 December 2024 based on actual calculation. The annual charge of these tranches amounted to respectively EUR 2 million each.

Employee Stock Option Plans

Share-based compensation benefits are provided to employees via the "ROUTE MOBILE LIMITED" Employee Stock Option Plan 2017 and 2021 (the 'ESOP scheme'), under which options to subscribe for the Route Mobile holding company's shares have been granted to certain employees including key management personnel. All the options issued are equity share based options which must be settled in equity shares only. The shares were allotted to employees for no consideration.

The description of the existing ESOPs scheme granted is summarised as follows:

Particulars	RML ESOP 2017	RML ESOP 2021
Total number of stock options approved	2,500,000	2,800,000
Total number of stock options granted (Grant I)	1,452,500	736,500
Total number of stock options granted (Grant II)	888,500	4,720
Total number of stock options granted (Grant III)	470,500	N/A
Vesting schedule	Grant I: 25% of granted options shall vest on 12 October 2018, 12 October 2019, 12 October 2020 and 12 October 2021 respectively.	Grant I / Category I: 25% of granted options shall vest on 11 October 2022, 11 October 2023, 11 October 2024 and 11 October 2025 respectively.
	Grant II: 25% of granted options shall vest on 20 February 2021, 20 February 2022, 20 February 2023 and 20 February 2024 respectively.	Grant I / Category II: (a) Time based vesting (25% and/or 20%, as specified in grant letter of respective employee[s]) at the end of First year; and
	Grant III: 25% of granted options shall vest on 25 June 2021, 25 June 2022, 25 June 2023 and 25 June 2024 respectively.	(b) 25% each for one employee and 20%, 20% and 40% for others at the end of Second, Third and Fourth Year respectively from the date of Grant, subject to achievement of performance conditions as specified in grant letter of respective employee[s].
		Grant II: 25% of granted options shall vest on 17 February 2023, 17 February 2024, 17 February 2025 and 17 February 2026 respectively

For the RML ESOP 2017, vesting is contingent upon continued employment or service. For the RML ESOP 2021, vesting is contingent upon continued employment or service, as well as meeting performance-based vesting conditions. More detailed information about the ESOP plans is available in the Route Mobile financial statements.

The granted options do not confer any rights or status as a shareholder with respect to any shares covered by the grant.

The movement of stock options in 2024 and 2023 are summarized below:

Movement of stock options	**RML ESOP-2017**	**RML ESOP-2021**
	Number of options	Number of options
Outstanding at the date of acquisition (30 April 2024)	239,550	280,220
Options exercisable at the date of acquisition (30 April 2024)	147,685	149,610
Movements of the year		
Exercised	-209,050	0
Forfeited	-10,000	-7,360
Vested	91,865	58,875
Options outstanding at the end of the year (31 December 2024)	20,500	272,860
Options exercisable at the end of the year (31 December 2024)	20,500	201,125

As of 31 December 2024 there were 2,527,140 unallocated options. However, the granting of these options is fully at Route Mobile Board discretion.

For share options exercised during the period, the weighted average share price at the period of exercise was INR 325,30 per share.

The range of exercise price and weighted average remaining contractual life (comprising the vesting period and exercise period) of options outstanding as of 31 December 2024 is as follows:

As of 31 December 2024	Exercise price per option (in INR)	Weighted average remaining contractual life (in months)
ESOP Plan 2017		
Grant I (13 October 2017)	300	0 - 21
Grant II (21 February 2020)	326	14 - 50
Grant III (26 June 2020)	326	18 - 54
ESOP Plan 2021		
Grant I (12 October 2021)	2,296	33 - 69
Grant II (17 February 2022)	1,601	38 - 74

The Route Mobile Group has recorded compensation costs for all grants made to employees under the fair value method of accounting, the fair value of the services received from beneficiaries by reference to the fair value of the equity instruments granted. The fair value of options granted under RML ESOP 2017 is estimated on the date of grant using the discounted cash flow method. The fair value of options granted under RML ESOP 2021 is estimated on the date of grant using the Black-Scholes model. The expected price volatility is determined using annualised standard deviation (a measure of volatility used in Black-Scholes-Merton option pricing) and the historic volatility based on remaining life of the options. There is no market condition attached to the grant and vest.

The assumptions used for calculating the option fair value are as follows:

	ESOP Plan 2017		ESOP Plan 2021	
	Grant I	Grant II & Grant III	Grant I	Grant II
Risk Free interest rate	6.70%	6.55%	5.54%	5.95%
Expected Option life (in years)	4	4	4.60	5.01
Expected volatility	56.00%	100.00%	54.07%	55.53%
Market risk premium	8.82%	2.32%	-	-
Cost of debt	11.00%	12.87%	-	-
Terminal Growth Rate	4.00%	3.00%	-	-
Cost of Capital	11.06%	12.53%	-	-
Weighted-average values of share price (*)	300	326.16	2296.05	1600.95
Exercise price (*)	300	326.16	2296.05	1600.95
Dividend yield	0.09%	0.09%	0.09%	0.09%
Expected dividends	-	-	0.09	0.12

Total expenses, reversal included, arising from share-based payment transactions recognised during the period (since April 30, 2024) as part of employee benefit expense were lower than EUR 1 million.

Route Mobile Group deducts from the option grantee's salary (meaning in cash and not by withholding the number of shares with a fair value equal to the monetary value of the employee's tax obligation) or recovers any tax (also in cash) that is required to be deducted or recovered under the applicable laws.

Note 36. Relationship with the auditors

The Group expensed for the Group's auditors during the year 2024 for an amount of EUR 2.974.518 for audit mandate and control missions and EUR 739.495 for other missions.

This last amount is detailed as follows:

EUR	Auditor	Network of auditor
Audit mandate	1,562,926	540,011
Other Control Missions	166,985	704,596
Other missions	257,120	482,375
Total	1,987,031	1,726,982

Note 37. Segment reporting

The structure of the operating segments has been redesigned in 2024 (see note 2.3).

The Chief Operating Decision Maker assesses performance and makes decisions about resource allocation and performance based on the EBITDA net of incidentals.

Capex information is not provided to the CODM by operating segment but by key domain being e.g. fiber, mobile, content…

Group financing (including finance expenses and finance income) and income taxes were managed on a group basis and are not allocated to operating segments.

The accounting policies of the operating segments are the same as the significant accounting policies of the Group. Segment results are therefore measured on a similar basis as the operating result in the consolidated financial statements but are disclosed excluding "incidentals" and including lease depreciation and interest. The Group defines "incidentals" as material items that are out of usual business operations (see definitions).

Intercompany transactions between legal entities of the Group are invoiced on an arm's length basis.

(EUR million)	As at 31 December 2024 Proximus Group: Reported (IFRS 16)	Lease depreciation and interest	Incidental	Underlying	underlying by segment: Global	Domestic	Eliminations
Net revenue	6,376	0	0	6,376	1,669	4,766	-59
Other operating income	163	0	-110	54	4	60	-9
TOTAL INCOME	6,539	0	-110	6,430	1,672	4,826	-68
Costs of materials and services related to revenue	-2,364	-2	0	-2,367	-1,204	-1,218	56
Direct margin	4,175	-2	-110	4,063	468	3,608	-13
Workforce expenses	-1,435	0	17	-1,418	-189	-1,231	2
Non workforce expenses	-790	-103	98	-794	-110	-694	10
TOTAL OPERATING EXPENSES	-2,225	-103	115	-2,213	-299	-1,926	12
OPERATING INCOME before depreciation & amortization	1,950	-105	6	1,850	169	1,682	0
Depreciation and amortization	-1,259	0	0	-1,259	-101	-1,159	0
OPERATING INCOME	691	-105	6	591	68	523	0
Net finance costs	-159						
Share of loss on associates	-18						
INCOME BEFORE TAXES	513						
Tax expense	-57						
NET INCOME	456						
Attributable to:							
Equity holders of the parent (Group share)	447						
Non-controlling interests	9						

	As at 31 December 2023						
	Proximus Group				underlying by segment		
(EUR million)	**Reported (IFRS 16)**	**Lease depreciation and interest**	**Incidental**	**Underlying**	**Global**	**Domestic**	**Eliminations**
Net revenue	5,993	0	0	5,993	1,439	4,610	-56
Other operating income	56	0	-7	49	3	55	-9
TOTAL INCOME	6,048	0	-7	6,042	1,442	4,665	-65
Costs of materials and services related to revenue	-2,198	-1	6	-2,193	-1,060	-1,184	51
Direct margin	3,851	-1	-1	3,849	381	3,481	-14
Workforce expenses	-1,343	0	14	-1,329	-166	-1,166	3
Non workforce expenses	-722	-89	49	-762	-94	-679	11
TOTAL OPERATING EXPENSES	-2,064	-89	62	-2,091	-260	-1,845	14
OPERATING INCOME before depreciation & amortization	1,786	-90	62	1,757	121	1,636	0
Depreciation and amortization	-1,185	0	0	-1,185	-63	-1,123	0
OPERATING INCOME	601	-90	62	572	59	513	0
Net finance costs	-110						
Share of loss on associates	-30						
INCOME BEFORE TAXES	461						
Tax expense	-104						
NET INCOME	357						
Attributable to:							
Equity holders of the parent (Group share)	357						
Non-controlling interests	0						

In respect of geographical areas, the Group realized EUR 4.080 million net revenue in Belgium in 2023 and EUR 4.221 million in 2024 based on the country of the customer. The net revenue realized in other countries amounted to EUR 1,913 million in 2023 and EUR 2.156 million in 2024. More than 90% of the segment assets are located in Belgium.

Note 38. Recent IFRS pronouncements

The Group does not early adopt the standards or interpretations that are not yet effective at 31 December 2024.

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

This means that the Group did not apply the following standards or interpretations that are applicable for the Group as from 1 January 2025 or later:

- Newly issued standards, interpretations and amendments:
- Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments (2026)
- IFRS 18 – Presentation and Disclosure in Financial Statements (2027)
- IFRS 19 – Subsidiaries without Public Accountability – Disclosures (2027)
- Annual Improvements – volume 11 (2026)
- Amendments to IFRS 9 and IFRS 7 -Contracts referencing Nature-dependent Electricity (2026)

The Group will continue investigating the possible impacts of the application of these new standards and interpretations on the Group's financial statements in the course of 2025.

The Group does not anticipate material impacts from the initial application of those IFRS, except for IFRS 18.

Note 39. Post balance sheet events

In January 2025, Fiberklaar announced a reduction in headcount within the support functions. This announcement does not have a significant financial impact on Proximus Group.

On January 17, 2025, Proximus successfully refinanced its €700 million Revolving Credit Facility with a pool of Belgian and international banks, extending its maturity and further strengthening its financial flexibility.

The sale of the datacenter business to Datacenter United, as disclosed in Note 16, is expected to take place on February 28th, 2025.