Consolidated Management Report

1 Management discussion and analysis of financial results

1. Introductory remarks

Group reporting segmentation

The Group accounting policies and methods used throughout 2024 are consistent with those applied in the December 31, 2023, consolidated financial statements, with the exception that:

- The Group applied the new standards, interpretations and revisions that became mandatory for the Group on January 1, 2024. These have no impact on the Group's financial statements.
- The Group changed its reporting segmentation, as explained below.

Proximus Group acquired a large majority interest in Route Mobile (see § 5.14), a global company specialized in CPaaS services, listed on NSE and BSE in India. The new Group structure necessitated a redesign of Proximus Group's internal decision-making process, governance, and management reporting to effectively allocate resources and assess the performance of operating segments.

In 2024, Proximus Group implemented a 2-pillar governance structure through the establishment of a new executive committee: the 'International Management Committee', for Proximus Global, acting next to the 'Domestic Management Committee' that focuses on the domestic operations. This international committee has been created to facilitate key decisions and ensure alignment between the Proximus Global affiliates, BICS, Telesign, and Route Mobile. The introduction of this new executive International Management Committee provides a clear point of accountability and coordination, as well as a stronger voice in Group decision-making for the international business.

Underlying revenue and EBITDA

Proximus' management discussion is focused on underlying figures, i.e., after adjustments.

Proximus provides a transparent view of the operational drivers of the business by isolating adjustments, i.e., revenues and costs that are unusual or not directly related to Proximus' business operations, and which had a significant impact on the year-on-year variance of the Proximus Group revenue or EBITDA. In addition, following the application of the IFRS 16 accounting standard, the definition of "underlying" was adapted to include lease depreciation & interest in EBITDA as of 2019. The adjusted revenue and EBITDA are referred to as "underlying" and allow for a meaningful year-on-year comparison.

Definitions can be found in Section 5 of this document.

	Revenues		Ebitda	
(EUR million)	**2023**	**2024**	**2023**	**2024**
Reported	6.048	6.539	1.786	1.950
Adjustments	-7	-110	-29	-100
Underlying	6.042	6.430	1.757	1.850
Adjustments	-7	-110	-29	-100
Lease Depreciations			-84	-96
Lease Interest			-7	-10
Transformation			14	20
Acquisitions, mergers and disposals	-6	-80	48	3
Litigation/regulation		-30	-1	-17

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

Pro forma figures

Following the acquisition of Route Mobile and the resulting full consolidation of its results in the Proximus Group as of 1 May 2024, this annual report provides 'pro forma 8 months' figures for 2023, in addition to the actual 2023 results. The pro forma results of 2023 assume a full consolidation of Route Mobile over the same period as for 2024, as such allowing for a more meaningful year-on-year comparison.

Group P&L - Pro forma 8 months

(EUR million)	FY23*	FY24	Change %
Underlying			
Revenue	6.331	6.430	1,6%
Costs of materials and charges to revenue	-2.418	-2.367	-2,1%
Direct margin	3.912	4.063	3,9%
Direct margin %	*61,8%*	*63,2%*	*1,4 p.p,*
Total expenses before D&A	-2.117	-2.213	4,5%
Workforce expenses	-1.343	-1.418	5,6%
Non-workforce expenses	-774	-794	2,7%
EBITDA	1.795	1.850	3,1%
EBITDA margin %	*28,4%*	*28,8%*	*0,4 p.p,*
CapEx (including Spectrum & Football rights)*	1.332	1.382	3,8%
CapEx (excluding Spectrum & Football rights)	1.329	1.355	2,0%

*As of May 2023, figures include the Route Mobile consolidation impact

Proximus Global P&L Pro forma 8 months

(EUR million)	FY23*	FY24	Change %
Underlying			
Proximus Global revenue (1)	1.731	1.672	-3,4%
Communications & Data (2)	1.174	1.150	-2,1%
P2P Voice & Messaging (3)	663	598	-9,9%
Proximus Global eliminations	-107	-75	-29,4%
Proximus Global costs of materials and charges to revenue	-1.286	-1.204	-6,3%
Proximus Global direct margin	445	468	5,2%
Communications & Data	328	354	8,1%
P2P Voice & Messaging	121	118	-2,3%
Proximus Global eliminations	-4	-4	16,5%
Proximius Global direct margin %	*25,7%*	*28,0%*	*0,1 p.p,*
Proximus Global total expenses before D&A	-286	-299	4,7%
Workforce expenses	-180	-189	4,9%
Non-workforce expenses	-106	-110	4,3%
Proximus Global EBITDA	159	169	6,2%
Proximus Global EBITDA margin %	*9,2%*	*10,1%*	*0,9 p.p,*

(1) Refers to total income
(2) Communications & Data groups CPaaS, DI, Mobility, Cloud communications, and Internet of Things (IoT)
(3) P2P Voice & Messaging groups Voice, Capacity, Other Legacy and P2P MMS
*As of May 2023, figures include the Route Mobile consolidation impact

Rounding

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

Key Figures - 10-year overview (IFRS basis)

Income Statement (EUR million)	2015	2016	2017	2018	2019	2020	2021	2022	2023	**2024**
Reported income	6.012	5.873	5.802	5.829	5.697	5.481	5.579	5.914	6.048	6.539
Revenue adjustments	17	3	24	21	11	2	1	5	7	110
Underlying revenue	5.994	5.871	5.778	5.807	5.686	5.479	5.578	5.909	6.042	6.430
Reported EBITDA (1)	1.646	1.733	1.772	1.794	1.676	1.922	1.828	1.826	1.786	1.950
Lease depreciation and interest	N/A	N/A	N/A	N/A	84	84	82	84	90	105
EBITDA adjustments	-88	-63	-51	-70	-278	1	-26	-44	-62	-6
Underlying EBITDA (1)	1.733	1.796	1.823	1.865	1.870	1.836	1.772	1.786	1.757	1.850
Depreciation and amortization	-869	-917	-963	-1.016	-1.120	-1.116	-1.183	-1.179	-1.185	-1.259
Operating income (EBIT)	777	816	809	778	556	805	645	647	601	691
Net finance income / (costs)	-120	-101	-70	-56	-47	-48	-54	-49	-110	-159
Share of loss on associates	-2	-1	-2	-1	-1	-1	-10	-20	-30	-18
Income before taxes	655	715	738	721	508	756	581	578	461	513
Tax expense	-156	-167	-185	-191	-116	-174	-137	-128	-104	-57
Non-controlling interests	17	25	30	22	19	18	1	0	0	-9
Net income (Group share)	482	523	522	508	373	564	443	450	357	447

Cash flows (EUR million)	2015	2016	2017	2018	2019	2020	2021	2022	2023	**2024**
Cash flows from operating activities	1.386	1.521	1.470	1.558	1.655	1.515	1.621	1.717	1.620	1.602
Cash paid for Capex	-1.000	-962	-989	-1.099	-1.091	-1.089	-1.137	-1.441	-1.453	-1.474
Cash flows from / (used in) other investing activities	22	0	-189	-8	12	9	-168	-20	-57	-754
Lease payments	N/A	N/A	N/A	N/A	-78	-82	-79	-89	-92	-101
Free cash flow (2)	408	559	292	451	498	352	237	167	18	-727
Adjusted Free Cash Flow (3)	454	559	517	501	504	354	376	181	61	58
Cash flows from / (used in) financing activities other than lease payments	-608	-764	-256	-444	-515	-363	-299	-119	398	506
Net increase / (decrease) of cash and cash equivalents	-200	-205	36	7	-17	-13	-62	50	416	-219

Balance sheet (EUR million)	2015	2016	2017	2018	2019	2020	2021	2022	2023	**2024**
Balance sheet total	8.283	8.117	8.527	8.671	8.978	8.779	9.233	10.541	11.153	13.327
Non-current assets	6.386	6.372	6.735	6.850	7.160	7.120	7.548	8.589	8.932	10.969
Investments, cash and cash equivalents	510	302	338	344	327	313	249	299	716	538
Shareholders' equity	2.801	2.819	2.857	3.005	2.856	2.903	2.978	3.307	3.300	4.310
Non-controlling interests	164	162	156	148	142	123	0	1	0	225
Liabilities for pensions, other post-employment benefits and termination benefits	464	544	568	605	864	645	508	413	378	358
Net financial position (incl. lease liability)	N/A	N/A	N/A	N/A	-2.492	-2.639	-3.013	-3.030	-3.429	-4.206
Net financial position (excl. lease liability as from 2019)	-1.919	-1.861	-2.088	-2.148	-2.185	-2.356	-2.740	-2.758	-3.131	-3.912

Proximus share	2015	2016	2017	2018	2019	2020	2021	2022	2023	**2024**
Weighted average number of ordinary shares (4)	321.767.821	322.317.201	322.777.440	322.649.917	322.918.006	322.752.015	322.751.990	322.552.465	322.442.197	322.573.717
Basic earnings per share - as reported (EUR) (5)	1,50	1,62	1,62	1,58	1,16	1,75	1,37	1,40	1,11	1,39
Total dividend per share (EUR) (6)	1,50	1,50	1,50	1,50	1,50	1,20	1,20	1,20	1,20	0,60

Data on employees	2015	2016	2017	2018	2019	2020	2021	2022	2023	**2024**
Number of employees (full-time equivalents)	14.090	13.633	13.391	13.385	12.931	11.423	11.532	11.634	11.654	13.131
Average number of employees over the period	14.040	13.781	13.179	13.161	13.007	11.544	11.445	11.529	11.650	12.629
Underlying revenue per employee (EUR)	426.958	425.997	438.413	441.238	437.173	474.647	487.381	512.534	518.604	509.116
Total income per employee (EUR)	428.194	426.201	440.240	442.870	438.005	474.783	487.451	512.936	519.163	517.794
Underlying EBITDA per employee (EUR)	123.467	130.315	138.325	141.681	143.801	159.057	154.814	154.912	150.844	146.507
Total EBITDA per employee (EUR)	117.251	125.743	134.483	136.342	128.856	166.467	159.721	158.394	153.326	154.395

Ratios - on reported basis	2015	2016	2017	2018	2019	2020	2021	2022	2023	**2024**
Return on Equity	17,2%	18,6%	18,3%	16,9%	13,1%	19,4%	14,9%	13,6%	10,8%	10,4%
Direct margin	60,5%	61,8%	62,7%	63,5%	64,6%	65,3%	64,2%	63,0%	63,7%	63,8%
Net debt / EBITDA (7)	1,17	1,07	1,18	1,20	1,30	1,23	1,50	1,51	1,75	2,01
EBITDA Margin	27%	30%	31%	31%	29%	35%	33%	31%	30%	30%

Ratios - on underlying basis	2015	2016	2017	2018	2019	2020	2021	2022	2023	**2024**
Return on Equity	18,9%	19,4%	19,2%	18,4%	19,9%	19,5%	15,5%	14,6%	11,8%	10,0%
Direct margin	59,6%	61,8%	62,5%	63,4%	64,6%	65,3%	64,2%	63,0%	63,7%	63,2%
Net debt / EBITDA (7)	1,11	1,04	1,15	1,15	1,17	1,28	1,55	1,54	1,78	2,11
EBITDA Margin	29%	31%	32%	32%	33%	34%	32%	30%	29%	29%

CAPEX	2015	2016	2017	2018	2019	2020	2021	2022	2023	**2024**
Total CAPEX	1.002	949	1.092	1019	1035	1237	1246	1923	1328	1383
Capex excl Spectrum and Football right	927	949	1.002	1019	1027	1000	1203	1.305	1.325	1.355

(1) Earnings Before Interests, Taxes, Depreciation and Amortization.
(2) Cash flow before financing activities but after lease payments.
(3) FCF adjusted to exclude M&A transactions and M&A related transaction costs.
(4) i.e. excluding Treasury shares
(5) No difference between basic and diluted earnings per share
(6) Accounting view (not cash view)
(7) Net debt excluding lease liabilities, Proximus definition. 2.9x as per S&P definition for FY 2024.

2018: IFRS15 ; as from 2019:IFRS 15 and 16

- Proximus significantly outperformed its initial 2024 revenue and EBITDA guidance set in February.
- The Domestic segment showed excellent commercial momentum.
- Underlying Domestic revenue rose by 3.4% year-on-year, reaching EUR 4,826 million in 2024.
- Proximus Global revenue totaled EUR 1,672 million, a year-on-year decrease of 3.4% on a pro forma basis (up 16.0% on underlying figures), reflecting a continued shift from traditional Voice and Messaging to OTT solutions.
- Inflationary effects on Proximus OpEx were partly mitigated by the multi-year cost efficiency program.
- Domestic segment EBITDA increased by 2.8% compared to the previous year.
- Proximus Global EBITDA grew by 6.2% on a pro forma basis, supported by an 8.1% increase in Communications & Data direct margin and cost efficiencies.
- Underlying Group EBITDA of EUR 1,850 million, up 3.1% on a pro forma basis (5.3% on underlying figures).
- Group CapEx for the full year 2024 totaled EUR 1,355 million, excluding spectrum and football rights.
- Adjusted FCF was EUR 58 million. Including Route Mobile and Fiberklaar acquisition costs, reported FCF stood at EUR -727 million.

2. Proximus Group

Revenue

The Proximus Group closed 2024 with total underlying revenue of EUR 6,430 million, an increase of 1.6% (EUR 99 million) on a pro forma basis and 6.4% (EUR 388 million) compared to the prior year's underlying figures.

Group underlying revenue (pro forma)
EUR 6,430M
Up 1.6% YoY

Amongst the pillars, the underlying Domestic revenue grew by 3.4% year-on-year, reaching EUR 4,826 million.

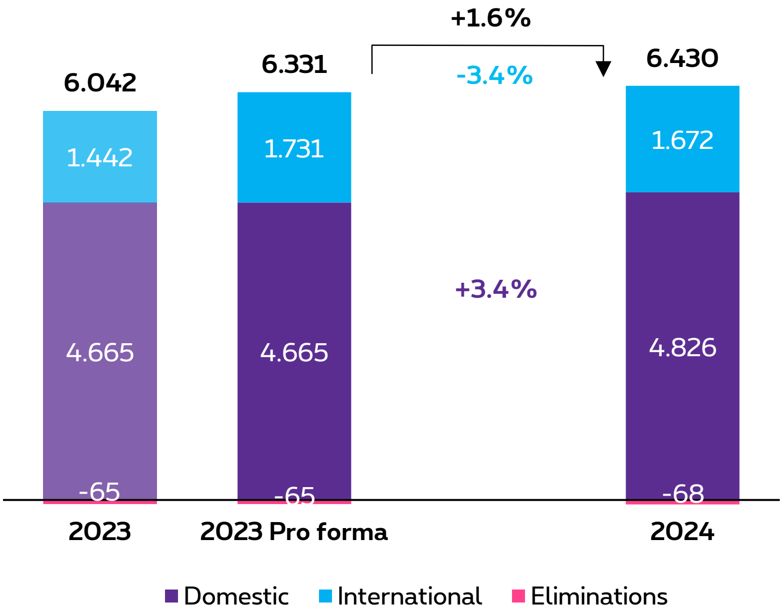
The Residential revenue increased by 4.3% to EUR 2,500 million, driven by a 5.0% increase in revenue from Customer Services. This growth reflects a strong commercial performance further supported by price indexation. Convergent revenue saw robust growth of 9.0%. In addition, revenue from Terminals rose by 9.6%.

The Business unit posted a 2.2% revenue increase compared to 2023. Business Services revenue grew by 1.2%, supported by higher revenue from IT Services (+6.5%) and Fixed Data (+3.3%) which offset declines in Mobile Services (-2.1%) and the ongoing but moderating Fixed Voice revenue erosion (-5.8%). Additionally, strong growth was recorded in Terminals (+19.5%) and IT equipment installations (+2.7%).

Proximus' Wholesale unit recorded revenue of EUR 253 million in 2024, a decrease of 1.8% (EUR -5 million) compared to 2023. This decline was entirely driven by a EUR -25 million decrease in low-margin interconnect revenue, while revenue from Fixed and Mobile wholesale services grew strongly by 14.8% (EUR 21 million).

On a pro forma basis, revenue from Proximus Global declined by 3.4% (-3.2% at constant currency) to EUR 1,672 million. This decrease was primarily driven by headwinds from low-margin legacy Voice services and the ongoing CPaaS transition from SMS to OTT solutions. However, this was partially offset by the uptake in CPaaS Omnichannel solutions, Mobility and IoT services, which deliver higher margins. Compared to 2023 underlying figures, Proximus Global grew by 16.0%, reflecting the inclusion of Route Mobile following its acquisition in May 2024.

Group revenue by segment (underlying, M€)



Direct margin

For the full year 2024, Proximus Group posted an underlying direct margin of EUR 4,063 million, an increase of 3.9% (EUR 151 million) compared to pro forma 2023 (5.6% or EUR 214 million compared to 2023 underlying figures). This growth was largely driven by strong contributions from the Domestic segment, which posted a 3.6% increase (EUR 126 million) in its direct margin.

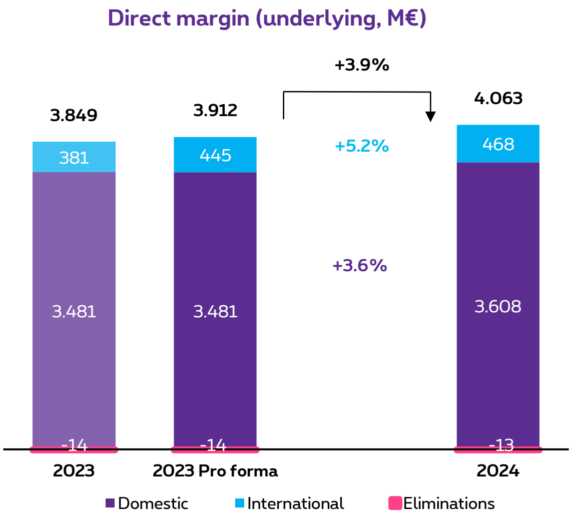
Proximus Global recorded a 5.2% year-on-year increase in Direct margin compared to pro forma 2023, reaching EUR 468 million (+5.3% at constant currency), supported by an 8.1% direct margin growth in Communications & Data.

Group underlying direct margin

EUR 4,063

Up 3.9% YoY

(Pro forma)



Operating expenses (OpEx)

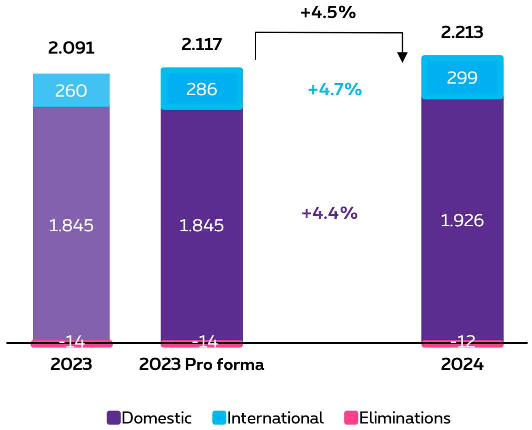
The Proximus Group's operating expenses increased by 4.5% year-on-year on a pro forma basis, reaching EUR 2,213 million. Compared to 2023 underlying figures, operating expenses rose by 5.8%.

Domestic operating expenses totaled EUR 1,926 million in 2024, reflecting a 4.4% year-on-year increase. This rise was primarily driven by inflationary cost pressures, including salary indexations effective December 1, 2023, and June 1, 2024, as well as other inflation-related effects. Additionally, strong commercial performance led to higher customer-related costs. Transformation costs were also higher, driven by initiatives like Mwingz and Cloudification, amongst others. These impacts were mitigated by optimizations achieved through the company's ongoing cost efficiencies program.

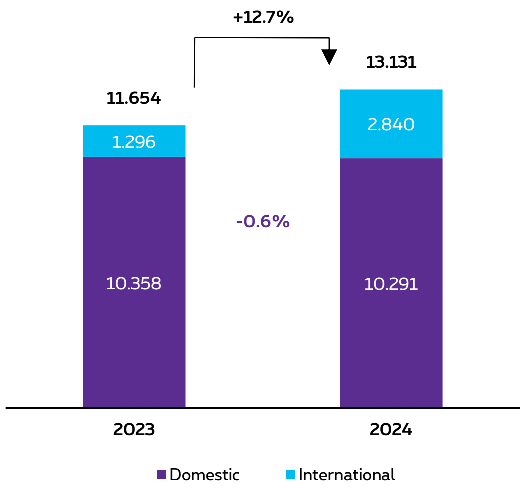
Operating expenses for Proximus Global increased by 4.7% year-on-year on a pro forma basis, reaching EUR 299 million (15.1% on underlying figures). This increase reflects exposure to high-inflation regions, such as India, partially mitigated by initial cost synergies. The headcount evolution for Proximus Global reflects the integration of 1,607 FTE from Route Mobile at year-end 2024.

Operating expenses increased for 2024, reaching a total of **EUR 2,213M** for the Proximus Group.

Operating expenses (underlying, M€)



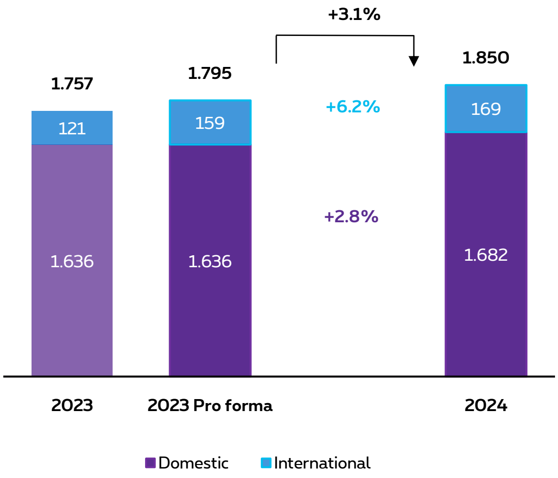
Headcount evolution (FTE)



Underlying EBITDA

Group underlying EBITDA
EUR 1,850M
Up 3.1% YoY
(Pro forma)

Group EBITDA by segment (underlying, M€)

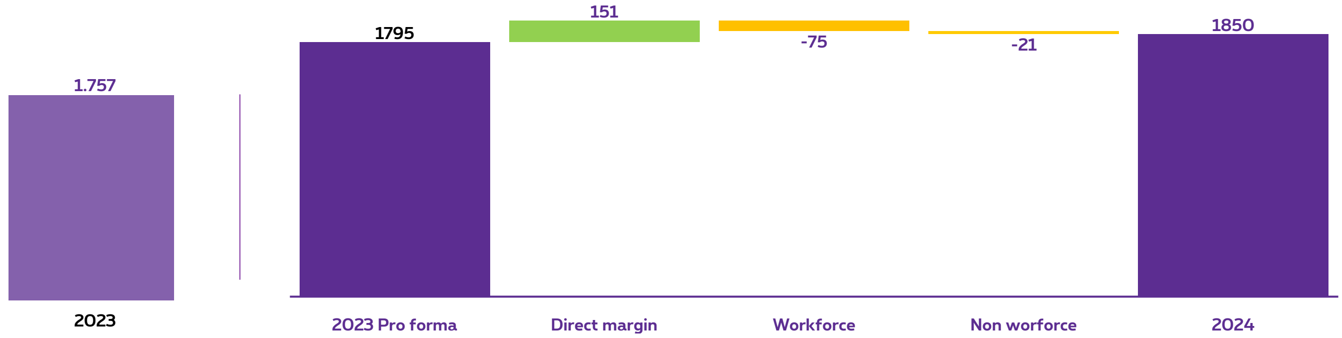


The underlying Group EBITDA for 2024 totaled EUR 1,850 million, reflecting a 3.1% increase (EUR 55 million) on a pro forma basis compared to the previous year and a 5.3% rise on underlying figures. This growth was driven by solid contributions from both the Domestic segment and Proximus Global.

Proximus' Domestic operations reported an EBITDA of EUR 1,682 million for 2024, a year-on-year increase of 2.8%. This growth was primarily driven by strong direct margin expansion, which largely offset rising costs.

Proximus Global achieved an EBITDA of EUR 169 million in 2024. This represents a 6.2% year-on-year increase on a pro forma basis and a 39.2% rise on underlying figures.

Group EBITDA evolution (underlying, M€)



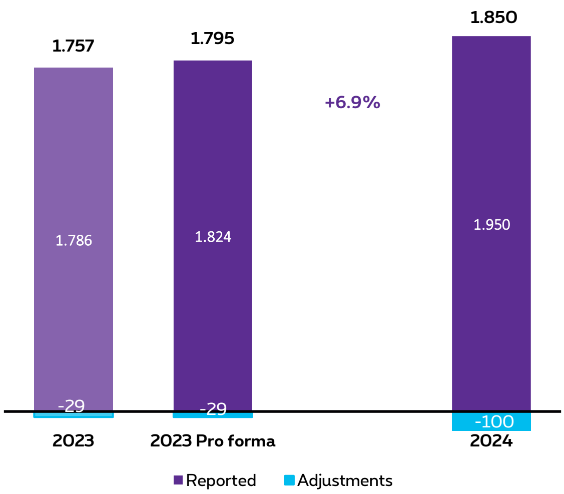
Reported EBITDA

Excluding operating leases and including other adjustments, the Proximus Group reported an EBITDA of EUR 1,950 million for 2024, up 6.9% year-on-year compared to EUR 1,824 million in 2023 on a pro forma basis. On underlying figures, this represents a 9.2% increase from EUR 1,786 million.

In 2024, the Proximus Group recorded net adjustments[1] totaling EUR 100 million compared to EUR 29 million in 2023.

Lease depreciation and interest expenses for 2024 increased by EUR 15 million year-on-year, totaling EUR 105 million. (Since 2019, following the application of IFRS 16, these expenses have been excluded from reported EBITDA.) This increase was partially offset by EBITDA adjustments for transformation costs of EUR 20 million and M&A-related adjustments of EUR 3 million.

Reported and underlying EBITDA (M€)



Depreciation and amortization

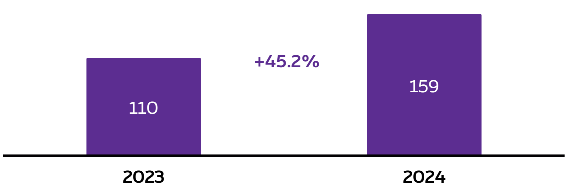
In 2024, the Group depreciation and amortization (D&A) totaled 1,259 million, including lease depreciation. The increase of EUR 74 million compared to EUR 1,185 million in 2023 was for a large part due to the acquisition of Route Mobile, and the higher D&A following an expanding Fiber coverage.

Depreciation and amortization incl. lease depreciation (M€)

Net finance cost

Full-year 2024 net finance costs, including lease interest, totaled EUR 159 million, an increase of EUR 50 million compared to the prior year. Besides the impact of the integration of Fiberklaar as of August 2024, the rise in net finance costs was primarily driven by interests on long-term loans (bonds issued in March and November 2023 and March 2024).

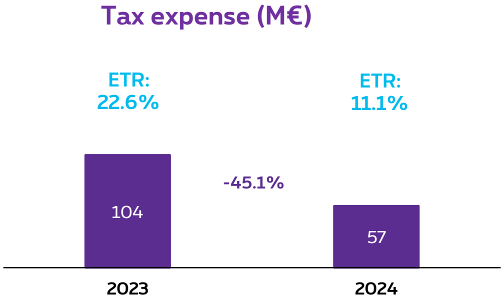
Net finance cost incl. lease interest (M€)



1. Adjustments details on page 4.

Tax expense

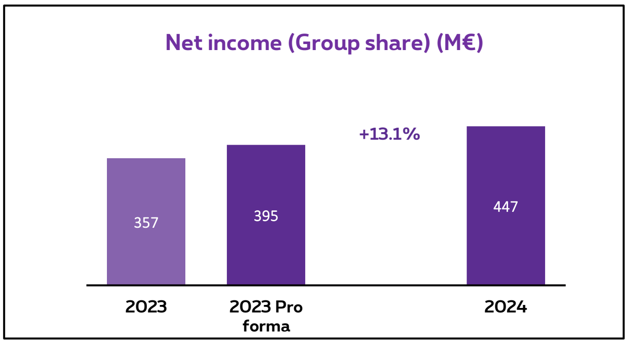
In 2024, tax expenses totaled EUR 57 million, resulting in an effective tax rate (ETR) of 11.1%, significantly lower than the Belgian statutory tax rate of 25%. The ETR is positively impacted by several elements related to current and previous years: investment deduction, higher innovative income deduction and the remeasurement to fair value of the previously held interest in Fiberklaar amongst others.

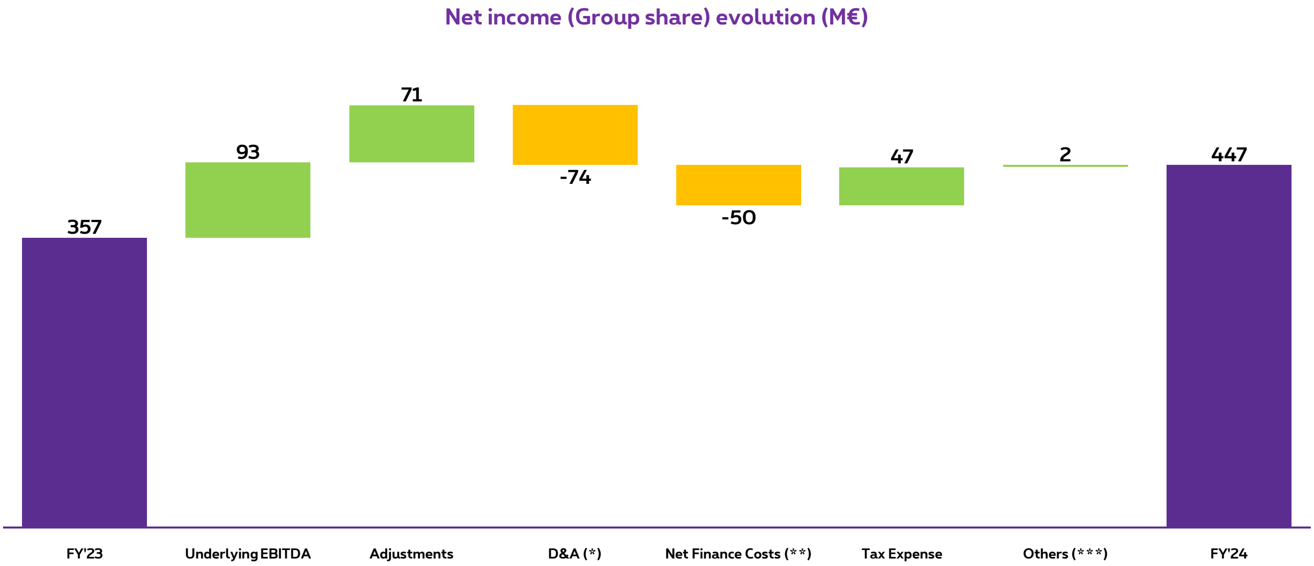


Net income

Proximus' net income (Group share) increased by 13.1% year-on-year, driven by higher EBITDA and a lower effective tax rate. On underlying figures, net income rose by 25.1%.

EUR 447
Net income (Group share)





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

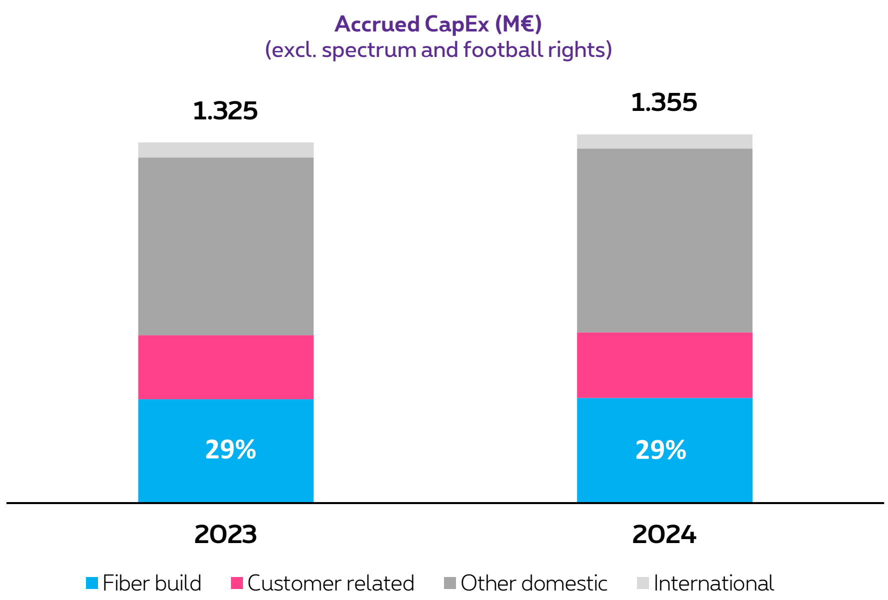
CapEx

In 2024, the Proximus Group accrued total CapEx of EUR 1,382 million, including spectrum and football broadcasting rights, representing a slight increase from EUR 1,328 million in 2023. Excluding these items, accrued CapEx totaled EUR 1,355 million, aligned with the Group's guidance and slightly above the previous year. The increase primarily reflects the consolidation of Fiberklaar at the end of Q2 2024, with its Fiber-related CapEx included from early Q3 2024. Customer-related investments to connect and activate Fiber customers also rose slightly year-on-year.

Investments in Fiber accounted for 29% of total CapEx, consistent with 2023. By year-end, Proximus was actively rolling out Fiber in 171 cities and municipalities across Belgium. The Fiber footprint grew by 27% year-on-year, reaching 2,224,000 premises by end-2024.

The Mobile network (RAN) consolidation progressed as planned, driven by the joint-operation Mwingz, with CapEx aligned to the pace of mobile site integration.

In line with its strategic priorities, Proximus also made significant investments in digitalization and IT to enhance operational efficiency and customer experience.

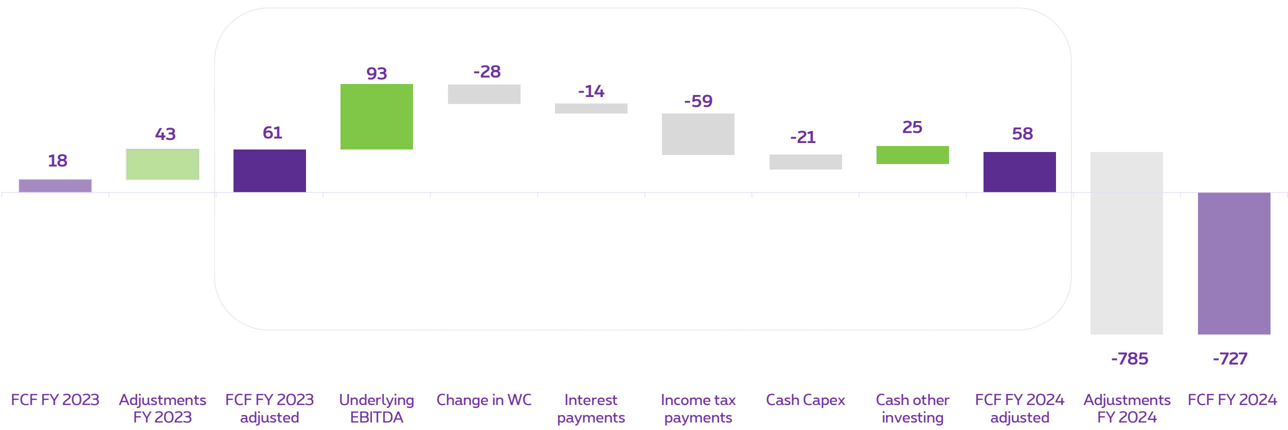


Free Cash Flow

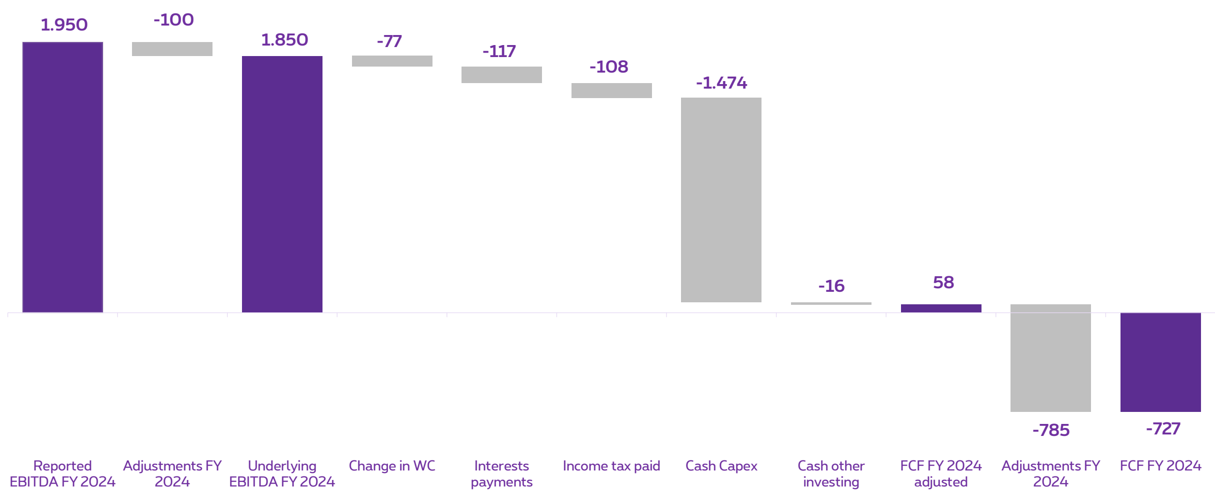
In 2024, reported Free Cash Flow (FCF) amounted to EUR -727 million, including acquisitions and M&A-related costs. Excluding these items, the adjusted FCF stood at EUR 58 million, reflecting a year-on-year decrease of EUR -4 million compared to the adjusted FCF of 2023. The acquisition and M&A-related costs primarily relate to the acquisitions of Route Mobile and Fiberklaar. The decrease in adjusted FCF was driven by interest expenses, increased income tax payments, and higher cash needs for working capital more than offsetting higher EBITDA and lower equity injections.

EUR 58M adjusted FCF

Free Cash Flow Year on Year comparison (M€)



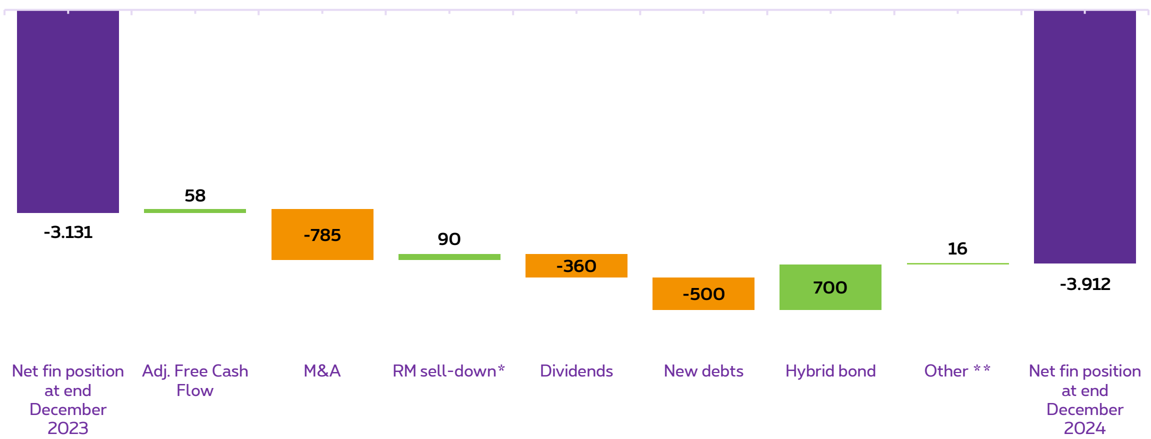
EBITDA conversion to Free Cash Flow (M€)



Net financial position

At the end of December 2024, Proximus' adjusted net financial position was EUR -3,912 million (including re-measurements to fair value), keeping a very sound net debt/EBITDA ratio of 2.9x (as per S&P definition).

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



*RM sell-down: In September 2024, the Proximus Group finalises the sale of the Route Mobile shares in order to comply with the minimum public ownership requirement. These transactions generate gross proceeds of around €90 million for Proximus Opal and result in a final stake in Route Mobile of 74.90%.

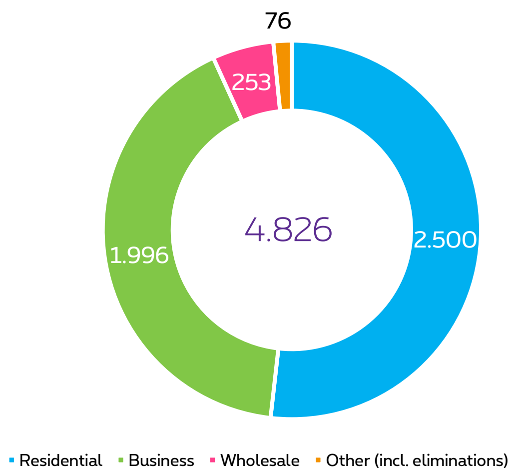
**Other: mainly re-measurements to fair value & amortisation of loans (incl. CF hedge for new LT loan); Own shares and New debts difference (EUR +5.5 million).

- Domestic revenue reached EUR 4,826 million in 2024, up by 3.4% from 2023.
- Proximus achieved robust growth driven by its complementary brand portfolio.
- Residential revenue totaled EUR 2,500 million in 2024, up by 4.3% year-on-year.
- Business revenue increased to EUR 1,996 million in 2024, reflecting 2.2% growth compared to 2023.
- Wholesale revenue amounted to EUR 253 million in 2024, down by 1.8% year-on-year, fully attributable to Interconnect revenue erosion with no material margin impact.
- Domestic EBITDA reached EUR 1,682 million, a year-on-year increase of 2.8%.

3. Domestic

For its Domestic operations, Proximus generated revenue of EUR 4,826 million in 2024, representing a 3.4% increase (EUR 160 million) compared to 2023. The Residential unit contributed approximately 52% of total Domestic revenue, the Enterprise unit 41%, and the Wholesale unit 5%.

Following the expanding Fiber footprint of Proximus, with works ongoing in 171 cities and municipalities, Fiber increasingly became a selling argument in both the Residential and Business market. During 2024, the number of activated Fiber customers grew by 167,000, a mix of Residential and Business customers, including both new activations and migrations from copper bringing the total Fiber customer base to 564,000 by year-end. This compares to an increase of 145,000 activated Fiber customers in 2023.



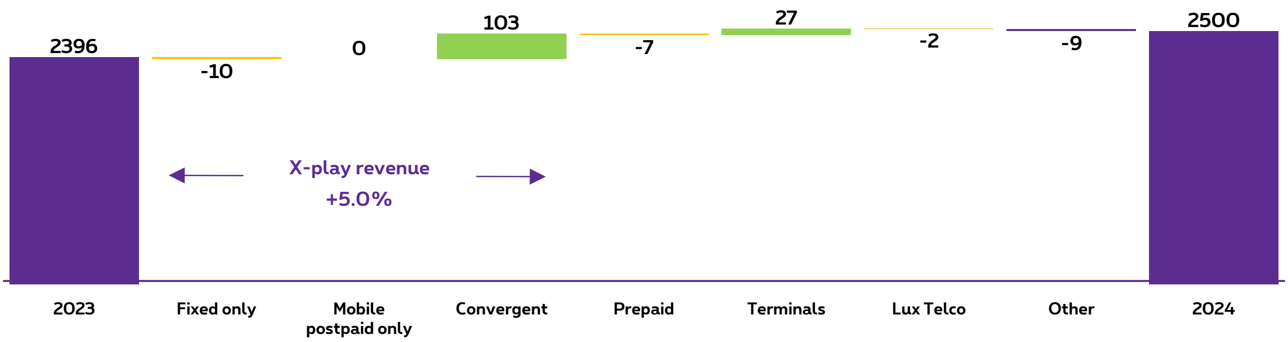
Residential revenue

1,826,000
Fixed Internet customers

Up by 43,000 in 2024

Revenue generated by Proximus Residential customers totaled EUR 2,500 million over 2024, up by 4.3% (EUR 104 million) compared to 2023.

Residential revenue build up (underlying, M€)



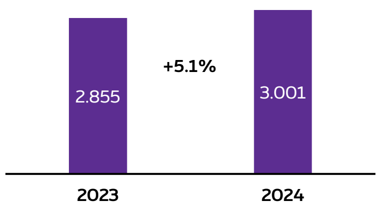
Through its three complementary brands—Proximus, Scarlet, and Mobile Vikings—designed to address diverse residential market needs, Proximus achieved strong growth in its Internet and Mobile Postpaid customer base in 2024. The Fixed Voice base continued its steady decline, reflecting evolving customer preferences.

Convergent offers that combine Fixed and Mobile services supported strong performance, particularly driven by the success of Proximus' Flex offers. In addition to a growing base across its core products, Residential revenue also benefited from inflation-based price adjustments on a broad range of Proximus services, implemented to offset inflationary pressures on the company's cost base.

When zooming in on the Residential operational results, 2024 was especially successful for Mobile Postpaid, with the number of Mobile Postpaid cards for the year up by 145,000, in spite of a rising competitive intensity.

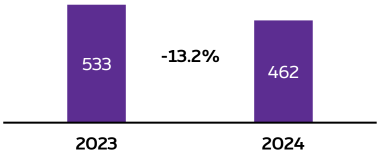
Proximus' mobile growth was driven by the complementary offerings of its premium Proximus brand, Scarlet, and Mobile Vikings, which collectively contributed to its success in Mobile. By the end of December 2024, Proximus' Residential Mobile Postpaid base totaled 3,001,000 cards, representing a 5.1% increase compared to the end of 2023.

Postpaid cards ('000)



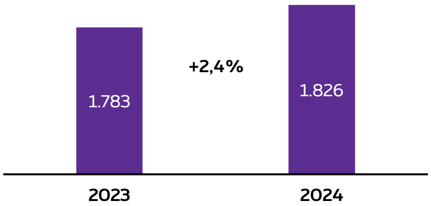
The Prepaid base continued its inherent declining trend, stimulated by the attractive Mobile Postpaid offers. Proximus saw the Mobile Prepaid base shrink in 2024 by 70,000 cards, leading to a total number of Prepaid cards of 462,000 by end-December 2024.

Prepaid cards ('000)



Strongly supported by Proximus' expanding Fiber footprint, the Residential unit managed to accelerate the growth of its Internet customer base, up by 43,000 customers in a competitive market. This is a 2.4% increase compared to one year ago, with end-2024 the Residential Internet base totaling 1,826,000 Internet lines, being a mix of customers on the historical copper network and a growing number of customers on the new Fiber technology.

Internet lines ('000)



The revenue generated by customers subscribing to Proximus' different product lines is referred to as Customer Services revenue or X-Play revenue. For 2024, 79% of the total Residential revenue, i.e., EUR 1,973 million was generated by Customer Services (X-play), an increase of 5.0% or EUR 93 million compared to 2023. The overall ARPC for 2024 of EUR 57.6 represents an increase of 3.9% from one year back. This was mainly the result of the inflation-based price adjustments, effective on 1 July 2023 and 1 January 2024.

In the mix, it is especially revenue from Convergent customers which showed strong growth, up by 9.0% year-on-year reaching EUR 1,240 million. In 2024, Proximus grew its convergent base by 59,000 customers, reaching a total of 1,172,000, up by 5.3% from 12 months back. The main growth driver of the Convergent revenue is the strong increase in the convergent 2-Play and 3-Play customer base.

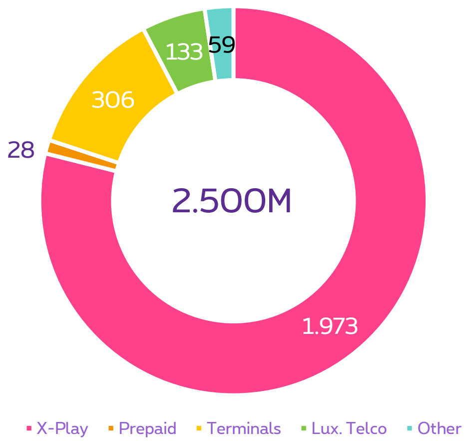
Proximus grew its convergent 3-Play base by 32,000 customers, reaching 484,000 customers by end-2024. This was combined with 4.0% growth in 3-Play ARPC to EUR 91.5. This resulted in a 3-Play convergent revenue growth of 11.0% to a total of EUR 512 million.
In continuation of the successful launch of offers combining Mobile with Internet mid-2022, and the decreased TV fee for certain customer units, the dual-play customer base grew by 57,000 customers in 2024.

The uptake of 2 and 3-Play convergent offers largely explains the steady downward trend in the number of 4-Play customers, down by 30,000 to a total base of 481,000.

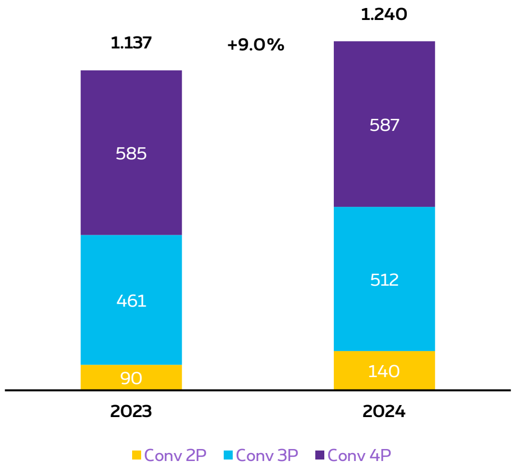
With the number of customers subscribing to Proximus' convergent offers on the rise, Proximus' base of Fixed-only customers decreased to 819,000 by end-2024. These customers generated in 2024, an ARPC of EUR 49.0, a EUR 1.7 increase from the previous year.
The number of customers who only have a Mobile subscription is stable compared to 2023. By end-2024, the Residential unit counted a Mobile Postpaid-only base of 881,000 customers, Proximus, Scarlet and Mobile Viking brands combined. These Mobile-only customers generated an ARPC of EUR 23.0, slightly down (-1.1%) compared to the previous year.

In addition to the above-described revenue from Customer Services, the Residential unit revenue also includes revenue from Terminals, Mobile Prepaid, its Luxembourg telecom business and Other revenue. In 2024, Terminals' total revenue reached EUR 306 million, a 9.6% increase from 2023. Driven by the decrease in the Proximus Prepaid base, revenue from Mobile Prepaid continued its eroding trend, with revenues down to EUR 28 million for 2024 compared to EUR 35 million in 2023. Proximus Luxembourg telecom revenue decreased by 1.2% year-on-year (EUR 2 million). Proximus' Residential unit recorded EUR 37 million in Other revenue for 2024, reflecting a year-on-year decrease of EUR -9 million.

79% Residential revenue generated by Customer Services

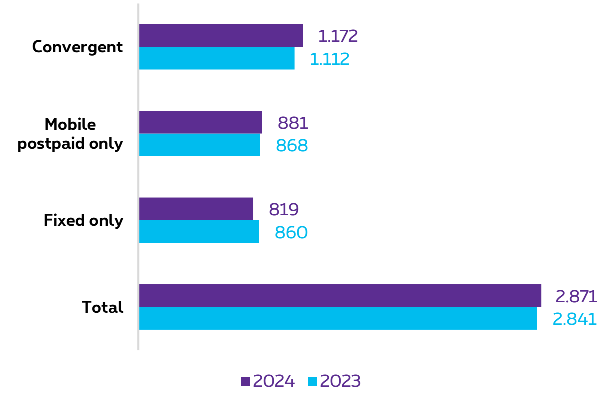


Convergent Revenue ('000)

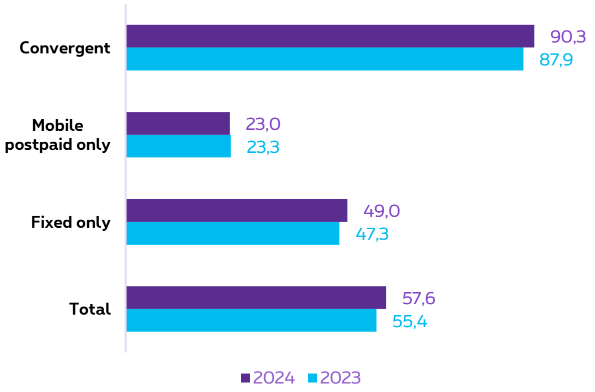


Up 9.0%
Convergent revenue

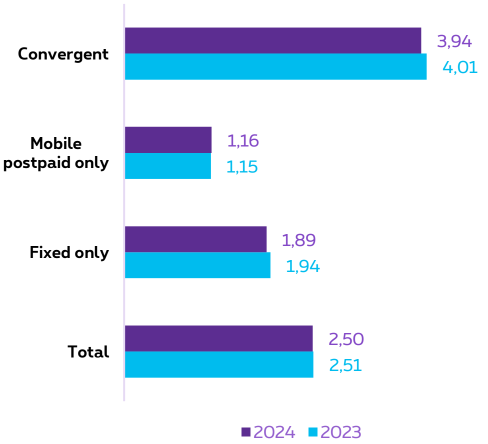
Customers per X-play ('000)



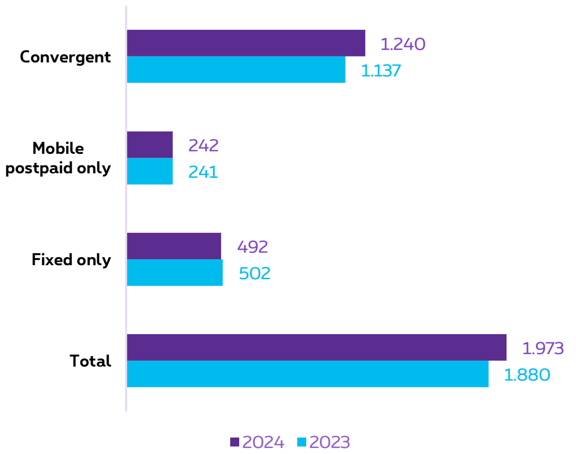
Average Revenue per Customer (€)



Average Revenue Generating Units per Customer

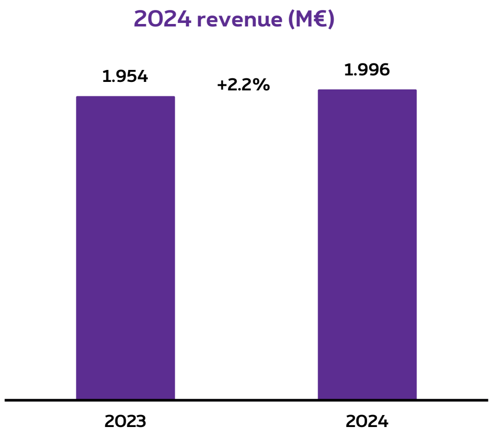


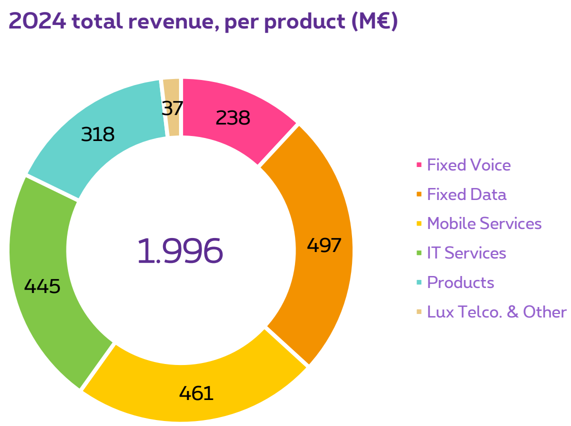
Customer Revenues (M€)



Business revenue

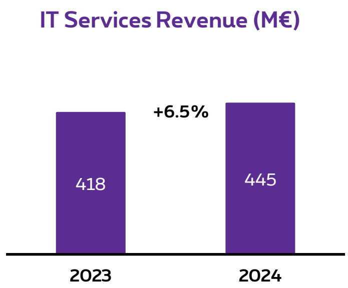
Proximus' Business unit generated revenue of EUR 1,996 million in 2024, a 2.2% increase compared to 2023. This growth was supported by a 6.6% rise in Products revenue and a 1.2% increase in Services revenue. Within Services, higher revenue from Fixed Data and IT Services offset declines in Mobile Services, impacted by the loss of the Flemish Government contract, and the ongoing erosion of Fixed Voice revenue. For Products, revenue growth was driven by strong performance in both Terminals and IT equipment.





IT Services

Proximus' Business unit delivered strong growth in IT Services revenue, reaching EUR 445 million in 2024, a year-on-year increase of 6.5%. This performance is partly driven by the early success of Proximus NXT IT, a dedicated entity focused on designing, developing, and delivering tailored IT solutions to meet evolving business needs more efficiently, while also aiming to improve margins.

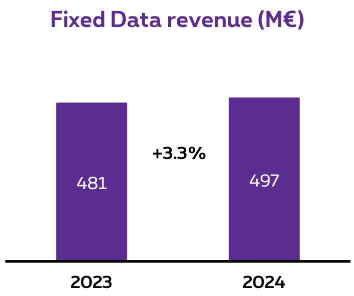


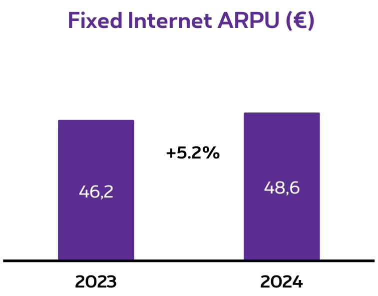
Fixed Data

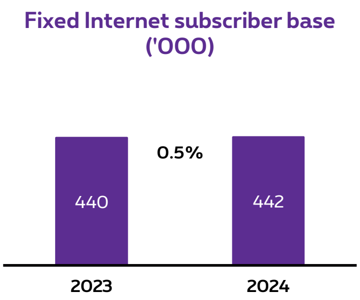
The revenue from Fixed Data services continued its positive trajectory in 2024, posting an increase of 3.3% from the previous year, totaling EUR 497 million for 2024.

Within the Fixed Data revenue mix, the revenue growth was mainly driven by further improving revenue from Internet services. This was explained by a progressing Broadband ARPU at EUR 48.6 for 2024, up 5.2% on the previous year, mainly benefitting from the price indexation, improved price tiering and a growing share of Fiber in the total Internet park. Over 2024, the Business Internet base slightly progressed to 442,000, up by 0.5% compared to one year back.

Revenue from Data Connectivity was slightly down year-on-year, as growth in new data connectivity offerings did not fully offset the erosion of legacy services. This growth was supported by Proximus' expanding point-to-point Fiber network.





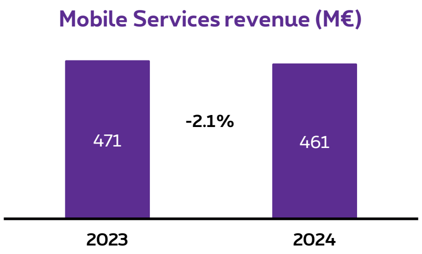


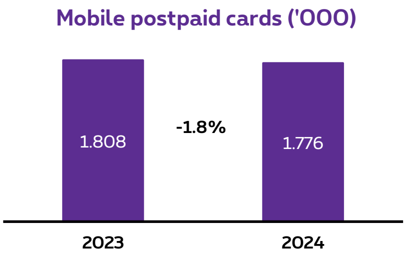
Mobile Services

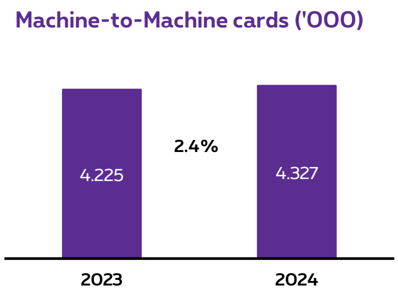
In 2024, the Business unit's Mobile service revenue totaled EUR 461 million, a decline of 2.1% year-on-year. Proximus maintained a solid mobile customer base, with 1,776,000 cards, reflecting a reduction of 32,000 Postpaid cards over the past twelve months (-1.8%). This decline was primarily attributed to the loss of the Flemish Government contract. Additionally, Mobile ARPU experienced a slight decrease of 2.2% compared to 2023.

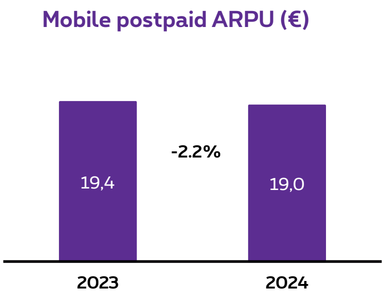
The Business unit continued to grow its M2M park, with 102,000 additional M2M cards activated during the year. By the end of December 2024, the Proximus M2M base reached 4,327,000 cards, marking a 2.4% increase year-on-year.

Mobile postpaid cards
(including M2M)
Up 70,000



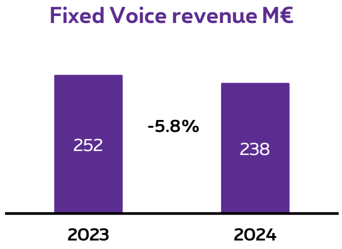


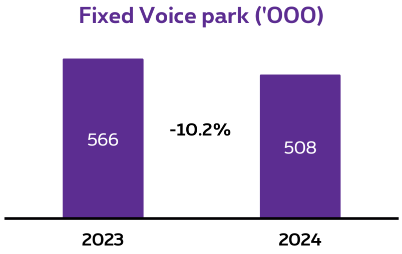


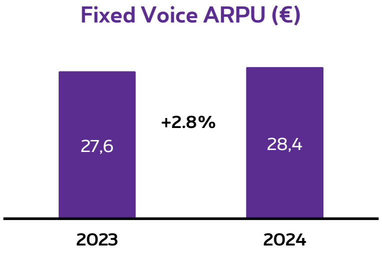


Fixed Voice

The Business unit reported EUR 238 million in Fixed Voice revenue for 2024, reflecting a year-on-year decline of 5.8%. This decline was primarily driven by the ongoing erosion of the Fixed Voice park, which decreased by 10.2% during the year. The Business Fixed Voice base contracted by 58,000 lines, ending 2024 with a total of 508,000 lines. This trend reflects continued customer rationalization of fixed-line connections, reduced usage, and migrations to VoIP technology. Partially offsetting these effects, Fixed Voice ARPU increased by 2.8%, driven by inflation-based price indexation, reaching EUR 28.4.

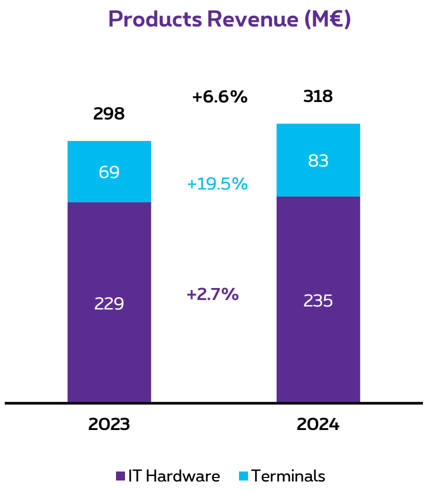






Products

Revenue from Products in 2024 grew by 6.6% year-on-year, an increase of EUR 20 million compared to 2023. This growth was primarily driven by strong performance in Terminals, which increased by 19.5%, and steady growth in IT Hardware, up 2.7%.

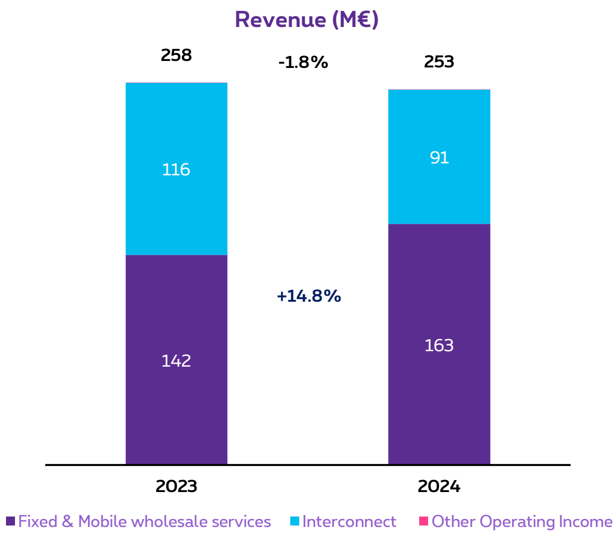


Wholesale revenue

Proximus' Wholesale operations generated revenue of EUR 253 million in 2024, a decrease of 1.8% (EUR 5 million) compared to 2023.

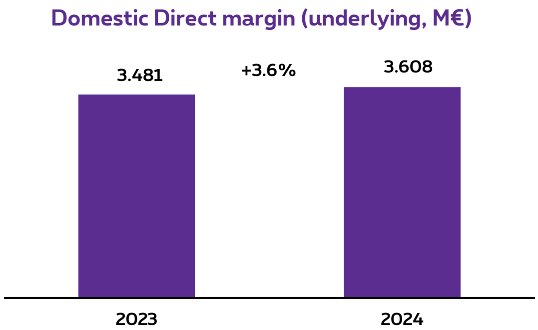
The decline in Wholesale revenue was entirely attributable to a EUR 25 million reduction in Interconnect revenue, which had no material margin impact. This was partially driven by the EU regulation lowering Fixed and Mobile Termination rates effective January 1, 2024. The larger share of the decline resulted from the ongoing shift away from traditional SMS usage in favor of over-the-top applications.

Meanwhile, revenue from Fixed and Mobile wholesale services increased by 14.8%, reaching EUR 163 million. This growth was primarily driven by higher roaming revenue and increased contributions from services provided through Mwingz and Proximus' Fiber Joint Ventures.



Domestic Direct margin

Proximus' Domestic operations achieved a direct margin of EUR 3,608 million in 2024, representing a 3.6% increase (EUR 126 million) compared to the previous year. This growth was driven by solid customer expansion across Proximus' main services, including Internet and Mobile, and was further supported by inflation-based price increases.

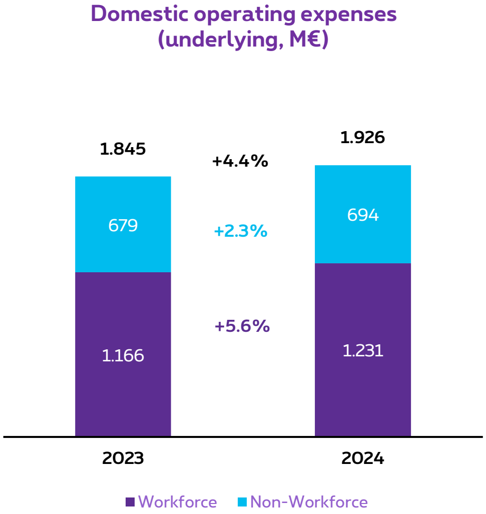


Domestic OpEx

Domestic operating costs increased by 4.4% year-on-year to EUR 1,926 million in 2024. This rise was driven by significant inflationary impacts on the cost base, higher costs to support customer growth—particularly in Fiber—and an increase in transformational costs. These increases were partially offset by Proximus' ongoing cost-efficiency program.

Workforce expenses for the Domestic segment totaled EUR 1,231 million, up 5.6% from the previous year. This was largely due to automatic wage adjustments linked to inflation, including 2 additional inflation-based salary indexations[1] of 2% each.

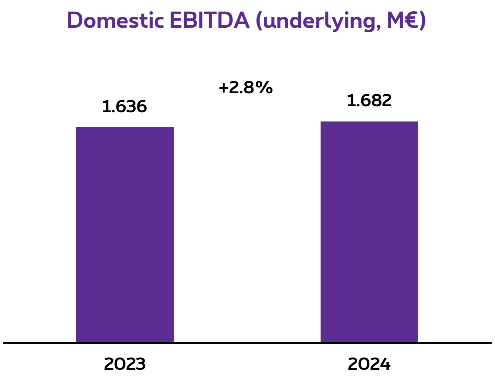
As of the end of 2024, Proximus' Domestic headcount stood at 10,291 FTEs, a decrease of 66 FTEs compared to 10,358 FTEs at the end of 2023. This reduction was primarily the result of natural attrition and retirements, which more than offset new hiring.



The Domestic non-workforce expenses increased by 2.3% in 2024, representing a year-on-year rise of EUR 5 million. This was primarily driven by general inflationary effects on costs such as maintenance and rental expenses. Additionally, in line with the company's strong customer growth, Proximus experienced an increase in customer-related costs year-on-year.

Domestic EBITDA

Proximus' Domestic segment reported an EBITDA of EUR 1,682 million in 2024, reflecting a year-on-year increase of 2.8%. This growth was driven by higher direct margin outweighing the higher costs. The Domestic EBITDA margin as a percentage of revenue stood at 34.8%, compared to 35.1% in 2023.



1 Public wages in Belgium were automatically adjusted to the higher cost of living on 1 December 2023 and 1 June 2024 with a 2% increase in each instance.

4. Proximus Global

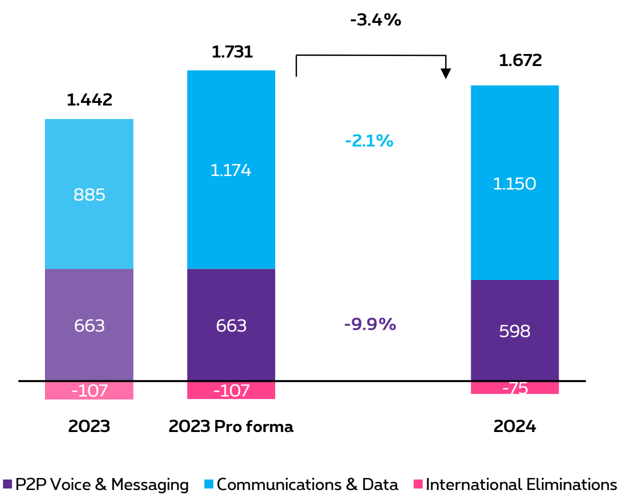
Proximus Global revenue

In 2024, Proximus Global reported EUR 1,672 million in revenue, reflecting a year-on-year decrease of 3.4% on a pro forma basis (an increase of 16.0% compared to underlying figures).

Revenue from Communications & Data totaled EUR 1,150 million, limiting the year-on-year decline to 2.1% on a pro forma basis (and marking a 29.9% increase on underlying figures). While the industry-wide reduction in CPaaS SMS volumes persisted, Proximus Global successfully captured part of this traffic through Omnichannel solutions, which maintained a strong growth trajectory. The segment also posted robust growth in Digital Identity, Mobility, and IoT services.

In an inherently declining market, P2P Voice & Messaging revenue amounted to EUR 598 million, a 9.9% year-on-year decline, driven by lower overall volumes.

Revenue by product group (M€)



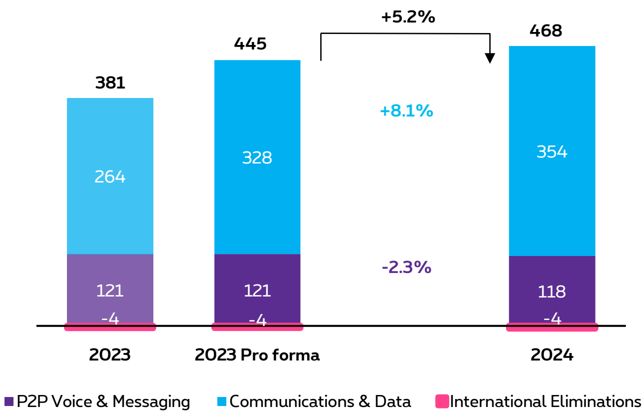
Proximus Global Direct margin

Proximus Global achieved a direct margin increase of +5.3% at constant currency on a pro forma basis, reaching EUR 468 million (up EUR 23 million). Including currency effects, the direct margin grew by 5.2%. This robust performance was driven by growth in Communications & Data services. On underlying figures, the growth including currency effects was up 22.7%.

In 2024, Proximus Global achieved a direct margin of EUR 354 million in Communications & Data services, reflecting an 8.1% increase on a pro forma basis and 34.1% growth compared to underlying figures. This strong performance was driven by contributions from nearly all product lines within Communications & Data. In the CPaaS Product group, Proximus successfully recaptured part of the traffic that had shifted from CPaaS SMS, growing by 2.3% on pro forma basis, to CPaaS omnichannel, delivering solid growth for its omnichannel offering. Additionally, Digital Identity showed strong results, with higher direct margin driven by growth in Phone ID.

In 2024, Proximus Global recorded a direct margin of EUR 118 million for P2P Voice & Messaging, a 2.3% decline year-on-year on a pro forma basis. The decrease was driven by the continued erosion of Legacy Voice products, which was not fully compensated by Other Legacy products and capacity.

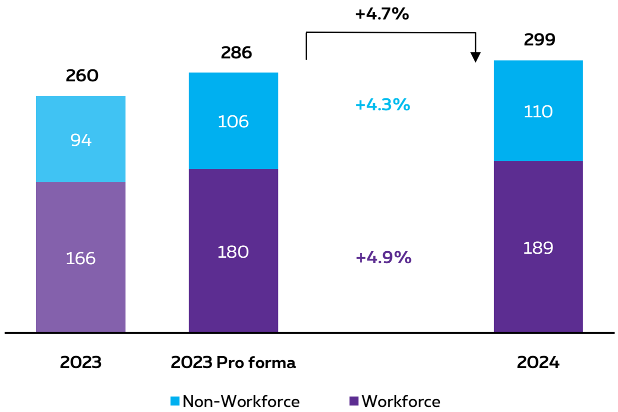
Direct margin (M€)



Proximus Global OpEx

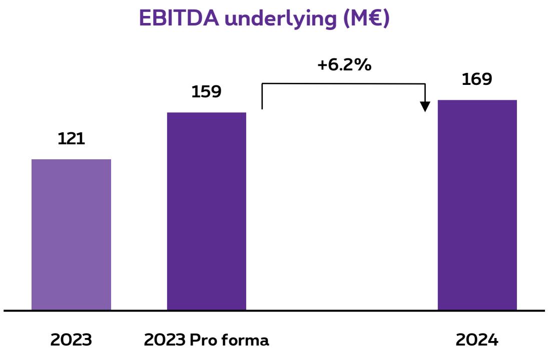
Proximus Global OpEx increased by 4.7% year-on-year on a pro forma basis, reaching EUR 299 million in 2024. The rise in Workforce OpEx was primarily driven by exposure to high-inflation markets, such as India, though this was partially mitigated by the realization of cost synergies.

OpEx (M€)



Proximus Global EBITDA

Proximus Global reported an EBITDA of EUR 169 million for 2024, reflecting a year-on-year increase of 6.2% on a pro forma basis and 39.2% based on underlying 2023 figures. This growth was driven by strong direct margin expansion in Communications & Data and the realization of cost synergies, which began to materialize during the year.



5. Definitions

A2P: Application to Person messages

Adjusted Net Financial Position: is the Net Financial Position from which lease liabilities are excluded.

ARPC: Average underlying revenue per (residential) customer.

Adjusted Free Cash Flow: Free Cash Flow adjusted to exclude M&A transactions and M&A related transaction costs.

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

ARPU: Average Revenue per Unit.

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

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

Communications & Data: one of the two main product groups within Proximus Global alongside "P2P Voice & Messaging". Communications & Data groups CPaaS, DI, Mobility, Cloud communications, and Internet of Things (IoT).

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

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

CPaaS: Communications Platform as a Service is a cloud-based delivery model that allows organizations to add real-time communications capabilities, such as voice, video and messaging, to business applications by deploying application program interfaces (APIs).

Digital Identity groups DI – Phone ID and DI – Score products.

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

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

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

Adjustments (Revenue/EBITDA):

- **The lease depreciations and interests in the Operating Expenses,** with the exception of leases that would qualify as finance leases on the basis of the criteria applied to a lessor under IFRS 16.
- **Transformation**: costs of employee transformation programs, the effect of settlements of post-employment benefit plans with impacts for the beneficiaries, or pre-identified material(*) one-shot projects (such as rebranding costs)
- **Acquisitions, mergers and disposals**: gains and losses on disposal of buildings or consolidated companies, M&A-related transaction costs, deferred M&A purchase price and impairment losses on goodwill.
- **Litigation/regulation:** Material (*) financial impacts of litigation files, fines and penalties and of law changes (one-off impacts relative to previous years)

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

EBIT: Earnings Before Interest & Taxes, corresponds to EBITDA minus depreciation and amortization.

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

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

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

Free Cash Flow: this is cash flow before financing activities and after lease payments (since 2019).

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

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

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

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

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

M2M: Machine-to-Machine cards

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

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

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

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

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

Net Financial Position: refers to the 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 the "other current & non-current payables interest-bearing".

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

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

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

P2P Voice & Messaging: one of the two main product groups within Proximus Global alongside "Communications & Data". P2P Voice & Messaging groups Voice, Capacity, Other Legacy and P2P MMS messaging.

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

Proximus Global: defined as including Proximus Group's international affiliates, Route Mobile, BICS and Telesign.

Reported revenues: this corresponds to the TOTAL INCOME.

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

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

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

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

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

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

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

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

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

2 Risk Management Report

Each of Proximus Group's activities is exposed to a variety of risks that have the potential to impact the financial performance of the Group. Proximus has implemented a risk management methodology that follows ISO 31000 - Risk Management Guidelines. Proximus' Risk Management System aims to identify and assess risks and opportunities in various domains and, wherever possible, to manage or mitigate them to an acceptable level of residual risk, in order to safeguard the Group's assets and protect its financial strength and reputation.

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

The enterprise, operational and reporting risks are detailed below. It must be noted that this is not an exhaustive analysis of all potential risks that Proximus may face.

Sustainability risks, and the impact they could have on people, society, and the environment, are reported in the Sustainability Statement: "Double materiality assessment".

2.1 Enterprise-wide risks

Proximus Group's Enterprise Risk Management (ERM) is a structured framework designed to identify, assess, respond to and report on strategic and business risks. These risks refer to potential adverse events or circumstances that could significantly impact the achievement of Proximus' strategic objectives.

ERM is integrated into Proximus' annual strategic planning cycle. A bottom-up identification and prioritization process is conducted every two years. This process involves thorough desk-based research, in-depth interviews, and surveys targeting management and subject matter experts. All relevant risks and opportunities are prioritized based on their potential impact and likelihood, taking into account both quantitative and qualitative factors.

Each member of the Proximus Leadership Squad (PLS) takes ownership of a sub-set of the prioritized risks and identifies the key internal stakeholders accountable for the follow-up measures.

The risk prioritizations and treatments are reviewed at least once per year, or whenever there is a change of context. The ERM report, which provides an overview of major risks and their respective treatment plans, is reviewed and validated by the PLS (more information in the "Corporate governance statement"). The key findings and outcomes are then reviewed in coordination with the Board of Directors.

Among the risks identified by the latest ERM exercise, the following risk categories were prioritized:

- Monetization of fiber investments
- Proximus Group international growth
- Human capital: talent attraction, retention and development
- Operating model evolution and cost control
- Belgian telecom market competitive dynamics – residential market

- Belgian ICT market competitive dynamics – enterprise market
- Regulatory and legal risks
- Shareholders' interests alignment

Monetization of fiber investments

Fiber optic is widely recognized as the superior and most future-proof fixed connectivity technology. On top of offering the highest download and upload speeds and low latency, fiber is also highly reliable and secure. Proximus' ambition is to provide gigabit network coverage to 100% of premises in Belgium, maximizing fiber coverage, to:

- support current and future customer needs (remote work, connected homes, next generation videos, gaming, etc.) and enable ARPU uplift;
- retain and grow market share across residential and enterprise customers;
- attract new wholesale market opportunities;
- simplify the operating model and reduce operating costs, by ceasing the sale of copper and ultimately phasing out copper within – at most – five years of the deployment of fiber in a given area.

Should a part of these benefits not materialize the turnover and profitability of Proximus could be significantly affected.

During the past years, Proximus has significantly increased investments in accelerating the deployment of a fully open and non-discriminatory performant fiber network with the ability to co-use fiber assets together with competition and maximize network utilization. Proximus' Gigabit Fiber network standalone deployment focuses on areas with the highest population density. In 2021, Proximus created the joint ventures Fiberklaar (in Flanders) and Unifiber (in Wallonia) with the experienced industrial and financial partners EQT Infrastructure and Eurofiber, respectively, to expand the fiber roll-out to medium-dense areas. In July 2024, Proximus acquired full ownership of Fiberklaar to bring about enhanced strategic autonomy and increased flexibility for Proximus in the deployment of fiber in Flanders. In the German-speaking Community, a region that typically has a very low population density, Proximus, Ethias and the government of the German-speaking Community have set-up GoFiber, a public-private partnership and joint venture that will introduce fiber to the German-speaking municipalities by the end of 2026.

Beyond city centers, construction costs increase, making the deployment of fiber networks economically more difficult. Although Proximus has the largest footprint of FTTH (Fiber-to-the-Home) in Belgium, the roll-out of competing FTTH networks could negatively impact the profitability of Proximus' investment by putting pressure on both wholesale and retail prices, making price tiering more difficult, and requiring larger differentiation between the offers. Telenet and Fluvius set up Wyre, a joint infrastructure company with plans to cover up to 78% of all homes in Flanders and parts of Brussels with fiber (FTTH) by 2038. Wyre's roll-out began in the summer of 2023. Orange Belgium has also announced an ambition of up to 66% coverage in Wallonia and Brussels, and 75% of the national footprint by 2040. . Digi launched a fiber offer in December 2024 limited to selected suburbs in Brussels, but it intends to scale its fiber footprint rapidly, targeting two million households within two years.

Proximus NV and Wyre BV, together with Telenet BV and Fiberklaar BV, have signed a Memorandum of Understanding for a potential future collaboration on the further deployment of fiber networks in Flanders.

This collaboration would enable effective and rational collaboration, as well as (potentially) co-investment frameworks, to the benefit of society and all stakeholders, reducing the nuisance and financial risks associated with the investment in further roll-out of FTTH. The potential collaboration between Proximus/Fiberklaar and Telenet/Wyre is being investigated by the Belgian Competition Authority in collaboration with the BIPT.

Scaling both the number of fiber activations and the roll-out can be challenging in a tight labor market (see also “Human capital: talent attraction, retention and development”, below). The roll-out of other infrastructure works may have a negative impact on the available capacity for Proximus.

Failure to retain the right talent for our deployment capacity could lead to delays in roll-out and activations, which in turn could have an impact on the timing of the benefits and the cost of roll-out. Proximus and its partners are taking several measures to mitigate this risk: transferal of resources from copper to fiber, increase of capacity via outsourcing partners and upskilling our existing employees, structurally reduction of the workload via self-install, and the flattening-out of seasonality via pro-active migrations.

Challenges in obtaining permits from municipalities or quality and compliance issues in operations could impede the speed of the deployment. Proximus management puts a strong focus on quality standards and compliance across both standalone and joint venture footprints. Among other things, Proximus issued a societal responsibility charter for fiber roll-out in March 2023.

Most Belgian consumers not yet connected to fiber already have access to higher speed internet through VDSL or cable. Proximus mitigates the risk of a lack of demand by promoting fiber and its benefits, including pre-roll-out marketing and remarketing activities. Advertising campaigns, complemented by customer-centric use cases, have created a strong brand association between fiber and Proximus. To reinforce the technological superiority, the multi-gig fiber technology with improved in-home experience has been made available in all areas where fiber coverage exists. Fiber is also available for customers of the other consumer brands of Proximus: Scarlet and Mobile Vikings.

Inflation impacts the cost of roll-out (see also “Operating model evolution and cost control”, below). Rising costs need to be balanced with strong commercial results, price increases and additional efficiencies. Competitive dynamics, with the arrival of Digi on the market, may lead to further pressure on market prices, and/or make price tiering and upselling more difficult. Proximus focuses on product superiority, customer experience, and a multi-brand strategy to mitigate that risk (see also “Belgian telecom market competitive dynamics – residential market”, below).

A customer retention risk also exists in relation to potential customer experience issues during the migration of customers of Proximus and Other Licensed Operators (OLO) to fiber; for example, overly long installation delays in some periods of high demand vs. available personnel. Proximus management is monitoring the fiber migration customer effort and fiber customer experience closely, and taking corrective actions through, among other things, dedicated Fiber Migration and In-Home Experience agile teams.

Copper cost avoidance is an important value driver for Proximus. Delays in deployment or gaps in deployment zones could impact copper out-phasing, as the full benefits only materialize once we are able to fully cut the last copper line. For the few customers that cannot be migrated to fiber, Proximus needs an alternative technology. Copper out-phasing is also an important element in Proximus' sustainability roadmap. Delays in copper out-phasing would thus affect both profitability and sustainability goals. This risk is mitigated through careful planning of customer migrations and the allocation of dedicated resources, including both personnel and IT investments.

FTTH is a regulated activity in Belgium. Pricing and access conditions for FTTH are monitored and/or set by the regulator. Adverse or negative regulatory decisions on FTTH pricing and/or access conditions could negatively impact the roll-out of fiber in Belgium. This could increase the digital divide between the dense city zones and the less dense zones that would prove too expensive to cove.r

Proximus Group international growth

The development of the international activities of Proximus Group through Route Mobile, Telesign and BICS gives access to rapid-growth adjacent digital communications markets. Those international activities are forecasted to be a major source of growth in the coming years.

In May 2024, Proximus Group (through Proximus Opal) acquired Route Mobile, a global company specialized in Communications Platform as a Service (CPaaS) services, listed on NSE and BSE in India. After a sell-down of Route Mobile shares to comply with the minimum public holding requirement, Proximus holds a 74.90% stake in Route Mobile. The combined strengths of Route Mobile and Telesign would allow Proximus Group to become one of the worldwide leaders in the fields of CPaaS and digital identity thanks to the high complementarity of Route Mobile and Telesign, both in terms of product offerings and geographic coverage.

In December 2024, Proximus announced the creation of Proximus Global, integrating BICS, Telesign and Route Mobile under one umbrella. As part of the new organizational structure, 100% of the shares of BICS were transferred from Proximus nv/sa to Proximus Opal, the subsidiary of the Proximus Group holding 100% of Telesign as well as the majority stake in Route Mobile. End of 2024, Proximus Opal officially changed its name to Proximus Global. Failure to realize the expected synergies, in the new organization with a streamlined operating model and unified global leadership team, would limit the Group EBITDA growth and ability to crystallize the value in the future.

Profitable growth in a competitive and fragmented digital communications market depends on the ability to maintain and grow the business with existing customers and attract new customers in a cost-effective way. It also depends on the ability to adapt to changing technology standards and customer preferences. Competition is likely to further increase from established competitors and new market entrants, making scale an important factor for success.

The CPaaS market is evolving from being predominantly SMS-based towards a multichannel solution, including WhatsApp and RCS (Rich Communication Services – a standard adopted by Telecom Operators as a successor of SMS) alongside SMS as communication channels. Failure to integrate these new communication channels on a large scale could have a negative impact on the Group's EBITDA growth.

While Proximus Global is deemed to be well positioned to benefit from expected CPaaS spending growth, thanks to the strengthening of omnichannel capabilities and a favorable geographical coverage resulting from the acquisition of Route Mobile, the markets in which Telesign and Route Mobile operate are highly competitive.

Driven by a fragmented market and complex ecosystem, competition is expected to intensify further. New entrants are emerging in the industry and existing competitors are likewise seeking to expand their services. Consolidation among the Group's competitors may also leave it at a competitive disadvantage. In addition, as the Group expands into international markets, it will increasingly compete with local and global providers of messaging services and telecommunications value-added services.

Digital Identity services rely on data acquired from third parties. If a substantial increase in the cost of data acquisition occurs, the Group may not be able to pass that cost increase on to its customers, resulting in a reduced profit margin. Additionally, the Group has no direct control over the quality of data it acquires from its suppliers. If the data quality deteriorates over time, the Digital Identity products coverage may decrease, and even become irrelevant for the customer.

If the Group or its third-party service providers experience a data security breach or network incident that allows – or is perceived to allow – unauthorized access to its solutions or customers' personal data, it could lead to negative publicity, with Proximus Group's reputation, business, financial condition, and results of operations potentially being adversely affected as a result. Additionally, such a (perceived) breach or incident could lead to enforcement actions, litigation, regulatory or governmental audits, investigations, inquiries and possible significant liability, as well as increased numbers of requests by individuals regarding their personal data.

The increasing prevalence of AI-driven phishing fraud attacks poses a significant risk to the effectiveness of Digital Identity products. These sophisticated attacks necessitate continuous updates and enhancements to solutions, to ensure they remain robust and capable of mitigating emerging threats.

Proximus Global's carrier activities could suffer from a slowing of the messaging & roaming market growth or an acceleration of the voice market decline. Proximus Global adapts to this environment by upgrading its offer to the latest technology (e.g. 5G standalone roaming), by addressing new customer segments (enterprises), and by investing in new growth domains (such as IoT, Security or Data Intelligence). Such investments are made possible by cost-reduction initiatives in the legacy and core business (automation, customer tiering, etc.).

Changes in the political situation in a region or country where the Group is active, or changes in overall geopolitical conditions, could impact the financial performance of the Group's international activities. The direct and indirect consequences of military conflicts, including potential measures taken by other countries, remain unpredictable and may contribute to increased instability in the global economy, or negatively impact global trade, currency exchange rates, energy prices and regional economies, thereby posing significant risks to the Group's operations and financial performance. The enlistment of civilians in the army or the imposition of sanctions could also impact operations.

Proximus Global is subject to many laws and regulations (e.g. competition and privacy laws in Europe and beyond). Proximus Group strives for strict compliance and strong controls. Litigations, or regulatory or governmental inquiries, could negatively impact the Group's reputation. Rule changes may also affect revenues and profitability.

Finally, performance can be impacted by current and future economic conditions outside of Proximus Group's control. A recession may increase the number of bad debts; this is mitigated through strict credit risk management. Risks from foreign currencies are hedged to the extent that they are liable to influence the Group's cash flows.

Human capital: Talent attraction, retention, and development

Failure to recruit, sustainably employ, engage, and retain a talented workforce could impact Proximus' competitiveness and ability to achieve its strategic goals.

The Belgian labor market remains under pressure, with a low unemployment rate, especially in the north of the country, leading to longer times needed to recruit for a broad range of profiles, e.g. field technicians, shop employees and ICT consultants.

To mitigate this risk facing talent attraction, Proximus runs various communication actions both on employer branding and recruitment topics (campaigning, "always on" approaches on social media, presence on external jobsites, events, etc.). Recruitment channels have been diversified: referral by employees (with a reward in the event of successful recruitment), internships, student jobs, etc., have been introduced. Proximus also leverages strong ties with external partners including local agencies and recruiting offices to source needed skills and develop new sourcing pools. The evolution towards Total Talent Management, integrating both internal and external resources, will play a critical role in our sourcing strategy, thanks to the Flecs-MSP Program and its future evolution, with the launch of direct sourcing of freelancers.

Our affiliate, Proximus Ada, supports Proximus in expanding its talent pool in Data Science, AI and cybersecurity. Additionally, transferring our B2B IT activities into a vibrant and dynamic ICT environment (as detailed in the "Belgian ICT market competitive dynamics – enterprise market" section below) will enhance our ability to attract IT talent. Proximus SA, BICS and Telesign also diversify their talent sourcing geographically, through Proximus Doo and Telesign Doo, and affiliates in Serbia, among others. The successful closure of the Route Mobile transaction also opened new sourcing options in India.

In the context of workforce cost increases (see "Operating model evolution and cost control" below), failure to adapt the current workforce's skills to ever-evolving needs would hinder Proximus' ability to execute its strategic plan. A Strategic Workforce Planning program and a skills mapping exercise allow Proximus to anticipate recruitment, upskilling and reskilling needs in both the short- and long-term. To secure future-proof skills and to guarantee sustainable employment for existing employees, Proximus invests extensively in training programs and internal mobility, providing many opportunities for upskilling and development. A dedicated project has been initiated with the aim of optimizing the use of Generative AI for productivity gains in a secure and ethical way.

Thanks to the focus on internal mobility, 738 employees changed jobs internally in 2024. With the evolution of Proximus as a group and its internationalization, synergy initiatives between the recruitment teams have been initiated (common job fairs, common projects such as internships, for example) and will be further developed (intragroup referral program, internationalization of the graduate program, etc.). The importance of intragroup mobility is gaining in importance, with a dedicated framework having been established in 2024.

To boost employee engagement, Proximus' "Think Possible" company culture stimulates agile ways of working for greater empowerment, customer-centricity, simplification and innovation. In 2024, a new evaluation system and a new remuneration system (i.e. a simpler salary increase system to ease market alignment, as well as an optimized bonus system) have been introduced for the employees of Proximus SA, in line with the desired cultural transformation. Those systemic changes increase the focus on performance based on mutual trust and clear feedback.

Eligible Proximus SA employees are allowed up to 3 days of homeworking per week. Proximus offers employees a coherent set of user-friendly and secure digital tools that can be used on any device, allowing increased flexibility and more hybrid ways of working.

Diversity, equity and inclusion policies and initiatives further contribute to the employees' well-being and sense of belonging. More information can be found in the Sustainability Statement: "Social information".

Operating model evolution and cost controlment

With a challenging socio-economic and geopolitical context, and inflation levels that remain high compared to the previous decades, costs need to be carefully managed.

Joint ventures and partnerships, combined with an increasingly global footprint, provide an opportunity to gain scale and reduce operating costs in comparison to standalone operations. This also makes for a more complex group structure for Proximus, which brings with it higher compliance risks and increased third-party risks. Proximus Group's governance structure and control mechanisms are being adapted gradually to better deal with this heightened complexity.

To compensate for the general effects of inflation, Proximus Group implements a strict cost control discipline and cost reduction programs. While being on track for the period 2019–2025 cost reduction ambition, failure to achieve the outstanding cost efficiencies would lead to a decrease in profitability. Proximus is constantly exploring ways by which to enhance and expedite cost savings without compromising customer experience. These include leveraging Generative AI solutions, implementing network transformation initiatives (such as centralization, virtualization, and the phase-out of legacy systems), and optimizing through the IT TCO program and CapEx efficiency initiatives (focusing on further improvements in fiber, 5G, and copper renewals). To mitigate inflationary pressures, we utilize long-term supplier relationships, contract protections, advanced purchasing, multi-sourcing strategies, and hedging mechanisms.

For Proximus SA and its Belgian subsidiaries, the unique Belgian system of automatic salary indexation to protect employees' purchasing power, and Proximus' obligation to index as soon as the pivotal index is reached, led to 1 salary indexation in 2024. Alongside strict cost management, Proximus SA is countering this impact via price indexations. Should Proximus' brand power not be strong enough, the inability to compensate for part of the cost increase through targeted price increases would impact margins. The potential churn impact of price indexations is mitigated by a more-for-more strategy, with commercial results having remained strong after previous price indexations as a result.

By sharing parts of the mobile network infrastructure with Orange Belgium, Proximus benefits from efficiencies in network operations, and ensures sustainable investments in new network technologies. Proximus aims for 100% 5G coverage in the 2025–2026 timeframe. Alongside unexpected extra costs of maintaining the legacy network and upgrading it to meet capacity demands, significant delays in the RAN swaps could weaken Proximus' mobile leadership position. Proximus closely monitors and follows up on the progress with its partners and suppliers in this regard.

Although the telecom sector's resilience has been demonstrated in recent years, a deteriorating economic climate could lead to a decline in customer spending in both the Consumer and Enterprise markets, as well as higher bad debt levels.

Churn and bad debt evolutions are followed up very closely by management, with no worrying evolutions noted to date. Social tariffs and no-frills offers help keep essential telecom services affordable to all. Struggling customers are offered adapted payment plans.

Inflation can also have a positive commercial impact, as Proximus NXT or BICS customers look toward digitalization or outsourcing options to reduce their own operating costs.

Belgian telecom market competitive dynamics – residential market

The Belgian market is an evolving market with changing competitive dynamics that could impact market value going forward. Proximus has demonstrated its ability to adapt to changing market conditions in the past. Failure to continue to adapt and mitigate the impact of a changing market structure and pricing dynamics could significantly impact Proximus' domestic EBITDA.

As mentioned above (see "Operating model evolution and cost control"), it is critical that Proximus maintains its brand strength and the resulting ability to monetize investments and to index prices to compensate for cost increases.

Proximus' Belgian connectivity revenues are at risk from increased competition, particularly in Wallonia and Brussels, where Proximus has a large market share. Orange Belgium has acquired VOO . Telenet and Orange Belgium have respective commercial wholesale agreements providing access to each other's HFC and FTTH networks for a 15-year period, leading to increased convergent competition across the country.

Following the 2022 spectrum auction with conditions favoring a new entrant, Citymesh and Romania's Digi joined forces to acquire a portion of the spectrum and set up a joint venture for the network company to address business and private individuals respectively. Digi began its commercial operations in Belgium in

December 2024 with low mobile tariffs, as well as a fixed internet offer on their own fiber network (limited to about 10K homes at the time of launch). Orange Belgium immediately responded to Digi's offer by launching an equivalently priced tariff through its 'Hey!' sub-brand. The pricing environment could deteriorate with the Digi launch and ARPU growth could be negatively impacted.

In August 2023, Proximus reached an agreement with Digi and Citymesh Connect on mobile wholesale services, restricted to the 4G network, and mobile infrastructure. DIGI aims to deploy its own mobile network and achieve 30% 5G population coverage by the end of 2025. The wholesale's agreement mitigates the potential short-term revenue impact on Proximus Group through wholesale revenues.

Keen to provide the best mobile experience to its customers, Proximus has kept full control of its core network and spectrum assets. Proximus managed to secure more spectrum – across all bands – than other mobile players during the spectrum auctions of 2022. This strength mitigates the mobile churn and pricing risk for Proximus, as it allows Proximus to differentiate and guarantee a superior mobile experience for the next 20 years.

Proximus' superior fiber technology versus cable helps mitigate the churn risk in fiber zones and strengthen the brand, reduce exposure to price disruption, and maintain pricing power. Proximus has also been consistently improving its multi-play value propositions, and structurally improving customer experience and customer service.

Alongside competitive dynamics, evolving customer needs, such as the acceleration of the 'cord-cutting' trend, i.e. customers canceling their digital TV subscriptions, would impact revenues and customer stickiness, as well as cost per digital TV customer due to the high fixed costs. "Over the top" competition (streaming services) is driving up the cost of exclusive content. The high quality of Proximus' digital TV offer, the content-sharing strategy for sports rights, and the partnerships with streaming services mitigate these risks. Network/product superiority and relevant digital services through the new Proximus+ app, which extends the functionalities beyond the management of the Proximus products, with mobility, energy consumption, budgeting and nearby activities, all contribute to mitigating risks relating to customer stickiness and brand relevance.

The multi-brand strategy of Proximus also contributes to risk mitigation. Scarlet and Mobile Vikings have very strong NPS scores and a convergent offer complementary to the Proximus brand offer.

Scarlet addresses the price-sensitive segment, while Mobile Vikings offers competitively priced mobile and Internet to young (at heart) digital-savvy customers.

Finally, Proximus' domestic financial performance could be impacted by disruptive technologies and new business models. Should Proximus not be able to adapt rapidly and well enough, this would have an impact on market shares and profitability.

Belgian ICT market competitive dynamics – enterprise market

On the domestic B2B mobile market, Proximus enjoys a solid market share. Intensifying price-based competition could lead to lower revenues and margins in the Corporate and Small & Medium Business segments.

Citymesh, as part of European IT company Cegeka, is looking to monetize its mobile spectrum investments, acquired in a joint venture with Digi. The loss of key customers could impact brand perception and Proximus' pricing power. In fixed connectivity, the range of Explore (convergent service platform) and SD-WAN solutions is managed to address evolving customer needs while limiting revenue impact through targeted and proactive migrations to next-gen solutions. Fixed voice erosion could further accelerate, thus impacting revenues and margins beyond current forecasts. Proximus mitigates the telecom churn and value erosion risks through its network leadership, good customer relationship management, and a strong portfolio of convergent ICT solutions.

In the highly competitive ICT market, the launch of Proximus NXT in June 2023 established a strong brand aimed at building a leadership position in the Benelux region. With ambitions to further enhance its IT offerings and leverage its leading expertise in areas such as workspace, cloud, sovereign cloud, security and AI, Proximus transferred its B2B IT activities to its affiliate, Proximus NXT IT, on July 1, 2024. This merger with existing teams enables a sharper focus on the unique aspects of the IT business, fostering a distinct B2B IT identity and strengthening its integration with Proximus' affiliate and partner ecosystem.

Failure to effectively address evolving customer needs (including compliance with ESG standards), new technologies and market developments within the enterprise sector in a timely manner, or a failure to introduce competitive products or services, could result in lower revenues and reduced profitability for Proximus NXT IT . These risks, if realized, would ultimately have a negative impact on the overall financial performance of Proximus, affecting both its top and bottom line.

Regulatory and legal risks

Proximus is an autonomous public sector enterprise that has adopted the legal form of a limited liability company under Belgian public law and therefore is also governed by certain provisions of Belgian public and administrative law. The interaction between the laws applicable to all private limited liability companies and the specific public and administrative law provisions and principles has in the past presented and may continue to present difficulties of interpretation and may give rise to legal uncertainties for Proximus.

Proximus' 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 labor laws.

The complexity of the legal and regulatory environment in which Proximus operates and the related costs of compliance are both increasing due to additional requirements. Furthermore, foreign and supranational laws occasionally conflict with domestic law.

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 Proximus' reputation, civil and criminal liability, fines and penalties, an increased tax burden, or costs incurred through regulatory compliance and restatements of Proximus' financial statements. Proximus is subject to significant regulation and supervision, which could require it to make additional expenditures or limit its flexibility, affecting its financial results in general and otherwise adversely affecting its business.

Proximus may be sued by third parties for infringement of proprietary rights. The telecommunications industry and related service businesses are characterized by the existence of a large number of 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. In addition, the Group may be sued for copyright or trademark infringement for purchasing and distributing content through various fixed line or wireless communications and other media, such as through its portals. Any such claims or lawsuits, with or without merit, could be time-consuming, result in costly litigation and diversion of technical and management personnel, lead to product shipment delays or delays in the granting of patent applications, or require the Group to develop non-infringing technology or to enter into royalty or licensing agreements. Such royalty or licensing agreements, if required, may not be available on commercially reasonable terms, or even at all.

If a successful claim of product infringement were to be made against the Group, or it was unable to develop non-infringing technology or license the infringed or similar technology in a timely manner, and on a cost-effective basis and commercially reasonable terms, operating revenue and net profit could decline.

The outcome of pending disputes involving Proximus with or before Belgian governmental bodies could adversely affect Proximus' operating revenue and net profit arising from data acquisition, as Telesign may not be able to pass the associated cost increase on to its customers. This would result in a reduced profit margin for Telesign. Additionally, Telesign has no direct control over the quality of data acquired from its suppliers, which are necessary to provide its digital identity services. If the quality of data acquired deteriorates over time, Telesign's coverage may decrease and become irrelevant for the customer.

Shareholders' interests alignment

Proximus could be influenced by the Belgian State whose interest may not always be aligned with the interests of Proximus' other shareholders and noteholders.

As majority shareholder, the Belgian State has the power to determine matters submitted for a vote of shareholders, including the ability to control the outcome of certain corporate actions such as dividend policy, mergers and other extraordinary transactions. The Belgian State also has the power to appoint and dismiss the directors, but it must comply with legal and statutory requirements such as, for example, the appointment of independent directors. The interests of the Belgian State regarding director appointments, dividend policy, mergers and other matters and the factors it considers in exercising its votes could be different from the interests of Proximus' other shareholders or creditors.

Periods of political uncertainty, can be detrimental to the strategic alignment between Proximus and its majority shareholder and strain Proximus' relationship with other stakeholders.

2.2 Operational risks

Operational risk relates to risks arising from systems, processes, people and external events that affect the operation of Proximus' businesses. It includes product life cycle & execution, product safety & performance, information management, data protection & cybersecurity, business continuity, supply chain, and other risks, including human resources and reputational risks. Depending on the nature of the risk involved and the business or function affected, Proximus uses a wide variety of risk mitigation strategies, including adverse scenario stress tests, back-up-/business-continuity plans, business process reviews, and insurance.

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

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

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

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

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

Resilience and business continuity

Business Continuity Management is developing its abilities to detect, prevent, minimize and deal with the impact of disruptive events so that business-critical services and functions can be operated at an acceptable level.

This approach is in line with the good practice standards and Belgian regulations on telecoms and critical infrastructure and is primarily achieved via the development of business continuity plans at corporate level for threats such as power interruptions, ransomware attacks or natural disasters linked to climate change. Building and ensuring the resilience of our network, platforms and IT systems remains a top priority in order to minimize the customer impact in the event of such incidents occurring.

These priorities are managed by the corresponding business units. The business continuity board is the steering committee that defines priorities and scope and validates the outcome. The level of preparedness is reported annually to the Audit and Compliance Committee.

Security

Escalating global cyber threats, along with the rise of increasingly sophisticated and targeted cyber-attacks, pose a risk to the security of Proximus as well as its customers, partners, suppliers, and third-party service providers in terms of products, services, business flows, systems and networks. The confidentiality, availability and integrity of the data of Proximus and its customers are also placed at risk.

We are taking the necessary actions and making investments to mitigate those risks by enacting several measures, including employee awareness and training, security-by-design, security testing, protective measures, detective measures, and maintenance of contingency plans.

Proximus' cybersecurity program places an important emphasis on Identity & Access Management for privileged users, business users, partners and vendors, on securing Proximus' critical infrastructure such as API, private and public clouds and DDoS protection, on protecting against advanced disruptive malware (such as ransomware), and expanding monitoring and detection capabilities. Artificial Intelligence and Machine Learning capabilities are also increasingly used in Proximus' cybersecurity.

Besides this, Proximus invests in threat intelligence and security incident response. Moreover, Proximus operates several Malware Information Sharing Platforms (MISPs) that enable the collection and sharing of structured information on cybersecurity threats. Proximus actively participates in a number of cross-industry and international expert groups to stay up to date on the latest threats. Collaboration with and through the expert groups of the European Telecom Operators platform (ETIS), GSMA, the Belgian Cyber Security Coalition and FIRST has been established in this regard.

Furthermore, Proximus also acts to protect its customers against fraud. With the support of the government, Proximus invests in anti-phishing and anti-fraud platforms (SMS, email, interconnect security)

More information on data protection and privacy can be found in the Sustainability Statement: "Data protection"

Data protection and privacy

Context

Companies in the telecommunications and IT services sector handle vast amounts of personal data. To protect this information, we have put in place the necessary processes and measures, in line with EU regulations like the General Data Protection Regulation2 (GDPR) and the Directive on Privacy and Electronic Communications3. Data protection is the protection of the personal data of individuals. Within this section,

2 Regulation 2016/679 EU of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data and repealing Directive 95/46/EC.

3 Directive 2002/58/EC of the European Parliament and of the Council of 12 July 2002 concerning the processing of personal data and the protection of privacy in the electronic communications sector and ensures the protection of fundamental rights and freedoms, in

consumers and end-users subject to material impact are defined as all the individuals whose personal data is processed by Proximus. These individuals can be, but are not limited to, customers, end-users of our telecommunications or ICT services, members of our workforce and representatives of the organizations that Proximus collaborates with.

More information can be found in the Annual Report - Sustainability Statement → Social information

Sourcing & Supply chain

Proximus depends on its partnerships with suppliers to provide the equipment needed to ensure business continuity and a sustainable supply chain. Global instability, logistics disruptions, energy crises, climate-induced natural disasters, etc. increase the risk to our supply chain resilience.

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

Risk mitigation is done via multi-sourcing, Tier 2 management, improved inventory management (advanced ordering, better forecasts, etc.), demand reduction, and product and process reengineering. Thanks to our enhanced Supplier Relationship Management (SRM), we are able to continuously assess risks together with the partnering supplier, thus reducing vulnerability and ensuring continuity. The relationship with key suppliers is assessed and documented by means of meeting minutes and surveys, which lay down the common strategies.

We continuously monitor risks through an SCRM (Supply Chain Risk Management) by Sphera, alerting the appropriate stakeholder in the event of any disruption along the supplier chain.

EcoVadis conducts sustainability performance evaluations, risk assessments and audits for national direct suppliers, while major global suppliers undergo these processes through the Joint Alliance for CSR (JAC) initiative.

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

Thanks to our active monitoring and risk mitigation actions, Proximus' supply chain has proven itself resilient in previous crises, with financial impact being limited as a result.

Legacy Network Infrastructure

In 2004, Proximus was the first operator in Europe to launch an ambitious fiber-to-the-curb program, paving the way for the subsequent national Fiber-to-the-Home network roll-out. And today it is among the world's top five operators for the proportion of fiber in its VDSL network, with tens of thousands of kilometers of optical

particular the respect for private life, confidentiality of communications and the protection of personal data in the electronic communications sector. The Directive has been transposed into Belgian law by the Act of 13 June 2005 on electronic communications.

fiber connecting its street cabinets and a massive increase in the number of kilometers in the access part of the network.

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

2.3 Risk Management & Compliance Committee

In 2024, the Risk Management and Compliance Committee (RMC) held 5 sessions.

The RMC's objectives are:

- to oversee the company's most critical enterprise and operational risks and how management monitors and mitigates those risks.
- to review files in which decisions must be taken by finding a balance between risk-taking and cost, in line with the Group's risk appetite.
- to enhance pending/open internal audit action points that remain open for more than six months.

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

The RMC decisions were reported to the Proximus Leadership Squad and the Audit & Compliance Committee.

2.4 Internal Audit

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

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

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

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

Since 2020, Proximus' Internal Audit department, in accordance with IIA Standard 1312 – External Quality Assessment, has been certified by IFACI/IIA.

2.5 Financial reporting risks

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

New transactions and evolving accounting standards

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

It is the responsibility of the Corporate Accounting department to follow developments in the area of evolving standards; both local General Accepted Accounting Principles (GAAP) and International Financial Reporting Standards (IFRS) are considered.

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

For each new type of transaction (e.g. new product, new employee benefit, business combination), an in-depth analysis is conducted from the points of view of financial reporting, risk management, treasury, and tax. In addition, the development requirements for the financial systems are defined in a timely manner and, in compliance with internal and external standards, are systematically analyzed.

Emphasis is placed on the development of preventive controls and the setting up of reporting tools that enable a posteriori control. The Audit and Compliance Committee (A&CC) and the Leadership Squad are informed on a regular basis about new and upcoming financial reporting standards and their potential impact on Proximus' financials.

Changes in tax law and regulations

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

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

The evolving complexity of the legal and regulatory environment, particularly in the context of international operations, poses risks to financial reporting. Conflicting requirements among and between domestic, foreign and supranational laws can complicate compliance efforts, increase the likelihood of misstatements, and affect the integrity and accuracy of our financial statements.

Financial statement closing process

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

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

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

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

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

3 Internal control system

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

Proximus has set up an internal control system based on the COSO model, i.e. the integrated internal control and enterprise risk management framework published by the Committee of Sponsoring Organisation of the

Treadway Commission ("COSO") for the first time in 1992 and updated in May 2013. This COSO methodology is based on five areas: the control environment, risk analysis, control activities, information & communication and monitoring.

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

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

3.1 Control environment

Organization of internal control

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

The A&CC meets at least once every quarter.

Ethics

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

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

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

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

Policies and procedures

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

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

Roles & responsibilities

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

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

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

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

Skills & expertise

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

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

3.2 Risk analysis

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

3.3 Risk mitigating factors and control measures

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

3.4 Information and communication

Financial reporting IT systems

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

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

Effective Internal communication

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

Reporting and validation of the financial results

The financial results are internally reported and validated on different levels. On the level of processes, there are validation meetings with the business process owners. On the level of the major affiliates, a validation meeting is organized with the accounting and controlling responsible. On Proximus group level, the consolidated results are split per segment. For every segment, the analysis and validation usually include comparison with historical figures, as well as budget-actual and forecast-actual analysis. Validation requires (absences of) variances to be analyzed and satisfactorily explained.

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

3.5 Supervision and assessment of internal control

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

- Each owner is responsible for reviewing and improving its business activities on a regular basis: this includes a.o. the process documentation, reporting on indicators and monitoring of those.
- In order to have an objective review and evaluation of the activities of each organization department, Proximus' Internal Audit department conducts regular audits across the Group's operations. The independence of Internal Audit is ensured via its direct reporting line to the Chairman of the A&CC. Audit assignments performed may have a specific financial processes scope but will also assess the effectiveness and efficiency of the operations and the compliance towards the applicable laws or rules.
- The A&CC reviews the quarterly interim reporting and the specific accounting methods. The main disputes and risks facing the Group are considered; the recommendations of internal audit are followed-up; the compliance within the Group with the Code of Conduct and Dealing Code is regularly discussed.
- Except for small foreign legal entities which do not legally require an audit, all relevant entities are subject to audit procedures. In general, this audit includes an assessment of the internal control, and leads to an opinion on the statutory financials and on the (half-yearly and annual) financials reported to Proximus for consolidation. In case the external audit reveals a weakness or identifies opportunities to further improve the internal control, recommendations are made to management. These recommendations, the related action plan and implementation status are at least annually reported to the A&CC.

4 Expertise of the Audit & Compliance Committee members

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

A majority of the members of the Audit & Compliance Committee has extensive expertise in accounting and auditing. The Chairwoman of the Audit & Compliance Committee, Mrs. Catherine Vandenborre, holds a degree in Business Economics as well as qualifications in Tax and Financial Risk Management. Both the Chairwoman and a majority of the members have held several board or executive mandates in large Belgian or international companies.

5 Evolution in research and development activities

In a fast-changing world, Proximus works on a daily basis to promote and encourage innovation. A close collaboration with important stakeholders such as partners and customers enable Proximus to develop breakthrough solutions. That allows the company to address today's challenges and contribute to shape the future of the digital world.

5.1 Gigabit networks

Proximus participates in organizations like ETSI, ITU, and GSMA, fostering knowledge sharing on network design, architecture, power management, and innovation. Partnerships with key suppliers like Nokia and Ericsson bring access to specialized equipment, innovation facilities and intellectual property, leveraging existing infrastructure to stimulate innovation.

5.2 Fiber

Alongside accelerating the deployment, Proximus is also integrating predictive models into rollout and repair processes. In 2024, an incident predictive model was implemented to evaluate defects before customer impact, enabling proactive maintenance and improving customer experience.

5.3 5G, a driver of innovation

Proximus Group views 5G as essential for innovation, driving digital transformation across industries and improving customer experiences. With ultra-fast speeds, low latency, and high capacity, 5G supports the development of innovative solutions in many sectors such as healthcare, manufacturing, logistics or media.

Proximus actively participates in public calls for projects in Belgium to support 5G deployment in various public sectors. In 2024, some use cases were delivered with the Walloon Region and dedicated partners.

- Media transmission: deployed to connect 5G cameras and enable event broadcasting.
- Air and sound monitoring: connecting wireless sensor data using the 5G network in Durbuy and Charleroi.
- Drone flights: testing 5G radio KPIs and a second communication system

5.4 Healthcare

In 2024, Proximus NXT launched the H.E.A.L.T.H project, where we deployed a 5G Mobile Private Network (MPN) at the hospital UZ Groeninge. By doing so, UZ Groeninge became the first hospital in the Benelux region with 5G capabilities. The hospital will test new medical applications, such as remote robotic surgery and smart glasses that allow doctors to follow along live with nurses. Additionally, we are actively contributing to projects aimed at monitoring and following up with patients at home. We are also collaborating on projects, together with the Maria Middelares hospital and the Wit-Gele Kruis, the non-profit organization for home nursing in Flanders, to equip our smart glasses with AI software to determine heart rate, breathing, blood pressure, and oxygen saturation. Furthermore, we are expanding our efforts to replicate connected ambulance use cases to other hospitals, ensuring that more patients benefit from these cutting-edge technologies.

5.5 Lens On Ghent or how to bring history to life with cutting-edge technology

Through a collaboration with VisitGent, Proximus has co-developed Lens On Ghent, a ground-breaking application that leverages the power of Augmented Reality (AR) and Proximus' 5G network to deliver an interactive experience for both tourists and residents. This innovative app allows users to travel back in time and explore the medieval history of three iconic locations in Ghent: the Bijloke, Prinsenhof, and the Graslei-Korenlei.

The application offers users a glimpse of the past, recreating the greatness of these historical sites with AR technology. Visitors can follow the transformation of the Bijloke from an ancient hospital into a contemporary music center, relive the architectural splendor of the Hof ten Walle palace at Prinsenhof, and experience the vibrant port activity along the Graslei and Korenlei. This seamless integration of AR enhances the cultural and touristic appeal of Ghent, bringing history to life through modern technology.

Proximus' high-performance 5G network, fully deployed in the city center of Ghent, plays a key role in ensuring a smooth and immersive AR experience. The low latency and high-speed connectivity provided by 5G enable users to fully enjoy this digital journey with optimized real-time interactions, making the app a prime example of how advanced technology can empower everyday experiences.

On top of being a cultural and touristic attraction, Lens On Ghent also represents a successful mix of innovation and technology. It demonstrates how Proximus leverages its digital capabilities to create impactful solutions.

By being available for free on the Google Play Store and Apple App Store, this application serves as a flagship example of how Proximus is driving digital transformation in Belgium, using its expertise to create meaningful experiences.

5.6 Building a Future of Quantum Innovation

Quantum technology is set to play an essential role in the future in the field of cybersecurity. After a successful field trial of a quantum safe network in 2023, Proximus launched Quantum Circle in the spring of 2024, Belgium's first community dedicated to advancing quantum technology.

This pioneering initiative unites a diverse group of quantum explorers, industry experts, and visionaries to collaborate on transformative applications and drive widespread market adoption of quantum innovations.

Quantum Circle's mission is clear: to create an ecosystem that fosters cutting-edge research, groundbreaking applications, and visionary investments that deliver significant societal and economic impact. By bringing together researchers, academics, technology providers, and end users from both the public and private sectors, the community identifies and accelerates high-impact applications in quantum computing, communication, and sensing.

With over 60 member organizations, Quantum Circle has quickly grown to host its own events, including its inaugural summit, while actively engaging Belgian business leaders and policymakers to support the acceleration of quantum technology adoption. This initiative positions Proximus at the forefront of Belgium's technological future, laying the groundwork for the country's quantum revolution.

5.7 Proximus Ada

In 2024, Proximus ADA advanced its growth, establishing itself as a leading hub for artificial intelligence (AI) and cybersecurity.. It is designed to be a pillar of innovation and a center of expertise for all the companies in Proximus Group. It explores the latest AI advancements, including AI agents and multi-agent systems.

Therefore, ADA actively participates in the development of the company and creates many tools that are useful internally or externally. One example of that is the creation and development of a translator tool based on AI that is able to understand and translate texts based on acronym specific to Proximus. This enables everyone within the company to translate any type of text and have a specific and accurate result even when using vocabulary specific to Proximus.

5.8 AI for superior customer service

Proximus leverages Generative AI to enhance its customer service, with Proximus Ada's expertise driving its progress. Recent initiatives include:

Customer Support initiatives:

- FAQ Search Enhancement: improved information discovery in the Contact Center, increasing customer satisfaction by 6 points.
- Proximus Assistant Upgrade: chatbot using Gen AI for more accurate responses, with 40 new AI feeds in development.

Colleague Support initiatives:

- Writing Assistant: aids in crafting customer communications, testing response suggestion features.
- My AI Assistant (MAIA): launched in August 2024, this chatbot streamlines information retrieval for customer-facing colleagues.

5.9 Internal initiatives supporting innovation

The Design Thinking Center of Excellence is a specialized team of experts focused on applying Design Thinking principles. They adapt the methodology for employees and create standardized tools to facilitate its widespread use across the organization. Each year, they train 900 employees and provide coaching for around 16 strategic projects on average.

The Innovation Accelerator focuses on identifying and nurturing innovative initiatives with the potential to generate new revenue streams, both in areas related to our core business and beyond. This accelerator emphasizes initiatives with long-term growth prospects, prioritizing future potential over short-term impact.

The Proximus Innovation Committee serves as a central point for innovation within the company, promoting internal alignment, collaboration, and knowledge exchange. Additionally, the Committee manages partnership opportunities and funding requests from external organizations. This dual function makes it a vital player in Proximus' innovation strategy, integrating both internal and external innovation efforts.

The Customer Experience Challenge is an annual company-wide hackathon designed to foster cross-departmental collaboration, aiming to spark innovative ideas and improve customer experience. In the 2024 edition, 10 teams participated, focusing on different topics within the Residential and SME segments.

5.10 Innovating for sustainable energy management

As part of its ambition to become Net Zero by 2040, Proximus wants to ensure that nearly all of its energy consumption is covered by renewable sources. This goal is challenging given the critical nature of the infrastructure Proximus operates and limited geographic availability of renewable energy. To address this, Proximus, in partnership with Companion.energy, developed the Proximus Energy Box — a software solution that optimizes energy flows by integrating real-time data, forecasting energy needs, and recommending optimizations.

By leveraging this technology, Proximus is not only securing its energy management for the future but also paving the way for other large enterprises to make tangible progress in their own energy transitions.

This forward-thinking approach underscores Proximus' commitment to sustainability, reinforcing its leadership in the digital and energy sectors.

5.11 Strategic partnership with Microsoft for cloud and digital communications

Proximus signed a partnership with Microsoft in 2024, focusing on advancing cloud and digital communication services at an international level. This collaboration aims to enhance customer engagement across multiple channels by leveraging the best-in-class products of Proximus' international affiliates—BICS, Telesign, and Route Mobile—alongside Microsoft's technology.

The key initiatives related to the partnership are:

- Communication Platform Services: Enhance customer communication and security services through innovative solutions.
- Top-Tier Microsoft Service Provider: Position Proximus NXT as a leading provider in 5G applications, edge computing, workplace solutions, security, cloud (Azure cloud and confidential compute), cloud for SMEs, data, and AI in the region.
- Go-to-Market and Sales Actions: Collaborate with Microsoft on joint marketing and sales efforts to benefit all customer segments using Microsoft products and services.

When it comes to the internal digital transformation, the main elements of the partnership are the following:

- Migration to Microsoft Azure: Proximus is undergoing a strategic digital transformation by adopting Microsoft Azure. This move will enhance our IT environment with advanced AI integration, ensuring superior reliability, scalability, and security.
- Developer Experience and Talent Attraction: Offer a top-tier developer experience, attract future talent, and harness generational AI in the public cloud.
- Standardized Development Platform: Standardize development on a unified platform for in-house applications, empowering engineers, increasing project agility, and improving cost efficiency, all while adhering to Proximus standards.

Taken all together, this partnership and internal transformation will drive innovation and excellence in customer service and IT infrastructure, positioning Proximus as a leader in the digital communications landscape.

5.12 International operations

BICS

BICS provides solutions in digital communications, cloud communication services, mobility and IoT for telecom operators, virtual network operators, service providers, enterprise software providers and global enterprises. It provides services across more than 200 countries and carries around 50% of the world's data roaming traffic. The company continuously invests in advancing its global communication solutions portfolio addressing telco, enterprise, and cloud segments.

BICS focuses its R&D on delivering 5G services, (e)SIM and IoT technology, digital communication services and a strong fraud, security and analytics offer. It monitors market evolution and customer needs to enhance its services, features, and overall product portfolios.

Telesign

Telesign focuses its research and development efforts on connecting, protecting, and defending digital identities of global enterprises. It provides fraud protection, secure communications, and enable the digital economy by helping companies and customers to engage with confidence throughout customer identity solutions. Telesign regularly releases updates to its services which incorporate new features and enhance existing ones.

In 2024, Telesign has responded to the escalating threat of cyber fraud and rising SMS costs by launched Verify API, a new omnichannel verification solution. This new omnichannel API integrates seven leading user verification channels: (SMS, Silent Verification, Push, Email, WhatsApp, Viber, and RCS) into a unified API. This enables businesses to effortlessly scale new authentication channels with minimal development resources, making the verification experience better and more secure for the end-users and developers. The unique API, combined with the multiple channels with automatic fallback and a global coverage are key features of this new innovative solutions developed by Telesign.

Route Mobile

Route Mobile is a global communications platform-as-a-service (CPaaS) provider that helps businesses engage with their customers through various channels (SMS, voice, email, etc.). It is specialized in cloud communications, offering solutions like mobile identity verification, omnichannel customer engagement, and SMS firewall services. Its services enable companies to communicate securely and effectively, often used by industries like banking, retail, e-commerce, and digital platforms to improve customer interactions and manage security.

6 Other information

6.1 Rights, commitments and contingencies as of 31 December 2024

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

6.2 Diversity & Inclusion Statement

Diversity & Inclusion Statement is reported in chapter Sustainability Statement → Social information of the Annual report.

6.3 Climate Change

Climate Change is reported in Sustainability Statement → Environmental information of the Annual report.

6.4 Use of financial instruments

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

6.5 Circumstances which may considerably impact the development of the Group

Circumstances which may considerably impact the development of the Group are reported in the sections "Risk Management" and "Internal Control" of this management report.

6.6 Treasury shares

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

6.7 Capital management

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

In October 2024 Proximus issued a EUR 700 million hybrid bond to strengthen its capital structure.

6.8 Post-balance sheet events

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

On behalf of the Board of Directors,

Brussels, 27 February 2025

Guillaume Boutin	Stefaan De Clerck
Chief Executive Officer	Chairman of the Board of Directors