Quarterly Report

Q2 2023

proximus

Table of Contents

- Proximus Group Q2 underlying revenue +4.0% YoY, underlying EBITDA -3.7% YoY.
- Domestic revenue +4.2% to EUR 1,147 million in Q2, with Residential revenue up +4.2% and Business revenue +2.9%.
- Fiber strategy further scaling: 25% population coverage and 322,000 activated Fiber lines end-June 2023.
- Excellent commercial performance of all product lines: Mobile postpaid (+48,000), Internet (+13,000) and convergent customer growth (+16,000) driven by Fiber, net loss in TV customer base well contained (-3,000).
- In line with expectations, inflationary cost increases impacted underlying Domestic EBITDA, -3.5% year-on-year.
- International segments BICS and Telesign grew direct margin, at respectively 1.0% and 8.2% (constant currency).
- H1'23 CapEx of EUR 612 million, on track for full-year expectation.
- H1'23 Adjusted FCF of EUR -99 million, impacted by phasing of VAT and income tax payments. H2'23 will return to positive ground, supported by underlying business trends and the sale of the Proximus headquarter.
- Reiterating guidance for FY 2023. Domestic revenues expected to be at the upper end of the given range of +1% +3%.

1 Highlights

- Proximus' Domestic segment closed the second quarter of 2023 with an **excellent growth in Mobile Postpaid, +48,000 net adds**, boosted by the customer traction for newly launched Mobile Portfolios. Proximus' enlarging Fiber footprint drove a sustained strong growth for its **Internet base (+13,000),** in a slowly growing market. The combined success of the new Mobile offers and Fiber is also reflected in the **Residential convergent offers, growing by +16,000** customers to a total of 1,078,000, a +5.4% year-on-year increase. End-June 2023, the number of **active Residential and Business Fiber lines totaled 322,000**, of which +34,000 were added in the second quarter 2023. With churn seasonally low, the **net erosion was well contained for both TV subscriptions**, (-3,000), **and Fixed Voice subscriptions** (-32,000).

- Proximus' **Domestic underlying revenue was up by +4.2% to EUR 1,147 million**. The **Residential unit posted a +4.2%** revenue increase, resulting from a +4.2% or EUR 19 million increase in Customer Services revenue and revenue from Terminals being higher by EUR 7 million. Convergent revenue was up +7.7% driven by further customer growth and the inflation-based price adjustments of May 2022 and January 2023. The second-quarter 2023 **revenue of the Business unit grew +2.9% year-on-year**. Overall, in spite of ongoing Fixed Voice pressure, Business Services revenue sustained its positive trend, up by +0.8%, driven by IT Services (+6.6%) and Fixed Data (+2.3%). IT equipment revenue, returning to normal business tendencies, was up by EUR 12 million. Proximus' **Wholesale unit posted an overall -4.1% revenue decrease**, driven by low margin interconnect revenue loss, while Wholesale Services revenue was up +6.9%.

- The second-quarter 2023 **Domestic EBITDA totaled EUR 416 million, a -3.5% decrease** from the same period in 2022. The support from higher direct margin, up by +2.5%, and ongoing company-wide cost efficiencies, was more than offset by inflationary cost effects. This includes the increase in electricity costs and the year-on-year effect from cumulating wage indexations, which is expected to gradually soften over the next 2 quarters.

- **Telesign** closed the second quarter with **revenue growing +18.9%** to EUR 128 million and direct margin + 3.4% to EUR 28 million, including adverse currency effects. On constant currency basis, this was respectively +21.9% and +8.2%. Growth is continuing for both Digital Identity and Communication segments. With material investments in Telesign's growth strategy having reached their peak, the year-on-year increase is slowing down. Telesign's second-quarter EBITDA was EUR -3 million.

- **BICS** closed the second quarter with **revenue down by -1.1% to EUR 267 million**, with the USD currency headwind impacting its topline. Overall, growth rates are normalizing from an exceptional 2022 which was boosted by the global post-Covid travel uptake. BICS' Core services revenue was up +8.1% for the second quarter 2023 driven by higher mobility services and messaging revenue. Growth services revenue was down from a high base by -6.3% as well as low-margin Legacy services revenue, -6.8%. BICS grew **direct margin by +1.0%,** and maintained a stable OPEX, resulting a +**2.8% increase in EBITDA,** despite an inflation-based wage indexation impact since 1 January 2023.

- In aggregate, the Proximus **Group underlying revenue totaled EUR 1,495 million** for the second quarter of 2023, **up +4.0%.** The underlying **Group EBITDA totaled EUR 446 million, down by -3.7%**.

- The **Proximus Group CapEx for the first-half of 2023 totaled EUR 612 million**, compared to EUR 557 million one year back, excluding spectrum and football rights. Fiber related investments counted for 29% of the total CapEx, with CapEx for Proximus' own Fiber build coming down from its peak in 2022, while the CapEx to connect and activate customers increases. Moreover, the Mobile network (RAN) consolidation between Proximus and Orange Belgium is ongoing, and Proximus increased its investments in Digitalization and IT transformation.

- Over the **first six months of 2023, Proximus Group posted Free Cash Flow of EUR -124 million, or EUR -99 million when adjusted** for M&A-related transaction costs. The year-on- year decrease by EUR 96 million was driven by lower underlying EBITDA, higher tax payments and interest-related payments on spectrum rights, while Business Working Capital needs were lower. With the first-half 2023 adjusted FCF reflecting year-on-year phasing in VAT and income tax payments, the adjusted FCF will return to positive ground in the second half of 2023, supported by underlying business trends and the sale of the Proximus' headquarter.

Market situation

For the Residential market, Belgium remains very much a convergent market, with offers addressing all customer segments, from fully-fledged convergent offers including multi-mobile cards and entertainment propositions over skinny bundles to stand-alone offers. The industry headwind of Fixed Voice decline continues and cord cutting emerged in Belgium. While the Fixed internet market is slowly growing, Fiber connectivity increasingly creates opportunities. The current economic situation increases the addressable market for price-seeker brands. At the same time, with the evident inflation pressures in the Belgian market as elsewhere in Europe, the Belgian Telecom market has seen selective pricing increases to mitigate these impacts to its overall margins. Whereas the Mobile headline pricing is keeping a more prudent approach, with data allowances remaining on the rise, the market continues to see selective promo-driven competition. As the market is readying itself for the announced newcomer, all networks players in Belgium apply a multi-brand strategy, generally at beneficial pricing to the main brand. The Business market remained very competitive, translated into continued pricing pressure, whilst there has been room for targeted pricing actions. Fiber connectivity and Professional IT Services represent opportunities, while legacy Fixed services face ongoing erosion.

Guillaume Boutin, CEO

Proximus has delivered excellent Domestic commercial performance in second quarter, whilst having taken a major step in becoming one of the worldwide leaders in digital communications

The strong commercial momentum over the past 3 months demonstrated our ability to rapidly adapt to changes in our domestic market: our new mobile postpaid portfolio launched in May boosted our mobile customer growth to +48,000 in the second quarter 2023. In addition, our successful "You got the Fiber" advertising campaign and the launch in April of our unrivaled 10Gbps technology, nationwide as of July, have supported the success of our Fiber offers, adding 34,000 additional active Fiber customers during the second quarter. The continued commercial traction along with our pricing strategy translates in a sustained strong revenue growth, with Domestic revenue increasing year-on-year by 4.2%.

In parallel, the deployment of our Gigabit network in Belgium, is progressing well. End June, Proximus reached a national coverage rate of 25%, with nearly 1.5 million homes and businesses connected to the Fiber network. Proximus is several years ahead in the deployment of Multigig Fiber technology –setting itself apart from its competitors through delivering the fastest Internet connections. To ensure that Fiber is even more rapidly available to all, I'm calling for an effective and rational Fiber collaboration and co-investment framework in Belgium, for the benefit of the whole country.

Turning to our international segments, I am delighted to confirm a similarly solid commercial momentum with Telesign on the one hand, delivering robust sales bookings (+31% YoY) and continuing to post double digit revenue growth of 21.9% at constant currency from its Communication and Digital Identity services. Moreover, the value of its customer base continues to progress with a 117% Net Revenue Retention rate.

BICS, on the other hand, after an exceptional 2022 growth trend, which was boosted by the global post-Covid travel uptake, continued to perform well on its core Messaging and Mobility services, whereas legacy services evolution reflects the inherently declining Voice market.

On top of these commercial achievements, I'm really proud that we have announced a strategic transaction which will materially accelerate our international activities. The acquisition of a majority stake in Route Mobile, a global CPaaS player listed in India is transformational for the Proximus Group. Indeed, the transaction will make us one of the world's leading companies in the fields of digital communications (CPaaS) and digital identity (DI). With Route Mobile and Telesign, the Group now holds two strong and highly complementary global assets, both from geographical and product expertise points of view. This strategic move will help to support our growth over the coming years with substantial effects on the Groups value creation, reflected in annual EBITDA synergies of at least €90 million, 3 years after the closing of the transaction.

To conclude, we continue to implement successfully our bold2025 strategy, with important milestones achieved both in our Domestic and international markets over the second quarter of 2023. For the second half of the year, besides closing the transaction with Route mobile, we will focus on maintaining a strong commercial momentum through leveraging our Gigabit networks and preparing for the new entrant.

Overall, I am very pleased with what has been achieved during the first half of the year, in an ever-challenging macroeconomic environment.

We are therefore confident of reiterating our 2023 full year guidance on all metrics. Domestic revenues growth is even expected to be at the upper end of the given range of +1% to +3%, largely thanks to better-than-expected revenues from devices sales and IT hardware over the first six months of the year.

Table 1: **Key Figures**

Operationals ('000)	**Net adds in the quarter**			**Park at end of quarter**		
	2022	**2023**	**%**	**2022**	**2023**	**%**
Fiber						
Homes Passed	122	110		1,031	1,483	43.8%
Activated retail lines	23	34		194	322	66.0%
Residential customers						
Convergent	11	16		1,022	1,078	5.4%
Group (subscriptions/SIM cards)						
Internet	8	13		2,202	2,240	1.7%
TV	-1	-3		1,731	1,694	-2.1%
Fixed Voice	-46	-32		1,905	1,727	-9.4%
Mobile Postpaid (excl. M2M)	52	48		4,741	4,875	2.8%
M2M	154	112		3,701	4,180	13.0%
Prepaid	-2	-23		662	583	-12.0%

Financials (EUR million)	**2nd Quarter**			**Year-to-date**		
	2022	**2023**	**% Change**	**2022**	**2023**	**% Change**
Group Revenue (underlying)	**1,437**	**1,495**	**4.0%**	**2,841**	**2,982**	**4.9%**
of which Domestic	1,101	1,147	4.2%	2,198	2,296	4.5%
of which BICS	270	267	-1.1%	515	529	2.8%
of which Telesign	107	128	18.9%	208	247	19.2%
Group Direct Margin (underlying)	**931**	**951**	**2.1%**	**1,848**	**1,898**	**2.7%**
of which Domestic	840	862	2.5%	1,677	1,718	2.5%
of which BICS	68	68	1.0%	127	135	6.5%
of which Telesign	27	28	3.4%	52	56	8.5%
Group Expenses (underlying)	**-468**	**-505**	**7.8%**	**-937**	**-1,019**	**8.8%**
of which Domestic	-409	-446	8.8%	-826	-897	8.6%
of which BICS	-35	-35	-0.7%	-68	-71	4.9%
of which Telesign	-28	-31	14.1%	-50	-62	25.1%
Group EBITDA (underlying)	**463**	**446**	**-3.7%**	**911**	**879**	**-3.6%**
as % of revenue	**32.2%**	**29.8%**	**-2.4 p.p.**	**32.1%**	**29.5%**	**-2.6 p.p.**
of which Domestic	431	416	-3.5%	850	821	-3.5%
of which BICS	33	33	2.8%	59	64	8.3%
of which Telesign	0	-3	nr	2	-6	nr
Group EBITDA (reported)	**473**	**447**	**-5.5%**	**938**	**892**	**-5.0%**
Net income	**122**	**94**	**-23.4%**	**243**	**188**	**-22.5%**
Accrued CapEx (excl. spectrum & football rights)	**287**	**300**	**4.4%**	**557**	**612**	**9.8%**
FCF (adjusted)	**-36**	**-20**	**45.4%**	**-3**	**-99**	**>100%**
FCF (reported)	**-44**	**-24**	**44.4%**	**-15**	**-124**	**>100%**
Adjusted net fin position (excl. lease liabilities)	**n.r.**	**n.r.**		**-2,846**	**-3,121**	**-9.6%**

- Group revenue, Direct margin, Operating Expenses and EBITDA include intersegment eliminations
- Adjusted FCF excludes M&A impacts, includes equity injections in Fiber JVs and includes assets sales.

2 Proximus Group Financial Review

2.1 Group financials (underlying)

Table 2: Underlying Group P&L

	2nd Quarter			Year-to-date		
(EUR million)	**2022**	**2023**	**% Change**	**2022**	**2023**	**% Change**
Revenue[1]	**1,437**	**1,495**	**4.0%**	**2,841**	**2,982**	**4.9%**
Net Revenue	1,427	1,482	3.9%	2,813	2,956	5.1%
Other Operating Income	10	13	26.7%	28	25	-9.7%
Cost of Sales[2]	**-506**	**-544**	**7.6%**	**-993**	**-1,084**	**9.2%**
Direct Margin	**931**	**951**	**2.1%**	**1,848**	**1,898**	**2.7%**
Direct Margin %	*64.8%*	*63.6%*	*-1.2 p.p.*	*65.1%*	*63.7%*	*-1.4 p.p.*
Expenses	**-468**	**-505**	**7.8%**	**-937**	**-1,019**	**8.8%**
EBITDA[3]	**463**	**446**	**-3.7%**	**911**	**879**	**-3.6%**
EBITDA Margin %	*32.2%*	*29.8%*	*-2.4 p.p.*	*32.1%*	*29.5%*	*-2.6 p.p.*

[1] Corresponds to "Total Income"
[2] Corresponds to "Cost of materials and charges to revenues"
[3] Corresponds to "Operating income before depreciation and amortization"
See section 6 for reported figures and section 7.2 for adjustment details

2.1.1 Underlying Group revenue

Q2 2023

The **Proximus Group underlying revenue totaled EUR 1,495 million** for the second quarter of 2023, **a year-on-year increase by +4.0%** or EUR 58 million including growth from both its Domestic and International operations.

For its **Domestic** segment, Proximus grew its **underlying revenue to EUR 1,147 million, an increase by +4.2%** or EUR 46 million compared to the preceding year.

The **Residential** revenue **totaled EUR 585 million,** up year-on-year by **+4.2%**. Revenue from Customer Services was up by +4.2%, with customer growth and price indexations[1] driving a +7.7% increase in Convergent revenue. Moreover, revenue from Terminals was up by EUR 7 million from the year before.

The second-quarter 2023 revenue of the **Business unit ended +2.9% above the 2022** comparable base. Business Services revenue sustained its positive trend in the second quarter, up by +0.8%, with higher revenue from Fixed Data (+2.3%) and IT Services (+6.6%) more than offsetting the steady ongoing Fixed Voice revenue erosion. Post a catch-up period over the past quarters, Proximus gradually returned to business-as-usual for customer IT equipment installations, posting a solid year-on-year increase in IT Products revenue (+ 26.5%).

Proximus' **Wholesale unit** posted a second-quarter 2023 revenue of EUR 67 million, **-4.1% or EUR -3 million** down from the same period of 2022. This includes a EUR -5 million decrease in low-margin interconnect revenue. Revenue generated by **Fixed and Mobile wholesale services** was up by +6.9%. Other revenue was up from a low-comparable base in 2022

[1] 1 May 2022 and 1 January 2023

Telesign posted EUR 128 million of revenue over the second quarter of 2023, a **year-on-year increase of +18.9%** (+21.9% on a constant currency basis[2]), resulting from growing revenue from both Digital Identity and Communications services.

For the second quarter of 2023, **BICS posted revenues of EUR 267 million, down -1.1% year-on-year.** This reflects USD currency headwinds on BICS' topline the return to usual business trending post an exceptional 2022. Whereas BICS' Core services achieved robust revenue growth, up by 8.1%, revenue from Legacy and Growth services turned to respectively -6.8% and -6.3% decreases from the comparable period in the previous year.

Table 3: Underlying Group Revenue

	2nd Quarter			Year-to-date		
(EUR million)	**2022**	**2023**	**% Change**	**2022**	**2023**	**% Change**
Group Underlying	**1,437**	**1,495**	**4.0%**	**2,841**	**2,982**	**4.9%**
Domestic	1,101	1,147	4.2%	2,198	2,296	4.5%
Residential	562	585	4.2%	1,115	1,171	5.0%
Business	468	482	2.9%	926	969	4.6%
Wholesale	70	67	-4.1%	139	129	-7.4%
Other (incl. eliminations)	2	14	>100%	18	28	58.5%
BICS	270	267	-1.1%	515	529	2.8%
Telesign	107	128	18.9%	208	247	19.2%
Eliminations	-41	-46	-13.8%	-79	-91	-15.1%

2.1.2 Underlying Group direct margin

Table 4: Underlying Group Direct Margin

	2nd Quarter			Year-to-date		
(EUR million)	**2022**	**2023**	**% Change**	**2022**	**2023**	**% Change**
Group Underlying by Segment	**931**	**951**	**2.1%**	**1,848**	**1,898**	**2.7%**
Domestic	840	862	2.5%	1,677	1,718	2.5%
BICS	68	68	1.0%	127	135	6.5%
Telesign	27	28	3.4%	52	56	8.5%
Eliminations	-4	-7	-76.8%	-7	-12	-61.4%

Q2 2023

The second quarter 2023 underlying direct margin of the **Proximus Group totaled EUR 951 million, an increase by +2.1%** from the comparable period last year.

Proximus' **Domestic operations posted a direct margin of EUR 862 million, +2.5%** or EUR 21 million above the prior year and sequentially slightly improving from the previous quarter. For **BICS** a 1.0% year-on-year increase in direct margin was posted, reaching EUR 68 million. Resulting from good growth for both Digital Identity and Communication services, **Telesign posted** EUR 28 million **Direct Margin** for the second quarter of 2023, up year-on-year by +**3.4%** (on a constant currency basis, this was +8.2%, improving from +5.7% for the first quarter 2023).

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

2.1.3 Underlying Group expenses[3]

Table 5: Underlying Group expenses

	2nd Quarter			Year-to-date		
(EUR million)	**2022**	**2023**	**% Change**	**2022**	**2023**	**% Change**
Group Underlying	**468**	**505**	**7.8%**	**937**	**1,019**	**8.8%**
Workforce expenses	311	330	6.0%	616	660	7.1%
Non-workforce expenses	157	175	11.4%	321	359	11.9%
Domestic	**409**	**446**	**8.8%**	**826**	**897**	**8.6%**
Workforce expenses	273	289	5.8%	546	577	5.8%
Non-workforce expenses	136	156	14.9%	281	320	14.0%
BICS	**35**	**35**	**-0.7%**	**68**	**71**	**4.9%**
Telesign	**28**	**31**	**14.1%**	**50**	**62**	**25.1%**
Eliminations	**-4**	**-7**	**-77.9%**	**-7**	**-12**	**-62.4%**

Q2 2023

The Proximus **Group underlying operating expenses** grew year-on-year to EUR 505 million in the second quarter of 2023, **up by +7.8% or EUR 37 million from the comparable basis in 2022.**

The **Domestic operating expenses totaled EUR 446 million, +8.8%** with the year-on-year rise mainly driven by inflationary cost increases, moderated by the company's ongoing cost efficiency delivery.

Within the non-Workforce expenses this concerns the year-on-year rise in electricity costs, as well as other exposed expenses (eg.rental, maintenance). Moreover customer-related costs were up year-on-year driven by a strong commercial momentum.

Regarding workforce costs, year-on-year wages remained significantly impacted with the second quarter 2023 still accumulating the effect of in total four inflation-based salary indexations[4]. This was partially offset by a lower Domestic headcount, down by -50 FTEs to a total of 10,369 FTEs, and by other efficiencies.

BICS' second quarter 2023 operating expenses **totaled EUR 35 million**, stable year-on-year with the wage inflation offset by a labor-related provision reversal.

Telesign posted EUR 31 million of operating expenses, up by EUR 4 million from the year before, with headcount increasing year-on-year by 188 FTEs. The substantial investments to support its growth objectives have been reaching their peak, reflected in the year-on-year cost increase trending down.

Overall, including BICS and Telesign, **the Proximus Group employed 11,662 FTEs end-June 2023**, 162 FTE's more than twelve months ago.

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

4 Public wages in Belgium were automatically adjusted to the higher cost of living on 1 February 2022, 1 April 2022, 1 June 2022, 1 September, 1 December 2022 and 1 January 2023, with a 2% increase in each instance.

2.1.4 Group EBITDA - reported and underlying

Table 6: From reported to underlying EBITDA

(EUR million)	2nd Quarter			Year-to-date		
	2022	2023	% Change	2022	2023	% Change
Group reported EBITDA	**473**	**447**	**-5.5%**	**938**	**892**	**-5.0%**
Adjustments	-10	nr	nr	-27	-13	nr
Group Underlying EBITDA	**463**	**446**	**-3.7%**	**911**	**879**	**-3.6%**
Domestic	431	416	-3.5%	850	821	-3.5%
BICS	33	33	2.8%	59	64	8.3%
Telesign	0	-3	nr	2	-6	nr

Q2 2023

Underlying Group EBITDA

The **underlying Group EBITDA** for the second quarter of 2023 **totaled EUR 446 million, down by -3.7%** compared to the prior year.
For its Domestic operations, Proximus posted an EBITDA of EUR 416 million for the second quarter of 2023, -3.5%, and resulting from the higher operating cost, partly offset by the year-on-year increase in Domestic Direct margin.

In a normalizing post-Covid comparable context, **BICS posted EBITDA of EUR 33 million** for the second quarter of 2023, **+2.8%** year-on-year.

For Telesign, the year-on-year increase in Operating costs related to investment in their growth strategy, was not fully compensated for by its increase in direct margin, leading to a **second quarter EBITDA negative by EUR -3 million**.

Q2 2023

Total Reported Group EBITDA

The Proximus Group reported EUR 447 million EBITDA for the second quarter of 2023, a decrease by -5.5% or EUR -26 million from the comparable period in the previous year. The adjustment for lease depreciation and interest for an amount of EUR 20 million was offset by adjustments in the other direction, mainly expenses for M&A and litigations.

2.1.5 Net income

YTD 2023

Depreciation and amortization

The **depreciation and amortization** (including lease depreciation) over the first half of 2023 totalled EUR 589 million. This compares to EUR 587 million for the same period of 2022.

Net finance cost

The year-to-date June 2023 **net finance cost** of **EUR 49 million** including lease interests, was up by EUR 24 million from the year before, mainly due to interests on spectrum rights and litigations for EUR 17 million, and interests on loans for EUR 6 million.

Tax expenses

The **tax expenses** amounted in the first half 2023 to **EUR 60 million**, leading to an **effective tax rate of 24.3%**. The difference with the Belgian statutory tax rate of 25% results from the application of general principles of Belgian tax law such as the patent income deduction and other R&D incentives.

Net income (Group share)

The **Proximus Net income** (Group share) over the first six months of 2023 **decreased by -22.4%,** due lower EBITDA and higher net finance costs, partly offset by lower tax expenses.

Table 7: From Group EBITDA to net income

(EUR million)	2nd Quarter 2022	2nd Quarter 2023	2nd Quarter % Change	Year-to-date 2022	Year-to-date 2023	Year-to-date % Change
Group reported EBITDA	**473**	**447**	**-5.5%**	**938**	**892**	**-5.0%**
Depreciation and amortization	-295	-297	0.8%	-587	-589	0.4%
Operating income (EBIT)	**178**	**149**	**-16.0%**	**351**	**303**	**-13.8%**
Net finance costs	-15	-22	48.2%	-25	-49	93.0%
Share of loss on associates and JV	-2	-1	-57.2%	-8	-6	-26.6%
Income before taxes	**160**	**126**	**-21.5%**	**318**	**248**	**-22.0%**
Tax expense	-38	-32	-15.4%	-76	-60	-20.4%
Net income	**122**	**94**	**-23.4%**	**243**	**188**	**-22.5%**
Non-controlling interests	0	0	-	0	0	-
Net income (Group share)	**122**	**94**	**-23.3%**	**243**	**188**	**-22.4%**

2.1.6 Investments

The Proximus Group CapEx totaled EUR 300 million over the second quarter of 2023, EUR 13 million above the comparable period in 2022, excluding spectrum and football rights licenses. This brings the **total CapEx over the first-half of 2023 to EUR 612 million**, compared to EUR 557 million for the comparable base in 2022.

Over the first 6 months of 2023, the Fiber related investments counted for 29% of the total CapEx against 37% for the first semester of 2022. By end of June 2023, Proximus was deploying Fiber in 115 cities and municipalities in Belgium. Compared to end-June 2022, Proximus increased its footprint by ~44%, reaching 1,483,000 premises with Fiber, representing a 25% Fiber population coverage. In line with expectations, the CapEx for Proximus' own Fiber build is coming down from its peak in 2022 while the customer termination and activation costs are rising.

Moreover, the Mobile network (RAN) consolidation between Proximus and Orange Belgium is ongoing, led by the created joint-operation Mwingz with CapEx incurring following the pace of the mobile site consolidation. Finally, in line with its strategy, Proximus increased its investments in Digitalization and IT transformation.

2.1.7 Cash flows

For the second quarter Proximus Group posted a **Free Cash Flow** of **EUR -24 million**, or **EUR -20 million when adjusted for M&A-related transaction costs**. Over the first half of 2023, **Free Cash Flow** amounted EUR **-124 million**, **or EUR -99 million for adjusted Free Cash Flow.** For 2023, adjustment mainly related to the acquisition of 100% of Edpnet for an amount of EUR 24 million.

Compared to the first half of 2022 the **adjusted Free Cash Flow** decreased by EUR 96 million. Apart from the lower underlying EBITDA (EUR -33 million), the Free Cash Flow movements were mainly related to higher tax related payments in the first half of 2023 (EUR -128 million) and interest-related payments on spectrum rights (EUR -21 million) partially compensated by a lower Business Working Capital needs (EUR 104 million) year over year and payments reduction for headcount transformation plans (EUR 10 million).

The issuance of a new bond (EUR 500 million) in March 2023 resulted in a positive Cash Flow used and provided in financing activities other than lease payments.

Table 8: Cash flows

	2nd Quarter			Year-to-date		
(EUR million)	2022	2023	% Change	2022	2023	**% Change**
Cash flows from operating activities	302	337	11.4%	761	685	-10.0%
Cash paid for CapEx (*)	-334	-315	-5.7%	-740	-740	0.1%
Cash flows used and provided in other investing activities	5	-25	<-100%	4	-24	<-100%
Cash flow before financing activities	**-26**	**-2**	**-90.5%**	**24**	**-79**	**<-100%**
Lease payments	-17	-22	25.3%	-40	-44	12.1%
Free cash flow	**-44**	**-24**	**-44.4%**	**-15**	**-124**	**>100%**
Cash flows used and provided in financing activities other than lease payments	-20	43	>100%	-5	80	>100%
Exchange rate impact	1	0	-98.9%	2	0	<-100%
Net increase/(decrease) of cash and cash equivalents	**-62**	**19**	**>100%**	**-19**	**-44**	**>100%**

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

2.1.8 Balance sheet and shareholders' equity

Tangible and intangible fixed assets amounted to EUR 5,372 million increased by EUR 62 million due to CapEx being higher than depreciation.

Current tax and other current assets increased from EUR 293 million to EUR 350 million at end of June 2023. The increase of EUR 57 million relates to interests paid in advance on spectrum rights (EUR 9 million) and the deposit for the acquisition of Edpnet (and a loan) for EUR 24 million.

Shareholders' equity decreased of EUR 52 million from EUR 3,307 million at the end of December 2022 to EUR 3,255 million at the end of June 2023. This mainly results from dividends distribution (EUR - 226 million), the **net income Group Share** (EUR 188 million), the re-measurements of cash flow hedges (EUR -12 million) and foreign currency translation due to the variation of EUR/USD (EUR -3 million).

At the end of June 2023, Proximus' outstanding **long-term interest-bearing liabilities** (excluding lease liabilities and part maturing within one year) amounted to EUR 2,568 million, a decrease by EUR 108 million, mainly resulting from issuance of a bond of EUR 500 million in March and the reclassification to short-term interest-bearing liabilities of a bond maturing within one year (EUR 600 million). **The adjusted net financial position** was EUR -3,121 million (including re-measurements to fair value).

Table 9: Net financial position

	As at 31 December	As of 30 June
(EUR million)	**2022**	**2023**
Investments, Cash and cash equivalents	299	255
Derivatives	208	175
Current assets	2	0
Assets	**509**	**430**
Non-current liabilities (*)	-2,876	-2,762
Current liabilities (*)	-662	-1,055
Liabilities	**-3,538**	**-3,817**
Net financial position (*)	**-3,030**	**-3,388**
of which Leasing liabilities	272	267
Adjusted net financial position (**)	**-2,758**	**-3,121**

(*) Including derivatives and leasing liabilities

(**) The adjusted financial position excludes leasing liabilities

2.2 Regulation

Spectrum licenses

The multi-band spectrum auction, including the renewal of the existing 2G/3G spectrum licenses (900 MHz, 1800 MHz and 2100 MHz) as well as the granting of new 5G spectrum (700 MHz, 1400 MHz and 3600 MHz), has been closed on 20 July 2022. In total, Proximus has been able to secure 285 MHz for EUR 600 million. All licenses will be valid for 20 years, except the 3600 MHz band which will expire by 7 May 2040. The 700 MHz and 3600 MHz bands license date started on 1 September 2022, the 900 MHz, 1800 MHz and 2100 MHz bands started on 1 January 2023 and the 1400 MHz band started on 1 July 2023.

Termination rates

On 18 December 2020, the Commission adopted a binding decision setting single maximum EU-wide wholesale mobile and fixed termination rates (also referred to as Eurorates). This act establishes a three-year glidepath for mobile termination rates (MTR) and a transition period for fixed termination rates (FTR).

(€ cent/minute)	Previous	01/07/2021	01/01/2022	01/01/2023	As from 1/1/2024
MTR	0.99	0.70	0.55	0.40	0.20
FTR	0.116	0.093	0.070	0.070	0.070

Traffic originating from outside the EU is subject to the regulated EU-wide wholesale caps in cases where the non-EU termination rates are equal to or below the Euro rate. This regulation entered into force on 1 July 2021, with a minor impact on Wholesale revenue and neutral on direct margin.

International roaming

The Roaming Regulation including RLAH expired on 30 June 2022. On 4 April 2022, the European Council adopted a new legislative act to extend the roaming regulation until 30 June 2032. In addition, the wholesale roaming charges, the prices that operators charge each other when their customers use other networks when roaming in the EU, are capped at EUR 2 per Gigabyte (Gb) from 2022 progressively down to EUR 1 in 2027. Furthermore, wholesale caps for voice and SMS are lowered based on a two-step glidepath in 2022 and 2025. The Commission has been tasked with reviewing the regulation and its first report is scheduled for 30 June 2025.

€ excl. VAT	1/7/2022-31/12/2022	2023	2024	2025	2026	2027 -2032
Voice call/min	0,022	0,022	0,022	0,019	0,019	0,019
SMS	0,004	0,004	0,004	0,003	0,003	0,003
Data/GB	2	1,8	1,55	1,3	1,1	1

2025 tariffs and beyond subject to Commission review by 30 June 2025

2.3 ESG Update

Proximus is strongly committed to an inclusive society and to sustainability in everything it does. As part of its bold2025 strategy, Proximus aims for net zero CO_2 emissions across its value chain by 2040 and commits to be truly circular by 2030. Proximus also acts as a digital catalyst by promoting digital trust and fighting the digital divide.

This section of the quarterly report highlights a selection of achievements and other company news in the area of sustainability, i.e. environmental, social and corporate governance (ESG).

In the spotlight

- **# Mobile phones collected for reuse and recycling** – 62,280 mobile phones were collected for reuse and recycling in the second quarter 2023, an increase by 25,370 versus the same period in 2022.
- **Cyber Security Resilience** – 95% of the number of potential major cyber security incidents with a visible impact on the business were prevented in the second quarter 2023.
- **Recycled copper cables:** ~203 tons of copper cables recycles sequentially, increasing from the ~81 tons recycled in the first quarter of the year.

Renewed Proximus' Supplier Engagement Program

Proximus views its suppliers as partners and cares about the way they do business. To reflect Proximus' principles (human rights and fair labor practices, environmental considerations, business integrity, data security, privacy, and confidentiality) in an increasingly complex environment, the company has adapted its Supplier Code of conduct. These principles allow Proximus to forge ahead with its long-term vision to be a company committed to the development of society and the care of the planet.

Digital Inclusion ecosystem: DigitAll

In November 2020, BNP Paribas Fortis, launched the Digital Inclusion Ecosystem, called DigitAll.
Since July 2021, Proximus has joined BNP Paribas Fortis as partner in the ecosystem. This initiative brings together players from the business world, the social sector and federal and regional governments and administrations to build synergies and cooperate with one another. The project aims to contribute to bridging the digital divide by putting digital inclusion on the agenda, by developing a network and by creating a number of ready-to-use solutions that have a positive impact in both the short and the long term. In the second quarter of 2023, a second signing ceremony occurred adding 16 companies to the list of the signatories of the Digital inclusion charter bringing the total number of signatories to 101.

2.4 Outlook & Shareholder return

Reiterating 2023 full-year guidance

Based on the financial results over the first six months of 2023 and the company's best estimate for the remainder of the year, the guidance for the full-year 2023 is reiterated. Based on higher-than-expected revenue from Terminals and IT hardware over the first half of 2023, the **growth of Domestic revenue for the full-year 2023 is expected to land at the upper-end of the range of "+1% to +3%".**

With the anticipated significant headwind from inflation being confirmed, the **underlying Domestic EBITDA outlook remains unchanged**, with an **expected full-year decline of around -3%**. Proximus' cost savings program, targeting a EUR 220 million cost reduction over the 3-year period 2023-2025 remains on track and successfully mitigates inflationary cost effects.

The International activities provide a unique growth pathway for Proximus, allowing it to take leadership positions in double-digit growth markets. Proximus expects its International segments **BICS and Telesign to deliver combined a high single digit direct margin growth** for 2023, excluding currency headwinds affecting the Telesign Direct margin.

In aggregate, Proximus reiterate its expectation to end the year 2023 with an inflation-driven decline in **Group underlying EBITDA of around -3%**.

Proximus expects its **Group CapEx to reach its peak of around EUR 1.3 billion in 2023**. In line with its investment plan, Fiber CapEx to pass customers is trending down year-on-year, while there is higher CapEx need to connect and activate Fiber customers. In addition, the CapEx reflects investments in Mobile with the mobile network consolidation and 5G roll-out ongoing. Inflation impacts on CapEx are being managed through CapEx optimization and efficiency programs.

The **Net Debt/EBITDA ratio for 2023 is expected to be around 2.6X,** allowing for sustained solid investment-grade credit ratings and near-term financing at low interest rates.

Table 10: outlook 2023

Guidance metric	FY22 Actuals	YTD23 Actuals	FY23 Outlook
Underlying Domestic revenue	€ 4,478M	+4.5% YoY	**Upper end of** +1% to +3% YoY
Domestic underlying EBITDA	€ 1,665M	-3.5% YoY	Around -3% YoY
International Direct Margin	€ 377M	+6.6% YoY (in cc)	High single digit growth
Underlying Group EBITDA	€ 1,786M	-3.6% YoY	Around -3% YoY
CapEx (excluding Spectrum & football rights)	€ 1,3Bn	€612M	Peak at around € 1.3Bn
Net debt / EBITDA	1.5x (Proximus) 2.3X (S&P)	NR	Around 2.6X (S&P)

International Direct Margin: Telesign and BICS Direct Margin combined. Company FY projections on DM exclude currency fluctuations on Telesign Direct Margin.

Shareholders return policy 2023-2025

In line with the bold2025 strategy and deriving shareholder return policy, Proximus intends to return over the result of 2023 a stable gross dividend of EUR 1.2 per share, provided a financial performance delivery in line with its strategic plan.

Over the result of 2024 and 2025, Proximus will rebase its dividend level to EUR 0.60 per share. The rebased sustainable dividend level incorporates all currently known macro and inflationary headwinds, as well as expected changes in market structure. The proposed dividend is reviewed and submitted to the Board of Directors on an annual basis, in order to keep strategic financial flexibility for future growth, organically or via selective M&A, with a clear focus on value creation. This also includes confirming appropriate levels of distributable reserves.

3 Domestic

Table 11: Domestic P&L

(EUR million)	2nd Quarter 2022	2nd Quarter 2023	2nd Quarter % Change	Year-to-date 2022	Year-to-date 2023	Year-to-date % Change
Revenue*	**1,101**	**1,147**	**4.2%**	**2,198**	**2,296**	**4.5%**
Residential	562	585	4.2%	1,115	1,171	5.0%
Business	468	482	2.9%	926	969	4.6%
Wholesale	70	67	-4.1%	139	129	-7.4%
Other (incl. eliminations)	2	14	>100%	18	28	58.5%
Cost of Sales	**-261**	**-286**	**9.5%**	**-521**	**-578**	**10.9%**
Direct Margin	**840**	**862**	**2.5%**	**1,677**	**1,718**	**2.5%**
Direct Margin %	*76.3%*	*75.1%*	*-1.2 p.p.*	*76.3%*	*74.8%*	*-1.5 p.p.*
Expenses	**-409**	**-446**	**8.8%**	**-826**	**-897**	**8.6%**
Workforce expenses	-273	-289	5.8%	-546	-577	5.8%
Non Workforce expenses	-136	-156	14.9%	-281	-320	14.0%
EBITDA	**431**	**416**	**-3.5%**	**850**	**821**	**-3.5%**
EBITDA Margin %	*39.1%*	*36.3%*	*-2.9 p.p.*	*38.7%*	*35.7%*	*-2.9 p.p.*

** refers to total income*

3.1 Residential Revenue

- Excellent customer growth, Q2 Internet and Mobile postpaid respectively up by +12,000 and +41,000.
- Convergent customer base grew by +16,000 in Q2'23, Convergent revenue was up +7.7% YoY.
- The overall ARPC increased by +4.7% YoY; benefitting from price indexations and convergent growth.
- Total residential revenue up by +4.2% for Q2'23, including a +4.2% year-on-year revenue increase for Customer Services revenue.

For the second quarter of 2023 Proximus posted for its Residential unit a revenue of **EUR 585 million, a +4.2% or EUR 23 million increase from the year before**. The key Residential revenue driver, Customer Services revenue, was up for the second quarter 2023 by +4.2%. The Services revenue was supported by price indexations that were effective since 1 May 2022 and 1 January 2023, as well as by the ongoing customer growth, especially in the Convergent base. This resulted in a year-over-year increase by +7.7% in Convergent revenue. Revenue from Terminals for the second quarter was up by EUR +7 million year-on-year, driven by the take up of high-end devices, with volumes remaining roughly equal.

Fiber and new Mobile portfolio driving strong customer growth.

Over the past 3 months, the Residential unit achieved excellent commercial results, adding +12,000 internet lines. As such the total Proximus Residential internet base totaled 1,758,000 lines, a +2.2% increase from 12 months back, supported by the expanding Proximus' Fiber footprint and the multi-brand approach.

Regarding Mobile, the traction of the newly launched portfolios from Mobile Vikings (mid-march 2023) and Proximus (early May 2023) drove a significant rebound in the Mobile Postpaid growth, up by

+41,000 cards over the second quarter of 2023. By end-June 2023, Proximus' Residential Mobile Postpaid base reached a total of 2,770,000 cards, a +3.6% increase versus end-June 2022.

Reflecting the ongoing change in customer needs, the Fixed Voice line continued to decline. Churn levels were seasonally low in the second quarter of 2023, resulting in a mitigated net loss of -19,000 lines.

Customer services revenue growth of +4.2% YoY.

Residential Customer Services[5] revenue amounted to EUR 463 million, +4.2% above the comparable period in 2022.

Overall ARPC EUR 54.8, +4.7%.

For the second quarter of 2023, the overall ARPC rose to EUR 54.8, up by +4.7% from the same period in 2022, resulting from the price indexations coming on top of the ongoing benefit of customers moving to convergent offers at higher ARPC. In spite of the success of 2P-offers, combining internet and mobile, the overall RGU per customer remained stable at 2.51.

Total convergent revenue +**7.7%** YoY, with ARPC +2.5%.

The second quarter **revenue from Convergent customers increased by +7.7%** year-on-year reaching EUR 279 million. Proximus grew its convergent base by +16,000 customers, reaching a total of 1,078,000 or +5.4% from 12 months back. The convergent ARPC was up by +2.5% to EUR 86.9 driven by price indexations and a growing Fiber customer base.

Convergent **3-Play ARPC +4.4%,** revenue +12.8% YoY.

Within the growing convergent revenue, the main contributor is the ongoing increase in **3-Play convergent** revenue. The convergent 3-Play customer base increased over the second quarter of 2023 by +6,000 customers, bringing the total to 437,000 customers by end-June 2023, a year-on-year growth by 7.3%. This was combined with a +4.4% increase in the 3-Play convergent ARPC, mainly reflecting the May 2022 and January 2023 price indexations and a growing Fiber customer base. The increase in the customer base and ARPC drove the 3-Play convergent revenue +12.8% higher to reach EUR 113 million for the second quarter of 2023.

+12,000 Convergent **2-Play** customers in Q2. ARPC +8.2%.

Following the success of **2-play** offers combining Mobile with Internet, the dual-play customer base continued to grow over the second quarter, adding +12,000 customers. The customer growth combined with a +8.2% rise in ARPC led to a +85.1% revenue increase from the same period in 2022, to total EUR 21 million for the second quarter of 2023.

Seasonal low churn limited the **4-Play** decrease

The success of 3-Play and 2-Play offers, marking the decreasing relevance of the Fixed Voice line, is reflected the **4-Play** customer base. As a result of the seasonally low churn levels, the 4-Play decline was limited to -1,000 for the second quarter of 2023. The 4-Play ARPC, supported by the increased pricing, was up by +3.5%. Overall, this resulted in a contained decrease in 4-Play revenue of -1.7%.

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

With the number of customers subscribing to Proximus' convergent offers rising, the **Fixed-only customer base** decreased further. The remaining base of Fixed-only customers, 884,000 end-June 2023, generated an ARPC of EUR 46.6, +4.2% on the previous year.

Mobile-only revenue +0.7%

Over the second quarter of 2023, the Residential unit posted EUR 60 million revenue from **Mobile-only customers, up by 0.7%**. Across all brands Proximus, Scarlet and Mobile Vikings, the total base of Mobile-only customers was up by +4,000 over the second quarter of the year. All brands combined, the residential Mobile-only base totaled 862,000 customers, generating an ARPC of EUR 23.3, +2.5% year-on-year, driven by a favorable price tiering.

In addition to the above-described revenue from Residential Customer Services, the Residential unit revenue also includes revenue from Terminals, Mobile Prepaid, its Luxembourg telecom business and Other revenue.

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

Terminals revenue
EUR +7 million YoY.

Second quarter **revenue from Terminals** totaled EUR 64 million, up by EUR +7 million from the comparable period in 2022. The increase was driven by the take-up of high-end devices, whereas volumes remained broadly the same.

Over the second quarter of 2023, revenue from **Mobile Prepaid** totaled EUR 9 million, -11.2% year-on-year. The Prepaid base decreased by -23,000 cards over the second quarter, with the total at 566,000 end-June 2023.

Proximus' Luxembourg telecom revenue for the residential unit totaled for the second quarter of 2023 EUR 33 million, up by +3.9%, mainly resulting from a higher number of mobile and fixed subscriptions and a price increase.

Other revenue
EUR -3 million YoY.

Proximus Residential posted sequentially fairly stable **Other revenue of EUR 11 million** mainly covering reminder, reconnection and installation fees. As from November 2022 Mobile Vikings interconnect revenue moved to the Wholesale business unit, explaining largely the year-on-year decrease by EUR -3 million.

Table 12: Residential revenue

	2nd Quarter			Year-to-date		
(EUR million)	**2022**	**2023**	**% Change**	**2022**	**2023**	**% Change**
Revenue	**562**	**585**	**4.2%**	**1,115**	**1,171**	**5.0%**
Other Operating Income	**4**	**5**	**23.8%**	**9**	**10**	**18.2%**
Net Revenue	**557**	**580**	**4.0%**	**1,106**	**1,160**	**4.9%**
Customer services revenues (X-play)	*444*	*463*	*4.2%*	*883*	*923*	*4.5%*
Prepaid	10	9	-11.2%	21	18	-13.6%
Terminals (fixed and mobile)	57	64	12.1%	110	131	18.9%
Luxembourg Telco	31	33	3.9%	62	65	4.7%
Others*	14	11	-23.9%	29	23	-20.7%

** relates to other products and non recurring/non customer related revenues (e.g. decoder penalties, TV Enterprise, web advertising, etc...)*

Table 13: Residential operationals by product

	2nd Quarter			Year-to-date		
	2022	**2023**	**% Change**	**2022**	**2023**	**% Change**
Park (000's)						
Fixed Voice	1,193	1,086	-9.0%	1,193	1,086	-9.0%
Internet	1,721	1,758	2.2%	1,721	1,758	2.2%
Mobile Postpaid excl. M2M	2,673	2,770	3.6%	2,673	2,770	3.6%
Mobile Prepaid	643	566	-12.1%	643	566	-12.1%
Net adds (000's)						
Fixed Voice	-27	-19		-59	-50	
Internet	7	12		19	22	
Mobile Postpaid excl. M2M	32	41		56	50	
Mobile Prepaid	-1	-23		-26	-38	

Table 14: Residential X-Play financials

	2nd Quarter			Year-to-date		
	2022	2023	% Change	2022	2023	% Change
Customer Services Revenues (EUR million)	**444**	**463**	**4.2%**	**883**	**923**	**4.5%**
Convergent	**259**	**279**	**7.7%**	**510**	**553**	**8.5%**
4-Play	147	145	-1.7%	295	290	-1.5%
3-Play	100	113	12.8%	193	223	15.6%
2-Play	11	21	85.1%	22	39	78.5%
Fixed only	**126**	**124**	**-1.3%**	**255**	**251**	**-1.6%**
3-Play	58	56	-4.7%	119	113	-5.6%
2-Play	39	38	-1.7%	78	77	-0.3%
1P Fixed Voice	11	9	-13.8%	23	20	-13.8%
1P internet	18	21	18.7%	35	41	16.7%
Mobile Postpaid only	**59**	**60**	**0.7%**	**118**	**119**	**0.4%**
ARPC (in EUR)	**52.3**	**54.8**	**4.7%**	**52.0**	**54.6**	**5.0%**
Convergent	**84.8**	**86.9**	**2.5%**	**84.1**	**86.8**	**3.2%**
4-Play	89.5	92.7	3.5%	88.9	92.4	3.9%
3-Play	83.0	86.6	4.4%	81.9	86.5	5.5%
2-Play	56.9	61.6	8.2%	56.4	61.2	8.5%
Fixed only	**44.7**	**46.6**	**4.2%**	**44.9**	**46.7**	**4.0%**
3-Play	53.2	56.3	5.8%	53.6	56.2	5.0%
2-Play	52.9	55.9	5.6%	52.7	55.8	6.0%
1P Fixed Voice	27.2	28.2	3.9%	27.5	28.6	4.0%
1P internet	30.4	31.8	4.4%	30.6	31.7	3.5%
Mobile Postpaid only	**22.7**	**23.3**	**2.5%**	**22.6**	**23.0**	**2.2%**

Table 15: Residential X-Play operationals

	2nd Quarter			Year-to-date		
	2022	2023	% Change	2022	2023	% Change
Customers - Total (000's)	**2,829**	**2,824**	**-0.2%**	**2,829**	**2,824**	**-0.2%**
Convergent	**1,022**	**1,078**	**5.4%**	**1,022**	**1,078**	**5.4%**
4-Play	546	521	-4.6%	546	521	-4.6%
3-Play	407	437	7.3%	407	437	7.3%
2-Play	69	120	73.3%	69	120	73.3%
Fixed only	**932**	**884**	**-5.1%**	**932**	**884**	**-5.1%**
3-Play	362	327	-9.8%	362	327	-9.8%
2-Play	244	226	-7.5%	244	226	-7.5%
1P Fixed Voice	131	109	-16.8%	131	109	-16.8%
1P internet	195	223	14.3%	195	223	14.3%
Mobile Postpaid only	**875**	**862**	**-1.6%**	**875**	**862**	**-1.6%**
% Convergent Customers - Total *	**63%**	**66%**	**3.3 p.p.**	**63%**	**66%**	**3.3 p.p.**
Average #RGUs per Customer - Total	**2.51**	**2.51**	**0.1%**	**2.51**	**2.51**	**0.1%**
Convergent	**4.13**	**4.05**	**-1.9%**	**4.13**	**4.05**	**-1.9%**
4-Play	4.71	4.72	0.3%	4.71	4.72	0.3%
3-Play	3.67	3.70	1.0%	3.67	3.70	1.0%
2-Play	2.22	2.36	6.0%	2.22	2.36	6.0%
Fixed only	**2.02**	**1.97**	**-2.4%**	**2.02**	**1.97**	**-2.4%**
3-Play	3.00	3.00	0.0%	3.00	3.00	0.0%
2-Play	1.97	1.96	-0.4%	1.97	1.96	-0.4%
1P Fixed Voice	1.01	1.01	0.0%	1.01	1.01	0.0%
1P internet	1.00	1.00	0.0%	1.00	1.00	0.0%
Mobile Postpaid only	**1.14**	**1.15**	**0.5%**	**1.14**	**1.15**	**0.5%**
Annualized full churn rate (Customer) - Total	**14.4%**	**13.8%**	**-0.6 p.p.**	**15.1%**	**15.0%**	**-0.1 p.p.**
4-Play	5.3%	5.6%	0.3 p.p.	5.6%	6.2%	0.7 p.p.
3-Play	9.9%	8.8%	-1.1 p.p.	10.5%	10.0%	-0.5 p.p.
2-Play	13.9%	12.7%	-1.2 p.p.	14.2%	14.5%	0.2 p.p.
1-Play	21.6%	21.0%	-0.6 p.p.	22.7%	22.3%	-0.5 p.p.

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

3.2 Business Revenue

- Business posts second-quarter revenue of EUR 482 million, +2.9% year-on-year.
- IT Services driving a +6.6% revenue growth and another strong performance on IT products.
- Revenue Fixed Data Services +2.3% driven by Internet, with ARPU +6.6% and stable client base.
- Mobile revenue nearly stable (-0.3%). Larger customer base, + 1.3% YoY, and sustained ARPU within improving YoY trend driven by price increases.
- Stabilizing decline of Fixed Voice revenue, down by -7.8%, with mitigated churn.
- Growth in Fixed Data and IT Services outpacing Fixed Voice erosion.

The second-quarter 2023 **revenue of the Business unit totaled EUR 482 million**, **a +2.9% increase from the 2022 comparable basis.** Revenue from **Business Services totaled EUR 402 million, growing for a second quarter in a row, up by +0.8%** year-on-year. The eroding revenue from Fixed Voice was more than compensated for by higher revenue from Fixed Data and IT Services, while Mobile services revenue remained nearly stable. For a fifth quarter in a row, IT products revenue was up strongly reflecting a robust second quarter performance.

Fixed Data revenue +2.3%.

The Business Services revenue from **Fixed Data Services totaled EUR 118 million for the second-quarter 2023, continuing its positive trajectory with a +2.3% increase** compared to the second quarter of 2022.

Internet ARPU +6.6%, Internet base stable YoY.

Within the Fixed Data revenue mix, the revenue growth **was mainly driven by further improving revenue from Internet services**. This was explained by a progressing Broadband ARPU, EUR 45.7 for the second-quarter 2023, +6.6% up from the previous year, mainly benefitting from the price increases, improved price tiering and a growing share of Fiber in the total internet park. The Business Internet base remained stable at 439,000.

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

Mobile revenue nearly stable, YoY growing base, ARPU trend improving.

Over the second-quarter 2023, Proximus' Business unit posted **Mobile Services revenue of EUR 116 million, nearly stable (-0.3%) from the same period in 2022.** Revenue from Mobile Voice and Data services continued to grow over the period while Network services and M2M slightly declined from a high comparable base. Over the second quarter of 2023 the Mobile customer base grew by 2,000 cards, with the net growth moderated by the migration of low-ARPU sim cards to M2M. End -June 2023, the total Mobile base excluding M2M stood at 1,799,000 cards. The ARPU was kept stable at EUR 19.3 for the second quarter, within improving year-on-year trend driven by price increases.

Close to 4.2 million active M2M cards.

The Business unit continued to grow its M2M park with an additional 109,000 M2M cards activated over the past three months. At end-June 2023, Proximus M2M base totaled 4,161,000 M2M cards. This is an increase by +12.8% from one year back.

IT Services revenue +6.6%.

Proximus' Business unit posted for its IT Services revenue of EUR 104 million, +6.6% compared to the previous year, with both recurring and one-shot services growing. Driven by growth in Cloud, Security, Smart mobility and Smart network, all closing a strong quarter.

Fixed Voice revenue decline stabilizing.

Fixed Voice revenue decline stabilizing (-7.8%) or EUR -5 million compared to the second quarter of 2022. The Fixed Voice park continued its steady decrease, -10.8% year-on-year, including a line loss by -14,000 for the second-quarter 2023, with a slightly better churn rate. The ARPU was up (+1.5%) at EUR 27.3 benefiting from price increases.

Product revenue up by EUR 10 million YoY.

The **revenue from Products for the second quarter of 2023 was up by EUR 10 million** from the comparable period in 2022, or +16.9%. This increase was driven by a strong quarter for IT hardware revenue. For the fifth quarter in a row a significant year-on-year increase was posted, up by EUR 12 million, gradually returning to normal business tendencies.

Table 15: Business revenue

(EUR million)	2nd Quarter 2022	2nd Quarter 2023	2nd Quarter % Change	Year-to-date 2022	Year-to-date 2023	Year-to-date % Change
Revenue	**468**	**482**	**2.9%**	**926**	**969**	**4.6%**
Other Operating Income	**2**	**2**	**45.9%**	**3**	**4**	**25.0%**
Net Revenue	**466**	**479**	**2.8%**	**923**	**965**	**4.5%**
Services	399	402	0.8%	795	802	0.8%
Fixed Voice	68	63	-7.8%	140	129	-8.2%
Fixed Data	115	118	2.3%	230	236	2.8%
Mobile	117	116	-0.3%	232	234	0.7%
IT	98	104	6.6%	193	203	5.1%
Products	61	71	16.9%	114	150	31.7%
Terminals (fixed and mobile)	17	16	-7.3%	34	35	2.9%
IT	44	55	26.5%	80	116	43.8%
Luxembourg Telco	7	6	-9.1%	14	12	-9.0%

Table 16: Business operationals

	2nd Quarter 2022	2nd Quarter 2023	2nd Quarter % Change	Year-to-date 2022	Year-to-date 2023	Year-to-date % Change
Park (000's)						
Fixed Voice lines	665	593	-10.8%	665	593	-10.8%
Broadband lines	439	439	-0.1%	439	439	-0.1%
Mobile postpaid cards excl. M2M	1,776	1,799	1.3%	1,776	1,799	1.3%
M2M cards	3,689	4,161	12.8%	3,689	4,161	12.8%
Net adds (000's)						
Fixed Voice lines	-19	-14		-41	-34	
Broadband lines	1	0		4	0	
Mobile postpaid cards excl. M2M	17	2		30	1	
M2M cards	152	109		334	201	
ARPU (EUR)						
Fixed Voice	26.9	27.3	1.5%	27.5	27.7	0.6%
Broadband	42.9	45.7	6.6%	42.6	45.6	7.0%
Mobile postpaid	19.3	19.3	0.0%	19.3	19.3	-0.2%

3.3 Wholesale Revenue

Table 17: Wholesale revenue

	2nd Quarter			Year-to-date		
(EUR million)	2022	2023	% Change	2022	2023	% Change
Revenue	**70**	**67**	**-4.1%**	**139**	**129**	**-7.4%**
Other Operating Income	**0**	**0**	**nr**	**0**	**0**	**nr**
Net Revenue	**70**	**67**	**-4.1%**	**139**	**129**	**-7.3%**
Fixed & Mobile wholesale services	35	37	6.9%	67	69	2.5%
Interconnect	35	30	-15.0%	72	60	-16.5%

Proximus posted for its Wholesale unit a second quarter 2023 **revenue of EUR 67 million, a -4.1% or EUR -3 million decrease** compared to the same period of 2022. The decrease was fully related to low-margin interconnect revenue.

Revenue generated by **Fixed and Mobile wholesale services** increased from the previous year by +6.9% or EUR 2 million, reaching a total of EUR 37 million. Within the mix, revenue from roaming was up, as well as services revenue from JVs.

For the second quarter of 2023 **Interconnect revenue totaled EUR 30 million** a **-15.0%** or EUR -5 million decrease compared to the same period of 2022, with no meaningful margin impact. The year-on-year revenue decline reflects mainly the EU regulation effect with lowered Fixed & Mobile Termination rates as from 1 January 2023, having a negative revenue impact by EUR -4 million on the second quarter. Furthermore, Interconnect revenue erodes due to the ongoing decrease in traditional messaging.

3.4 Domestic OpEx and EBITDA

Q2 2023

For its Domestic operations, Proximus posted an **EBITDA of EUR 416 million** for the second quarter of 2023 **-3.5%** from the comparable period in 2022, resulting from higher operating costs partly offset by the year-on-year increase in Domestic direct margin.

The second quarter **Domestic operating expenses totaled EUR 446 million, +8.8%** compared to the second quarter of 2022. The year-on-year rise was mainly driven by inflationary cost increases, including the effect of 4 inflation-based salary indexations, as well higher electricity costs. Moreover, the strong commercial performance, in particular increasing Fiber activations, led to higher customer related costs. This was partially offset by a lower Domestic headcount, down by -50 FTEs to a total of 10,369 FTEs, and by other efficiencies achieved through the company's wider cost reduction program.

4 Telesign

- **Q2'23 revenue +18.9% YoY, including currency headwind. Both DI and CPaaS contributing.**
- **Direct Margin growth of 3.4%, +8.2% excluding the currency impact.**
- **Healthy Net Revenue Retention of 117% for the second quarter of 2023.**
- **Growth investments reached their peak, YoY OpEx increase starts to moderate.**
- **Sales bookings, indicator of future direct margin opportunity, continued to grow YoY (+31%).**

Q2 2023

Telesign closed the second quarter **with revenue** of **EUR 128 million**, a **year-on-year increase of +18.9%** (on constant currency +21.9%[6]). The **Direct Margin** was up +3.4% year-on-year. The currency effect aside, this was +8.2%, sequentially improving from the first quarter (+5.7% on constant currency). Telesign's **direct margin as a percentage of revenue** was 22.2%.

The second quarter 2023 Net Revenue Retention (NRR) rate continues to be healthy with 117% compared with 125% in the same period of 2022, and 114% for the first quarter 2023, consistently remaining above the 100% mark.

Overall, Telesign's regional diversification strategy is progressing, with especially EMEA and LATAM driving the Direct Margin growth.

Revenue and direct margin from **Communications services** was positively impacted by a strong performance of Telesign's largest US customers while volatility remained high for Asian customers. Furthermore, Telesign benefitted from price increases in certain markets, while currency effects negatively impacted Telesign's financials. The growth in the **Digital Identity segment** was driven by the expansion of the customers base outside the US.

Following the anticipated investments to support Telesign's growth ambitions, with hiring of specifically skilled talents, higher marketing expenses, and product investments for Digital Identity, Telesign's operating expenses increased by EUR 4 million year-on-year to a total of EUR 31 million for the second quarter of 2023. With Telesign's investments in growth having reached their peak, the increase in operating costs is expected to moderate going forward.

With the remaining cost increase being partly offset by direct margin growth, the second quarter **EBITDA was negative by EUR -3 million.**

Table 18: Telesign P&L

	2nd Quarter			Year-to-date		
(EUR million)	**2022**	**2023**	**% Change**	**2022**	**2023**	**% Change**
Revenue*	**107**	**128**	**18.9%**	**208**	**247**	**19.2%**
Costs of Sales	-80	-99	24.2%	-156	-191	22.7%
Direct Margin	**27**	**28**	**3.4%**	**52**	**56**	**8.5%**
Direct Margin %	*25.5%*	*22.2%*	*-3.3 p.p.*	*24.9%*	*22.6%*	*-2.2 p.p.*
Expenses	**-28**	**-31**	**14.1%**	**-50**	**-62**	**25.1%**
Workforce Expenses	-17	-21	24.5%	-32	-43	34.9%
Non-workforce Expenses	-11	-10	-2.5%	-18	-19	7.7%
EBITDA	**0**	**-3**	**nr**	**2**	**-6**	**nr**
EBITDA Margin %	*-0.1%*	*-2.4%*	*-2.3 p.p.*	*1.0%*	*-2.5%*	*-3.4 p.p.*

* Refers to total income

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

5 BICS

- **Q2'23 revenue -1.1% to EUR 267 million, with USD currency headwind impacting topline.**
- **Growth rate normalizing from an exceptional 2022 boosted by post-Covid travel uptake.**
- **Core services revenue+8.1%, driven by higher mobility services and messaging revenue.**
- **Direct Margin +1.0%, including strong contribution of Core services.**
- **Q2'23 EBITDA up by +2.8% reaching EUR 33 million.**

BICS revenue returning to normal trends

For the second quarter of 2023, **BICS posted revenues of EUR 267 million. The year-on-year decrease by -1.1%** from the comparable period in 2022 reflects a USD currency headwind on BICS' topline while growth rates are normalizing from an exceptional 2022 (with growth rates boosted by post-Covid travel uptake).

BICS' total year-on-year revenue decrease was driven by Growth and legacy services while Core services continued their positive track.

+8.1% Core revenue

The revenue from **Core services** increased by +8.1% or EUR +8 million from its comparable base in 2022, leading to a total of EUR 112 million. This was driven by very good Messaging performance and high Mobility volumes.

Growth revenue -6.3%

For BICS' **Growth services**, a total revenue of **EUR 18 million** was posted a **-6.3%** decrease from a high comparable base in 2022, while being up compared to the prior quarter.

Legacy revenue -6.8%

Coming back from an exceptional 2022, Legacy services returned to the inherently declining trend, reflecting the substitution by over-the-top applications. For the second quarter 2023, BICS' low-margin Legacy services revenue totaled EUR 137 million, down by -6.8%. Moreover, Legacy services revenue was also impacted by an unfavorable destination mix and USD exposure.

Direct margin +1.0%

BICS grew its second-quarter 2023 underlying **direct margin to EUR 68 million, up by +1.0%** with the direct margin growth coming mostly from Core services (Messaging and Mobility).

Q2 EBITDA +2.8%

BICS' **EBITDA totaled EUR 33 million** for the second quarter of 2023, a **+2.8% increase** from the same period in 2022. BICS posted stable OpEx for the second quarter 2023, with the January 2023 wage indexation offset by a reversal of a workforce-related provision.

Table 19: BICS P&L

(EUR million)	2nd Quarter 2022	2nd Quarter 2023	2nd Quarter % Change	Year-to-date 2022	Year-to-date 2023	Year-to-date % Change
Revenue by nature*	**270**	**267**	**-1.1%**	**515**	**529**	**2.8%**
Core	104	112	8.1%	200	219	9.6%
Growth	19	18	-6.3%	33	35	5.6%
Legacy	147	137	-6.8%	282	275	-2.4%
Revenue by customer segment*	**270**	**267**	**-1.1%**	**515**	**529**	**2.8%**
Enterprise	62	61	-1.1%	117	125	7.0%
Telecom	208	206	-1.0%	398	404	1.6%
Costs of Sales	-202	-199	-1.7%	-387	-394	1.6%
Direct Margin	**68**	**68**	**1.0%**	**127**	**135**	**6.5%**
Direct Margin %	*25.1%*	*25.6%*	*0.5 p.p.*	*24.7%*	*25.6%*	*0.9 p.p.*
Expenses	**-35**	**-35**	**-0.7%**	**-68**	**-71**	**4.9%**
Workforce Expenses	-21	-20	-5.4%	-40	-42	4.7%
Non-workforce Expenses	-14	-14	6.9%	-28	-30	5.2%
EBITDA	**33**	**33**	**2.8%**	**59**	**64**	**8.3%**
EBITDA Margin %	*12.1%*	*12.5%*	*0.5 p.p.*	*11.5%*	*12.1%*	*0.6 p.p.*

* Refers to total income

6 Consolidated Financial Statements

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 as adopted for use in the European Union. The cumulative half-year figures have been subject to a limited review by an independent auditor.

6.1 Accounting policies

The accounting policies and methods of the Group used as of 2023 are consistent with those applied in the 31 December 2022 consolidated financial statements, with the exception that the Group applied the new standards, interpretations and revisions that became mandatory for the Group on 1 January 2023. These have no impact on the Group's financial statements.

6.2 Judgements and estimates

The Group does not make any significant judgments and estimates other than those mentioned under Note 2 in the 31 December 2022 consolidated financial statements, and other than those mentioned below in this report.

6.3 Significant events or transactions in 2023

Interest rate swap and new bond

On 1 March 2023, Proximus issued an EUR 500 million bond that carries an annual fixed coupon of 4.00% with a 7-year maturity due 8 March 2030. The cash flow hedge for a nominal amount of EUR 500 million was unwound at that date and resulted in a payment of EUR 20 million received from the hedge counterparty. The effective portion of changes in the fair value of this hedging instruments, that was recognized in other comprehensive income, will be gradually reclassified to Profit or Loss in the same period as the hedged item.

Acquisition EDPNET

In October 2022, EDPNET (a company offering nationwide fixed internet connections, fixed voice solutions and mobile solutions in Belgium and the Netherlands and has been a wholesale customer of Proximus for many years) filed for protection from its creditors.

The court decision of 12 January 2023 to open a judicial reorganization procedure type 3, with the prospect of organizing a potential transfer of activities under judicial authority, led Proximus to introduce a binding offer of EUR 20.5 million.

On the 21st of March 2023, the offer of Proximus to acquire the activities of EDPNET in Belgium and the Netherlands has been validated by the Enterprise Court of Dendermonde at a Purchase Price of EUR 20.5M. The closing of the transaction took place on the 1st of April 2023.

On the 22nd of March 2023, the Belgian Competition Authority (BCA) however informed Proximus of the opening of an ex officio investigation into a possible abuse of dominance by Proximus by means of the acquisition.

Proximus, which contests the allegations of abuse of dominance, will cooperate in good faith with the investigators of the Belgian Competition Authority.

On 21st of June 2023, the BCA imposed interim measures on Proximus, which to a major extent confirm Proximus' decision to keep the activities of EDPNET fully independent. As a consequence Proximus assessed that it currently does not control EDPNET. The investment in the entity was accounted as a financial participation with remeasurements to fair value through OCI. The purchase price of EUR 20.5 million (paid by Proximus on an escrow account) and a loan granted by Proximus to Edpnet of EUR 2.8

million are presented in the cash flow under “cash paid for acquisitions of, and loan granted to other participating interests”.

GDPR case Telesign

On 23rd June 2023, NOYB (a non-profit privacy activist organisation) representing 9 (currently unnamed) complainants has made public that it has filed a complaint in connection with the activities of Telesign before the Belgian Data Protection Authority (BDPA).

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

To date, none of the companies have received any communication from the BDPA in relation to this complaint.

Although we are still at a very preliminary stage, Proximus Group already wishes to stress its continued commitment to act in accordance with relevant data protection regulation, and it can already state that Telesign has a data privacy program in place that takes into account global laws and regulations, including the General Data Protection Regulation (GDPR) and the California Consumer Protection Act (CCPA). Telesign also constantly reviews internal policies and practices, for compliance with the evolving regulatory landscape.

Proximus, BICS and Telesign are examining each of the allegations, and they believe that they have objective arguments to counter the complaint on the merits. Based on the facts and information available per end June 2023, management recorded no provision for this case.

Virtual Power Purchase Agreement (VPPA)

In the context of further greenifying its electricity supply, Proximus, that is a member of RE100, entered a VPPA contract (live end of 2023) - RE100 compliant for 20% of its consumption for the upcoming 5 years.

Proximus will recognise the fair value of this instrument (amounting to EUR 3 million as per Q2 2023) through income statement. The acquired Guarantees of Origin will be expensed as incurred.

6.4 Consolidated income statement

	2nd Quarter			Year-to-date		
(EUR million)	**2022**	**2023**	**% Change**	**2022**	**2023**	**% Change**
Net revenue	1,427	1,482	3.9%	2,813	2,956	5.1%
Other operating income	12	13	5.2%	31	25	-17.9%
Total income	**1,440**	**1,495**	**3.9%**	**2,844**	**2,982**	**4.8%**
Costs of materials and services related to revenue	-506	-550	8.7%	-992	-1,089	9.8%
Workforce expenses	-317	-332	4.8%	-626	-666	6.4%
Non workforce expenses	-144	-167	15.6%	-288	-335	16.4%
Total operating expenses before depreciation & amortization	**-967**	**-1,049**	**8.5%**	**-1,906**	**-2,090**	**9.7%**
Operating income before depreciation & amortization	**473**	**447**	**-5.5%**	**938**	**892**	**-5.0%**
Depreciation and amortization	-295	-297	0.8%	-587	-589	0.4%
Operating income	**178**	**149**	**-16.0%**	**351**	**303**	**-13.8%**
Finance income	1	4	>100%	3	6	>100%
Finance costs	-16	-27	65.5%	-28	-55	96.2%
Net finance costs	**-15**	**-22**	**48.2%**	**-25**	**-49**	**93.0%**
Share of loss on associates and JV	-2	-1	-57.2%	-8	-6	-26.6%
Income before taxes	**160**	**126**	**-21.5%**	**318**	**248**	**-22.0%**
Tax expense	-38	-32	-15.4%	-76	-60	-20.4%
Net Income	**122**	**94**	**-23.4%**	**243**	**188**	**-22.5%**
Attributable to:						
Equity holders of the parent (Group share)	122	94	-23.3%	243	188	-22.4%
Non-controlling interests	0	0	-	0	0	-
Basic earnings per share	0.38	0.29	-23.3%	0.75	0.58	-22.3%
Diluted earnings per share	0.38	0.29	-23.3%	0.75	0.58	-22.3%
Weighted average number of outstanding shares	322,611,851	322,376,181	-0.1%	322,704,212	322,390,525	-0.1%
Weighted average number of outstanding shares for diluted earnings per share	322,611,851	322,376,181	-0.1%	322,704,212	322,390,525	-0.1%

6.5 Consolidated statements of other comprehensive income

	2nd Quarter		Year-to-date	
(EUR million)	**2022**	**2023**	**2022**	**2023**
Net income	**122**	**94**	**243**	**188**
Other comprehensive income:				
Items that may be reclassified to profit and loss:				
Exchange differences on translation of foreign operations	12	0	15	-3
Cash flow hedges:				
Gain/(Loss) taken to equity	102	-2	140	-15
Transfer to profit or loss for the period	0	-1	0	-1
Other	0	0	-1	0
Total before related tax effects	**113**	**-3**	**155**	**-19**
Related tax effects				
Cash flow hedges:				
Gain/(Loss) taken to equity	-31	1	-35	4
Transfer to profit or loss for the period	5	0	0	0
Income tax relating to items that may be reclassified	**-26**	**1**	**-35**	**4**
Total of items that may be reclassified to profit and loss, net of related tax effects	**88**	**-2**	**120**	**-15**
Items that will not be reclassified to profit and loss:				
Total before related tax effects	**142**	**0**	**142**	**0**
Related tax effects				
Income tax relating to items that will not be reclassified	**-22**	**0**	**-22**	**0**
Total of items that will not be reclassified to profit and loss, net of related tax effects	**120**	**0**	**120**	**0**
Total comprehensive income	**330**	**91**	**482**	**173**
Attributable to:				
Equity holders of the parent	330	92	482	173
Non-controlling interests	0	0	0	0

6.6 Consolidated balance sheet

(EUR million)	As of 31 December 2022	As of 30 June 2023
ASSETS		
Non-current assets	**8,589**	**8,632**
Goodwill	2,595	2,593
Intangible assets with finite useful life	1,779	1,731
Tangible assets: property, plant and equipment	3,531	3,641
Right-of-use asset	277	276
Lease receivable	7	7
Contract costs	111	110
Investments in associates and JV	43	39
Equity investments measured at fair value	1	1
Deferred income tax assets	5	5
Pension assets	140	138
Other non-current assets	99	90
Current assets	**1,952**	**1,984**
Inventories	187	195
Trade receivables	938	938
Contract assets	137	147
Current tax assets	24	35
Other current assets	269	315
Cash and cash equivalents	299	255
Assets classified as held for sale	99	99
TOTAL ASSETS	**10,541**	**10,616**
LIABILITIES AND EQUITY		
Equity	**3,308**	**3,255**
Shareholders' equity attributable to the parent	3,307	3,255
Non-controlling interests	1	0
Non-current liabilities	**4,231**	**4,080**
Interest-bearing liabilities	2,676	2,568
Lease liabilities	199	194
Liability for pensions, other post-employment benefits and termination benefits	361	347
Provisions	136	134
Deferred income tax liabilities	181	177
Other non-current payables non-interest-bearing (*)	86	64
Other non-current payables interest-bearing (*)	592	596
Current liabilities	**3,002**	**3,281**
Interest-bearing liabilities	588	983
Lease liabilities	73	72
Liability for pensions, other post-employment benefits and termination benefits	52	45
Trade payables (**)	1,483	1,405
Contract liabilities	127	137
Tax payables	16	30
Other current payables non-interest-bearing (*)	638	576
Other current payables interest-bearing (*)(**)	25	32
Liabilities associated with assets classified as held for sale	0	0
TOTAL LIABILITIES AND EQUITY	**10,541**	**10,616**

(*) "Other non-current payables" have been split into "Other non-current payables non-interest-bearing and interest bearing"; "Other current payables" have been split into "Other current payables non-interest-bearing and interest-bearing"

(**) The "Trade payables" that are interest bearing payables have been reclassified into "Other current payables interest-bearing"

6.7 Consolidated cash flow statement

	2nd Quarter			Year-to-date		
(EUR million)	**2022**	**2023**	**Change**	**2022**	**2023**	**Change**
Cash flow from operating activities						
Net income	122	94	-23.4%	243	188	-22.5%
Adjustments for:						
Depreciation and amortization	295	297	0.8%	587	589	0.4%
Increase/(decrease) of provisions	0	-1	-	0	-1	>100%
Deferred tax expense/ (income)	-5	0	-99.4%	-7	-2	-67.1%
Loss/(gain) from investments accounted for using the equity method	2	1	-57.2%	8	6	-26.6%
Fair value adjustments on financial instruments	0	-4	<-100%	0	-3	>100%
Adjustments for finance cost	0	-1	<-100%	0	-1	<-100%
Loss/(gain) on disposal of property, plant and equipment	-2	0	-96.6%	-3	0	-92.4%
Operating cash flow before working capital changes	**413**	**387**	-6.3%	**827**	**776**	-6.2%
Decrease/ (Increase) in inventories	-20	6	>100%	-40	-8	-80.5%
Decrease/ (Increase) in trade receivables	-20	-12	-37.3%	-81	5	>100%
Decrease/ (Increase) in other assets	33	30	-8.2%	43	-67	<-100%
Increase/(decrease) in trade payables	-49	-9	-81.7%	7	14	>100%
Increase/(decrease) in other liabilities	-44	-53	21.6%	26	-16	<-100%
Increase/(decrease) in net liability for pensions, other post-employment benefits and termination benefits	-11	-12	7.3%	-21	-19	-8.7%
Increase/(decrease) in working capital, net of acquisitions and disposals of subsidiaries	**-110**	**-50**	**-54.7%**	**-67**	**-91**	**36.4%**
Net cash flow provided by operating activities (1)	**302**	**337**	**11.4%**	**761**	**685**	**-10.0%**
Cash flow from investing activities						
Cash paid for acquisitions of intangible assets and property, plant and equipment	-334	-315	-5.7%	-740	-740	0.1%
Cash paid for acquisitions of, and loan granted to other participating interests	-2	-25	>100%	-2	-25	>100%
Cash paid for acquisition of consolidated companies, net of cash acquired	3	0	<-100%	0	0	-
Cash received for sales of consolidated companies, net of cash disposed of	-3	0	-91.7%	-3	0	<-100%
Net cash received from sales of property, plant and equipment and other non-current assets	7	0	-98.4%	8	1	-90.7%
Net cash used in investing activities	**-329**	**-339**	**3.2%**	**-736**	**-764**	**3.8%**
Cash flow before financing activities	**-26**	**-2**	**-90.5%**	**24**	**-79**	**<-100%**
Lease payments (excl. interest paid)	-17	-22	**25.3%**	-40	-44	**12.1%**
Free cash flow (2)	**-44**	**-24**	**-44.4%**	**-15**	**-124**	**>100%**
Cash flow from financing activities other than lease payments						
Dividends paid to shareholders	-226	-226	-0.2%	-226	-226	-0.2%
Net sale/(purchase) of treasury shares	-4	0	-92.5%	-4	0	-96.4%
Cash received/(paid) for matured cash flow hedge instrument related to long term debt	0	0	>100%	-1	20	>100%
Asset financing arrangements issuance	0	0	-	65	0	<-100%
Asset financing arrangements repayment	-5	-2	-54.5%	-15	-5	-68.3%
Debt issuance	215	1	-99.6%	425	497	16.9%
Debt repayment	2	271	>100%	-249	-206	-17.3%
Cash flows used in financing activities other than lease payments	**-20**	**43**	**>100%**	**-5**	**80**	**>100%**
Exchange rate impact	1	0	-98.9%	2	0	<-100%
Net increase/(decrease) of cash and cash equivalents	**-62**	**19**	**>100%**	**-19**	**-44**	**>100%**
Cash and cash equivalents at 1 January				249	299	20.1%
Cash and cash equivalents at the end of the period				230	255	10.8%
(1) Net cash flow from operating activities includes the following cash movements :						
Interest paid				-30	-39	
Interest received				1	1	
Income taxes paid				2	-58	
(2) Free cash flow: cash flow before financing activities and after lease payments						

6.8 Consolidated statements of changes in equity

(EUR million)	Issued capital	Treasury shares	Restricted reserve	Equity instruments and hedge reserve	Other remeasure-ment reserve	Foreign currency translation	Stock Compen-sation	Retained Earnings	Shareholders' Equity	Non-controlling interests	Total Equity
Balance as at 1 January 2022	**1,000**	**-422**	**100**	**-7**	**-102**	**7**	**0**	**2,403**	**2,978**	**0**	**2,978**
Total comprehensive income	**0**	**0**	**0**	**105**	**120**	**15**	**0**	**243**	**482**	**0**	**482**
Dividends to shareholders (relating to 2021)	0	0	0	0	0	0	0	-226	-226	0	-226
Changes in shareholders' equity	0	0	0	0	0	0	0	1	1	0	1
Treasury shares											
Sale of treasury shares	0	-5	0	0	0	0	0	0	-5	0	-5
Total transactions with equity holders	**0**	**-4**	**0**	**0**	**0**	**0**	**0**	**-226**	**-230**	**0**	**-230**
Balance as at 30 June 2022	**1,000**	**-427**	**100**	**97**	**18**	**22**	**0**	**2,420**	**3,231**	**0**	**3,231**
Balance at 1 January 2023	**1,000**	**-425**	**100**	**147**	**4**	**16**	**0**	**2,465**	**3,307**	**1**	**3,308**
Total comprehensive income	**0**	**0**	**0**	**-12**	**0**	**-3**	**0**	**188**	**173**	**0**	**173**
Dividends to shareholders (relating to 2022)	0	0	0	0	0	0	0	-226	-226	0	-226
Treasury shares											
Sale of treasury shares	0	3	0	0	0	0	0	-3	0	0	0
Total transactions with equity holders	**0**	**3**	**0**	**0**	**0**	**0**	**0**	**-228**	**-226**	**0**	**-226**
Balance as at 30 June 2023	**1,000**	**-422**	**100**	**135**	**4**	**13**	**0**	**2,425**	**3,255**	**0**	**3,255**

6.9 Segment reporting

See reconciliation of reported and underlying figures in section 7.2.

	YTD'23							
	Proximus Group				Underlying by segment			
(EUR million)	Reported (IFRS 16)	Lease depreciation and interest	Incidental	Underlying	Domestic	BICS	Telesign	Eliminations
Net revenue	2,956	0	0	2,956	2,268	528	246	-86
Other operating income	25	0	0	25	28	1	1	-5
Total income	**2,982**	**0**	**0**	**2,982**	**2,296**	**529**	**247**	**-91**
Costs of materials and services related to revenue	-1,089	-1	6	-1,084	-578	-394	-191	79
Direct margin	**1,893**	**-1**	**6**	**1,898**	**1,718**	**135**	**56**	**-12**
Workforce expenses	-666	0	6	-660	-577	-42	-43	2
Non workforce expenses	-335	-41	17	-359	-320	-30	-19	10
Total other operating expenses	**-1,001**	**-41**	**23**	**-1,019**	**-897**	**-71**	**-62**	**12**
Operating income before depreciation & amortization	**892**	**-41**	**28**	**879**	**821**	**64**	**-6**	**0**
Depreciation and amortization	-589							
Operating income	**303**							
Net finance costs	-49							
Share of loss on associates	-6							
Income before taxes	**248**							
Tax expense	-60							
Net income	**188**							
Attributable to:	**0**							
Equity holders of the parent (Group share)	188							
Non-controlling interests	0							

	YTD'22							
	Proximus Group				Underlying by segment			
(EUR million)	**Reported (IFRS 16)**	**Lease depreciation and interest**	**Incidental**	**Underlying**	**Domestic**	**BICS**	**Telesign**	**Eliminations**
Net revenue	2,813	0	0	2,813	2,167	514	207	-75
Other operating income	31	0	-3	28	31	1	0	-4
Total income	**2,844**	**0**	**-3**	**2,841**	**2,198**	**515**	**208**	**-79**
Costs of materials and services related to revenue	-992	-1	0	-993	-521	-387	-156	72
Direct margin	**1,852**	**-1**	**-3**	**1,848**	**1,677**	**127**	**52**	**-7**
Workforce expenses	-626	0	10	-616	-546	-40	-32	1
Non workforce expenses	-288	-40	7	-321	-281	-28	-18	6
Total other operating expenses	**-914**	**-40**	**17**	**-937**	**-826**	**-68**	**-50**	**7**
Operating income before depreciation & amortization	**938**	**-41**	**14**	**911**	**850**	**59**	**2**	**0**
Depreciation and amortization	-587							
Operating income	**351**							
Net finance costs	-25							
Share of loss on associates	-8							
Income before taxes	**318**							
Tax expense	-76							
Net income	**243**							
Attributable to:	**0**							
Equity holders of the parent (Group share)	243							
Non-controlling interests	0							

6.10 Disaggregation of net revenue

(EUR million)		YTD-June 2022	YTD-June 2023
Domestic			
Residential			
	Customer services revenues (X-play)	883	923
	Prepaid	21	18
	Terminals	110	131
	Luxembourg Telco	62	65
	Other	29	23
	Total Residential	*1,106*	*1,160*
Business			
	Services	795	802
	Products	114	150
	Luxembourg Telco	14	12
	Other Products	0	0
	Total Business	*923*	*965*
Wholesale			
	Fixed & Mobile wholesale services	67	69
	Interconnect	72	60
	Total Wholesale	*139*	*129*
Other		*-1*	*14*
Total Domestic		**2,167**	**2,268**
BICS		**514**	**528**
Telesign		**207**	**246**
Eliminations		**-75**	**-86**
Total Net Revenue		**2,813**	**2,956**

6.11 Group financing activities related to interest-bearing liabilities

(EUR million)	As at 31 December 2022	Cash flows issuance	Cash flows repayments	Non-cash changes	As of 30 June 2023
Non-current					
Unsubordinated debts	2,239	495	0	-598	2,136
Credit institutions	400	0	0	0	400
Other loans	37	0	0	-5	32
Derivatives held for trading	1	0	0	-1	0
Current portion of amounts payable > one year					
Unsubordinated debentures	100	0	-100	600	600
Credit institutions held to maturity	1	0	0	0	0
Other current interest bearing liabilities					
Credit institutions	0	2	0	0	2
Unsubordinated debts	477	0	-106	0	371
Other loans	10	0	-5	5	10
Total liabilities from financing activities excluding lease liabilities	**3,265**	**497**	**-211**	**0**	**3,551**
Lease liabilities current and non-current	272	0	-44	40	267
Total liabilities from financing activities including lease liabilities	**3,536**	**497**	**-256**	**40**	**3,817**

(EUR million)	As at 31 December 2021	Cash flows issuance	Cash flows repayments	Non-cash changes	As of 30 June 2022
Non-current					
Unsubordinated debentures	2,337	0	0	-99	2,238
Credit institutions	401	0	0	0	401
Other loans	0	54	-11	0	43
Derivatives held for trading	3	0	0	-1	1
Current portion of amounts payable > one year					
Unsubordinated debentures	0	0	0	100	100
Credit institutions held to maturity	1	0	0	0	0
Other current interest bearing liabilities					
Credit institutions	150	0	-150	0	0
Unsubordinated debts	100	425	-100	0	425
Other loans	1	12	-2	0	10
Total liabilities from financing activities excluding lease liabilities	**2,992**	**490**	**-263**	**0**	**3,219**
Lease liabilities current and non-current	273	0	-40	45	278
Total liabilities from financing activities including lease liabilities	**3,265**	**490**	**-303**	**45**	**3,496**

6.12 Financial instruments

Valuation techniques

The Group holds financial instruments classified in Level 1, 2 and 3. Compared to December 2022, no changes in the valuation techniques occurred. None of these instruments were reclassified from one level to another.

VPPA

The valuation of the VPPA is based on a discounted cash flow valuation model using historical information to simulate the production output and market forward power prices throughout the lifetime of the VPPA.

The valuation technique considers the relevant inputs that are consistent with the terms and conditions of the VPPA contract and that other market participants would take into account in when setting a transaction price in an orderly transaction.

Financial instruments measured at fair value

The fair value of the financial assets measured at fair value in Proximus consolidated balance sheet decreased by EUR 32 million compared to their fair value as of December 2022. This decrease is mainly due to settlement in March 2023 of one of the three interest rates hedges the Group entered in 2022 and to the changes in the fair value of the remaining ones.

As of 30 June 2023, the carrying amounts of the other financial assets were not substantially different from their fair values.

The fair value of the non-current interest-bearing liabilities (EUR 2,803 million including their current portions) increased by EUR 417 million, essentially due to the bond of EUR 500 million issued in March 2023 (net proceed of EUR 495 million) partially offset by the repayment of a EUR 100 million bond that matured in May 2023.

6.13 Contingent liabilities and commitments

Compared to the 2022 consolidated financial statements, no significant change occurred in 2023 in the contingent liabilities and commitments other than those mentioned in this report.

6.14 Post balance sheet events

Acquisition Route Mobile

Proximus Group has signed a definitive agreement to acquire through Proximus Opal, a ~58% interest in Route Mobile, a global company specialized in CPaaS services, listed on NSE and BSE in India with a market capitalization of EUR 1.1 billion. As a part of the agreement, some of the founding shareholders of Route Mobile will reinvest in a minority stake in Proximus Opal, a subsidiary of the Proximus Group and the holding company of Telesign, Proximus' US-based affiliate. Building on the combined strengths of Route Mobile and Telesign, the Group is paving the way to become one of the worldwide leaders in the fields of digital communications (CPaaS) and digital identity (DI).

The agreement consists of the acquisition by Proximus Opal of a controlling stake (57.56%) in Route Mobile from the founding shareholders of the company, followed by a reinvestment by some of the founding Route Mobile shareholders into Proximus Opal. More specifically:

- Proximus Group will acquire 57.56% of the shares (on a fully diluted basis) in Route Mobile through Proximus Opal, for an initial INR 59,224 million (EUR ~643,0 million) cash consideration for a price per share of 1,626.40 INR.

- The acquisition of the majority stake in Route Mobile will, in accordance with Indian regulations, trigger a mandatory takeover offer ("MTO") for up to 26% of the total shares outstanding of Route Mobile at the same price per share. Depending on the outcome of the MTO, the stake held by Proximus Opal could further increase to around 75% of Route Mobile's shares (If MTO is fully adopted, the stake could rise to around 84%, but as Indian regulator SEBI prescribes a minimum threshold of 25% public shareholding for all listed companies, Proximus Opal would need to sell stakes back to 75% within 12 months). Total cash consideration for this part of the operation, will be determined by the effective MTO take-up.
- The acquisition of the majority stake in Route Mobile and the MTO will be followed by a reinvestment of EUR ~299.6 million by some of the founding shareholders of Route Mobile, for up to 14.5% of the shares of Proximus Opal.

Taking into account the reinvestment, the net cash consideration for Proximus prior to MTO amounts to EUR ~343.4 million.

The agreement remains conditional upon realization of the conditions provided for in the agreement, including the receipt of regulatory and anti-trust approvals and the completion of the mandatory takeover offer on certain shares of Route Mobile. Proximus expects to close the transaction within the next six to nine months.

Proximus will finance the deal through bridge financing followed by the issuance of a new bond upon closing of the transaction.

Route Mobile offers omnichannel communication solutions to its customers, including notably automated SMS or WhatsApp notifications for order updates, appointment reminders and promotions, as well as voice-based and email solutions. Route Mobile also offers AI based firewall analytics solutions to mobile network operators across the globe. It serves more than 3,000 customers worldwide (enterprises, OTTs and mobile operators). Over the course of full year 2022-2023 (fiscal year ended March 2023 Quarterly Financials Result - Route Mobile), Route Mobile realized a total reported revenue of INR 35,692 million (EUR 427 million), 55% Revenue CAGR FY 2020 – FY2023, while the EBITDA stood at INR 4,566 million (EUR 55 million), 66% EBITDA CAGR FY2020 – FY2023). The consolidated net assets value of Route Mobile is INR 18,284 million (EUR 199 million).

6.15 Others

There has been no material change to the information disclosed in the 2022 annual consolidated financial statements in connection with related parties that would require disclosure under the Financial Reporting Framework.

7 Additional information

7.1 Rounding of figures

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

7.2 From Reported to Underlying

GROUP - Adjustments	GROUP Revenue		GROUP EBITDA		GROUP Revenue		GROUP EBITDA	
(EUR million)	Q2 '22	Q2 '23	Q2 '22	Q2 '23	YTD '22	YTD '23	YTD '22	YTD '23
Reported	**1,440**	**1,495**	**473**	**447**	**2,844**	**2,982**	**938**	**892**
Adjustments	-2	0	-10	0	-3	0	-27	-13
Underlying	**1,437**	**1,495**	**463**	**446**	**2,841**	**2,982**	**911**	**879**
Adjustments	**-2**	**0**	**-10**	**0**	**-3**	**0**	**-27**	**-13**
Lease Depreciations			-20	-19			-41	-39
Lease Interest				-1			-1	-3
Transformation			6	3			11	8
Acquisitions, mergers and disposals	-2		3	11	-3		5	15
Litigation/regulation			2	6			-1	5

7.3 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 transaction related cash effects

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

ARPU: Average Revenue per Unit.

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

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

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

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

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

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

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

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

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

EBITDA: Earnings Before Interest, Taxes, 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
- **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 premise 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.

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.

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

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

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

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

Reported revenues: this corresponds to the TOTAL INCOME.

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

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

Sales Booking: defined as the estimated monthly direct margin value of a won opportunity recorded within the CRM system. The nature of these bookings can vary between monthly recurring opportunities or short-term commercial opportunities.

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

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

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

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

7.4 Management statement

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

7.5 Financial calendar

(dates could be subject to change)

11 October 2023	Start of quiet period ahead of Q3 2023 results
27 October 2023	Announcement Q3 2023 results
15 January 2024	Start of quiet period ahead of Q4 2023 results
23 February 2024	Announcement Q4 2023 results
10 April 2024	Start of quiet period ahead of Q1 2024 results
17 April 2024	Annual General Meeting (AGM)
26 April 2024	Announcement Q1 2024 results
10 July 2024	Start of quiet period ahead of Q2 2024 results
26 July 2024	Announcement Q2 2024 results
9 October 2024	Start of quiet period ahead of Q3 2024 results
25 October 2024	Announcement Q3 2024 results

7.6 Contact details

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7.7 Investor and Analyst Webcast

Proximus will host a webcast for investors and analysts on Friday, 28 July 2023.
Time 02.00pm Brussels – 01.00pm London – 08.00am New York

Follow the webcast and register to ask questions in the Q&A session:	**https://www.proximus.com/investors/reports-and-results.html**