

Fixed Income Investor Presentation: Green bond issuance

Proximus

8 November 2023

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Societal Responsibility

Green Bond Issuance

Speakers



Mark Reid
Finance Lead



Catherine Bals
Sustainability Lead

Proximus overview and credit highlights

Key credit highlights

Excellent Domestic performance: achieving strong revenue growth in 2023, driven by sustained customer gains and pricing strategy, while efficiencies mitigate inflationary cost pressure.

Diversifying Internationally with BICS as innovative communication platform and Telesign operating in fast-growing markets of Digital Identity and CPaaS

On track for "bold2025" growth trajectory: EBITDA to return to growth, Capex on track to decrease post 2023-peak, supporting long-term FCF growth trajectory

Among the best EU Telco credit ratings: low leverage, excellent liquidity, conservative financial policy and stable Government-backed shareholder structure

Sustainability is embedded in all we do and makes up a key pillar of our strategy, setting clear sustainability targets

Green bond proceeds will be used to **cover clearly identified green projects**, leveraging **energy efficient future proof technology** such as Fiber and 5G

Proximus Group key figures



Group underlying revenue
€ **5,909** Mio

Group underlying EBITDA
€ **1,786** Mio

Net debt/EBITDA
2.3x S&P definition**

Free Cash Flow (adjusted)
€ **181** Mio

Capex*
€ **1,305** Mio

Dividend/share
€ **1.2** /share***



Number of employees
11,634 (FTE's)

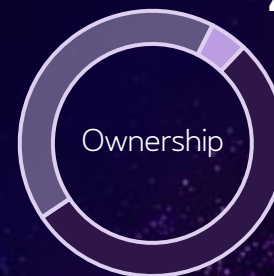


- In the BEL20
 - In the BEL ESG Index
- Market Capitalization (Oct.23)
€ **2.7** Bn

Public limited company

Proximus shares ownership
(30/09/2023)

Free float
41.90%



Own shares
4.59%

Belgian government
53.51%

*Excl. spectrum and football rights

** Proximus Definition 1.5x

*** 0.6€ per share as from 2024

Proximus providing digital services and communication solutions on the Belgian and international markets

Domestic



International

bics telesign



Proximus Domestic

Largest telco operator in Belgium



Fixed Internet **2,216K**



Digital TV **1,710K**



Mobile Postpaid **4,817K**

Note: End of 2022

Proximus is a provider of digital services and communication solutions

Domestically, we secured undisputed network leadership both in fixed & mobile



93 years of history connecting the Belgian population



10,000+ employees (FTEs) in Belgium and many indirect jobs



Serving 2.8 million Belgian residential customers daily



3,800+ direct suppliers

Proximus plays a key role in Belgian society

[More info](#)



Proximus International

a unique growth engine for our group

International subsidiaries in pole position to capture the next wave of growth in **digital communications & identity**



Leading Authentication and Digital Identity player

Global Footprint



65+

Countries with active customers

Blue Chip customers



8/10

Top internet companies are customers*

Strong Technological Moat



35+

Patents in mobile identity and MFA

bics

Global Leader in Digital and Cloud communications, Mobility and IoT

Global leadership

+5B

Mobile subscribers connected

Top 1-5

Mobility & Voice Providers

Loyal customers



~90%

of top 300 customers retained '22e versus '17

Industry reference

Gartner

2022

Industry recognition
4.5/5 peer score

[More info](#)

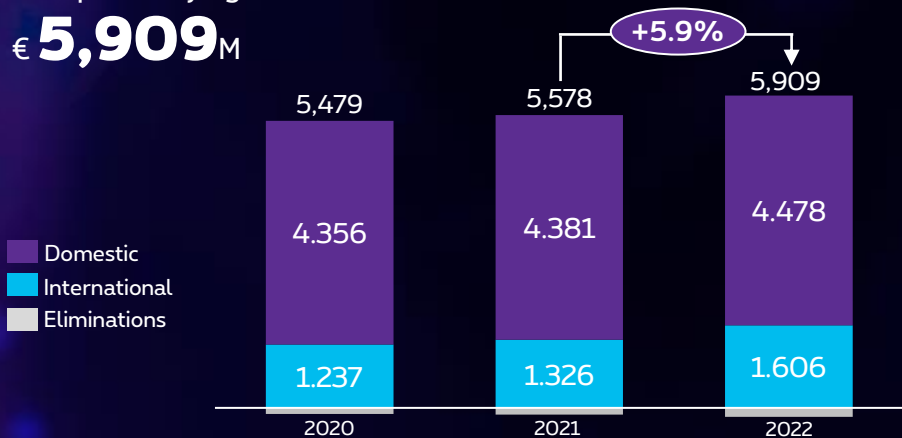


(*) Based on market capitalization;

Proximus is a financially resilient and diversified Group

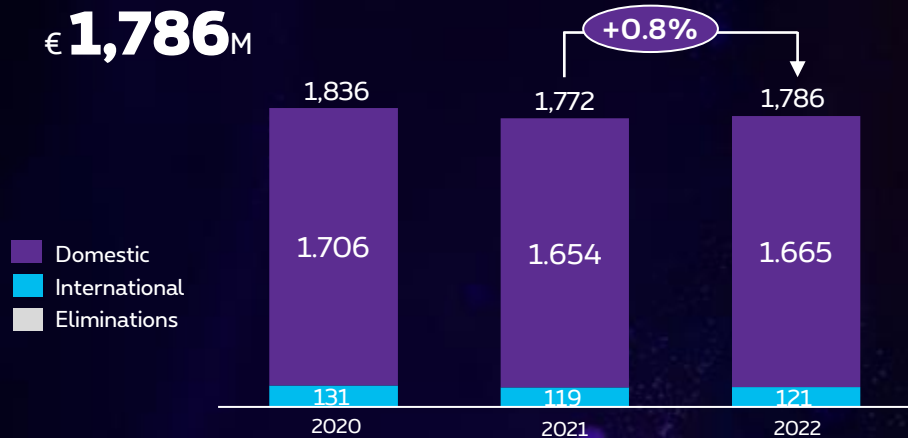
Group underlying revenue FY 2022

€ **5,909**M



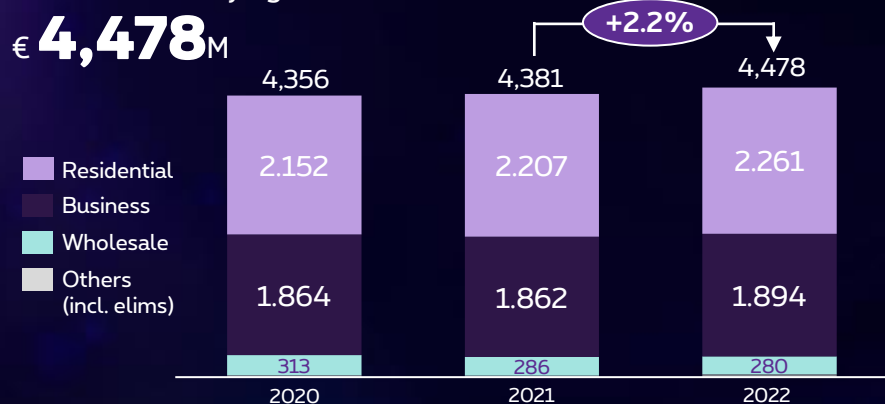
Group underlying EBITDA FY 2022

€ **1,786**M



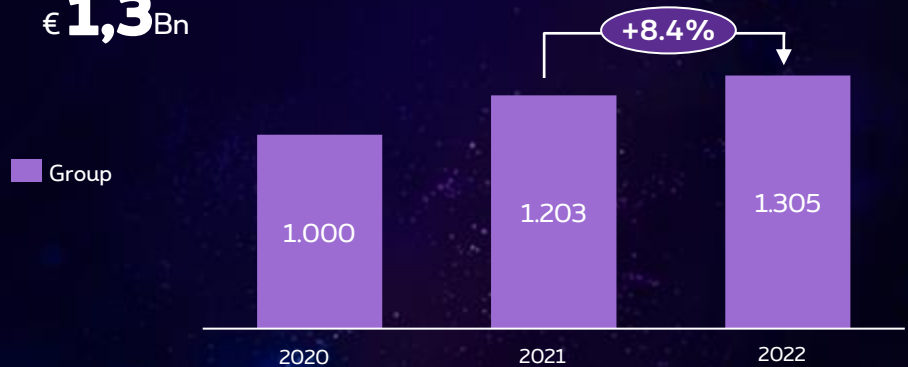
Domestic underlying revenue FY 2022

€ **4,478**M



Group CAPEX FY 2022

€ **1,3**Bn



We have set out our strategy for the next 3 years until 2025

**bold
2025**

**“Boldly building
a connected world
that people trust
so society blooms”**

**bold
2025**

We deliver
great value for
our stakeholders



Act for an inclusive **society** &
be **sustainable** in everything we do



Delight customers with
unrivalled experience



Grow profitably **locally** &
globally through strong brands

through **exceptional**
strengths



Roll out **#1 gigabit network**
for Belgium



Engineer **technology assets**
to enable digital ecosystems



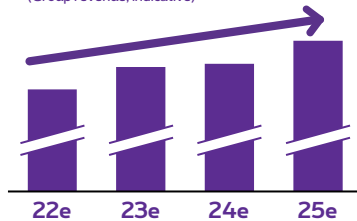
Foster an engaging **culture** &
empowering ways of **working**

bold2025 is a growth strategy for Proximus Group

While acting as a force for good in society and being a digital catalyst

Revenue growth on commercial momentum and pricing strategy

(Group revenue, indicative)

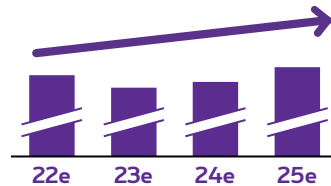


› Domestic revenue to grow across all customer segments:

- ✓ Leverage Fiber advantage, smart pricing, optimize value with multi-brands, convergence leadership.
- ✓ including impact of anticipated new market landscape

EBITDA growth, including 220M€ cost efficiencies

(Group EBITDA, indicative)



› Domestic EBITDA to grow as of '24

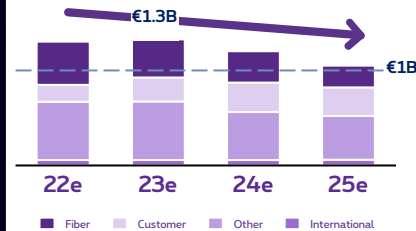
- ✓ Commercial momentum
- ✓ Delivering gross savings efficiency program of 220M€

› International providing unique growth pathway:

- ✓ Telesign to capture Direct Margin growth, improving mix towards Digital Identity
- ✓ BICS platform scale and mix to higher-margin services

CAPEX to return to normalized levels after 2023 peak

(Group CAPEX, indicative)



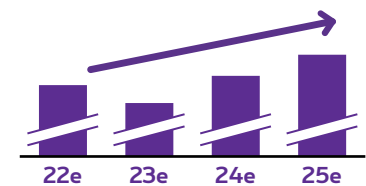
› Own Fiber build capex to decrease post-2023

› Customer capex higher (reflecting commercial success as customers move to fiber technology)

› Absorbing inflation impacts through continued CAPEX efficiencies

FCF to return back to growth, supported by asset sales

(Group adjusted FCF, indicative)



› Growing Group EBITDA as of 2024

› Returning to normalized CAPEX levels after peak in 2023

› Fiber JV equity injections rising as build progresses

› FCF trajectory includes at least €400M divestments

First year of our strategy being executed very well with 2023 guidance raised above initial expectations

Key 2023 Strategic Highlights



Very strong **commercial momentum** driven by product & network superiority



Price indexation landing well, supporting revenue growth

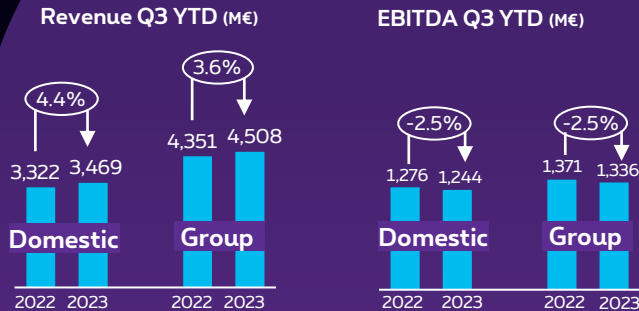


Fiber deployed across 26% of population. Collaboration discussion for rural zones ongoing

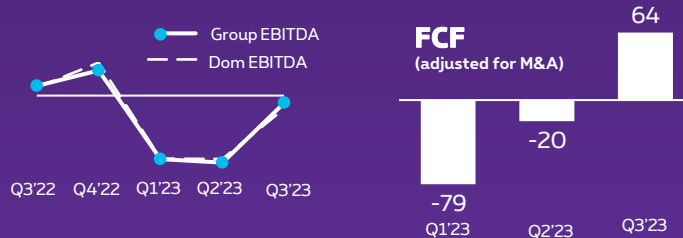


Accelerating international growth with acquisition majority stake of **Route Mobile**

YTD strong revenue growth and EBITDA better than expected



EBITDA and FCF YoY trend recovering



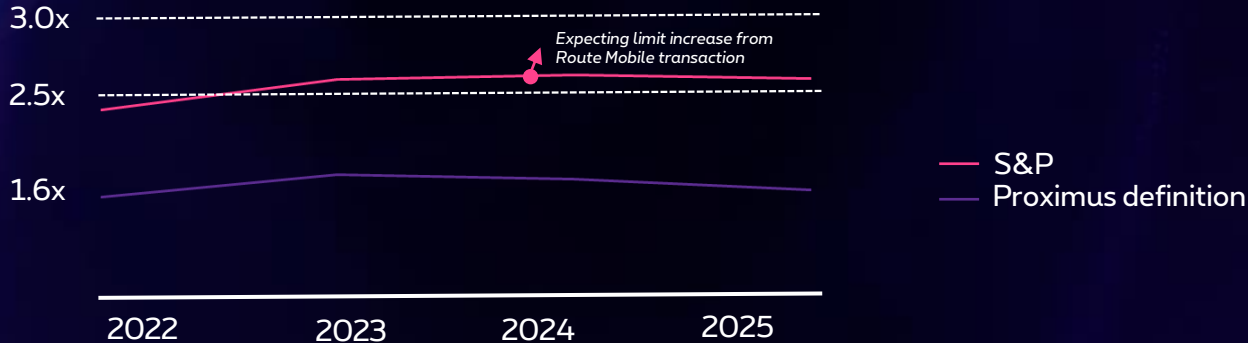
Revised FY 2023 guidance

Metrics	Outlook FY 2023
Underlying Domestic revenue	Between +3.5% and +4% YoY
Underlying Domestic EBITDA	Around -2% YoY
International Direct Margin* (ex-currency effects)	Between +4% and +5% YoY
Underlying Group EBITDA	Around -2% YoY
Capex (excl. Spectrum & football rights)	Peak at around € 1.3Bn
Net debt / EBITDA	Around 2.6X (S&P)

*International DM = Telesign DM plus BICS DM

Keeping a sound financial position

S&P net debt/EBITDA to stay well below 3.0x



2,758M€ Adjusted Net Debt YE 22' (excl. Lease liabilities)

>99% of outstanding LT debt at fixed rate

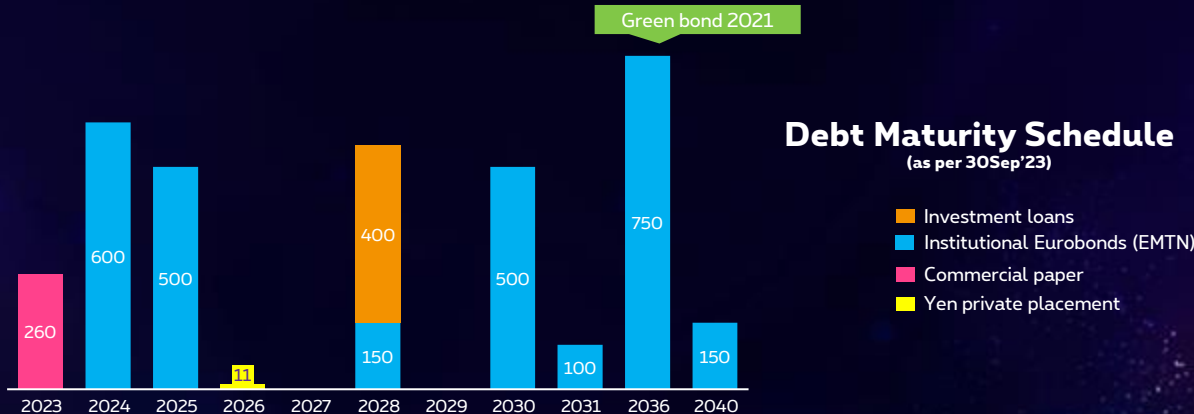
Credit rating
S&P **BBB+** (stable outlook)
Moody's **A2** (stable outlook)

2% Weighted average coupon (LT only)

6.5Y Weighted average debt duration (LT only)

 will be financed upon closing

Debt Maturity Schedule (as per 30Sep'23)



[More info on Route Mobile](#)

Stable investment grade rating

MOODY'S
INVESTORS SERVICE

A2, Stable Outlook

14 February 2023

- Proximus' A2 rating reflects the company's **solid retained cash flow and its low**, although deteriorating, **Leverage ratio**, which is expected to increase to around 2.4x in 2024 from 2.2x in 2022 and only decrease starting from 2025.
- It also incorporates negative free cash flow coverage metrics as a result of the fibre rollout in Belgium and high shareholder remuneration, which will result in a temporary increase in financial leverage.
- Proximus qualifies as a **government-related issuer (GRI)** given the Government of Belgium's 53,5% ownership of the company.

S&P Global
Ratings

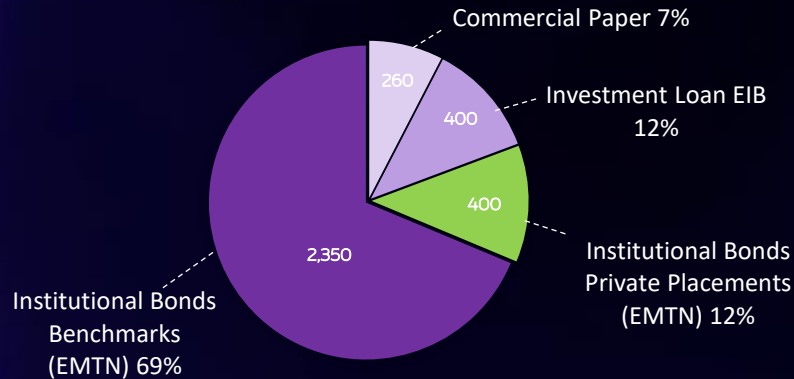
BBB+, Stable Outlook

7 February 2023

- Proximus holds a leading position in Belgium with an estimated market share of 45%-50%, thanks to its incumbent position, converged product offering, strong customer service, and multi-brand strategy. We think the company's **business position is strengthening** on the back of its future-proof investment in fiber and 5G.
- Proximus has a generally **supportive financial policy**, with **planned dividend reduction**.
- The stable outlook reflects our view that the company's planned price increases, ongoing cost-savings program, planned dividend reduction from 2025, and potential asset disposals would partly mitigate EBITDA and cash flow pressure, leading to **adjusted leverage below 3x in the next three years**.

Strong financial position backed by solid liquidity

Around €3,4B financing structure

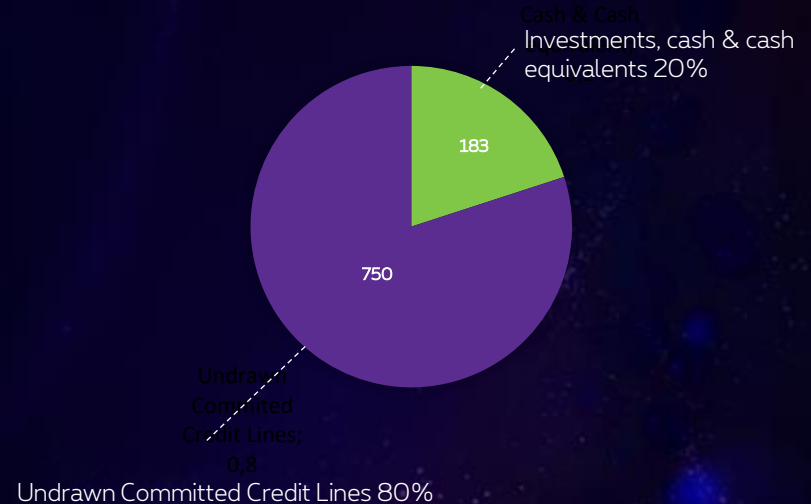


Stable debt financing structure with ca. 100% fixed debt

Other funding sources

- Investment loan EIB €400m (€400m drawn)
- Commercial Paper €1,000M (€260M drawn)
- EMTN Program €5,000M (€2,750m drawn)
- Bridge Facility €850M (€0M drawn): Route Mobile acquisition

Around €0,9B available liquidity



- 1 syndicated sustainable RCF: €700M (maturity '25)
- 1 sustainable bank bilateral: €50m (maturity '23)

Societal responsibility



[*More info*](#)

We achieved a series of major milestones over the last 3 years



**~1.6 million
Fiber
Homes Passed**
(Q3'23)



Largest
spectrum
holder in
Belgium



100,000
registered Doktr
users and 93%
patient satisfaction
rate
(Q3'23)



5 billion
mobile subscribers
connected via
BICS



**1st Belgian
company**
with net-zero
targets validated by
the SBTi



First in Europe
to build
disconnected
Sovereign Cloud
solution



30+ million
fraudulent
communications
blocked monthly by
Telesign



**Social
responsibility
charter** for fiber
roll-out



Re-established a
constructive **social
dialogue** and signed
new **collective
agreement**



274,000+
mobile phones
collected for recycling
or refurbishing
(2020-2022)

Boldly building...

...a connected world...

Building the best  **gigabit network** for Belgium

Developing **digital solutions** for everyday life

Connecting people and devices **worldwide**

...that people trust...

Ensuring **cybersecurity** for our **customers**

Supporting Europe in achieving **sovereignty**

Embedding highest **ethics and compliance** standards

...so society blooms.

Going all in in the  **fight against global warming**

Investing in **digital accessibility, inclusiveness and upskilling**

Stimulating an **inspiring and inclusive work environment**

A hand is shown holding a glowing globe of the Earth. The globe is overlaid with a blue, wireframe network of lines and dots, symbolizing global connectivity. The background features a soft sunset or sunrise over a body of water, with a bright sun on the right side. The overall color palette is dominated by blues, oranges, and yellows.

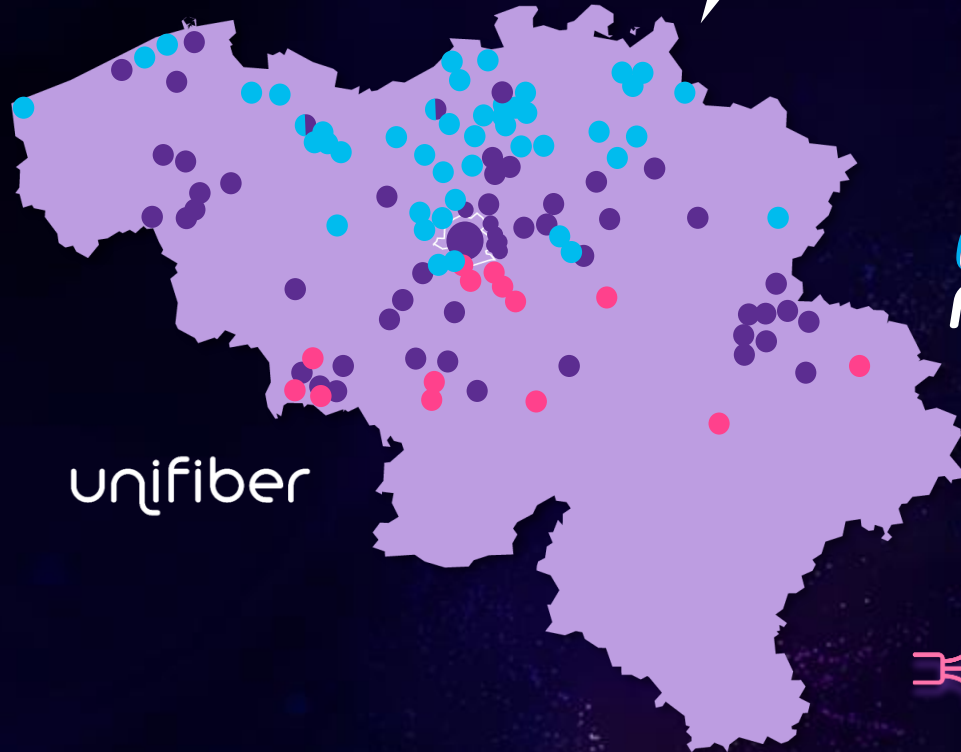
Boldly building

a connected world

**that people trust
so society blooms**

Building the best gigabit network in the world

Bringing Fiber to 26% of Belgian premises



GO
Fiber
GLASFASER
OSTBELGIEN



- Proximus
- Fiberklaar
- Unifiber

Fiber is the future, green and circular by design

-88% GHG emissions per Gb transmitted through Fiber compared to legacy technologies*

Innovative solutions to reach 100% high speed coverage in **rural areas**

*Source FTTH Council European experience and practical consideration, November 2020

Ambition of **100%** gigabit coverage

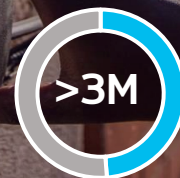
- Fiber, a **more durable** technology:
 - ✓ lower carbon impact vs copper
 - ✓ low production impact
 - ✓ **-15%** overall electricity use vs copper (user equipment included)
 - ✓ less truck rolls for maintenance and repair
- Offering **high speed & low latency**
- **Boosting local economy:** 8,000+ direct jobs for the next 5 years
- Call for a **Fiber collaboration & co-investment framework**

Fiber coverage ambition

homes & businesses passed, cumulative (Proximus & partners)



Today



Mid term



Long term

Ambition of 100% 5G coverage

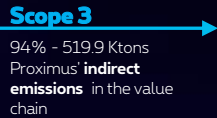
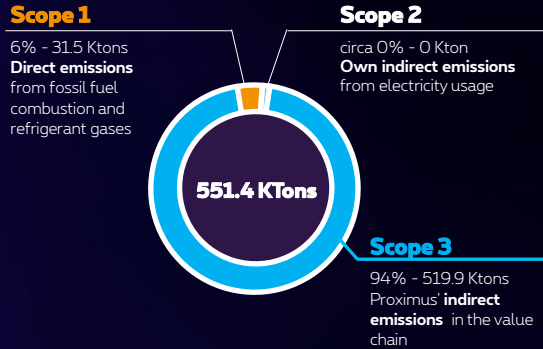
- Differential spectrum package secured for best indoor and outdoor experience over next 20 years
- To a more durable mobile network:
 - ✓ 5G energy efficient: **-80%** kWh/GB vs 4G, mitigating impact of data volume growth
 - ✓ Mobile active network sharing, **-40%** mobile sites needed (from 3800 standalone to 2300)
- European partners Nokia (RAN) and Ericsson (Core)
- Top mobile quality, also for rural areas
- Well below World Health Organization emission norms



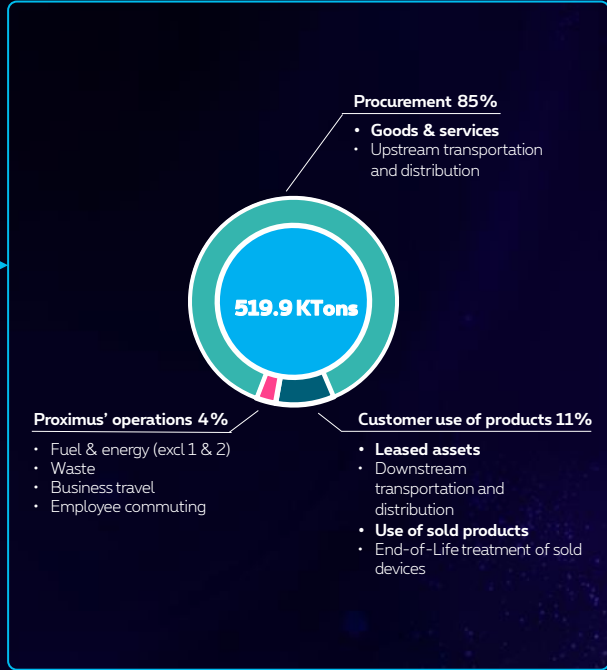
**Boldy building
a connected world
that people trust
so society blooms**



Acting with an SBTi approved Net Zero target for 2040



Proximus Group CO2 footprint in 2022



Targets

vs 2020 baseline

-95%
scope 1&2 by 2030
31.5 Ktons in 2022

-60%
scope 3 by 2030
519.9 Ktons in 2022

-90%
scope 3 by 2040

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

THE NET ZERO STANDARD
APPROVED NET ZERO TARGETS

Scope 1 & 2: energy consumption control and shift to renewable



Keep electricity consumption under control

Efficiencies on fixed networks and buildings to compensate for expected 35% year over year data growth



Move away from fossil fuel in our operations

Fossil free heating in buildings
Electrification of management fleet
(only EV orders and green mobility plan)
Proof of concept for electrical technical fleet
Challenge of alternative for heavy duty vehicles



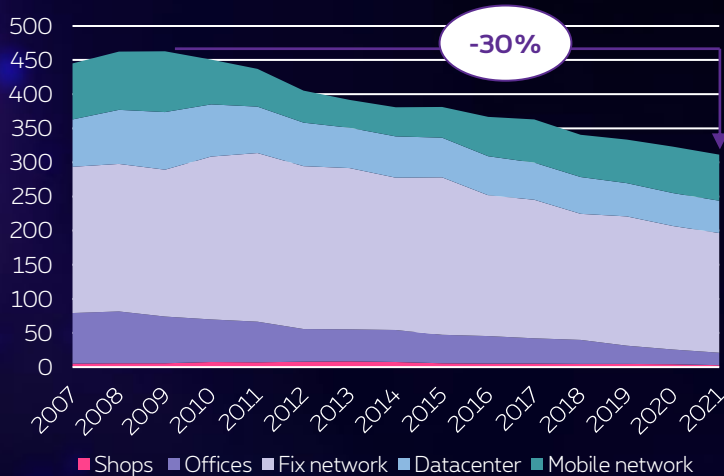
Maintain a strong green electricity sourcing strategy

Maximized self-production (solar panels)
PPA sign-offs
(preferably with additionality)
Member of the RE100 initiative

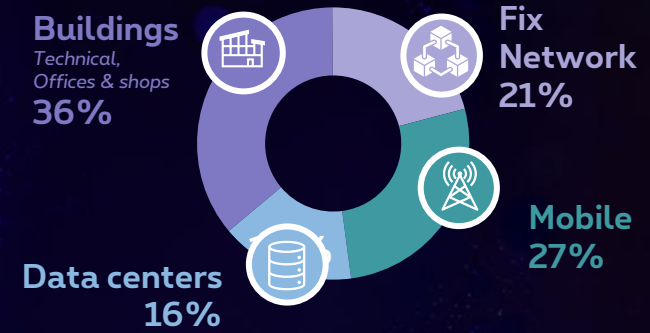
Our activities have an intensive electricity consumption profile

Electricity efficiency programs have delivered tangible consumption savings of 30% in the past...but forecasted consumption will remain flattish despite optimizations identified in prior years

Proximus consumption profile 2007-2021 (in GWh)



Proximus consumption profile



Mobile



Higher 5G traffic will increase consumption



DC



Data use and digitalization will increase consumption in data centers



Fix



Accelerated copper & street cabinet dismantling will reduce consumption



Building



Phase-out of building and legacy network combined with efficiencies



*Excluding customer equipment in housing services

**source: invoiced electricity from GENY/CPB

Engaging with suppliers on Scope 3

- **Select suppliers** according to emission intensity and long-term partnership towards 2030
- **Cluster suppliers** according to maturity level in terms of SBTi target setting and negotiation leverage which determines intensity of engagement
- **Engage with suppliers** to disclose their emissions, validate their targets and set up reduction plans

Supplier Engagement Program

150

Top suppliers representing 85% of 2022 scope 3 Category 1&2 emissions

35%

of scope 3 C.1&2 emissions represented by suppliers with validated targets by 2025

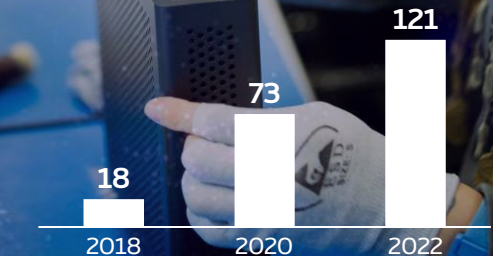
Source less/right to be truly circular by 2030

- **Zero waste** by 2030: up to 90% reused, composted or recycled by 2025, vs 87% in 2022
- **Network** equipment shared, recycled or reused
- Network equipment shared, recycled or reused
 - ✓ +630T of copper cables recovered in 2022
- Circularity by design for **devices**
- New Internet Box: CO2 footprint **-30%**
 - ✓ Product-as-a-service (e.g. lease devices)
 - ✓ Modems, decoders,... refurbishment: 683,000+ in 2022
 - ✓ Mobile phones collection: 121,000+ in 2022
- Environmental criteria in requirements and in supplier evaluations

Waste Belgium in KTons



121k Mobile phones collected in 2022; **>22%** return rate on 535k devices sold, aligned with GSMA commitment



Implementing our ESG strategy is value accretive

...a connected world...

Building the best **gigabit network** for Belgium



Developing **digital solutions** for everyday life



Connecting people and devices **worldwide**



...that people trust...

Ensuring **cybersecurity** for our **customers**



Supporting Europe in achieving **sovereignty**



Embedding highest **ethics and compliance** standards



...so society blooms.

Going all in in the **fight against global warming**



Investing in **digital accessibility, inclusiveness and upskilling**



Stimulating an **inspiring and inclusive work environment**



Our 2022 ESG ratings



Alliances, initiatives and awards



Green Bond



[*More info*](#)

Proximus' Sustainable Finance Framework

Released in 2021

Use of Proceeds

Financing and/or refinancing of projects within **Energy Efficiency, Renewable Energy, Clean Transportation, Green Buildings, Circular Economy and Access to Essential Services**

Management of Proceeds

- **Portfolio** approach
- **Look back** period of **3 years for CAPEX**
- **Full allocation within 24-36 months**

Process for Project Evaluation and Selection

- A **Sustainable Finance Committee** in place
- Proximus has established a **clear decision-making process** to determine the eligibility of the nominated eligible green and social projects

Reporting and Verification

- **Allocation and impact reporting** will be provided annually and **until full allocation**
- **Sustainalytics** provided a **Second Party Opinion, confirming alignment with the Principles**













[More info](#)

Proximus' Sustainable Finance Framework

Selected use of proceeds

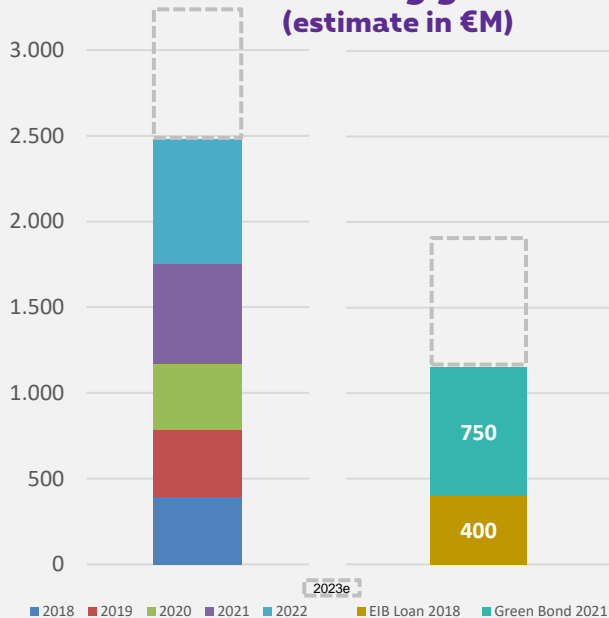
GHG impact

Other impact

GBP/GLP Category	Supported SDG's	Contribution to EU Environmental Objectives	Scope 1	Scope 2	Scope 3	Scope 4 (Enabling)	Sustainable impact
Clean transportation		Substantial contribution to Climate Change Mitigation (Article 10)	✓				Pollution reduction
Green buildings			✓	✓			Material efficiency embodied carbon
Renewable energy	 		✓				Pollution reduction
Energy efficiency	Fiber   		✓				Upskilling & reskilling Data privacy, Cyber security Smart cities
	5G  		✓			✓	Digital inclusion: 100% coverage
Circular	Fiber 		Substantial contribution to the Transition to a Circular Economy (Article 13)			✓	
	5G						

Proceeds will be used to fund multiple green projects – with a clear impact reporting

Selected green projects identified versus outstanding green liabilities (estimate in €M)

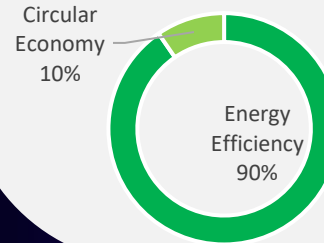


Material level of green CAPEX identified to cover potential benchmark issuances

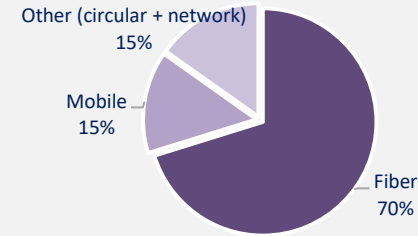
€750m green bond 2021 already fully allocated at the end of 2021

Projects within Energy Efficiency and Circular Economy

Eligible Green Projects by Category (2020-2023)



Eligible Green Projects by Type (2020-2023)



Impact reporting

The impact report provide indicators such as:

Estimated annual CO2 emissions reduced/avoided (in tCO2 eq./year)

Abatement of Carbon Emissions through our Products & Services/year (in Kton CO2e)

Energy Efficiency

Energy Efficiency

% waste reused/recycled in Belgium

Circular Economy

Transaction overview: Proximus Green Bond

Issuer	Proximus SA de Droit Public
Issuer Rating	A2 by Moody's (stable) / BBB+ by S&P (stable)
Notes Rating (Expected)	A2 by Moody's / BBB+ by S&P
Form of the Notes	Reg S, Belgian dematerialised
Status	Senior Unsecured
Currency	Euro
Size	Benchmark
Tenor	10 yrs
Interest	Fixed interest rate payable annually in arrear
Negative Pledge	Yes
Cross Acceleration	Yes
Other Provision	Tax Call, Clean-up Call (80%), Make-Whole Call and 3 Month Par Call
Denominations	EUR 100,000 + EUR 100,000
Documentation	Issued under the EMTN Programme dated 4 July 2023 as supplemented by the first supplement dated 6 November 2023
Use of Proceeds	An amount equivalent to the net proceeds of the issue of the Notes will be used by the Issuer to finance or refinance Eligible Green Projects in accordance with its Sustainable Finance Framework
Listing	Euronext Brussels
Governing Law	Belgian Law
Joint Global Coordinators	BNP Paribas and ING
Joint Active Bookrunners	ABN AMRO, Belfius, BNP Paribas, HSBC, ING, J.P Morgan

Annexes

Q3 2023 Financials:

- **Group Consolidated balance sheet**
- **Group Consolidated Income statement**
- **Group Consolidated Cash Flow statement**

Green Bond reporting:

- **November 2021 transaction**
- **Allocation report**
- **Impact report**

Consolidated Group balance sheet

As reported Q3 2023

(EUR million)	As of 31 December	As of 30 September
	2022	2023
ASSETS		
Non-current assets	8,589	8,751
Goodwill	2,595	2,596
Intangible assets with finite useful life	1,779	1,701
Tangible assets: Property, plant and equipment	3,531	3,694
Right-of-use asset	277	300
Lease receivable	7	7
Contract costs	111	110
Investments in associates and JV	43	95
Equity investments measured at fair value	1	2
Deferred income tax assets	5	5
Pension assets	140	137
Other non-current assets	99	105
Current assets	1,952	1,940
Inventories	187	188
Trade receivables	938	957
Contract assets	137	151
Current tax assets	24	34
Other current assets	269	329
Cash and cash equivalents	299	183
Assets classified as held for sale	99	99
TOTAL ASSETS	10,541	10,691
LIABILITIES AND EQUITY		
Equity	3,308	3,384
Shareholders' equity attributable to the parent	3,307	3,384
Non-controlling interests	1	0
Non-current liabilities	4,231	4,085
Interest-bearing liabilities	2,676	2,566
Lease liabilities	199	211
Liability for pensions, other post-employment benefits and termination benefits	361	342
Provisions	136	135
Deferred income tax liabilities	181	188
Other non-current payables non-interest-bearing (*)	86	47
Other non-current payables interest-bearing (*)	592	595
Current liabilities	3,002	3,222
Interest-bearing liabilities	588	871
Lease liabilities	73	77
Liability for pensions, other post-employment benefits and termination benefits	52	43
Trade payables (**)	1,483	1,372
Contract liabilities	127	129
Tax payables	16	65
Other current payables non-interest-bearing (*)	638	632
Other current payables interest-bearing (**)(**)	25	34
TOTAL LIABILITIES AND EQUITY	10,541	10,691

(*) "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"

Consolidated Group income statement

(EUR million)	3rd Quarter			Year-to-date		
	2022	2023	% Change	2022	2023	% Change
Net revenue	1,492	1,516	1.6%	4,306	4,472	3.9%
Other operating income	18	11	-39.3%	49	37	-25.8%
Total income	1,511	1,527	1.1%	4,355	4,509	3.5%
Costs of materials and services related to revenue	-571	-547	-4.3%	-1,563	-1,635	4.6%
Workforce expenses	-328	-336	2.4%	-954	-1,002	5.0%
Non workforce expenses	-143	-191	34.0%	-431	-526	22.3%
Total operating expenses before depreciation & amortization	-1,042	-1,074	3.1%	-2,947	-3,163	7.3%
Operating income before depreciation & amortization	469	453	-3.4%	1,407	1,345	-4.4%
Depreciation and amortization	-289	-295	2.1%	-876	-884	0.9%
Operating income	180	158	-12.2%	532	461	-13.3%
Finance income	2	-1	<-100%	4	5	22.7%
Finance costs	-16	-49	>100%	-43	-104	>100%
Net finance costs	-14	-50	>100%	-39	-99	>100%
Share of loss on associates and JV	-3	-4	27.4%	-11	-10	-10.7%
Income before taxes	163	104	-36.0%	482	353	-26.8%
Tax expense	-37	-25	-32.2%	-113	-86	-24.3%
Net Income	126	79	-37.2%	369	267	-27.5%
Attributable to:						
Equity holders of the parent (Group share)	126	79	-37.1%	369	268	-27.4%
Non-controlling interests	0	0	26.3%	0	0	>100%

As reported Q3 2023

Consolidated Group cash flow statement

As reported Q3 2023

(EUR million)	3rd Quarter			Year-to-date		
	2022	2023	Change	2022	2023	Change
Cash flow from operating activities						
Net income	126	79	-37.2%	369	267	-27.5%
Adjustments for:						
Depreciation and amortization	289	295	2.1%	876	884	0.9%
Deferred tax expense/ (income)	-11	1	>100%	-17	-1	-95.2%
Loss/(gain) from investments accounted for using the equity method	3	4	27.4%	11	10	-10.7%
Fair value adjustments on financial instruments	0	15	>100%	0	12	>100%
Adjustments for finance cost	0	-1	<-100%	0	-2	<-100%
Loss/(gain) on disposal of property, plant and equipment	-1	0	-91.6%	-4	0	-92.2%
Operating cash flow before working capital changes	406	394	-3.0%	1,233	1,170	-5.2%
Decrease/ (Increase) in inventories	-15	8	>100%	-55	0	-99.4%
Decrease/ (Increase) in trade receivables	-19	-19	-11%	-100	-14	-85.9%
Decrease/ (Increase) in other assets	53	27	-49.5%	96	-40	<-100%
Increase/(decrease) in trade payables	30	5	-83.3%	38	19	-48.6%
Increase/(decrease) in other liabilities	43	79	85.7%	69	63	-7.6%
Increase/(decrease) in net liability for pensions, other post-employment benefits and termination benefits	-6	-5	-17.6%	-28	-25	-10.7%
Increase/(decrease) in working capital, net of acquisitions and disposals of subsidiaries	86	95	9.7%	20	4	-80.8%
Net cash flow provided by operating activities (1)	492	488	-0.8%	1,253	1,173	-6.4%
Cash flow from investing activities						
Cash paid for acquisitions of intangible assets and property, plant and equipment	-361	-359	-0.5%	-1,101	-1,099	-0.1%
Cash paid for acquisitions of, and loan granted to other participating interests	-28	-62	>100%	-30	-87	>100%
Cash paid for acquisition of consolidated companies, net of cash acquired	-3	0	<-100%	-3	0	<-100%
Net cash received from sales of property, plant and equipment and other non-current assets	1	0	-63.2%	10	1	-86.8%
Net cash used in investing activities	-387	-421	8.6%	-1,124	-1,185	5.5%
Cash flow before financing activities	105	67	-35.5%	129	-12	<-100%
Lease payments (excl. interest paid)	-21	-24	18.1%	-60	-69	14.2%
Free cash flow (2)	84	43	-48.7%	69	-80	<-100%
Cash flow from financing activities other than lease payments						
Dividends paid to shareholders	0	0	-	-226	-226	-0.2%
Net sale/(purchase) of treasury shares	-1	1	>100%	-5	1	>100%
Cash received/(paid) for matured cash flow hedge instrument related to long term debt	1	0	-79.9%	0	20	-
Asset financing arrangements issuance	0	0	<-100%	65	0	<-100%
Asset financing arrangements repayment	-3	-2	-28.1%	-19	-7	-60.9%
Debt issuance	-110	0	>100%	315	497	57.5%
Debt repayment	-2	-112	>100%	-251	-319	26.8%
Cash flows used in financing activities other than lease payments	-115	-114	-0.4%	-120	-35	-71.2%
Exchange rate impact	1	0	-66.9%	3	0	-96.1%
Net increase/(decrease) of cash and cash equivalents	-29	-71	>100%	-48	-115	>100%

Allocation reporting

Proximus Green Finance Allocation Reporting

Portfolio date: 31st December 2021



Use of Proceeds for Eligible Green Projects Portfolio						
Eligible Green Projects Portfolio	Amount (EURm)	Instrument	ISIN	Issue Date	Due Date	Amount (EURm)
<i>Outstanding Portfolio as of 31st December 2021</i>						
Green Use of Proceeds						
Energy Efficiency	1566	Green Eurobond	BE0002830116	17/11/2021	17/11/2036	750
Circular Economy	191	EIB investment loan ⁽¹⁾	n/a	15/03/2018	15/03/2028	400
Total Portfolio of Green Eligible Projects ⁽²⁾	1757	Total Green Finance Instruments Outstanding				1150

Percentage of Eligible Green Projects Portfolio allocated to net proceeds of Green Funding: **65,4%** (usage)

Percentage of net proceeds of Green Finance Instruments allocated to Eligible Green Projects Portfolio: **100%**

Eligible Green Project Portfolio - to be allocated: **607**

Amount of eligible project added in 2021: **584**

New financing of eligible projects (amounts for 2021): **33%**

Refinancing of existing eligible projects (amounts for 2018-2019-2020): **67%**

Notes

(1) EIB investment loan to fund 50% of fiber capex spending

(2) Proximus S.A. green eligible capex from 2018 to 2021
+ equity contributions to the Fiber JVs (Fiberklaar & Unifiber)

Impact reporting

Proximus Green Finance Impact Reporting

Portfolio date: 31st December 2021.



Portfolio based Impact Report according to the June 2021 ICMA "Harmonized Framework for Impact Reporting" and GRI standards

Eligible Green Projects Category	Share of Total Financing	Eligibility for Green Financing	reduction in CO2e emissions scope 1 & scope 2 market based/year (Ktons)	abatement of Carbon Emissions through our products & services/year (in KTon CO2e)	% waste reused/recycled - Belgium	
a/	b/ Amount (EURm)	c/	d/	e/1	e/2	e/3
Green Use of Proceeds		100%				
Energy Efficiency	1.566	89%	100%	12,40	501,86	-
Circular Economy	191	11%	100%	-	-	89%
Total Portfolio of Green Eligible Projects	1.757 ⁽¹⁾	100%				

a/ Eligible category

b/ Amount committed by Proximus for the portfolio eligible for Green Funding

c/ Share of the total portfolio per Eligible Green Project Category

d/ Share of the total portfolio that is Green Financing eligible

e/ Impact indicators for Proximus Group 2021 - Green eligible projects are 40% of total group capex (from the period 2018 to 2021)

e/1 = Reduction in CO2e scope 1 & scope 2 market based, was 39,0 Ktons in 2018 versus 26,6 Kton in 2021 (-32%)

e/2 = Avoided emissions based on our products and solutions in Kton CO2e (for the year 2021)

e/3 = % of waste reused/recycled - Belgium (for the year 2021) - Proximus wants to reach zero waste by 2030

(1) 4.386 million euro total capex for the period 2018-2021

Accelerating International growth

Majority stake in Route Mobile, creating a global leader in communication solutions and digital identity

(announced 17th July 2023)



Transaction

- Agreement for the **acquisition of controlling interest of ~58% of Route Mobile** (closing expected end Q1 2024)



Strategic rationale

- Proximus evolving from a **telco** towards a **tech-co**
- Creating a **global leader** in a large and rapidly growing **CPaaS market**



Financial impact

- Significant revenue growth opportunities, positively impacting EBITDA and FCF of the group
- **Financing fully secured**, no meaningful impact on Net debt/EBITDA ratio for Proximus, remaining within comfort zone of **<3.0x**
- No impact on **ratings**



[More info](#)