Orange Polska

26 July 2023

2Q 2023 results

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Forward looking statement

This presentation contains 'forward-looking statements' including, but not limited to, statements regarding anticipated future events and financial performance with respect to our operations. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include words like 'believe', 'expect', 'anticipate', 'estimated', 'project', 'plan', 'pro forma', and 'intend' or future or conditional verbs such as 'will', 'would', or 'may‘. Factors that could cause actual results to differ materially from expected results include, but are not limited to, those set forth in our Registration Statement, as filed with the Polish securities and exchange commission, the competitive environment in which we operate, changes in general economic conditions and changes in the Polish, American and/or global financial and/or capital markets. Forward-looking statements represent management’s views as of the date they are made, and we assume no obligation to update any forward-looking statements for actual events occurring after that date. You are cautioned not to place undue reliance on our forward-looking statements.

Reconciliation of operating performance measure to financial statements

Disclosures on performance measures have been presented in the Note 2 to Condensed IFRS Interim Consolidated Financial Statements of the Orange Polska Group for the 6 months ended 30 June 2023 (available at https://www.orange-ir.pl/results-center/).

in PLNm	2Q 2023	1H 2023	2Q 2022	1H 2022
Operating income	**343**	**735**	**337**	**581**
Less gains on disposal of fixed assets	-28	-114	-49	-70
Add-back of depreciation, amortisation and impairment of property, plant and equipment and intangible assets*	502	989	506	1,010
Add share of loss of joint venture adjusted for elimination of margin earned on asset related transactions with joint venture	16	29	26	34
Interest expense on lease liabilities	-35	-66	-21	-38
Adjustment for the impact of employment termination programs and reorganisation costs	+25	+12	-6	-6
Adjustment for the costs related to acquisition, disposal and integration of subsidiaries	-	-	5	9
EBITDAaL (EBITDA after Leases)	**823**	**1,585**	**798**	**1,520**

*Includes impairment of rights of perpetual usufruct of land historically recognised as property, plant and equipment, subsequently reclassified to right-of-use assets (PLN 4 m in Q2'23 and 7 m in H1' 23).

Highlights & Business review

Julien Ducarroz
Chief Executive Officer

Strong 2Q'23 performance in a challenging environment

Solid commercial performance with focus on value

- ARPO improving dynamics in all key services
- Solid customer base growth in a challenging environment
- Value strategy further intensified

Very good financial results with 3.1% EBITDAaL growth

- Strong core business revenues drive 6% direct margin increase
- Growth of indirect costs reflects inflation impact and low comparable base
- Solid cash generation in 1H thanks to very strong 2Q

CO_2 emissions reduction (Scope 1+2) on track to reach strategic target

- CO_2 emissions (Scope 1+2) down 65% in 1H driven by much higher renewable energy in the mix
- Actions in Scope 3 (value chain) related mainly to circular economy

C-band 5G auction started

- Transparent participation rules with demanding investment obligations
- Formal offers to be submitted in August with bidding expected in September

Full-year guidance upgraded due to good execution of our 2023 plan

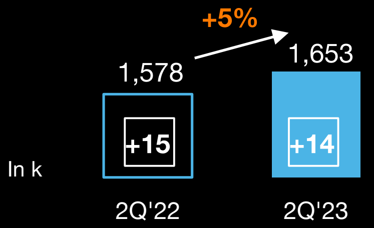
	Revenues	EBITDAaL	eCAPEX
2023 guidance	low single digit growth	flat/low single digit growth	PLN 1.5-1.7bn
1H 2023 Results in PLN YoY	6.36 bn +6.3%	1.59 bn +4.3%	538 m -6.1%
Improved guidance	low-to-mid single digit growth	low single digit growth	guidance confirmed

Growth of all ARPOs accelerated coupled with customer base increase

PLN 118.6

Convergence ARPO +4.3% yoy (vs. +2.4% yoy in 1Q)

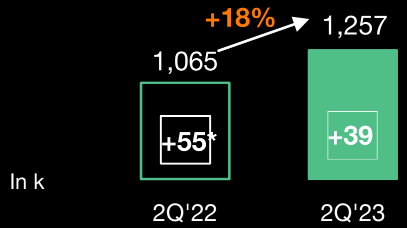
Solid convergence customer base growth



PLN 64.0

Fixed broadband-only ARPO +4.4% yoy (vs. 3.3% yoy in 1Q)

Fibre customer base growth despite intensive competition

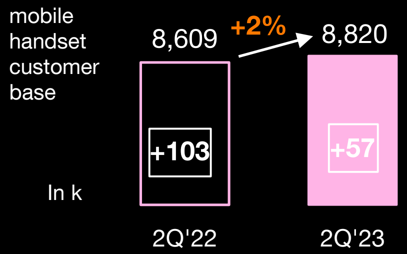


* without 11k non-organic

PLN 29.3

Mobile-only handset ARPO +3.5% yoy (vs. 3.2% yoy in 1Q)

Solid net customer additions (high comparable base of 2Q'22*)



* In 2Q'22 net additions included new demand from Ukrainian refugees

☐ net customer additions

Value strategy persistently executed through a variety of marketing tools

Increased prices for new contracts & retention (more for more)

Middle mobile tariff price point*
+18%

More benefits
9x more GB
Cyber Protection
Mobile TV 27 ch
5G

*current PLN 65 tariff vs PLN 55 in 2021

Main convergent package price point*
+18%

More benefits
20x more GB
Cyber Protection
more TV content
5G

*current Love Standard PLN 130 (incl. additional fees) vs PLN 110 in 2021 (prices refer to OPL own network)

Additional fee at the end of loyalty contract (unless renewed)

+PLN10/month in B2C

+PLN5/month in B2B (mobile)

Applies to contracts signed after Sept 2022

CPI indexation for indefinite agreements

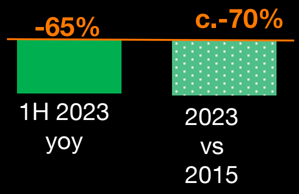
+4% price increase in 2023 for limited customer group

Applies to contracts signed after May 2022
Can be applied only if CPI for prior year >3.5%

CO2 emissions -65% yoy in 1H and on track to reach 2025 strategic goal (Scope 1+2)

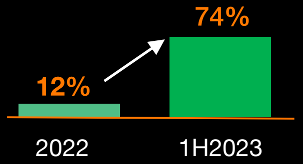
Scope 1+2: own emissions

CO2 emissions reduction on track to meet our 2025 goal…



target
-65%
CO2 reduction in 2025 vs 2015

…enabled by much higher share of renewable energy in the mix



>60%
share of renewable energy in the mix in 2024-2030*

* Based on currently signed PPAs (power purchase agreements)

Scope 3: value chain emissions

Scope 3 emissions main sources:

Customers:
energy used to power devices

Suppliers:
production of devices sold (mainly handsets)

Our key actions:

- Energy efficient mode introduced in CPEs
- >90% of CPE refurbished
- Educational programmes to boost environmental awareness
- Suppliers' verification vs ESG rules
- circular economy actions with respect to handsets: RE programme (repair, refurbishment, reselling, recycling)

Financial review

Jacek Kunicki
Chief Financial Officer

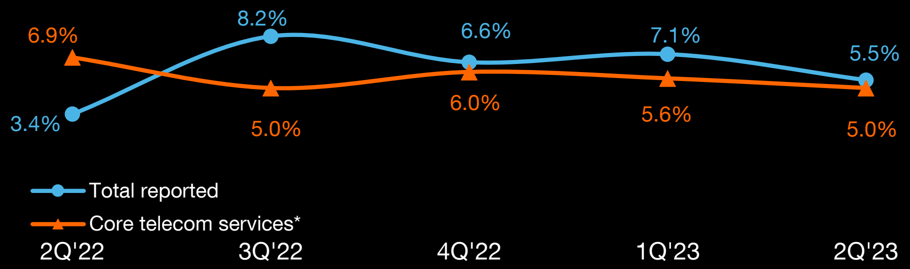
Strong 2Q/1H'23 financial results across the board

in PLNm	2Q'23	yoy	1H'23	yoy	
revenues	3,224	+5.5%	6,363	+6.3%	▪ Strong performance of core telco services ▪ Robust growth of IT/IS
EBITDAaL	823	+3.1%	1,585	+4.3%	▪ Fuelled by strong direct margin expansion ▪ Indirect costs affected by inflation and low comparable base
% of revenues	25.5%	-0.6pp	24.9%	-0.5%	
net income	239	-1.6%	509	+38.3%	▪ 1H growth driven by EBITDAaL, higher gain on real estate sales and less net finance costs
eCAPEX	313	-4.6%	538	-6.1%	▪ Reflects high proceeds from real estate sale and more evenly phased capex spending
organic cash flow	543	+30.2%	424	-34.6%	▪ Solid 1H cash generation thanks to strong 2Q driven by working capital improvement

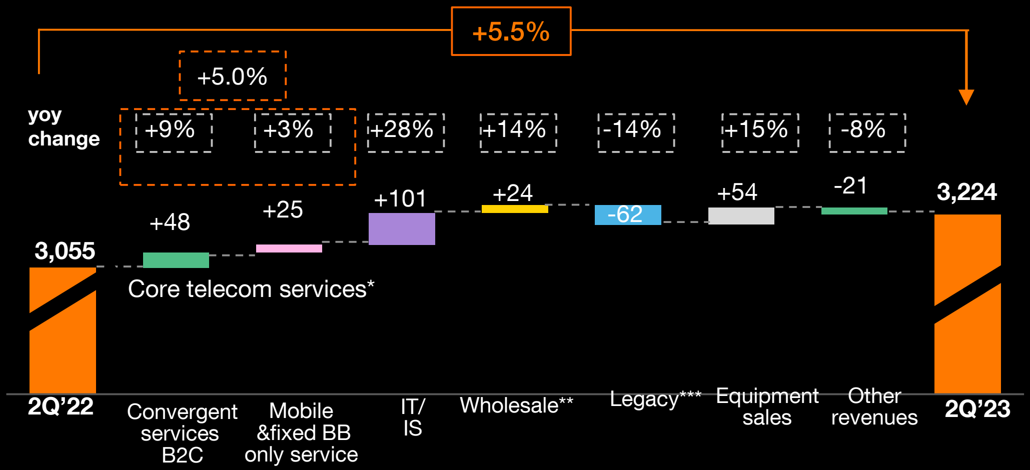
Solid 5.5% yoy revenue growth in 2Q driven by IT/IS and core telecom services

- **Core telecom services*** (+5% yoy)
  Strong performance driven by both customer base and ARPO growth
- **IT/IS** (+28% yoy)
  Supported by eHealth public projects
- **Equipment sales** (+15% yoy)
  Strong interest in high value handsets
- **Wholesale** (+14% yoy)
  Capitalising on high demand for our infrastructure

Revenue evolution
(yoy change in %)



Revenue evolution breakdown
in PLNm

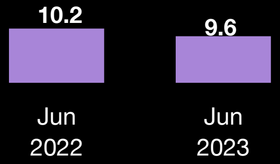


*convergence, mobile-only and broadband-only **wholesale excluding non-fibre fixed wholesale and interconnect, ***legacy: narrowband only, non-fibre fixed wholesale and interconnect revenues

2Q EBITDAaL +3.1% yoy fuelled by very strong direct margin expansion

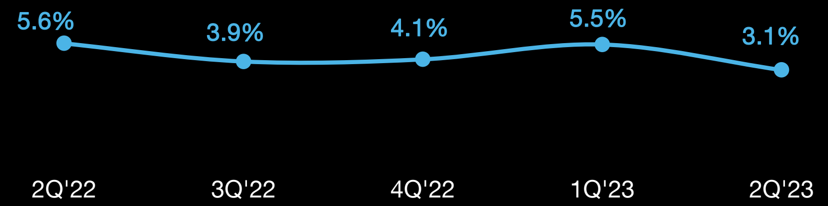
- **Direct margin up 6% yoy:**
  - Enabled by concerted contribution from all core commercial engines and energy resale business
- **Indirect costs up 9% yoy reflecting:**
  - Inflation impact mainly rentals & external services
  - Low comparable base of 2Q22 due to non-recurring developments
  - Ongoing transformation including workforce efficiency

Employment in k FTE



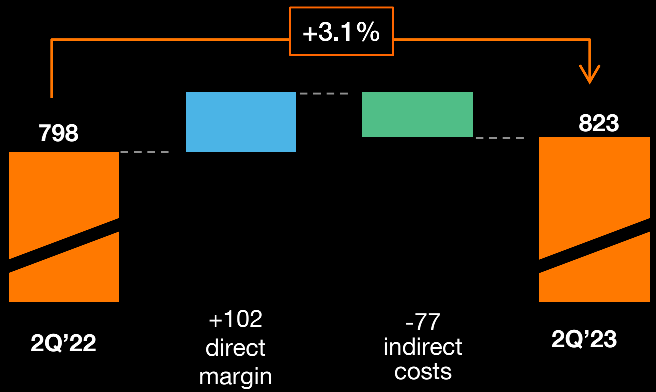
EBITDAaL evolution

(yoy change in %)



EBITDAaL evolution breakdown

(yoy change in PLNm)

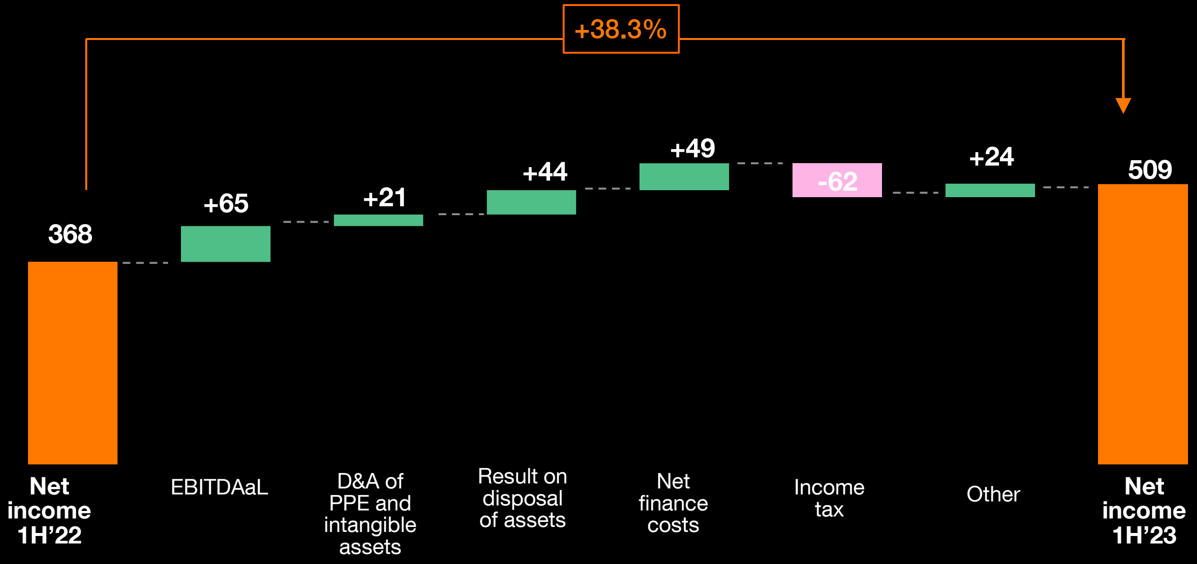


1H net income +38% due to rising EBITDAaL, gain on property sale and less finance costs

- +63% yoy gain on disposal of assets as we sold more of unused real estate in our transformation programme
- -31% yoy net financial costs mainly benefitted from FX gains

Net income evolution in 1H 2023

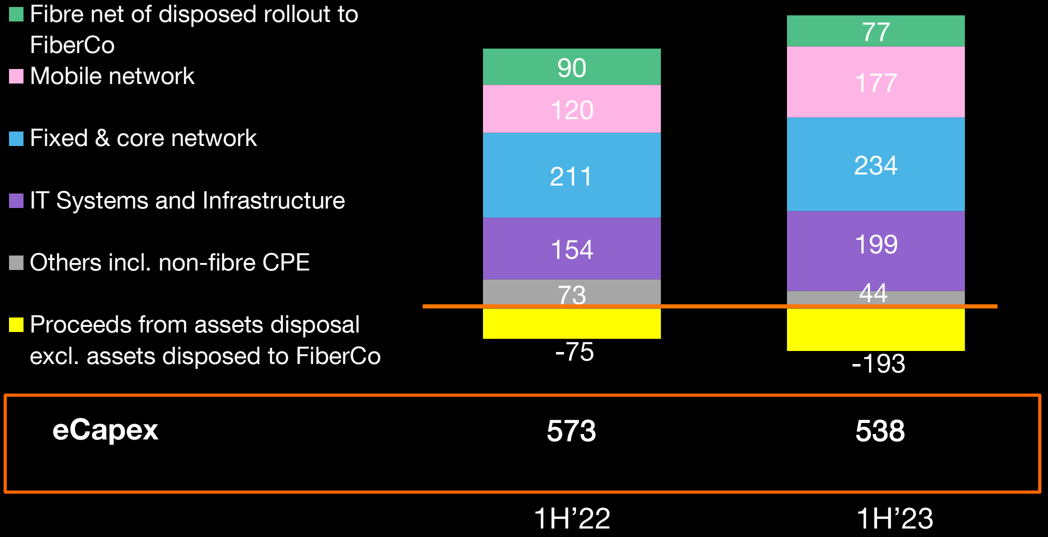
(yoy change in PLNm)



1H eCapex reflects high proceeds from property disposal and more evenly phased network & IT spending

- Growth in mobile reflects start of 5G network rollout in core and RAN renewal
- Different phasing of projects in IT systems & infrastructure
- Low fibre capex as we benefit from FiberCo JV
- Very high real estate proceeds as we dispose properties we no longer use

Investment areas
(in PLNm)



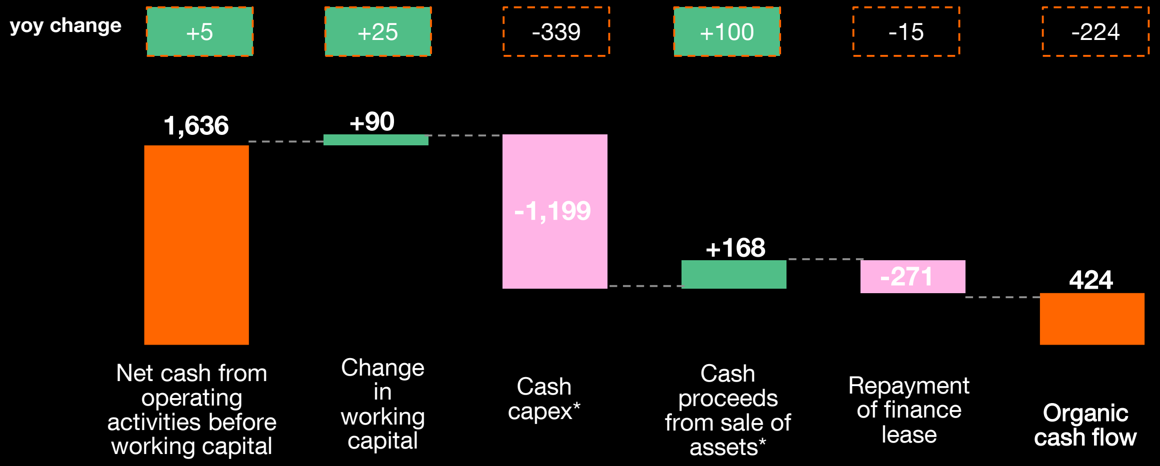
Solid 1H Organic Cash Flow and sound balance sheet structure

- 1H OCF yoy reflects payments for very high capex of 4Q’22 and much higher proceeds from sale of assets
- Working capital from handsets sold on instalments reduced in 2Q with further improvement planned for 2H

- PLN 459m dividend paid in July
- c.90% of existing debt at fixed interest rate by 1H24, with >50% until 2026

Organic Cash Flow evolution breakdown in 1H 2023

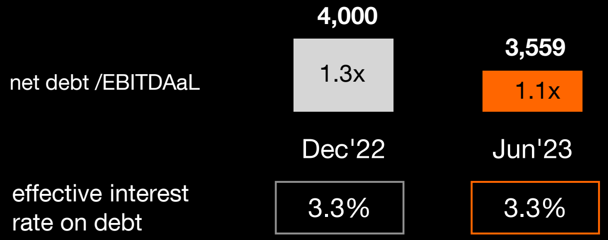
in PLNm



* Cash capex reduced by PLN 66m of cash proceeds from sale of fibre network assets to FiberCo (excluded from cash proceeds from sale of assets)

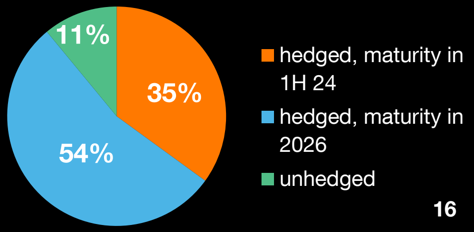
Net debt

in PLNm



Interest rate risk well managed

(% of total existing debt)



Summary

Julien Ducarroz
Chief Executive Officer

Summary

- Strong 1H performance triggers upgrade of our full-year guidance
- Execution of value strategy and cost transformation actions mitigate inflation impact
- Focus on 5G: acquisition of licence and network preparation for launch

- Smooth transition in the CEO position from 1 Sept: Liudmila Climoc to replace Julien Ducarroz who takes over leadership of Orange Romania

Q&A

Appendix

Details of bottom line evolution in 2Q and 1H 2023

in PLNm	2Q'23	2Q'22	Change	1H'23	1H'22	Change
EBITDAaL	**823**	**798**	**+25**	**1,585**	**1,520**	**+65**
Gains on disposal of fixed assets	28	49	-21	114	70	+44
D&A of PPE and intangible assets*	-502	-506	+4	-989	-1,010	+21
Add-back interest expense on lease liabilities	35	21	+14	66	38	+28
Adjustment for the impact of employment termination programs and reorganization costs	-25	6	-31	-12	6	-18
Adjustment for the costs related to acquisition, disposal and integration of subsidiaries	-	-5	+5	-	-9	+9
Share of profit of joint venture adjusted for elimination of margin earned on asset related transactions with joint venture	-16	-26	+10	-29	-34	+5
Operating income	**343**	**337**	**+6**	**735**	**581**	**+154**
Net financial costs	-45	-68	+23	-107	-156	+49
o/w foreign exchange loss/gain	*25*	*1*	*+24*	23	*-17*	*+40*
Income tax	-59	-26	-33	-119	-57	-62
Net income	**239**	**243**	**-4**	**509**	**368**	**+141**

* Includes impairment of rights of perpetual usufruct of land historically recognised as property, plant and equipment, subsequently reclassified to right-of-use assets (PLN 3m in 2Q and PLN 7m in 1H 2023).

Details of organic cash flow evolution in 2Q and 1H 2023

in PLNm	2Q'23	2Q'22	Change	1H'23	1H'22	Change
Net cash flow from operating activities before change in working capital	868	848	+20	1,636	1,631	+5
Change in working capital	197	4	+193	90	65	+25
Net cash flow from operating activities	**1,065**	**852**	**+213**	**1,726**	**1,696**	**+30**
CAPEX	-366	-430	+64	-749	-724	-25
Change in CAPEX payables*	-97	0	-97	-516	-262	-254
Cash proceeds from sale of fixed assets	59	100	-41	234	194	+40
Repayment of lease liabilities	-119	-108	-11	-272	-259	-13
Adjustment for payment for costs related to acquisition, disposal and integration of subsidiaries	1	3	-2	1	3	-2
Organic cash flow	**543**	**417**	**+126**	**424**	**648**	**-224**

* Includes exchange rate effect on derivatives economically hedging capital expenditures, net

We successfully combine growth with social responsibility

Environment

We have clear climate/environmental goals and tangible results

- Climate goals:
  - Net Zero by 2040 (for both own and entire value chain CO_2e emissions)
  - By 2025: min. 60% of renewable energy & own CO_2e emissions (Scopes 1+2) reduced by 65% vs 2015
- Performance in 2022:
  - **own emissions -38% vs 2015** & 2025 goals confirmed thanks to long-term renewable energy PPA contracts signed
  - continued energy optimisation efforts (-3% yoy)
- Announcing Scope 3 emissions & reduction priorities (incl. circular economy)

Social

We make new technologies a supporter of economic and social development

- Our connectivity investments positively impact local societies through:
  - digital inclusion
  - new **Orange Digital Center**
  - digital skills programmes in schools for **6 500 children**
- Diversity management programs: **37% woman among managers** (v 38% total in the company)
- Co-operation with suppliers based on Code of Conduct covering social and environmental responsibility and CSR clauses in **all contracts.**

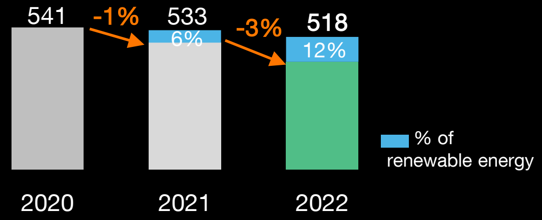
Governance

Our corporate governance is designed to provide responsible management and supervisions to achieve strategic goals and enhance value

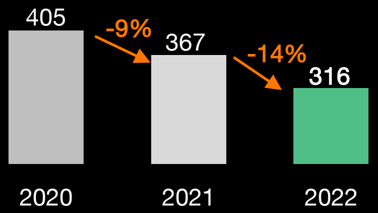
- Compliance with the highest ESG reporting standards (**The best Integrated Report of 2022 in Poland**)
- We adopt zero tolerance approach towards corruption in all aspects of our activities
- Corporate governance model ensures proper distribution of responsibilities to guarantee transparency of all management decisions
- Social and climate risks included in risk management system

Key Environmental Performance Indicators

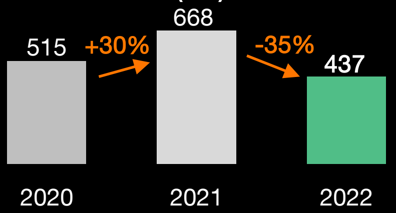
Energy consumption (GWh)



CO2 emission (000' tonnes)



Refurbished and relaunched handsets and multimedia devices (000)



Glossary (1/2)

4G/LTE	Fourth generation of mobile technology, sometimes called LTE (Long Term Evolution)
5G	Fifth generation of mobile technology, which is the successor to the 4G mobile network standard
Adoption rate	Fibre customer base (retail + wholesale)/ Total households connectable to our fibre network (own and 3rd parties)
ARPO	Average Revenue per Offer
AUPU	Average Usage per user
Churn rate	The number of customers who disconnect from a network divided by the weighted average number of customers in a given period
Convergent services	Revenues from B2C convergent offers (excluding equipment sales). A convergent offer is defined as an offer combining at least a broadband access (xDSL, FTTH or wireless for fixed) and a mobile voice contract (excluding MVNOs) with a financial benefit. Convergent services revenues do not include incoming and visitor roaming revenues
Core telecom services	Convergence, mobile-only and broadband-only services
CPE	Customer premises equipment
EBITDAaL	EBITDA after leases, key measure of operating profitability used by management (for definition please refer to the Note 2 to IFRS Consolidated Financial Statements of the Orange Polska Group)
eCapex	Economic Capex, key measure of resources allocation used by management (for definition please refer to the Note 2 to IFRS Consolidated Financial Statements of the Orange Polska Group)

Glossary (2/2)

FBB	Fixed Broadband
Fibre	Fixed broadband access network based on FTTH (Fibre To The Home) /DLA (Drop Line Agnostic) technology which provides the end user with speed of above 100Mbps
Fixed broadband-only services	Revenues from fixed broadband offers (excluding B2C convergent offers and equipment sales) including TV and VoIP services
FTE	Full time equivalent
FTR	Fixed termination rate
HHC (Households connectable) in fibre technology	Households where broadband access service based on fibre technology can be rendered
ICT	Information and Communication Technologies
Mobile-only services	Revenue from mobile offers (excluding consumer market convergent offers) and Machine to Machine (M2M) connectivity. Mobile only services revenue does not include equipment sales, incoming and visitor roaming revenue
MTR	Mobile termination rate
Wireless for fixed	fixed broadband cell-locked wireless access offered by Orange Poland for home/office zone with rich data packages
Organic Cash Flow	Organic Cash Flow- key measure of cash generation used by management (for definition please refer to the Notes 2 to IFRS Consolidated Financial Statements of the Orange Polska Group)
PPA	Power purchase agreement
ROCE	Return on capital employed = EBIT (ex. extraordinary items) / (Shareholder’s Equity + Average net debt)