Orange Polska

FY 2021 results

17 February 2022

.Grow

Orange People

orange™

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 3 to IFRS Consolidated Financial Statements of the Orange Polska Group for the year ended 31 December 2021 (available at https://www.orange-ir.pl/results-center/).

in PLNm	4Q 2021	4Q 2020	FY 2021	FY 2020
Operating income	**15**	**57**	**2,211**	**404**
Less gain on the loss of control of Światłowód Inwestycje	-	-	-1,543	-
Less gains on disposal of assets	-28	-40	-52	-61
Add-back of depreciation, amortisation and impairment of property, plant and equipment and intangible assets*	591	649	2,255	2,511
Less share of profit of joint venture adjusted for elimination of margin earned on asset related transactions with joint venture	1	-	-9	-
Interest expense on lease liabilities	-13	-15	-53	-62
Adjustment for the impact of employment termination programs	136	-13	129	-22
Adjustment for the costs related to acquisition, disposal and integration of subsidiaries	5	16	25	27
EBITDAaL (EBITDA after Leases)	**707**	**654**	**2,963**	**2,797**

* Includes impairment of rights of perpetual usufruct of land historically recognised as property, plant and equipment, subsequently reclassified to right-of-use assets (PLN 34 million in 4Q 2021 and FY 2021)

Highlights & Business review

Julien Ducarroz
Chief Executive Officer

Excellent 2021 performance is a strong first step of the .Grow strategy

Steady commercial performance

- 1 million fibre customers reached (retail+wholesale)
- Value strategy delivered growth of ARPO and revenues in all key areas

Strong financial results across the board

- 6% EBITDAaL growth
- 35% Organic Cash Flow growth

FiberCo transaction executed with success and JV launched

- Enables expansion of fibre footprint and monetisation strengthening our balance sheet

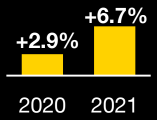
Progress on enablers for the future

- Growing share of digital in sales
- Falling CO_2 emissions with increasing share of energy from renewable sources
- Consensus with social partners on further workforce adaptation and reskilling in 2022-23

Strong 2021 financial results; guidance delivered

	Revenues	EBITDAaL	eCAPEX
2021 guidance	low single digit growth	low-to-mid single digit growth	PLN 1.7-1.9bn, (depending on proceeds from asset disposal)
2021 Results in PLN	11.93 bn	2.96 bn	1.74 bn
YoY	+3.6% ✓	+5.9% ✓	-3.6% ✓

Key achievements in all pillars of .Grow strategy



Strong growth of core telco service revenues*

FiberCo project executed

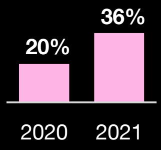
9% CO2 reduction

>6.8k children & >40k teachers in digital education programmes

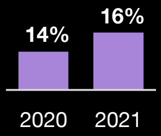
+18% ICT revenues

First 5G campus networks launched

Growing usage of **MyOrange app**



Growing share of **digital in sales**



Orange People

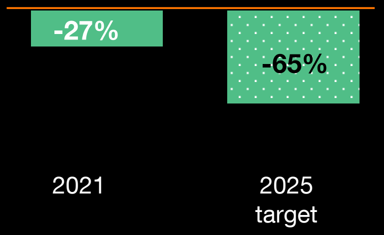
New organisational structure with unit dedicated to digital

* Convergence, mobile-only and broadband-only

CO_2 emissions reduced by 9% in 2021 supported by renewable energy

Orange Polska to reduce CO_2 emissions by 65% by 2025 (vs 2015)

CO_2 emissions vs 2015



We are half way to reach our 2025 goal of 60% share of renewable energy:

- First wind farms operate from mid-2021 delivering c.10% of our energy needs
- Second PPA* signed in Dec'21 securing additional 20% of our energy consumption (start in 2024)

Energy consumption down 1% in 2021, despite >20% growth of data consumption, thanks to Energy Optimisation Programme

#OrangeGoesGreen

* PPA – power purchase agreement

Commercial review

Jolanta Dudek
Deputy CEO in charge of the consumer market

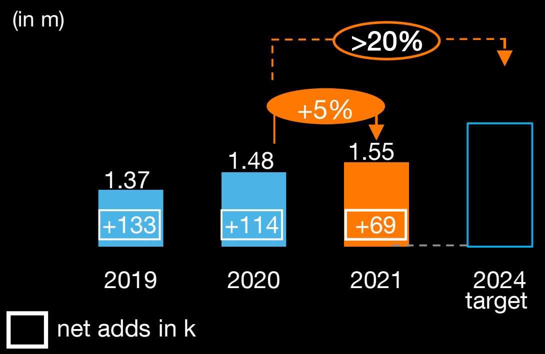
Bożena Leśniewska
Deputy CEO in charge of the business market

Strong convergence revenue growth fuelled by expansion of both customer base and ARPO: on track to meet 2024 targets

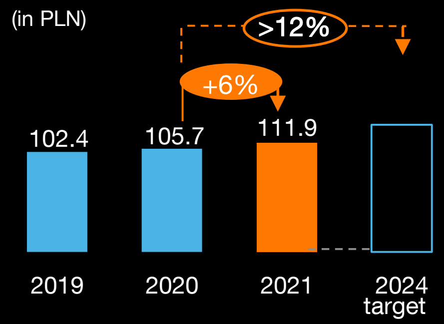
Simple & rich offer and expanding fibre footprint enable growth of customer base

ARPO growth driven by our value strategy and fibre: more appetite for higher speeds, more content, more SFH*, structure of handset subsidies

Convergent customer base up 5% yoy in 2021



Convergence ARPO up 6% yoy in 2021



convergence revenue
+15% yoy
(vs >8% CAGR 2020-24 ambition)

* SFH – single family houses where price is higher to cover higher construction costs

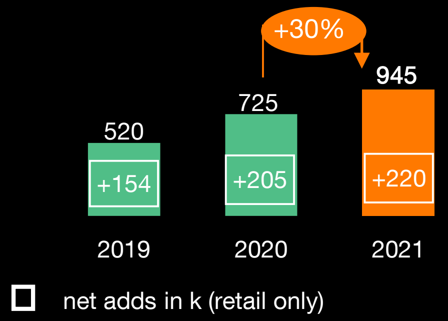
Fibre is a key driver of value and we see strong customer demand

Retail customer base up 30% in 2021 with very high net additions in 4Q (65k)

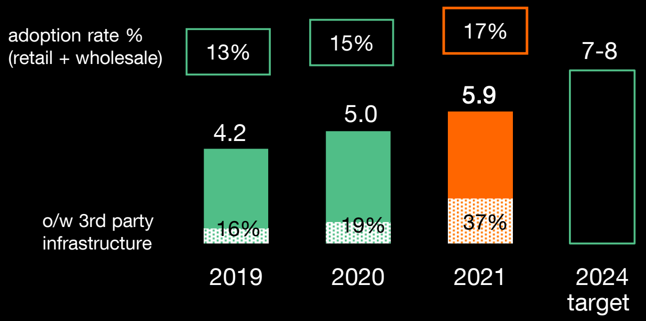
Orange fibre services available for almost 6m households

Wholesale maximises monetisation of our fibre network: wholesale customer base doubled in 2021

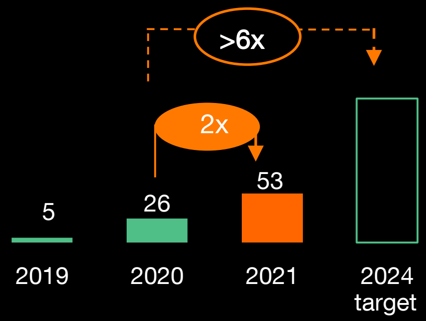
Fibre retail customer base
(in k)



Fibre network
HHC in m



Wholesale fibre customer base
(in k)



1 milion fibre customers* reached thanks to record high customer net adds in 4Q

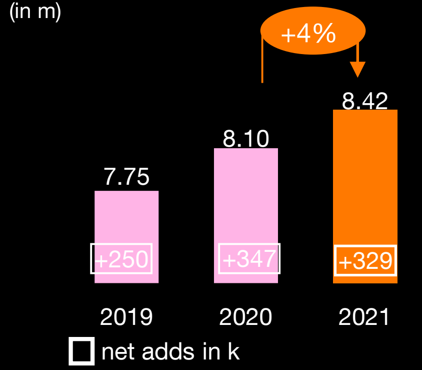
*retail + wholesale

Steady development of mobile post-paid as solid customer take-up is combined with ARPO recovery

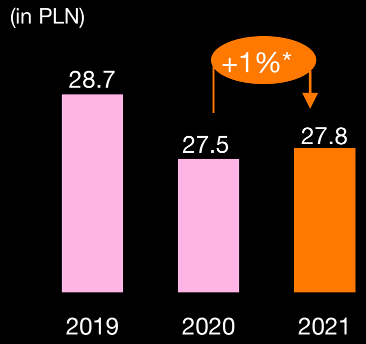
Handset customer base increased another 4% in 2021 supported by all consumer brands (Orange, Nju Mobile, Flex) as well as strong results of B2B

ARPO recovery in 2021 was driven by roaming and supported by value strategy (another more-for-more tariff increase for consumers)

Mobile handset customer base



Mobile-only handset ARPO

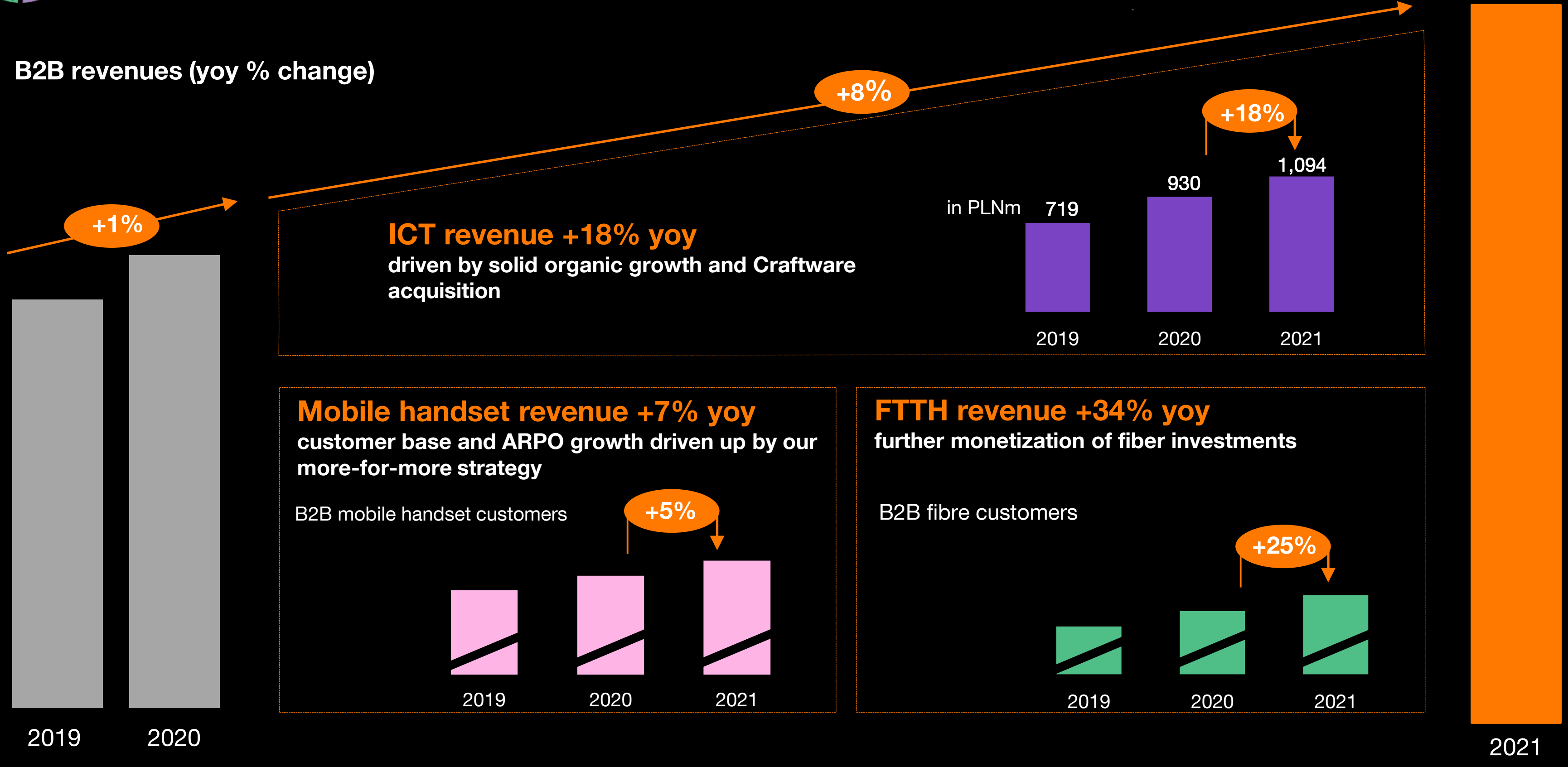


* flat excl. roaming

- **Improving customer loyalty in post-paid: 2.1% in 2021** vs 2.3% in 2020**
- **Fast growing data consumption: +21% yoy to 6.0 GB (ave per customer)**

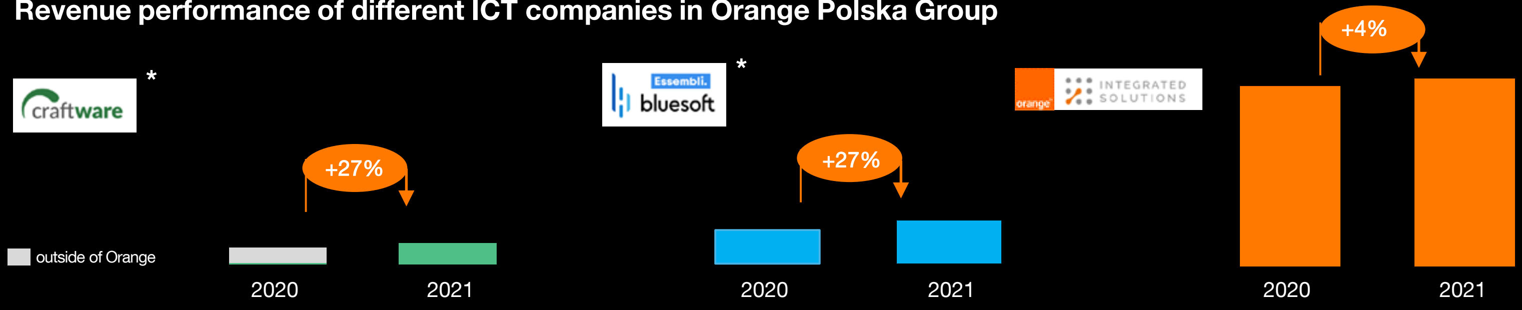
** average quarterly churn rate

On B2B market we delivered revenue growth accross all business lines…



… and we strengthened our position of integrator and digital services provider

Revenue performance of different ICT companies in Orange Polska Group



Main driver of both organic and in-organic growth were software solutions. We supported business to move to hybrid work by providing full range of networking and communication services, and security

Revenue performance of key ICT domains (yoy % in 2021)

NETWORKING & COMMUNICATION +13%
190 PLNm

SECURITY +17%
77 PLNm

IT INFRASTRUCTURE -6%
287 PLNm

SOFTWARE +38%
540 PLNm

* BlueSoft was acquired in 2019 and Craftware in 2020

Financial review

Jacek Kunicki
Chief Financial Officer

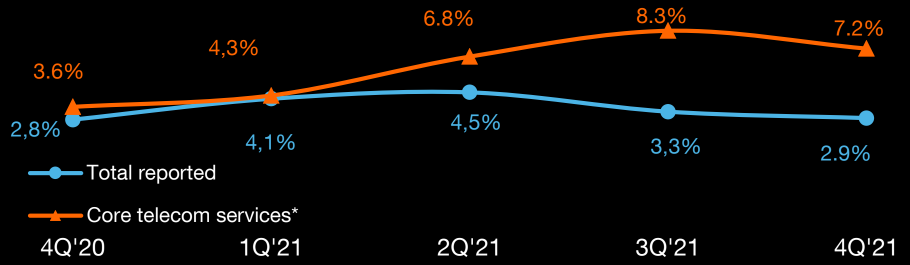
Strong financial performance in 2021

in PLNm	FY21	yoy	4Q'21	yoy	
revenues	11,928	+3.6%	3,171	+2.9%	▪ 4Q/FY growth driven by convergence, mobile-only, roaming recovery and IT/IS ▪ MTR/FTR cuts affected wholesale in 2H
EBITDAaL	2,963	+5.9%	707	+8.1%	▪ Fuelled by profitable revenue expansion
% of revenues	24.8%	+0.5pp	22.3%	+1.1pp	
eCAPEX	1,737	-3.6%	650	+9.2%	▪ eCapex in line with guidance, already benefitting from FiberCo JV
organic cash flow	867	+35%	131	-42%	▪ FY OCF growth driven by EBITDAaL improvement and proceeds from asset disposal (partly to FiberCo)
ROCE*	4.4%	+2.8x			▪ Growth driven by underlying improvement of operating profit

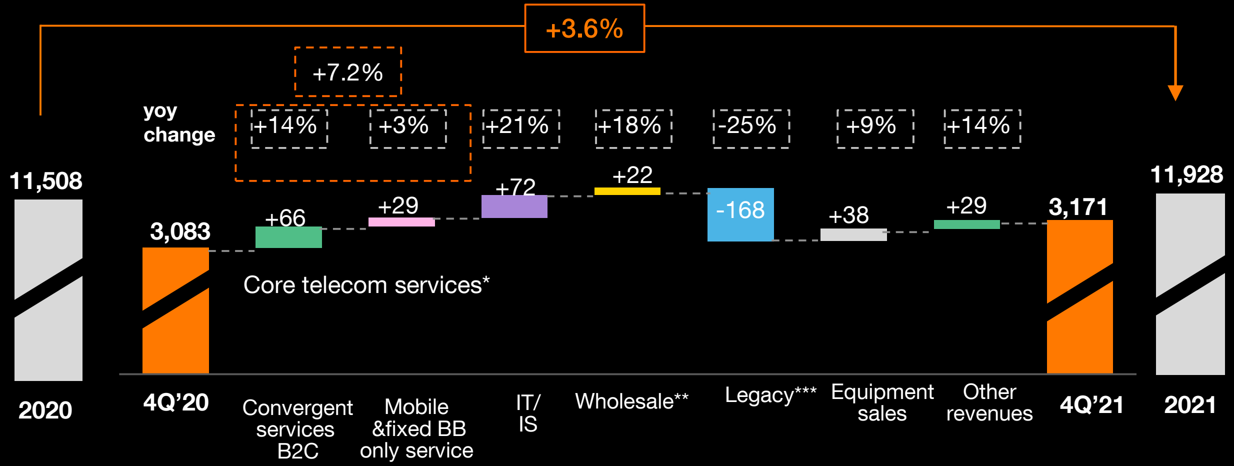
* Calculated excluding gain on FiberCo transaction

4Q revenue +2.9% yoy driven by core telecom services and IT/IS

Revenue evolution
yoy change



Revenue evolution breakdown
in PLNm



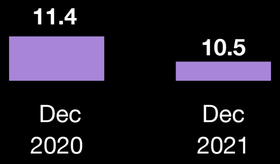
- **Core telecom services*** (+7% yoy) Growth improving due to strong ARPO (fuelled by value strategy and roaming recovery)
- **IT/IS** (+21% yoy) Contribution of Craftware (PLN +20m yoy) & strong organic rise
- **Legacy** (-25% yoy) Affected by MTR&FTR cuts (c.PLN -90m impact)

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

4Q EBITDAaL +8.1% yoy driven by profitable revenue expansion

- **4Q direct margin up 4% yoy:**
  - Driven by growth of core telecom services & IT/IS
- **4Q indirect costs broadly flat:**
  - Reflect mainly catch-up in advertising after pandemic and PLN -24m one-off in labour costs (Orange Group employee share ownership plan)
  - Includes ongoing savings in many areas (e.g. labour, CRM, general costs)

Employment in k FTE

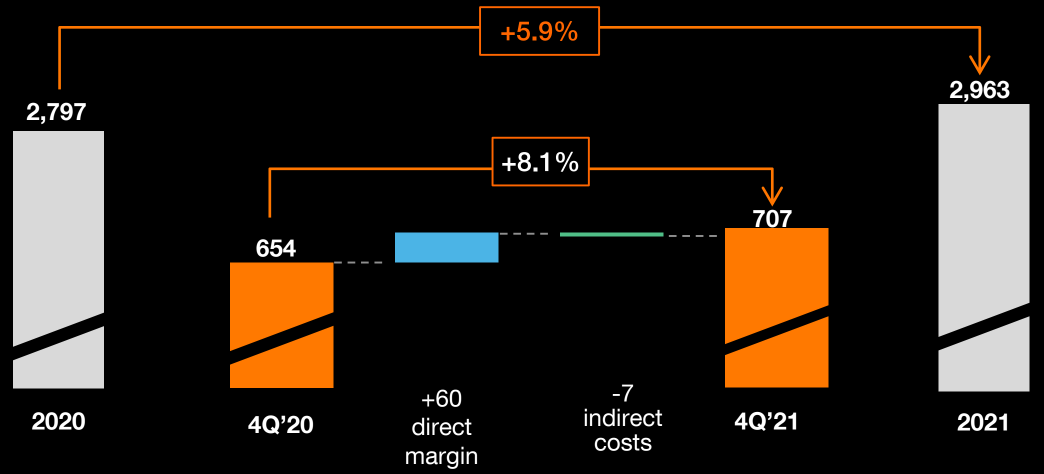


EBITDAaL evolution

yoy change in %)

EBITDAaL evolution breakdown

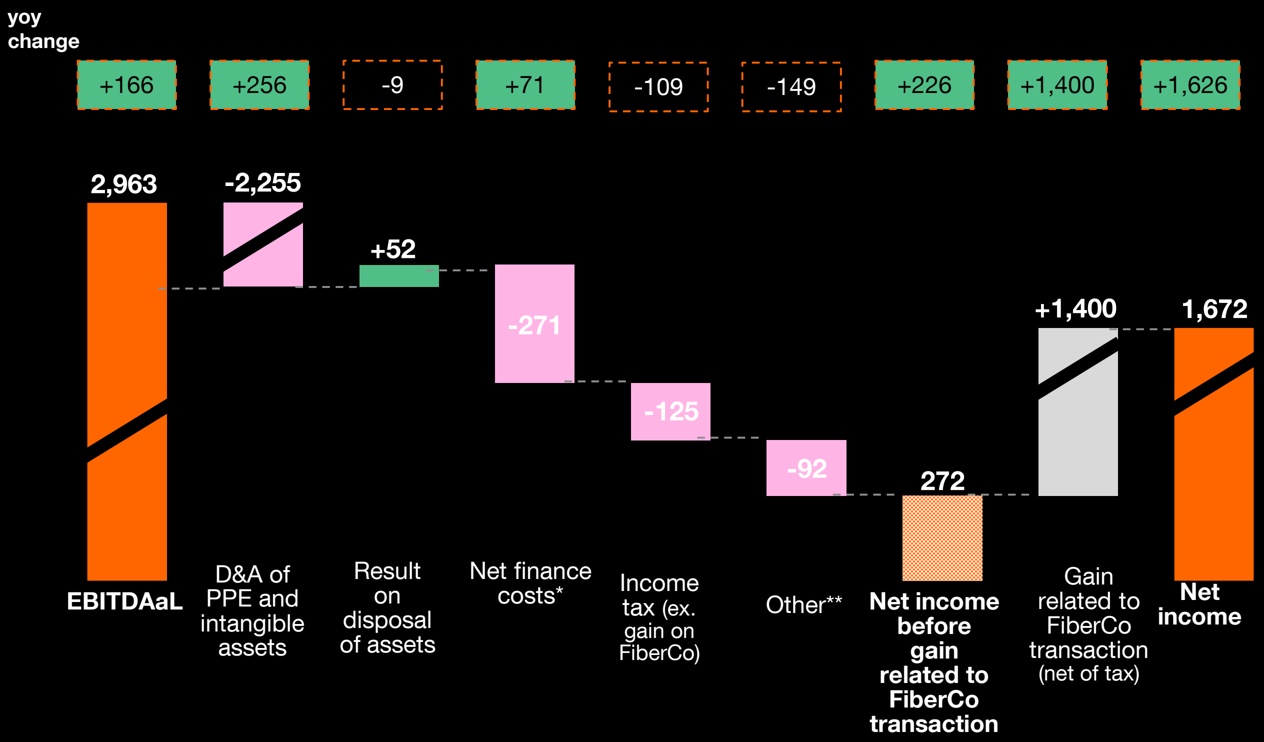
(yoy change in PLNm)



Very high net income reflects gain on FiberCo transaction & strong underlying performance

- **12% yoy lower depreciation** reflects PLN 116m impact of extension of economic useful life for certain assets
- **PLN 136m provision** related to the new social plan booked in 4Q

Evolution from EBITDAaL to the net income in 2021
(PLNm)



* ex. PLN 10m impact of FiberCo transaction

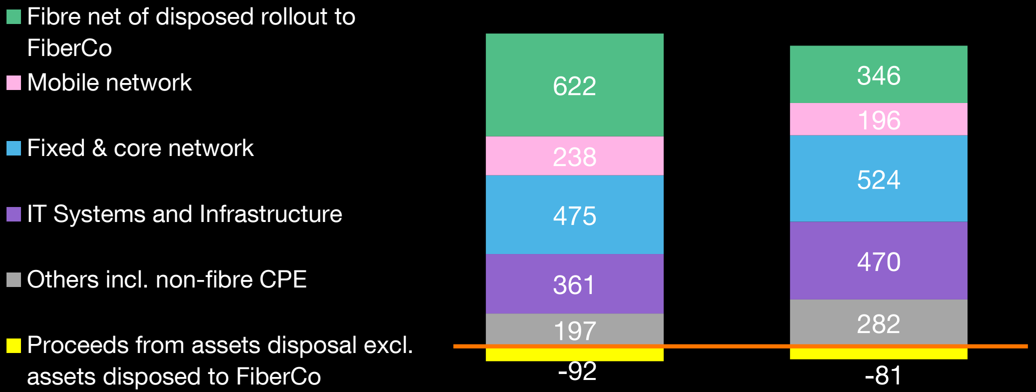
** Includes PLN 136m of new social plan provision, interest expense on lease liabilities, share of profit of joint venture, and adjustments (related mainly to M&A).

eCapex in line with guidance, already benefitting from FiberCo JV

Small yoy decline reflects

- >40% lower fibre as we benefit from FiberCo JV
- construction of new data centre (growth in other capex)
- less mobile capex (spectrum refarming completed)
- increased investments in the core network capacity
- different phasing of projects in IT systems and infrastructure
- prolonged weakness on the real estate market

Investment areas
(in PLNm)



	2020	2021
eCapex	1,801	1,737

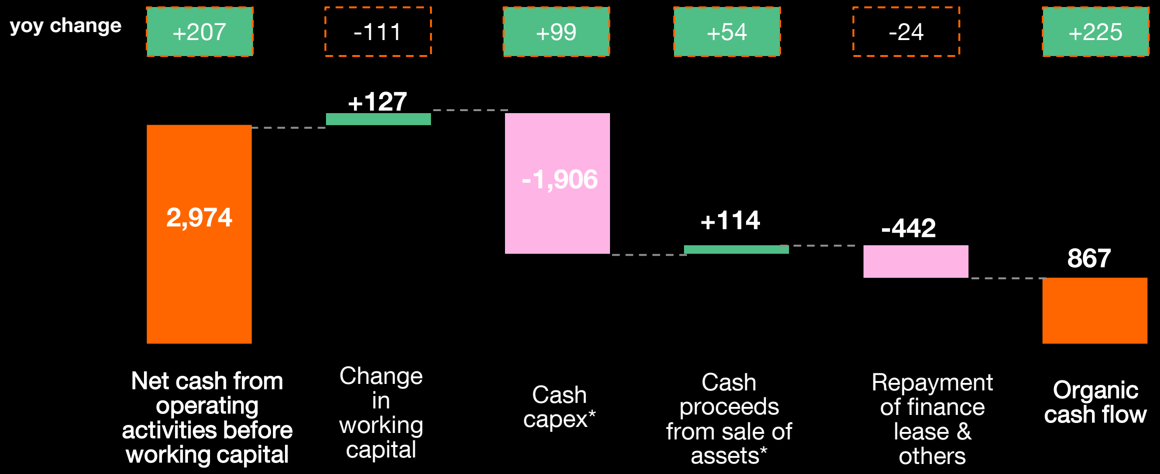
Organic Cash Flow up 35% yoy

OCF generation driven by:

- 6% EBITDAaL growth
- cash proceeds from sale of assets (partly to FiberCo*)
- decreasing working capital requirement

Cash flow evolution breakdown in FY 2021

in PLNm

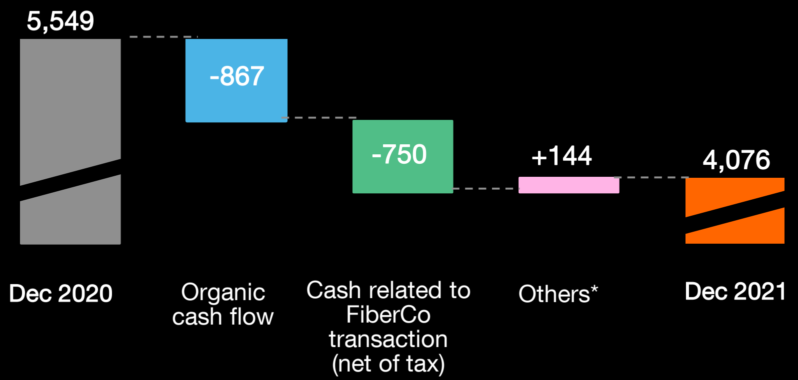


* Cash capex reduced by PLN 82m of cash proceeds from sale of fibre network assets to Fiberco (excluded from cash proceeds from sale of assets)

Strong balance sheet structure due to solid cash generation and the FiberCo transaction

- 90% of debt at fixed interest rate by mid-2024
- 3.4 years average debt duration

Net debt evolution
in PLNm



Dec 2020		Dec 2021
2.0x	net debt to EBITDAaL	1.4x
3.1%	effective interest rate on debt	2.9%

* Includes mainly settlements related to Digital Poland Program subsidies, and payments related to acquisition and integration of subsidiaries

2022 outlook

Julien Ducarroz
Chief Executive Officer

Key priorities for 2022

Further development
of key value drivers (convergence & fibre)

Value strategy
particularly valid
in inflationary environment

New PPA
contracts

Progressing on
Orange Digital Center

Further growth of ICT
(cybersecurity, cloud, big data)

Capex refocus
from fibre to 5G

Tackling inflation headwinds,
in particular energy prices

Further cost transformation
including digital

Orange People

Continued cultural change

.Grow financial ambitions confirmed by 2021 performance & 2022 outlook

	Revenues	EBITDAaL	eCAPEX
2021 results: very strong first step in .Grow strategy	**+3.6% yoy**	**+5.9% yoy**	**PLN 1.74 bn**
2022 outlook	very small decline due to MTR/FTR cuts	flat/low single digit growth (energy prices as key uncertainty)	PLN 1.7-1.9bn
.Grow 2020-24 ambitions confirmed	low single digit growth CAGR	low-to-mid single digit growth CAGR	PLN 1.7-1.9bn yearly average over the period

Shareholders' remuneration

Cash dividend

PLN 0.25

per share

to be paid in 2022 from 2021 profits*

.Grow dividend policy:

PLN 0.25 as sustainable floor for the future

Future changes to be considered yearly, including:

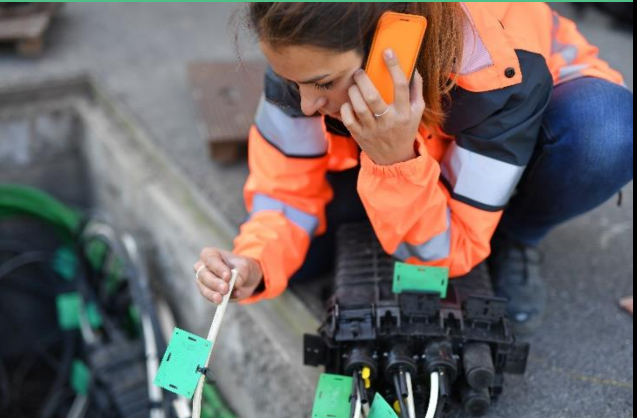
- Projections of underlying financial results
- Long-term financial leverage forecast vs the 1.7x to 2.2x leverage corridor

*Management recommendation, subject to approval of General Meeting of Shareholders

Q&A

Appendix

Settlements between OPL and FiberCo



Current picture of settlements between OPL and Światłowód Inwestycje (FiberCo)

Revenues	
wholesale	▪ telco services: infrastructure rental, transmission network
Costs	
labour costs	▪ investment process and network maintenance
interconnect costs	▪ BSA access fee per retail OPL client
network & IT	▪ mainly costs related to customer connections and activations
other external purchases	▪ back office services and materials inventory
other operating income/costs	▪ income from non-telco services delivered to FiberCo
EBITDAaL	▪ broadly neutral impact

Details of bottom line evolution in 2021 and 4Q 2021

in PLNm	2021	2020	Change	4Q'21	4Q'20	Change
EBITDAaL	**2,963**	**2,797**	**+166**	**707**	**654**	**+53**
D&A of PPE and intangible assets*	-2,255	-2,511	+256	-591	-649	+58
Add-back interest expense on lease liabilities	53	62	-9	13	15	-2
Adjustment for the impact of employment termination programs	-129	22	-151	-136	13	-149
Adjustment for the costs related to acquisition, disposal and integration of subsidiaries	-25	-27	+2	-5	-16	+11
Gains on disposal of assets	52	61	-9	28	40	-12
Gain on the loss of control of Światłowód Inwestycje	1,543	-	+1,543	-	-	-
Share of profit of joint venture adjusted for elimination of margin earned on asset related transactions with joint venture	9	-	+9	-1	-	-1
Operating income	**2,211**	**404**	**+1,807**	**15**	**57**	**-42**
Net financial costs	-281	-342	+61	-84	-78	-6
o/w foreign exchange loss/gain	*+4*	*-54*	*+58*	*2*	*-10*	*+12*
Income tax	-258	-16	-242	0	0	0
Net income	**1,672**	**46**	**+1,626**	**-69**	**-21**	**-48**

* Includes impairment of rights of perpetual usufruct of land historically recognised as property, plant and equipment, subsequently reclassified to right-of-use assets (PLN 34 million in 4Q 2021 and FY 2021)

Details of organic cash flow evolution in 2021 and 4Q 2021

in PLNm	2021	2020	Change	4Q'21	4Q'20	Change
Net cash flow from operating activities before change in working capital	2,974	2,767	+207	722	707	+15
Change in working capital	127	238	-111	-175	42	-217
Net cash flow from operating activities	**3,101**	**3,005**	**+96**	**547**	**749**	**-202**
CAPEX	-2,011	-1,892	-119	-752	-651	-101
Change in CAPEX payables*	23	-113	+136	297	208	+89
Cash proceeds from sale of assets	196	60	+136	114	28	+86
Repayment of lease liabilities	-481	-421	-60	-107	-113	+6
Adjustment for payment for costs related to acquisition, disposal and integration of subsidiaries	39	3	+36	32	3	+29
Organic cash flow	**867**	**642**	**+225**	**131**	**224**	**-93**

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

We successfully combine growth with social responsibility

Environment

We have clear climate/environmenal goals and tangible results

- Climate goals and performance:
  - Net Zero by 2040 (for both own and entire value chain CO_2e emissions)
    - -65% own CO_2e emissions reduction by 2025 min. 60% of renewable energy in 2025
- Energy effficiency:
  - ~200 optimisation initiatives launched
  - fibre replacing copper
  - mobile network sharing
- Recycling and refurbishing of handsets and routers

Social

We make new technologies a supporter of economic and social development

- Our connectivity investments positively impact local societies through:
  - digital inclusion
  - local digital activity centres
  - digital skills programmes in schools
- We actively promote safe use of internet among children (5,000 children in the educational programmes at schools)
- Co-operation with suppliers based on Code of Conduct covering social and environmental responsibility and CSR clauses in purchase contracts

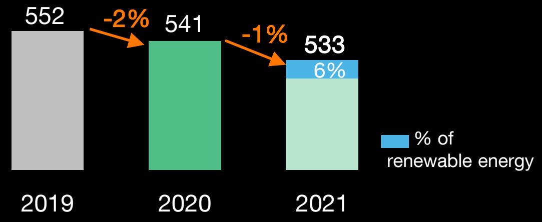
Governance

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

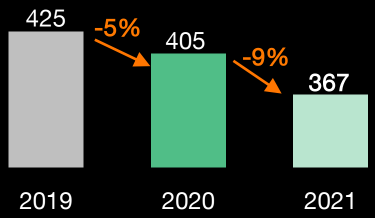
- We conduct active dialogue with all stakeholders to respond better to their expectations
- We adopt zero tolerance approach towards corruption in all aspects of our activities
- Corporate governance model ensures proper distribution of responsibilities to guarantee transparency of all management decisions
- We include social and climate risks in our risk management system

Key Environmental Performance Indicators

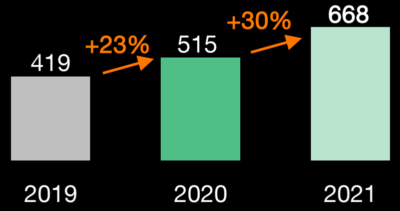
Energy consumption (GWh)



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
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
EBITDAaL	EBITDA after leases, key measure of operating profitability used by management (for definition please refer to the Notes 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 Notes 2 to IFRS Consolidated Financial Statements of the Orange Polska Group)
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

Glossary (2/2)

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
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
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) / Average net debt
VDSL	Very-high-bit-rate Digital Subscriber Line