

Orange Polska

CONFERENCE CALL ON ORANGE POLSKA RESULTS FOR THE FY OF 2023

Leszek Iwaszko – Head of Investor Relations:

Ladies and gentlemen, thank you for standing by. I have a pleasure to welcome you on Orange Polska Results Conference Summarizing Full Year 2023. At this time, all participant lines are in a listen-only mode. The format of the meeting will be a presentation made by the management team, followed by a Q&A session. Let me introduce speakers for today's conference, starting from Ludmila Climoc, our CEO, Jolanta Dudek, Deputy CEO in charge of Consumer Market, Bożena Leśniewska, Deputy CEO in charge of Business Market, Jacek Kunicki, CFO, and we also have in the room Witold Drożdż, who is a management board member in charge of Strategy and Corporate Affairs. I hand the floor to Ludmila to begin the presentation.

Ludmila Climoc - CEO:

Good morning and welcome everyone to our conference summarizing the fourth quarter and full year of 2023. And I propose to start with slide five. I have a pleasure to say that 2023 was a very good year for Orange Polska. We delivered on all our annual objectives, growing our financial outputs year on year. Commercial results were the key to growth of our revenues and our profits. We achieved a simultaneous increase in our key customer bases and respective ARPO, and these delivered a lot of value. From a strategic perspective, acquisition of 5G spectrum is an important point for further commercial deployment, and we are very happy that this lengthy process has been finalized. Financial results were strong across the board. We are pleased that the growth of our revenues and the EBITDA also translated in higher net income and cash generation. While being focused on the current results, we also continue to transform our businesses on many fronts to be ready to meet future challenges. We also remain committed to our ESG objectives where we have done a significant progress. It contributes to lower cost and make our business much more friendly for the environment. Our performance in 2023 proved again that we are on the right track to make the .Grow strategy a real success and that our business has the strong fundamentals. It was a collective effort of all Orange Polska teams and I would like to thank them for this commitment.

And let's look now at the financial highlights on the next slide. In 2023, we delivered on all our financial commitments. Revenues increased by almost 4% with all key business lines contributing to this growth. Good top line performance was a key enabler to mitigate the impact of inflation on our costs and allowed us to deliver more than 3% EBITDA growth. And I would like you to note that we are reporting the growth of our operating profitability for the sixth consecutive year. Since 2018, we increased EBITDA more than 20% despite a lot of unexpected challenges and increased costs. Economic capex in 2023 was closer to low end of our guidance as we were disciplined on investments. And this is a good demonstration of our ability to execute a well-designed plan and turning actions into concrete results.

Let's look in more details now on how we have executed our strategy in 2023. Here on slide 10, we show you that in 2023, we have made a real progress on all four pillars of our strategy.

Starting with core business, its performance is a key driver for our growth. It was solid both on the retail and on wholesale markets. We achieved good revenue growth on the back of higher prices and strong demand for our services and infrastructure. Obtaining new 5G spectrum was obviously a key highlight of last year. It will unlock a lot of new opportunities over the medium and long term. IT and IS had another good year with double-digit revenue growth despite the lower demand of IT services solutions on the market. In terms of our efficiency plan, we are increasingly relying on digitalization and the new possibilities of big data and AI to explore our potential. Firstly, we are developing digital channels, encouraging customers to use them to buy, to upsell or to pay. And secondly, we are boosting adoption of robots to automate our processes. In the responsibility pillar, we delivered on a very ambitious commitment. We increased the share of green energy in our mix to 74%, which enabled significant reduction of CO2 emissions. They were almost 80% lower versus our benchmark level in 2015. We are very proud to have succeeded in our flagship social program with Orange Foundation. Over the past four years, more than 80,000 Polish teachers, mainly from small towns and villages, boosted their digital skills. This project was an important element of digital transformation of Polish schools being co-financed by European Union.

Let's look on the performance in greater detail on slide nine. The success of our strategy lies in the strength of our core business. It consists of three strong engines, service for consumers, for businesses and wholesale services for other telecom operators. These engines consistently deliver growth of revenues and direct margins since the launch of our .Grow plan. They contributed to an 11% increase of direct margin. This is a strong achievement and key success factor behind the growth of our profits. As you can see in 2023, this growth accelerated versus 2022, which was a vital element for our ability to offset inflation impact on our costs. Thank you for now and I hand the floor to my colleagues who will tell you more about performance in their respective markets. Jolanta, please.

Jolanta Dudek – deputy CEO in charge of consumer market:

Good morning. We are on slide 10. This slide illustrates what is essential to our profit generation. This is simultaneous growth of customer bases and ARPU in key telecom services. We are satisfied with our performance in 2023. Convergence customer base increased another 5%, maintaining its level of growth from 2022. Fiber customer base recorded a healthy 15% increase. These results are even more appealing taking into account intensified competition in these particular areas. As we commented many times, competition has intensified in fixed broadband as there are more retail fiber providers who use infrastructure of different FiberCos. Competition has moved more to local market which requires us to be more agile and innovative in our marketing strategies. Good results demonstrate that customers appreciate qualities of our multi-service offer. Our fiber services are available to almost 8 million households. This is more than 50% households in Poland. This means that we already reached high end of the strategic ambition for 2024. What's important is that this consistent expansion of customer bases was accompanied by a good ARPU growth. It was growing in the range of 3% to 4% in 2023. In addition, in all the services this pace of growth accelerated versus 2022. So our value initiatives are gradually rolling into our customer bases. We pursued our value strategy in 2023, increasing prices in more for more formula in fiber and convergence. We will continue this approach in

2024. In January we adjusted our prices in mobile again in the more for more spirit. Going forward we want to keep this momentum. Thank you and I hand the floor to Bożena.

Bożena Leśniewska – deputy CEO in charge of business market:

Good morning everyone. Let's look at page 11. 2023 was a difficult year for business in Poland but I have a pleasure to say that it was successful for us. Why was it difficult? Economic slowdown, high inflation, influence decisions of our customers and decreased predictability of our business. Why despite that we succeed? It is because we have unique assets. We are able to address needs of our customers in a complex way offering both connectivity and IT and integration services. In connectivity we continued our value strategy both in mobile and fixed broadband, bundling value-added services and data allowance into flexible packages. Mobile revenues grew 6% and revenue from fiber 19% year-on-year. Growth resulted from both expansion of customer base and growth of ARPO. Please note that since beginning of .Grow strategy mobile ARPO increased by 10%. Last year was also strong for network area where we completed some complex projects merging communications and integration competences. In ICT it was for us another year above the market revenue growth. All domains contributed to it starting from IT infrastructure and services through cyber security and finishing with software and applications. We benefited from the ongoing process of digitization, cloudification and automation of companies. Last year we continued also dynamic development of our solutions based on internet of things. Our city management platform was appreciated by more than 100 cities who used our intelligent metering and monitoring platform for light water transport management. All this improves quality of life and brings tangible savings for the customers. Looking into 2024 we will finally be able to more intensively monetize 5G. We have ambitious plans regarding mobile private networks that we will implement for industrial customers, municipalities and universities. We are also excited about prospects regarding unblocking EU funds which will stimulate business activity and also our project pipeline. Thank you and I hand the floor back to Ludmila.

Ludmila Climoc - CEO:

Let's look at slide 12 and speak about digital. Digital is one of the key enablers for us to increase further our efficiency and productivity and here I would emphasize two main directions. First one is the development of digital channels for interactions with our customers. Digital channels carry less costs for us to acquire customers. At the same time we are able to respond better and faster to their needs. Sales through digital channels grows systematically and in 2023 constituted 20% of commercial acts and we have a very ambitious plan to grow it further in 2024. The key driver for digitalization of customer interactions is our application. We constantly develop it to make it more attractive and more useful for our customers. Over the past two years 50% more customers use My Orange application and looking on the channel mix, the highest share of digital channels is mainly at the expense of tele-sales and accordingly number of customer calls to our info lines is systematically decreasing every year improving our efficiency. So the second direction is our internal efficiency and activities here embrace many areas and I would mention just two. Firstly to be able to be better in marketing we are deploying machine learning and AI models to help us to manage customer interactions. This gives us a better personalization of contracts and offers and as a result it will translate into more services sold,

increased customer loyalty and more revenues and results achieved so far during the first two years of this program are really promising. Secondly we are massively adopting robots across the company. We doubled the number of them in 2023 as we launched the robotization program using a low-code technology. It allows us to save costs and to relocate our human resources from repetitive jobs to more creative tasks.

And on the next slide let me reiterate again why we are happy being able to use now 5G C-band spectrum. Why it is so important for us? As you can see on the upper left chart this new 100 megahertz block almost doubled our total spectrum resources. Firstly more spectrum means more capacity to carry ever-growing data traffic. This means a higher CAPEX efficiency for us and secondly more spectrum means also that we will be able to offer higher data packages to our customers which will provide support for our commercial strategy. Thirdly 5G with its capabilities speed, latency, slicing will constitute a basis for new business opportunities which will gradually reveal over the number of years. For example mobile private networks where we have an ambition to be a leader in Poland as Bożena just mentioned. Network rollout is obviously our key focus now. As we speak already more than 1 000 sites are available for our customers operating on this spectrum and over the next three years we will invest around 1 billion zloty for both 5G rollout and our radio access network renewal project. This is in line with assumptions which we have presented for our .Grow strategy and now I hand the floor to Jacek for financial review.

Jacek Kunicki - CFO:

Thank you Ludmila. Good morning everyone. Let's start a financial summary on slide 15. Our financial results last year were strong across the board as we delivered on all of our annual objectives. We increased revenues profits and cash generation. The top line growth was supported by all major revenue lines including the core telecom services which are key to our margins. We maintained a high operating leverage and converted higher revenues to profits hence our EBITDA increased by 3.3 percent despite inflationary pressures. We exercised an adequate discipline capex and translated the growing EBITDA into a double digit increase of the net income and the organic cash flow. The OCF has reached its highest level in over a decade surpassing the landmark 1 billion zloty value. The expanding profitability and good capital allocation have further improved our return on capital employed, KPI that we focus to create value for shareholders. It increased to 7.6 percent and we continue in our effort to further grow this key metric of our capital efficiency.

Let's now review our result in more detail starting with the top line. Our revenues increased by over three percent in Q4 rebounding from a temporary slowdown in Q3. The key reason is return to growth of IT and IS revenues which after a deceleration in the third quarter have rebounded in the last quarter of the year benefiting from more integration projects. Revenues from core telecom services grew at a solid pace of low to mid single digit percentage. It's driven by a simultaneous expansion of our key customer bases and the respective ARPUs which we discussed a lot today. Our core services have good fundamentals as we systematically execute our value strategy. Growth of the core telecom services was complemented by the expanding

top line from equipment sales and also from our wholesale activities. Increasing revenues were the main driver of our profitability and now let's take a look at the latter on the next slide.

The EBITDA grew by over two percent in Q4 enabling us to reach a 3.3 percent growth in the full year. It was a very good quality growth stemming from an expanding direct margin. It grew by over three percent year over year in the last quarter of the year and over four percent in the entire year thanks to higher revenues and good profitability of our services. The indirect costs have increased versus last year under the pressure of inflation. It was partly mitigated by cost transformation which included process digitalization as well as further headcount reduction. This helped us to contain the growth of costs during the critical time of high inflation. As we now see inflation progressively slowing down we're confident that our high operating leverage will continue to be our asset in the further growth of our profitability. The structure of EBITDA growth relying on direct margin demonstrates the sustainability of this growth going forward. Improving operating profits enabled us to grow the net result.

Let's review this on slide 18. We achieved over 800 million of net income in 2023 as it grew by 13 percent. There were three key elements to this achievement. First the EBITDA growth that we have just analyzed. Second our discipline in CAPEX resulted in lower depreciation while we made gains on sale of properties that we no longer use and require. Finally our net income costs were lower year over year. This was helped by our low debt and also by the foreign exchange gains on some of the euro denominated long-term lease contracts. Please also note that quarter four net income included a 125 million zloty provision relating to a new social plan for the years 2024-2025.

And now let's switch to CAPEX over on page 19. Our economic CAPEX for 2023 amounted to just over one and a half billion zloty and came towards the low end of our guidance. Its level was particularly low this year due to two main reasons. First as the spectrum auction was only concluded in Q4 the CAPEX for 5G network rollout was below the run rate that we will now see in 2024-25. Secondly we recorded strong sales of properties that we no longer use. We generated almost 230 million zloty of proceeds the most since 2019. As Ludmila mentioned buying the spectrum 5G spectrum opened up a new investment chapter for us and we will now spend more focusing on the rollout of our 5G networks in the coming years. At the same time though we mainly grow our fiber footprint through the FiberCo JV we will also incur some CAPEX for the rollout of fiber as part of the EU recovery fund contests.

And over to cash flow and balance sheet situation on page 20. We're very happy to report almost 1.2 billion zloty of organic cash flows in 2023 the highest level in decade. Our cash generation was a result of three main drivers. First the growth of EBITDA. Secondly decrease in working capital requirements as we contained the growth of accounts receivable from handset sales through an enlarged factoring facility. Third this was partly offset by higher cash CAPEX most of which so related for the CAPEX of 2022 which was paid in 2023. In result our balance sheet remains very sound. Our financial leverage stands at 1.1 times EBITDA or 1.2 times if we include the full payment for the 5G spectrum and the last 300 million was paid in early January.

Finally let's do a quick checkup of how we stand against our financial ambitions after three years of executing the .Grow strategy on the next slide. Since its launch our growth strategy is about increasing our revenues and translating this growth through high operating leverage into a low to mid single digits increase of the EBITDA. Next by keeping a stable CAPEX we plan to boost cash generation and the return on capital employed. The results of the last three years show that we have done exactly as we have committed. Revenues and EBITDA growth is at the high end of the guidance. Our CAPEX spending is at the low end of expectations. Finally we have increased the return on capital employed five times and preserved a very sound balance sheet. In addition as you've seen today we have significantly improved our cash generation. In short after three out of four years of .Grow we are on the right track to deliver all of our mid-term financial commitments. Obviously we now focus on execution in the last remaining year of the strategy as this is key for its finalization. Thank you for your attention and I hand back the floor to Ludmila for the outlook and conclusions.

Ludmila Climoc - CEO:

Thank you Jacek. Talking about 2024 priorities indeed this year is the final year of implementation of our .Grow strategy and we will focus on execution of the well-proven commercial strategy. Here we will pursue further our value strategy and capitalize on strong customer demand especially in fiber. Wholesale will continue to be developed monetizing our infrastructure. We will accelerate the rollout of 5G so that our customers could benefit from super fast internet on the move and on-site. While commercial development is at the very heart of .Grow we will absolutely not forget about our cost. We will continue to transform and make efficiency gains using new opportunities stemming from digitalization. And finally we will continue to be committed to our ESG agenda and will push further this cultural transformation of Orange Polska.

Let's now turn the page to see how our strategic agenda translates in financial targets. Our objectives for 2024 are not surprising as we target to reach all of their .Grow objectives. We target to grow our top line benefiting from the solid demand for our services and our ability to implement the value strategy. Within the revenues performance of the core telecom services will be critical as they bring us the most in terms of margin. Next we will turn the revenue growth into higher EBITDA keeping a right grip on fixed costs and mitigating the inflationary impact. Finally we will invest between 1.7 and 1.9 billion zloty in capital expenditures which will include the full pace of 5G rollout and the modernization of the mobile access network. Our financial plan for 2024 is fully consistent with the .Grow strategy designed to boost their return on capital employed and grow shareholder value.

And obviously the dividend is a key element for shareholders so let's turn to this final element of our presentation. As we presented to you today we are on track with our strategy execution. We delivered on all our annual objectives and I am pleased that we are now in a position to share benefits of this growth with our shareholders. And in line with our policy we recommend to the general meeting of shareholders a payment of 48 grosz per share cash dividend in 2024 from 2023 profits. This is the second consecutive increase of the dividend after we reinstated it back in 2022 and it reflects the confidence that we as a management team have in long-term

prospects of Orange Polska. This concludes our presentation and we are now ready to take your questions.

Leszek Iwaszko – Head of Investor Relations:

Thank you. We will now be moving into the Q&A session. If you are dialed in by the phone and would like to ask a question please press star 2 on your keypad and wait for your name to be called. You may also ask a text question using the web platform. So once again if you would like to ask a question please press star 2 on the keypad and press the question button or press the question button on the web platform. We have the first question coming from the line of Dawid Górzynski from PKO BP. Dawid your line is open, please go ahead.

Dawid Górzynski – analyst PKO BP:

Hello, thank you for the presentation and congratulations on your result. I have three questions actually. First one, if you can provide any guidance for organic free cash flow in 2024. My reasoning is that the level you achieved last year would be impossible to be repeated but if you can comment on the direction or potential scale of the reduction as you can see. This is the first one. Second one is I have seen that ARPO dynamic in postpaid mobile business decreased from like over three percent year-on-year in previous quarters to 2.2 percent right now. So is there any specific reason behind that drop or if you can give more color in this area? And the third question is about capex in a little bit longer perspective. Could you provide some initial clue about capex after the rollout, like when you finish the rollout of 5G network, so after 2026. Do you think it may like drop from the current level or you already see some attractive investment projects that may like fill in this gap? So that's three questions from my side. Thanks in advance.

Jacek Kunicki - CFO:

Thank you very much for your questions. Maybe I will take one and three and we can share the mobile voice ARPO. I think on the organic cash flow, obviously the 2023 result was extremely strong. We achieved the highest level in 10 years. Some of the drivers of this growth are sustainable. Some of them are not sustainable by nature. So if we analyze them to try and digest what is driving the organic cash flow first, what is important is that we keep on growing our EBITDA and this is delivering more and more cash from operating activities. And this is something which is sustainable for the future. We're happy with the structure of EBITDA growth. We're confident in our ability to work and to make sure that the EBITDA that we generate year after year is becoming higher. And this will definitely give a boost to the organic cash flow. And then for 2023 cash flow specifically, you need to see the balance of two items. One is that the cash capex was quite high as we had a lot of payments that happened in 2023 relating to a peak of capex in 2022. The 2022 capex really peaked in the last quarter. So a vast portion of the payments were made in 2023. This is, I would say, a negative factor that influenced 2023. On the other hand, we did have very good growth of real estate proceeds. And secondly, the increase of the factoring program that enabled us to reduce working capital. The working capital actions, this is definitely something which is not sustainable at this scale. And it needs to be viewed together with the downside pressure that we had on the cash capex. But I think both of these are non-recurrent in nature. When it comes to real estate sales, I am confident that we will continue to sell a lot of real estate that we no longer require. But it's not something which is very

predictable from one year to another. And I think the 2023 level is already very challenging to be repeated. So yes, it is a very challenging number, 2023 organic cash flow. I think we're very happy that this surpassed the 1 billion zloty landmark. Over the long term, we will see organic cash flow continuing to grow. But there is a reason why we don't guide for it also, because it fluctuates from one year to another. So I will not be very specific regarding the OCF that we expect in 2024. I think you need to have your own assumptions as to how much boost was given from the working capital and how is this reflected possibly in 2024.

Regarding capex, so 2023 had a particularly low level of capex as we were no longer investing heavy amounts in fibre and we did not yet reach the peak spendings for the 5G spectrum and for some of the capacity and RAN renewal projects that we have on the outlook. That's why 2024 guidance is a notch higher. And this is clear. We can expect capex to be under the influence of 5G rollout still in 2025, in 2026, because this is where this rollout will take place. I think we mentioned before that when it comes to the 5G rollout, we have spent around 700 million already. There is about 1.1 billion to be spent going forward within those three years. So we can expect capex to be rather higher than in 2023. To be more specific, definitely we will address this question next year when we present the new strategy, as this will then include all the elements that we might want to take into account for capex. So I will not be that much more talkative today. I think that the changing element is 5G for the short term.

Ludmila Climoc - CEO:

And on a question on mobile ARPU, I must say that we are happy with the dynamic of ARPU growth. The value strategy is working and it is consistent, even if the dynamic between quarters can be different. And there are two main reasons for the slowdown of the trend in the last quarter and Q4. First is the slowdown of growth in roaming. It was going at a lower pace in last quarter. And you need to look on it comparing to trends in the first part of the year, where recovery of roaming was much higher, because it was still recovery post-pandemic, and accordingly in the last quarter, we are comparing already to a significantly higher base in comparable basis for the second part of the year. And also, you should note that lower revenues for roaming also were accompanied by lower costs. So we have a quite good performance on this business line in EBITDA. And secondly, high comparable basis again of previous year was due to the fact that price hikes in B2B in 2022 were effective in the last quarter in Q4 2022. So comparable basis for now is much higher. And as we have commented, we are committed to continue our value strategy, which is the main driver for growth of our commercial engines. And in January, we have done another price hike for our consumer offers.

Leszek Iwaszko – Head of Investor Relations:

Thank you. Our next question will be coming from the line of Dominik Niszczyński from Trigon. Dominik, your line is open. Please go ahead with your question.

Dominik Niszczyński – analyst Trigon:

Thank you. Good morning, Dominik Niszczyński, Trigon. So two questions from me. One, maybe follow up on this ARPU question. So you now have around 3%, maybe 2% growth, despite much higher tariff hikes. So I understand that it is also influenced by the migration of customers

to cheaper subscription plans like NJU Mobile, Orange Flex, instead of Orange Brands, I mean this B2C segment. Maybe some high ARPU customers migrate to the convergent offer. So do you think that this change of structure of your clients will subside in 2024 or stop? And we will see greater impact of price list increases on ARPU in 2025-26. Is it realistic to assume growth exceeds 5% in the medium term? And now we see a bottom here.

Ludmila Climoc - CEO:

On B2C, yeah, maybe you will complete, Jola.

Jolanta Dudek – deputy CEO in charge of consumer market:

So as was mentioned, we are very satisfied with the growth of ARPU in B2C, 3 to 4% achieved in 2023. And we will be pleased to keep going with this pace. So we do not observe migration of our base from postpaid mobile to postpaid subscription like NJU and Flex. The trend is the same like previous year, means 2022. Those two offers noticed increase of customers in their base, but this is not a migration from the pure postpaid. We addressed by those two offers with subscription like Flex, we addressed the specific segment of very digitalized customers. And with NJU, NJU is very appreciated brand and has its segment, its customer who slowly, but very, very systematically the base is growing. We will continue our, as I said, we will continue our approach for more, for more strategy for mobile voice. So I'm convinced that the pace of, of increase of ARPU this year will be, I hope similar or even better than in 2023.

Dominik Niszczyński – analyst Trigon:

Okay. So it was not a migration, but, but nevertheless the changing structure took place, right? So more, more of those cheaper brands with customers. Okay. Yes. So this, this should subside. Thank you. And the second question on, your dividends and not only this year, but what's your considerations regarding next years. So we still have a caution in terms of net debt to EBITDA when thinking about dividend, it's 1.2, assuming this, this spectrum payment. However, you still have an option to acquire 1% in joint venture, which currently has around 1.5 billion net debt and, and it's growing like by 700 million last year, I guess. So in three years, it will be probably much higher amount of debt there. So do you, are you considering this extra debt when making decisions about dividend payments this year and in 2025? And is it highly probable that you exercise that option? I understand economically it's, it's only half of this debt that we can attribute to you, but if you consolidate JV, then all that will be on your balance sheet. So the ratio, the debt to EBITDA may change strongly. So the question is whether you consider this scenario currently. Thank you.

Jacek Kunicki - CFO:

Thank you. So if I will take this, I, you know, it's, it's worth to say, we're really happy that we're in the position to increase the dividend again. We, as you remember, we reinstated the dividend in 2022, paying 25 grosz per share. We increased it by 10 grosz in 2023. And now this year, looking at good performance, good prospects, we decided to make this increase a bit faster, a bit steeper. So this is where, you know, 48 grosz comes from. It is almost a 40% increase versus the, well, figure last year, 37% increase versus the figure last year, almost 90% increase versus the initial figure. And it is, it does represent basically a full payout of the free cashflow.

Basically, if you take our organic cashflow and you subtract whatever we paid for the, for the license, you know, including this 300 million that we paid early January, we've basically distributed the entire free cash flow. I have the trust that the AGM will accept this, this proposal. As you remember, our thinking has always been to make the dividend fully sustainable. So first of all, we've already indicated that 48 grosz is the floor to be paid in 2025 from 24 results. So that's one measure of sustainability. And then if you remember, we've always said, you know, that when thinking about dividends, we're looking at the long-term prospects for the operating profitability, cash generation, and also the longer-term prospects for leverage. So we don't only look at the leverage that we have right now, the 1.2x times, we look at the possible actions that we, that we may or may not want to take in the next years. And, and here we come to the question that you asked about leverage. So it's good to have the sound business balance sheet and business case. This allows, gives us the flexibility, should we want to, to, and should there be an opportunity to engage in value-creative non-organic activity? And, you know, obviously when we're thinking three, four years ahead, we keep somewhere in the back of our minds that the possibility to reconsolidate the FiberCo, as you have mentioned right now, they, you know, the depth level is already material and it will increase. I think we've, we've mentioned that this is a 3 billion zloty full debt facility, which was, which was set up at the inception of the, of the FiberCo. So this is something which, if we were to decide to exercise it, and it's, you know, I will not comment on the probability today, because this is a decision that we will be able to take between 2027 to 2029. You know, we need to have the adequate flexibility to be actually in the position to consider this, this decision. So yes, it is always, you know, on our minds to, to be, to be in a position to, to, to have the flexibility to make inorganic moves that would create value for, for, for Orange Polska in the, in the long term. I hope that answers your question.

Dominik Niszczyński – analyst Trigon:

Yes. So can you maybe just remind us, you still have investment plans in JV for the next around two, three years, right, of this high level spending, and then it should, should drop significantly, because when we take like half of this cash flow in JV and attributes to your organic cash flow, your dividend this year would be already higher than, than your cash flow, right? So can you just comment on this, this medium term prospects, just a reminder?

Jacek Kunicki - CFO:

I think for, for the, for the FiberCo, yes, the, the investment horizon of the FiberCo is until the end of 2025 with some, you know, there is a possibility, of course, of some investments being slightly delayed, but today it's until the end of 2025. And if you're asking about our prospects and thinking about the dividend going forward, of course, we will address it in the next strategy on which we will be working on this year. So, so we, we should come back and present a new strategy early next year, and inevitably this will address the question of capital allocation and also dividends for shareholders.

Dominik Niszczyński – analyst Trigon:

Thank you very much.

Leszek Iwaszko – Head of Investor Relations

Thank you very much. Our next question will be coming from the line of Rohit Modi from Citi. Rohit, your line is open, please, please ask your question slowly if you can, please.

Rohit Modi – analyst Citi:

Thank you for taking my question. Most of them has already been answered. Just two from my side. First, on the guidance, the revenue guidance of low single digit looks like slightly conservative compared to you had recent growth last year. And given what you said around B2C and ARPU growth, which looks like you have a better revenue, better ARPU growth there, what's driving this, you know, lower revenue growth guidance this year? What are the key factors? Are you seeing more demand or just the competition or any other factors? Second, if you can please give any color around Fibre Co in terms of what is the take up you're seeing, take up rate you're seeing at the Fibre Co, what percentage of your current net ads coming from Fibre Co footprint and what percentage is coming from your own footprints? Thank you.

Jacek Kunicki - CFO:

With the revenue guidance, I think you will see us being quite confident on our ability to continue to deliver this low to mid single digit growth of revenues coming from core telecom services. I think this is very important. It is something which is the main driver of the direct margin that we generate and therefore the profitability that we are able to ultimately enjoy. When it comes to other revenue lines, you will see trends which are a bit less predictable or they are under different, I would say, pressures. We do have considerable amount of revenues coming from energy trading activity. You will have seen energy prices fluctuating strongly. You see that energy prices are down year over year when we compare even January to January of last year. This is not a revenue line which will continue to have the type of dynamics that we have been observing. On the equipment front, the equipment was strongly supported by growth, both coming from the structure of handsets but also from the value strategy within the handsets that we have been selling last year. It is going to be quite difficult to repeat the same type of dynamics in the full year of 2024, hence the low single digit. I think we need to, if we go back a year, we were much less confident about revenue growth when we were guiding for 2023. If I'm correct, this was flat to low single digits which we then have upgraded. It is something on which I don't see a change of trend, not on the key revenue drivers. It's rather the equipment or energy and other, I would say, non-core telco revenue drivers that are a bit less difficult to be predicted for this. In terms of the Fiber Co., I think it's fair to say they have a footprint now of 1.7 million households within reach. They have just about 440,000 customers. This is an entity which is progressing. Obviously, right now, the main focus is to build on time at budget in the geographies that we want to build and to achieve, reach a network that will be an attractive investment for us and a big opportunity to grow our retail presence and make our share of the wholesale profits that this entity will generate.

Rohit Modi – analyst Citi

Thank you so much.

Leszek Iwaszko – Head of Investor Relations

Thank you. We received two questions via web platform. The first question from Jakub Viscardi

from DM BOS has already been addressed, I believe. This is a question on the moving parts regarding dividend and the leverage. It's very similar to the question that Dominik asked. I will skip this question. Another question from Piotr Raciborski from Wood&Co. What level of 5G rollout related CAPEX do you expect to record in 2024 and 2025? That's the first question. The second question, do you see room for further mobile and fixed broadband prices growth? When do you expect to increase prices again?

Ludmila Climoc - CEO:

Yeah, I can start and very quickly answer on the second part of the question. Of course, we will not give any insights on our commercial decisions. You will see it when it will be implemented on the market and I can just reiterate that we are committed to pursue our value strategy. And Jacek, you want to take the question on CAPEX?

Jacek Kunicki - CFO:

I think on the pricing moves, we anticipated the question, so we actually increased prices in January. Yes, to please the audience. Yes, it is continued. On a serious note, 5G we did mention. If we take 5G and RAN renewal together, because this is how we look at this program, we've spent around 700 million zloty on this to date. It's to roll out 5G and to renew the access network for the mobile. We have another, let's say, 1.1 billion zloty to be spent. And this will be predominantly spent in 2024-25, with some CAPEX probably being still left to be finalized in 2026. So 1.1 billion zloty. Of course, the exact amounts will really depend on many factors, but you could imagine greater parts of this in 2024-25.

Leszek Iwaszko – Head of Investor Relations

It appears we have no further questions, so thank you very much for your attention, for watching us. If you have any follow-up questions, please do not hesitate to contact us. Otherwise, see you again on the conference summarizing Q1 results in April. Thank you and goodbye. Have a good day. Thank you very much. Thank you.