

Moderator:

Leszek, please go ahead, you are live.

**Leszek Iwaszko – Head of IR:**

Hello, good morning, everyone. Welcome to the Orange Polska conference summarizing results of 2024. We'll also summarize our .Grow strategy. The format of the presentation will be a management team presentation followed by the Q&A session. Let me introduce speakers for today, starting with Liudmila Climoc, our CEO, Bożena Leśniewska, Deputy CEO in charge of Business Market, Jola Dudek, Deputy CEO in charge of Consumer Market, Jacek Kunicki, CFO, and Maciej Nowohoński, Management Board member in charge of Wholesale Market. And we have also with us Witold Drozd, responsible for Corporate Strategy, who will join us for the Q&A session. Let me now hand the floor to Liudmila to begin the presentation.

**Liudmila Climoc – CEO:**

Thank you, Leszek. Good morning and welcome, everyone, to our today's event. And we will start with the key highlights for 2024 results. I have the pleasure to report on a very solid performance for Orange Polska for last year, as we have delivered on all our objectives. And there are three areas of our performance which I would like to underline, starting with strong commercial performance. For 2024, we are reporting again the simultaneous increase of number of customers on all key telco products and of ARPO, particularly good in the consumer segment. And it is fundamental, as it brings the main contribution to growth of our revenues and growth of profits. On the enterprise segment, we were coping with challenging macro-environments. We are looking to gradually rejuvenate the growth in IT&S area, as we speak. In wholesale, we made full opening of our fiber network to other operators. This will boost monetization of our network and will limit the risk of overbuilds. I'm particularly proud that our customers have rewarded our efforts. In 2024, net promoter score improved across all segments, allowing us to secure the top position on the market. This reinforced our dedication to a customer-first approach in everything we do. Secondly, we made an important step to secure our leadership in connectivity for our customers. After the first year of rollout, 5G network on the newly acquired C-band spectrum is already available for 40% of population in Poland. This enables our customers to enjoy best of 5G with faster response and higher speeds. In parallel, we are advancing renewal of our radio access network. This project will be completed this year. And as we deploy new radio, it brings immediately the improved quality to our customers. And also, it is enabling us for better, more effective use of spectrum. In fiber, we have simultaneously expanded the coverage and brought the service quality up to a new standard. Thanks to XGS-PON technology launched in 2024, we address the needs of the most demanding customers. As a result, our financials were very solid. Growth of revenues from core telecom services, which has been exceeding 5% for a full year. And this was the major driver for 4.6% of EBITDAaL growth, which further was translated into the higher net income and close to \$1 billion of generated cash.

Let's make a zoom now on commercial performance. Commercial success is the essential driver for our profit generation. And namely, simultaneous growth of customer basis and therefore on key telecom services. In convergence, which is the core of our strategy for households, we maintained a strong 5% year-over-year growth of the customer base, even with the improved dynamic of net additions versus a year ago. It confirms our right marketing approach to address the diverse competitive landscape. ARPO has been accelerating to more than 4%, reflecting our value approach in pricing, but also good demand for TV content and higher options for fiber speeds, which are now more and more popular among our customers. Growth in convergence is supported by continued growth of fiber. Fiber customer base has been increasing 16% year-over-year. It also includes 42,000 customers added from acquisitions of local fiber operators. We were more active in this area last year. In mobile, we expanded customer base by a quarter of a million. Thanks to contributions of all brands on the consumer market and solid performance on SOHO segment in business. Here again, it was another year with ARPO growth as we are consistently executing on our value strategy. Going forward, we target to keep this good momentum. And I want to thank you for now and hand over the floor to Jacek.

**Jacek Kunicki – CFO:**

Thank you, Liudmila. Good morning, everyone. Our financial results were strong as we visibly increased profit and delivered almost one billion zloty of organic cash flows. The headline revenue figure decreased year-over-year due to a drop of low margin product lines. However, revenues from value-attractive core services grew by more than 5% driving up our overall direct margin. We maintained a high operating leverage and converted this direct margin growth into profit. As a result, our EBITDAAL increased by over 4.5%. We exercised discipline in capital expenses and translated the EBITDAAL to a solid net income and organic cash flows. Finally, we further increased the return on capital employed, a key measure of value creation and capital efficiency.

Let's now take a very quick look at how we performed versus our guidance. As you can see, we've achieved our 2024 financial objectives. With a low single-digit contraction of the top line, with a mid-single-digit growth of the EBITDAAL, so at the higher end of the guidance, and with the e-CAPEX right in the middle of the guidance range. Obviously, the very good 2024 results create an elevated point of reference for 2025. But as you will hear from Liudmila later on, we're happy to take this challenge and continue the growth journey of Orange Polska.

Let's now review our results in more detail, starting with the top line. Here, you can see the revenue evolution in the last quarter of 2024. What is really important is the 6% growth of the core telecom services, which are absolutely key to our direct margin. We're consistently improving the growth trajectory through a simultaneous increase of the customer bases and the ARPOs. This is possible due to increasing fiber base, due to additional services upsold to our customers, and due to smart customer value management in our commercial activity. Now on to revenues from IT&IS. These have increased quarter over quarter by over 50%, or 180 million zlotys, as we closed some important projects before the year ended. It was not enough to match the level in the last quarter of 2023, but we definitely entered 2025 with a better sales

momentum in this line. To sum up on the top line, we're very happy with the pace of growth of core telecom services. We're satisfied with the progress made in IT&IS services, as we observed a better momentum here.

Let's now turn to profitability. Our EBITDAaL increased by almost 7% year on year in the last quarter of 2024, driving the full year results to a 4.6% increase. We are very happy with this performance. The increase was driven by higher direct margin, stemming from the consistent growth of our core business. This was coupled with a slight decrease of indirect costs in 2024. On the one hand, costs were driven up by inflationary pressures and growth of the minimum wage. On the other hand, they were contained by cost savings and higher income from the fiber rollout that we do for the Fiberco. This last element brought us significant benefits in 2024, and we anticipate further solid margins from this going forward, both in 2025 and beyond, as we plan to further extend the footprint of Swiatlowod Inwestycje. To recap on the EBITDAAL, we delivered an excellent growth in 2024, over 4.5%. It was achieved by growth of core telecom services, so it's sustainable in nature, and we mitigated the impact of headwinds with savings and with fiber rollout margin efficiency levers that we will also use in the future.

Let's now take a quick look at net income. We achieved over \$900 million of net income in 2024, as it increased by 12%. It was driven up by higher EBITDAAL and by lower costs of employee termination programs, as we provided for the current social plan still in 2023. These gains were offset by higher financial costs and by higher depreciation linked with the new 5G license.

Let's now move on to CapEx. Our economic CapEx amounted to 1.8 billion zlotys in 2024. We invested into critical, value-creating assets. This includes almost 230 million zloty investments in fiber, including EU-subsidized rollouts in the white zones and connections of retail customers. It also includes over 500 million zlotys of investments in mobile. Here, we reached a full run rate of 5G deployment and progressed well with renewal of the radio access network. This latter part will be finalized in 2025. These areas are key for our development, and we're absolutely confident about the returns that we will be able to generate on these investments.

Let's conclude the financial review with a quick look at cash flow. We're pleased with almost 1 billion zloty of organic cash flow last year. It was generated by a significant growth of cash from operating activity, driven predominantly by higher EBITDAAL. This was then offset by a different evolution of working capital requirements between the two years, with a normalized level in 2024 as compared to an exceptional reduction of working capital requirements in 2023. My takeaway for organic cash flow is that we're happy with cash generation, close to the 1 billion zloty mark. We're pleased that the growth of the OCF comes from operating activity, making it sustainable for the future. As you can see, we've also presented the free cash flows. It is important, an important measure, as it shows the all-in cash generation of Orange Polska. It includes fees that are less recurrent by nature, like spectrum payments or EU subsidies, so we will continue to focus predominantly on the organic cash flows, but we'll also include the free cash flow in our regular reporting from now on. With this, I will conclude the review of 2024 results and hand the floor back to Liudmila. Thank you.

**Liudmila Climoc - CEO:**

Thank you, Jacek. And as 2024 is an important milestone year for us, it is marking out the successful completion of our .Grow strategy, which we have announced in 2021, so it's time for a summary. In essence, this strategy was all about commercial growth, growth in convergence, in mobile, in fiber, in wholesale, in IT&IS. And performance achieved on all these areas was excellent. First, we have significantly increased customer basis simultaneously with ARPOs. We monetize our assets and investments with good execution of value strategies. As outcome, we achieved a 25% growth of revenues from core telco retail services during the plan. Secondly, we began to grab business opportunities in wholesale, reaching 60% revenue growth. And third, we excelled in providing IT&S solutions for digital transformation for Polish businesses, which resulted again in 60% increase of revenues, overperforming the growth of the market.

Announcing .Grow, we said that for us it is a value creation journey. And indeed, value creation from commercial engines was significant. Offsetting the huge cost headwinds stemming from inflation and energy prices. And these source of growth make it much more sustainable for the future. As a result, we have achieved high financial outputs and we have returned to sustainable dividend payments, building value for our shareholders. In addition to robust financial performance, we also have delivered on a number of environmental and social goals. The most important was 78% decrease of CO2 emissions in the scope 1 and 2 versus the baseline, which we had in 2015. To sum up, the growth strategy, .Grow strategy has positioned Orange Polska as a leader across all key market segments. The net promoter score recognition, which I have commented earlier, confirms our customer trust in Orange Polska. And the success of all these achievements of the last four years would not have been possible without the dedicated efforts of our teams. And I extend my gratitude to all employees of Orange Polska.

And now coming back to the core of our value creation. Throughout the .Grow strategy, all three commercial engines have delivered the growth of revenues and of the direct margin, each and everyone. And as you can see, it was consistently growing value in every year of the strategy implementation. And I will now hand over to my colleagues to zoom in on the performance in respective markets.

**Jola Dudek – VP in charge of consumer market:**

Good morning. Convergence is a cornerstone of our commercial strategy in the B2C area. We initiated convergence strategy a few years earlier, but in .Grow, it really blossomed and delivered a lot of value. Convergence allows us to sell multiple services to a customer, satisfying his needs and maximizing the total business with the client. From the customer's point of view, it allows them to meet their needs in one shop, thanks to a simple offer that gives an additional discount compared to stand-alone prices. This win-win situation results in higher customer ARPO and also in increased customer loyalty. During .Grow, we have increased the convergent customer base by 20%. And I'm pleased that we have simultaneously increased the ARPO from convergence by 18% due to value strategy, growing base of fiber and popularity of higher speed options. This combination of value and volume growth translated into almost 50% growth of convergence revenue over the last four years. These results are even more appealing, taking into account that competition in convergence has significantly intensified over the past few

years. What was definitely critical for the success of convergence was the expanding the fiber footprint.

Let's look at that on the next slide. Fiber is a key asset in our commercial activity. It is a powerful tool to build long-term relationships with the customer and increase value to an upsell of more services supporting convergence. Fiber from orange is now reaching around 9 million Polish households. We have extended the footprint faster than we had assumed in .Grow. The key enabler for this was the rollout made by our Fiber Co JV, but we are also extending our own network with projects using EU subsidies to deliver fiber to wide zones. Equally important is that we have significantly improved the monetization of our fiber investments through both in retail and wholesale activity. This is visible through higher saturation of our fiber network. We have achieved it despite fierce market competition, as we have benefited from strong demand for fast, reliable internet, successfully adjusted our marketing strategy to address local competitive battles, addressed the need for speed. Liudmila mentioned earlier today our offer with a speed of 8 Gbps, showcasing our quality leadership.

Switching now to the mobile. Our mobile customer base increased by more than 1 million during .Grow. It is a substantial achievement, given that we are operating on a mature and very competitive market. There are several drivers for that. On B2B we are a key player in all segments of this market. Bożena will tell you more on that in a moment. On B2C we are addressing the needs of different customer groups and we benefit from the strength of Orange brand. Main brand is complemented by very well performing B brand Nju and digital offer Orange Flex, which increased its customer base almost 4 times during .Grow. Precondition to the success is customer happy with connectivity experience. Quality and performance of our mobile network is essential to answer to constantly increasing data consumption, with significantly increased coverage and quality of LTE network. 5G c-band spectrum has doubled our total resources and as we speak is boosting capacity of our network. As a result data downloads speed increased 4.5 times and we reduced number of congested sites. Customers appreciated that as evidenced by our return to Net Promoter Score number 1 position. Quality of our mobile network was an important facilitator of our more for more value strategy in commercial offers. It was the key driver for mobile ARPO growth, which was consistently increasing year by year. Thank you and I hand the floor to Bożena.

**Bożena Leśniewska – VP in charge of business market:**

Good morning, still good morning. In the dynamic landscape of the business market in last 4 years we solidified our leadership position in the telco sector and at the same time enhanced our role as integrator and digital solutions provider. Let's begin with our core telco business. We delivered on our commitments across all business lines. In mobile we enhanced our offering by focusing on customer experience and implementing a more for more strategy. This approach yielded positive results. Both ARPO and our customer base expanded significantly. Consequently, we achieved a remarkable 26% increase in mobile revenue. Our mobile offerings for business became the preferred choice throughout the period as evidenced by a 32% market share according to our estimates, obviously. Simultaneously, we addressed the growing demand for high-speed internet which is crucial for the digitization of businesses. We doubled

our fiber customer base and increased the share of fiber in our fixed broadband base. ARPO rise by 11% and revenue from fixed broadband increased by 20%. In the area of data transmission we faced the challenge of customers transitioning from legacy systems to more advanced solutions. We embraced this challenge by focusing on innovations based on our fiber network and software defined WAN. This strategic pivot led us to 3% growth in the data transmission sector and strengthened our position as the preferred provider of network solutions reflected in our 58% market share. To summarize, despite the 40% decline in legacy narrowband the overall revenue from B2B telco services grew by 10%. This resilience showcased our ability to adopt and thrive in a rapidly changing market landscape providing that our .Grow strategy was not just about numbers but about the fundamental shift in how we approach our business.

Let's move to the page 21. During the .Grow timeline, we experienced significant fluctuations in the IT and integrated services market. From the post-pandemic boom of digital transformation across all business sectors to a slowdown influenced by major tech layoffs and political shift in Poland. We demonstrated our ability to thrive in these circumstances thanks to our diversified competencies and expertise in end-to-end integration and digital services. These resulted in a 60% growth in revenue. Orange Polska and our IT subsidiaries were ranked among the top service integrators in Poland with the highest growth observed in cybersecurity and software development. In response to the increasing need for protection against cyber threats we expanded our range of cybersecurity services which includes threat intelligence, managed security services, incident response, vulnerability management and obviously education on cybersecurity best practices. These services provided by Integrated Solutions and Orange Polska teams resulted in revenue from cybersecurity domain increasing by over 2.5 times. Our software subsidiaries, Bluesoft and Craftware significantly increased their revenue from software development and technology solutions helping businesses leverage technology to improve efficiency and thrive in the digital era. Our expertise in customized software development has been further enhanced by cloud, data and AI solutions. The expansion into Internet of Things for industry and smart green solutions marked another significant milestone. We increased our presence in smart city solutions from 80 cities in 2020 to 150 in 2024. Additionally, we deployed a range of IoT solutions for transportation, logistics centers, retail and media with the number of machine-to-machine SIM cards used for IoT development exceeding 4 million. Thank you and I hand the floor to Maciek.

**Maciej Nowohonski – MB member in charge of wholesale market:**

Thank you Bożena. Hello everyone. Back in 2020 we have decided to pursue a new opening for our wholesale line of business. We did it successfully. Let's see how we managed to deliver success. And here the market context is important. In the last five years, telco market in Poland evolved quickly towards more fiber-based and more 5G-based connectivity. This evolution requires costly investments from each operator that has the strategy of growth. Our wholesale value proposition became for such operators a true alternative to their own investments. Our infrastructure is available now on a commercial basis to all operators. Wholesale access to fiber, high-capacity data transmission, long-haul fiber links, telecom ducts and poles and mobile connectivity to such solutions like, for example, MVNO. Versus 2020, we have multiplied

volumes of infrastructure source to other telco players. The facts presented on the slide are self-explanatory. These achievements would not be possible without many improvements in the business model that we have implemented. This is, in fact, a story of rapid digitalization, automation, process simplification and focus on customer experience. Now our customers perceive us as true business partners and recommend our services to the others. A special attention needs to be made to the success of Światłowód Inwestycje, which is an open market FiberCo.JV co-controlled by Orange Polska and established back in 2021. As you recall, then we have decided that there will be a light business model applied in FiberCo. Almost all operations were outsourced to either Orange Polska or externally. And this model proved to be very successful. We are pleased with cooperation with our investment partner. We are pleased with the operational results, both in terms of network construction and commercialization. Thank you and I hand the floor back to Liudmila.

**Liudmila Climoc - CEO:**

Thank you, Maciej. After reviewing their commercial activities, I want to have a look on the transformation results. Transformation is another key area contributing to our value creation. The need to grow efficiency has dramatically increased over the past few years due to a record high inflation and due to the surge of energy prices following Russian aggression in Ukraine. Nobody was anticipating such events in 2021 when we launched our .Grow plan. We have pursued cost transformation across all our business models. And you can see several examples on the slide. And let me mention just two areas. First is digital acceleration. We have reached our ambition to run 25% of sales via digital channels, which answers to customer needs for simple digital interactions and brings efficiency gains for us. The key lever here is our mobile app, which is now used by three times more customers versus what we had at the beginning of the plan. We now use as well AI to drive customer value management, which is improving customer loyalty and builds higher value for us. We have massively adopted the robotic process automation across the company, allowing us to save costs and to re-skill our people. The second area which I want to underline is energy supplies. Facing the unprecedented energy shock in 2022, we mobilized our efforts to increase the share of green energy in our consumption mix. As a result, we have a portfolio of green PPAs that secure more than 60% of our energy needs, even going beyond by 2030. And at better prices versus currency available on the market. And this last topic connects us to ESG.

And let's zoom on it for a moment on the next slide. Corporate social responsibility is in our DNA, in the DNA of Orange Polska, and it was one of the main pillars of the .GROW plan. Four years ago, as we set our ambitious ESG goals, now we are proud to look on the results. I have mentioned already CO2 emissions. The objective to reduce it with two-thirds versus 2015 baseline seemed like a huge challenge. But today we state that we actually have overachieved it. We see from another side our purpose in empowering people in a safe digital world in decreasing digital divide. So in addition to our focus on expanding highly performing superfast network, bringing them closer to more people in Poland, we have conducted educational programs on digital skills, on responsible and safe use of new technologies for half a million of beneficiaries. By doing this, I'm convinced that we are making a real difference and we are contributing to the development of Polish society and economy. And I hand over the floor to

Jacek to sum up on the financial performance of the .GROW plan.

**Jacek Kunicki – CFO:**

Thank you again. I singled out five key metrics that underscore the great value creation which we have achieved during .GROW. I believe that these figures speak for themselves. We grew revenues by 1.2 billion zloty since 2020. We grew the EBITDAAL by over half a billion zloty despite unprecedented inflationary pressures and challenges from the rising cost of energy. We grew cash generation by over 50% and we halved our financial leverage. Finally, we achieved a fundamental improvement of the return on capital employed, raising it from 1.6% in 2020 to nearly 8% in 2024. This leap in performance has also enabled us to return to sustainable and growing dividends which we are pleased to offer to shareholders.

Let's now compare the .GROW financial outputs with our mid-term guidance. .GROW was always about increasing revenues and translating this growth through operating leverage into a low-to-mid single-digit increase of the EBITDAAL. Next, by keeping a stable capex, we plan to boost cash generation and the return on capital employed all while maintaining a safe and sound balance sheet. The results show that we have done exactly as committed. Revenues and EBITDAAL growth is at the high end of the guidance. Capex spending is at its lowest and we have increased the return on capital employed by 5 times. We are really pleased with the value creation generated by .GROW. We are already set on a new wave of growth for the future, but this is where I will hand the floor back to Liudmila for the outlook on 2025. Thank you very much.

**Liudmila Climoc - CEO**

Thank you. So, as we have summarized on the results, and yes, we go to slide 28 on the priorities for 2025. So, first of all, growth of core business remains the main goal. We aim to sustain the good momentum in convergence in mobile and fiber. Our second priority is to rejuvenate the growth in business segment and particularly in IT&IS services. Macro environment, obviously, is an important factor here that can impact us, but we are adjusting ourselves in order to better address customer needs in this area. We will further enhance connectivity experience for our customers. So, this is our third priority by investing in 5G network, expanding our fiber footprint. As part of this, you are aware that we are participating in the 5G spectrum auction for 700 megahertz band. And 2025 is an important year for us as it is the first year of new strategic period. We are looking forward to presenting our mid-term strategy to you next month during a dedicated event.

Now, let's see how this agenda translates into the financial targets for 2025. So, growth remains our main objective for this year. Our revenues will grow, benefiting from the strength of our commercial plan. And we are confident to create value from revenue expansion in 2025. While we are guiding for growth on the total revenues, what is really essential is to keep the growth pace of core telco services. This is and will be the main growth driver for our profits. As you have seen, our EBITDAAL increased by a strong 4.6% in 2024, above market expectations. Obviously, this raises the bar high for us for 2025. However, we are confident to increase the direct margin and keep our cost discipline, and we will guide for another sequential year of



EBITDAAL growth. And this is the key for further value creation by Orange Polska. The capex guidance reflects investment in key areas needed for the future. So, the 5G network rollout, completion of our radio network renewal, fiber rollout in white zones supported by EU subsidies, solid proceeds from disposal of real estate. The definition excludes the acquisition of mobile spectrum, obviously. And finally, let's have a look, based on this picture, at our dividend proposals, as it is an important factor that we will share the generated profits with our shareholders.

As presented today, we have successfully completed our four-year strategy and delivered on our objectives for 2024. We recommend a cash dividend of 53 groszy per share from 2024 profits. This is a 10% increase versus last year, and it is the third consecutive increase of the dividend after we reinstalled it in 2022. If we look on this period, the dividend has more than doubled since we reinstalled it. I am pleased that our performance and balance sheets allow us to increase again the dividend, even in the year in which the spectrum auction will consume a substantial part of our cash flow. This underscores our commitment to grow shareholder returns year after year on a sustainable basis. We will present the dividend policy for years to come, together with our new mid-term strategy. Today, I can assure you that we are taking every effort to be in a position to increase dividends further in the future. This concludes our presentation and we are here now ready to take your questions.

**Leszek Iwaszko – Head of IR:**

Thank you. We will now move to the Q&A session. If you are dialed in via the phone and would like to ask a question, please press star 2 on the keypad and wait for your name to be called. You may also ask a question, a voice or text question using the webcast window. So again, to ask a question, press star 2 on the keypad or press the question button on the platform. Our first question comes from the line of Rohit Modi from Citi. Rohit, your line is open. Please go ahead with your question.

**Rohit Modi - Citi:**

Thank you, Leszek. Firstly, congratulations on the results and thank you for the opportunity. A couple of questions on my side, if that's okay. Firstly, on your EBITDA growth this quarter and this year, there has been an element of margins you make on fiber rollout for the Fibre Co. If you can guide us in terms of, for the next year you see low single-digit growth, is there any element of enhanced fiber rollout that you're doing for Fibre Co. that's benefiting EBITDA or that's coming basically from the whole business? Then, actually, beyond 2025 in terms of your mid-term outlook, I know you'll be giving the mid-term outlook later, but in terms of a bit more color, you might be ending your fiber rollout in some time. Your contract with the Fibre Co., that's kind of going to be a headwind that's coming up for you on EBITDA. Similarly, your roaming contract with Iliad is supposed to come to an end in 2026. That's a bit of a headwind that's coming on the EBITDA side for you in the mid-term. In terms of more color, how do you look at it? And then, lastly, on the Capex side, it will give a bit of color what are the areas you're focusing on for next year and if you're not doing much of fiber on the whole Co. side, meaning on the fiber side, where this Capex is going. Thank you.

**Jacek Kunicki - CFO:**

Thank you for your questions. I guess it's fair to say when we're looking at the EBITDA guidance and we're thinking about the EBITDA going forward, what we need to remember is 2024 EBITDA growth first of all came from the successful commercial activity. And this is the main factor that we intend to keep. And this is what makes the EBITDA growth sustainable. It relies on the core business, it relies on the growth of key customer bases and key ARPO indicators from the core business. And this will also constitute the main growth driver for 2025. In terms of the less recurrent factors, obviously we've seen the one-off in Q3 linked with the capitalization of customer access costs. We've seen the higher profits of network rollout for the fiberco. Yes, these are not fully recurrent, even if what we are aware is we're continuing the project of fiber rollout in 2025 with the fiber Co. So we do intend to have another year where we will have margins coming from this project. And we are planning to further extend the footprint of Swiatlowod Iwestycje, meaning there will be another rollout in 2026 and beyond. I hope that answers your question about when will this contract end. It doesn't end yet. Then, I think we need to remember that we also had a number of headwind this year that are not as repetitive in nature next year. First of all, we've seen the steep fall of profits from the energy trading unit. And this energy trading unit had above average exceptional profits in 2023. These were not repeated in 2024. So it gave us a year-over-year headwind. This will not be repeated in 2025. And also, we are aware that inflationary pressures are still with us, but at a diminishing scale versus what we have of this in 2024 that was still coming out of very high inflation numbers from 2023. Here we need to remember that some of our contracts are indexed to the prior year inflation. So in 2024, we were indexing the cost of these contracts by the double-digit inflation in 2023. And also, we need to remember that the minimum wage was under a huge pressure in 2024, much bigger than it will be in 2025. So some of the headwinds are also not going to be repeated in 2025. And as Liudmila mentioned, yes, 2024, it is a very high bar. It's an elevated point of reference. But we are confident that the core business growth is robust enough that we can continue to grow the EBITDAAL in 2025. And then, I think on the Iliad, this was more, this contract we will not comment on this precise contract it lasts until 2026 so it's not a matter of 25, it's rather a matter of 2026. And I believe we will give you more thoughts on the mid-term guidance in roughly one month's time when we will present the new strategy. I think it is best to show you the thinking about the financials going forward when this is accompanied by the commercial plan, by the investment plan and by the transformation plan that will make the financials work out in the future. So just a bit of more patience. And then if you could repeat your last question, I believe this was on CapEx. I think that the CapEx on 2025 will continue to be well, it will be within the guided range so you can see that this is roughly comparable to what we are spending right now. We will continue to invest in the EU subsidized fiber rollout. This is a program that will definitely be progressing next year and we will continue to invest heavily into the mobile, both rolling out the 5G network but also finalizing the radio access renewal. This is a project that was long overdue and that this network was rolled out 12 to 14 years ago so it's high time for us to replace it. We always thought about making this replacement program renewal program together with the 5G rollout because it makes economic sense not to visit the same base station twice and so we're conducting it now. We're conducting it at speed and this is what is going to be still visible in the CapEx of 2025.

**Rohit Modi - Citi**

Thank you very much.

**Leszek Iwaszko – Head of IR:**

Thank you. We are taking questions as we were receiving them. Next question came online from Maciej Bobrowski from BDM. There are two questions.

First is on the labor expenses. Could you please provide further details on the labor expenses incurred in Q4? Could you explain why these costs were 3.5% lower than in the previous year? Is this the start of the new trend in this position that could be seen in 2025 results? That's the first question. The second question what are your thoughts on the pricing strategies of mobile and fibre service providers? Do you see an increase in aggressive price promotions compared to previous quarters? Actually, there is a third question. There are three questions. The third question. In 2025 Orange France aims to achieve EBITDAaL growth of around 3% year on year. Does Orange Polska have the potential to show higher dynamics than its parent company Orange France?

**Liudmila Climoc - CEO:**

Yes. Maybe we start with commercials. Obviously, we know how competitive is the Polish market. Particularly, we have seen in recent years becoming more and more competitive in the convergence area. There are several big players offering fully convergence offers to customers. We don't expect the environment dramatically to change. Although, obviously, we will not comment on the policies of our competitors future looking on the Orange and on the ambition for the growth. We are confident in our ability to deliver further value creation as we were reflecting to the guidance and we will see what will be the exact numbers. Jacek, back to you on labor costs.

**Jacek Kunicki - CFO:**

Thanks for the question. It's very relevant. The Q4 was helped by some non-recurring elements linked with utilization of the holiday pay provision and also with some changes to the employee profit sharing provisions. If you were to take those out and look at the labor costs without these elements, we would have registered a growth of about 3-4%. This is quarter 4 year-over-year without those elements. Obviously, on the one hand, we were getting financial benefits of a lower employment, but on the other hand, the market was as it was and we are giving pay rises so the pay rises are offsetting the financial benefits of lower employment. And I think just adding on to one more thing on the guidance, obviously, we will try to grow as fast as we can and as much as we can and this is reflected in our guidance. Please do remember that the faster we grow, the more that we also have to help with the growth of the overall Orange group EBITDA. We are fully consolidated into those results. So, we do hope to maximize both our numbers and the numbers for the Orange group.

**Leszek Iwaszko – Head of IR:**

Thank you. Next will be voice questions coming from the line of Marcin Nowak from IPOPEMA. Marcin, your line is open.

**Marcin Nowak - IPOPEMA:**

Good morning. Good afternoon. Thank you for the presentation. Two questions from me. The first one, noticing that you do not consider that you have met the leverage target in the .Grow strategy, could you please point us to the potential threats that we may see forward that actually mean that the unions are now to pay higher dividends given the current leverage versus your long-term or mid-term plans? And the second question, where do you see your year-on-year dynamic of core telecom services revenues in the following years? Thank you.

**Jacek Kunicki - CFO:**

I guess we can start with leverage. We are at a leverage of 1.1 times right now. We are happy, on the one hand, to have halved it. We obviously note that this is not exactly in the corridor of the outlook that we gave when guiding for the mid-term plan back in 2021. I think the decrease of the leverage came predominantly thanks to very good organic cash flow generation that we have achieved over this period. So this is where we are happy with our ability to generate cash. It also was helped by the highly value-added transaction that we did when we sold 50% of Swiatlowod Inwestycje back in 2021. When considering leverage versus what we thought in 2021, we need to remember, obviously, that the whole process of spectrum distribution, both for the C-band and for the 700MHz that is up for distribution right now, was heavily delayed over time. So you could imagine even knowing the conditions of the existing options, that had this been accelerated over time, we would have been with a greater leverage, both due to the price that we would have paid for this 700MHz option and this is still ahead of us, and also because of the traffic that would have been consumed for the rollout that follows this option. So this is an important element to consider and it's important to consider that the cash outlay for the auction is always an uncertainty. We are in the process. We need to wait for the process to end. Definitely we will have much greater clarity on the leverage and on the future cash flows when we are thinking about the free cash flows after the option will be behind us. And then, you know, in addition, I did mention the very positive contribution of the sale of Swiatlowod Inwestycje back in 2021 for the leverage. We do remember that we do have an option to reconsolidate Swiatlowod Inwestycje between 2027 and 2029, so we do keep it in mind, knowing that such re-consolidation would increase the level of debt that we would take on the balance sheet. Regardless, if you are assuming that this is 100% or 50% of the debt that would be attributable to us, this would increase the leverage that you are observing in the financials right now. And then, regarding the core telecom services, well, we will not guide for this particular revenue line, but you can see from the past performance that this is a reliable, solid growth driver, and it is very critical that we keep up the good growth that we have seen over the last four quarters in order for this growth to translate into profit generation.

**Marcin Nowak - IPOPEMA**

Thank you very much.

**Leszek Iwaszko – Hea od IR:**

Thank you. Our next question is coming from the line of Paweł Puchalski from Santander. Paweł, your line is open. Please go ahead.

**Paweł Puchalski – Santander:**

Hello, can you hear me?

**Leszek Iwaszko – Head of IR:**

Yes.

**Paweł Puchalski - Santander:**

Some of my questions have already been answered. Still, I would like to dig in some details. At your presentation, you mentioned as one of your goals securing leadership in connectivity in the infrastructure and a moment ago, you've just told us that you need to have your balance sheet, well, unleveraged because you might take over Swiatlowod Inwestycje. So, my question is, will you take over Swiatlowod Inwestycje or that will be your plan presented in the strategy next month? Because that would be something important to build into our models. That would be the first question. The second question is again on Swiatlowod Inwestycje because well, I'm happy that you are delivering decent profits and one off on this investment and on your activity there. But would you consider well, moving it below EBITDAAL line because it is not core telco operations just like you did several years ago with real estate. That would be my second question and the third one is well, pretty obvious dividend per share. I would like to understand what is your logic behind setting annual goals. 10%. I noticed your net profit grew 10%. Your dividend is growing 10%. Can I assume that your future dividend would be changing in line with net profit or maybe in your update on mid-term strategy you would link dividend per share to any ratio? That would be all.

**Jacek Kunicki - CFO:**

I guess when it comes to the question of Swiatlowod Inwestycje this is a question that the answer doesn't change. We keep on getting it. Today we haven't decided whether we will exercise this option or not. We have the option available between 2027 and 2029. I think this is where we will be in a better position to decide. Today what I wanted to stress is that we need to keep the balance sheet optionality for this to be a real decision for us to be able to consider it in reality but we do not prejudge whether we will or we will not exercise this option at that given time. Then answering your question about moving it below the EBITDAAL, I think it is adequately presented right now. We don't present the income coming from this Fiber Rollout Agreement in revenues because this is not part of the core telecom activity. We present it in other operating income because it is. Please remember we have been doing this now for 4 years. We will do it for a 5th year. I just mentioned that we will continue with plan to continue a further rollout for some more years to go. This is really part of our operating activity. And then you made a reference to real estate. I think the main difference is when we sell real estate we sell something that we do not no longer use. On the other hand, we both present it as part of e-CAPEX Simultaneously with moving the gains from real estate disposal from EBITDAAL to below EBITDAAL. Remember that at the same time we were including the cash proceeds as part of CAPEX because we do really treat it as a transformation of our assets from legacy-based assets that we needed for the corporate services and just included a lot of real estate into the assets that we need for the future. Right now the focus obviously is on the mobile network on the spectrum and on the fiber infrastructure. So this was the reason behind that move and

Swiatlowod Inwestycje there is a fiber rollout that we are doing. It is well presented within the other operating activity that we do but this is multi-year task that involves a lot of people in the organization. It is really part of the operating activity of Orange Polska. And then for the dividend picture, I think what I would comment is that first of all the increase of the dividend that we have seen over the last year it is representing the big value creation and the increase of financial output that we have been able to deliver that we are proud to have been able to deliver during .Grow. We have been able to reinstate the dividends. We increased it three times. We have increased it by 10% in a year in which we know that there is a spectrum auction ahead of us which will consume a large amount of the organic cash flows so part of the dividends will be paid out of debt. And this is why we say that our dividends are sustainable. This is where we are happy to be in the position to propose a double-digit increase of the dividend even in a year with such big and still uncertain cash flow that is ahead of us. That would be my comment to the dividends. Going forward I propose that we discuss it in a one month time where we will discuss the dividends in the context of the strategy that we will deploy for the future.

**Paweł Puchalski - Santander:**

Thank you very much. I have one more question. May I?

**Jacek Kunicki - CFO:**

Sure.

**Paweł Puchalski - Santander:**

5G auction to come my question would be how much extra capex would be necessary to fill in all the regulatory obligations etc. How much capex from your side assuming that you win two spectrums and for how many years would it be spread?

**Jacek Kunicki - CFO:**

Thanks Paweł. That is a very relevant question but a bit too early because I would prefer not to comment on the ongoing auction process before it is finalized. We will be more than happy to discuss the overall capex assumption in one month time and more specifically the ones linked with the 5G acution as soon as the option is finalized. You will appreciate that we are under the constraints of this important process.

**Paweł Puchalski - Santander:**

Okay. Thank you very much.

**Leszek Iwaszko – Head of IR:**

Thank you. Next question is coming from the line of Dominik Niszczyński from Trigon. Dominik your line is open.

**Dominik Niszczyński - Trigon:**

Thank you. Some of my questions were answered but I would like to follow up on Rohit's question regarding Fiber Co. We excluded profits from cooperation with Fiber Co. in 24 and 25. Would you still guide for a low single digit EBITDA growth or would you expect a mid single digit

or maybe something in between?

**Jacek Kunicki - CFO:**

I think generally it is difficult for us to exclude the profits of one given transaction because then I would ask you also do we exclude the fall of the profits from Orange Energia between 23 and 24. The Fiber Co. rollout is an important and long term element of our operating activity. It has been with us for a number of years. It will remain with us for a number of years. This is 25 I think it will also be 26 and beyond. So for the mid term perspective we also treat it as part of our operating activity. Now obviously the magnitude of the profits will change from one year to another. It will depend on how much profits can we extract from this rollout. Right now in 2025 we are focused on finalizing the first rollout agreement. Obviously it is something that we will conclude and we will have another rollout agreement most likely in 2026. So I would not speak about these particular profits separately to the remaining part of the business. It is part of the operating profitability that we are delivering.

**Dominik Niszczyński - Trigon:**

Okay. Thank you. Next agreement. What could be the scale compared to the current one? Would it be half of this or similar or it's too early?

**Jacek Kunicki - CFO:**

I guess it's a bit early. The high level would be smaller but mostly tailored towards 2026. So it would not be as long of an agreement but then let's wait when we will conclude it. We will let you know what are the exact conditions and what we expect from this in the given period.

**Dominik Niszczyński - Trigon:**

Okay. The last question from my side. What is the roughly current market value of real estate that you still have for sale?

**Jacek Kunicki - CFO:**

I think what we can expect from real estate is we will continue to have good profits from real estate during 2025. It is an important element of our capex guidance. Regarding think the future will be more competitive in one month time. Do you want to complement something today?

**Maciej Nowohonski – MB member in charge of wholesale market**

Well, the amount that we will talk about in a month time of course it will not be equal to the amount that we have disposed in the perspective of the .Grow. You have seen the figures on the slide. It was over 600 million. If I look back even further from 2018 the figure is even higher. 1.5 billion of Polish Zloty. Definitely the real estate is not something that we produce or construct and we have rightly sized the efforts to the pace that we actually stop using them. I expect smaller figure than I mentioned. But let's talk about it a bit later.

**Leszek Iwaszko – Head of IR:**

Thank you Dominik. The last question that we see at the moment is coming from the line of Dawid Gorzynski from PKO BP. Please go ahead with the question.

**Dawid Gorzynski – PKO BP:**

Hi, can you hear me? Congratulations on these results. Many questions were answered but if you may I would like to understand a little bit the outlook for organic cash flow for this year. What I have in mind is over 1 billion level but I wonder if 1.1 billion for example is at reach in your opinion. So that would be the first question.

**Jacek Kunicki - CFO:**

Sure. You will appreciate that we don't form a guide for OCF but I will try to give you some elements that could help you model your own thinking about it. On the one hand we are guiding for a further increase of the EBITDAAL so that is definitely a plus. You will see that the capexes, the capex per guiding is probably that issue. The range is very similar as this year. So both of these should be giving some boost to the organic cash flow. On the other hand what we do see is that growing business will require more working capital requirements. This stems from two facts. First as we are expanding we need to invest more into accounts receivable linked with installments. There is also a cash profile of the fiber rollout agreement which is not evenly spread and I would say it is more it has been more front-end loaded so we have benefited more from this in 2023 and 2024 than we will benefit in 2025. So expect a growing EBITDAAL, expect capex which is probably within the guidance range and you can expect some additional pressure on the working capital requirements. That is when we are thinking about the organic cash flow. We've seen that debt is becoming a little bit more expensive so obviously that is something that is also putting a little bit pressure on the OCF and then going below the OCF the main question that we will have is how much of the OCF will be consumed by the spectrum acquisition. I think those are the main moving elements that we need to consider when thinking about the cash in 2025.

**Dawid Gorzynski – PKO BP:**

Okay, but the spectrum is excluded like from organic.

**Jacek Kunicki - CFO:**

From organic, yes. From organic is EBITDA up, capex within the guided range and some pressures on the working capital requirements.

**Dawid Gorzynski – PKO BP:**

Okay, second question on capex from 5G rollout like consumed so far in 2024. Could you give us some color on how much of if I'm right it was like 1 billion in total for 3 years so how much was consumed in 2024?

**Jacek Kunicki - CFO:**

I guess what we can say is that 2024 shows us the full I would say speed of the 5G rollout, annual speed of the 5G rollout. We will on the one hand complete the radio access network renewal plan in 2025 so that should ease the pressure going forward. On the other hand what we will have is most likely some capex linked with the rollout of 5G also on the newly acquired spectrum so going forward these are the main elements that we need to factor in. When you



think about 2025 itself I would not expect a huge change of the mobile capex versus 2024 number.

**Dawid Gorzynski – PKO BP:**

Okay, perfect. And last question on dividends. So as Paweł noticed there was quite significant slowdown in growth pace, year-on-year growth pace from like almost 40% year-on-year last year to 10% year-on-year this year and I just think if you should keep this 10% pace in mind like should that be some proxy for the future for us or not?

**Jacek Kunicki - CFO:**

I think what is really important for us is to really really focus on growing our financial output. So to create conditions in which the output will be there and we will be able to share the fruit of the next strategy with shareholders. I will not go into the dividend policy of the new plan but you can understand that the main focus is let's create a lot of value coming from EBITDAAL coming from organic cash flows so there is something to be shared. When you're thinking about the dividend that we are proposing to be paid in 2025 out of 2024 results, I mean yes you are comparing it to the previous levels of increase. On the other hand, I am really pleased that we are in a position to increase the dividend by double digits even in a year in which we are faced with an uncertain but very large cash outflow item linked with spectrum acquisition. So this is what we have always said that the dividend is sustainable and we are able to offer growth of the dividend in a year which is obviously handicapped with large cash outflow. So a double digit increase in 2025 well the dividend paid in 2025 out of 2024 is something that we are really pleased to offer to shareholders.

**Dawid Gorzynski – PKO BP:**

Okay, thank you for all the responses. That was all from my side.

**Jacek Kunicki - CFO:**

Thank you.

**Leszek Iwaszko – Head of IR:**

Thank you. It appears we have no further questions so thank you very much for listening and watching us today and see you all on the March 19th on the new strategy presentation. Thank you. Thank you very much. Thank you."