



Current Report 3/2021
Orange Polska S.A., Warsaw, Poland
17 February, 2021

Pursuant to Article 17(1) of the Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC, the Management Board of Orange Polska S.A. hereby provides selected financial and operating data related to the activities of the Orange Polska Capital Group (“the Group”, “Orange Polska”) for 4Q and FY 2020.

Disclosures on performance measures, including information on data restatements for the year 2019 in connection with changes in accounting policies, have been presented in the Notes 2 and 3 to IFRS Consolidated Financial Statements of the Orange Polska Group for the year ended 31 December 2020 (available at <https://www.orange-ir.pl/results-center/>). The accounting policies changed by the Group in 2020 relate to the determination of the lease term of cancellable lease and changed presentation of foreign exchange gains/losses related to lease liabilities and their hedging.

In 2020 Orange Polska reports strong commercial performance and solid financial results. 2020 goals achieved despite particularly challenging environment.

key figures (PLN million)	4Q 2020	4Q 2019** restated	Change	2020**	2019** restated	Change
Revenue	3,083	2,999	+2.8%	11,508	11,406	+0.9%
EBITDAaL*	654	682	-4.1%	2,797	2,718	+2.9%
EBITDAaL margin*	21.2%	22.7%	-1.5 p.p.	24.3 %	23.8%	+0.5 p.p.
operating income/ (loss)	57	-176	+233m	404	415	-2.7%
net income/ (loss)	-21	-187	+166m	46	82	-43.9%
eCapex*	595	695	-14.4%	1,801	1,701	+5.9%
organic cash flows	224	334	-110m	642	737	-95m

* From 2020 we have revised definitions of capex and EBITDAaL alternative performance measures. Capex is now presented net of the accrued proceeds from asset disposals and is named economic capex (eCapex). Consequently, EBITDAaL excludes gains on asset disposals. This change reflects better the transformation of Orange Polska’s fixed asset base which has been rapidly evolving over the past few years and will do so in the future. We invest in assets essential for our future value creation (fibre and mobile network) and dispose assets no longer necessary for our core operations. Economic benefits of this transformation have been shifted from EBITDAaL to eCapex.

** In 2Q 2020 data for 2019 and 1Q 2020 have been retrospectively restated for the additional impact of the IFRS16 scope as described in the Financial Statements in Note 3

KPI ('000)	4Q 2020	4Q 2019	Change
convergent customers (B2C)	1,483	1,369	+8.3%
mobile accesses (SIM cards)	15,752	15,284	+3.1%
post-paid	10,892	10,237	+6.4%
pre-paid	4,860	5,047	-3.7%
fixed broadband accesses (retail)	2,702	2,607	+3.6%
o/w fibre	725	520	+39.4%
fixed voice lines (retail)	2,899	3,109	-6.8%

Highlights:

- **The 3rd consecutive year of operating profitability growth: 2020 EBITDAaL (EBITDA after Leases) up 2.9% year-on-year (guidance met) reflecting:**
 - strong performance of core telecom services (convergence, mono mobile and mono broadband)
 - cost savings strongly supported by measures to mitigate impact of the pandemic
 - negative impact of the pandemic (roaming, additional risk provisions)
- **4Q EBITDAaL down 4.1% year-on-year affected by provisioning for claims and litigations**
- **2020 revenues up by 0.9% year-on-year reflecting:**
 - Improving growth rate of core telecom services thanks to our value strategy
 - Another strong year for IT/IS
 - Accelerated growth of mobile wholesale resulting from surge in voice traffic
 - Lower equipment revenues as demand for smartphones has not fully recovered
- **4Q revenues up 2.8% year-on-year driven by very strong quarter for IT/IS, further improving trend in core telecom services and surge in voice wholesale traffic**
- **Very strong commercial performance in all key services:**
 - +8% yoy growth of B2C convergent customers, +42k net adds in 4Q
 - Convergence ARPO +4.2% yoy in 4Q
 - +4% yoy growth of total fixed broadband customers, +40k net adds in 4Q
 - FBB mono ARPO +4.8% yoy in 4Q
 - +39% yoy growth of fibre customers, +63k net adds in 4Q (the highest result ever)
 - +4% yoy growth of post-paid mobile handset customers, +110k net adds in 4Q
- **2020 eCapex (economic capex) at PLN 1.8bn, in line with the guided range**
 - 5.0 million households connectable with fibre at year-end – strategic ambition delivered
- **Organic Cash Flow at PLN 642 million reflects strong cash generation from operating activities and much lower proceeds from sale of assets**
- **Management guides for low single digit EBITDAaL growth in 2021**

Commenting on 2020 performance, Julien Ducarroz, Chief Executive Officer, said:

“We delivered on our financial objectives in 2020 despite unprecedented challenges. The COVID-19 crisis has tested our ability to adapt to dynamically changing external conditions. Passing this test would not have been possible without the concerted efforts of many of our teams and I would like to thank our entire organisation for this effort.

The crisis has particularly underlined the value of investments in network quality, both fixed and mobile, that have always been in the centre of our strategy. It proved more than anything that the decision we made a few years ago to invest heavily in fibre was the right one. Our fibre network reached 5 million households, fulfilling our strategic ambition. Encouraged by strong customer demand, we are planning more investments but in a different formula. Our FiberGo project progresses on track. With net customer additions of 63,000 – a record high, by far - our fibre customer base increased by almost 10% in 4Q alone. Already, fibre accounts for 27% of our total fixed broadband customer base.

The Orange.one strategy that we have just concluded made Orange Polska a much stronger market player in all key market segments, and a much more efficient business. We met our financial promises, breaking multi-year negative trends to deliver turnaround with operating profitability growing in the last 3 years and revenues in the last 2 years. At the same time we are aware that there is room for further improvements, and we will address these areas in the strategy update to be announced in 2Q.”

Financial Review

2020 revenues up by 0.9% year-on-year driven by core telecom services and IT/IS

Revenues totalled PLN 11,508 million in 2020 and were up 0.9% year-on-year or PLN 102 million. There were four main factors impacting this revenue trend.

Firstly, combined revenues of convergence, mobile-only and fixed broadband-only (which we consider our core telecom services) were up 2.9% year-on-year. This growth rate was twice as high as in 2019 when it amounted to 1.4%, despite in 2020 it was affected by much lower customer roaming revenues (down 40% year-on-year). This much better performance was a consequence of successful combination of strong growth of customer volumes and improving trends of average revenue that they generate (ARPO). Improving ARPO is a consequence of our value pricing strategy and growing share of fibre.

Secondly, IT and integration services recorded another strong year with revenues growing 24% year-on-year despite pandemic-related market slowdown especially visible in 3Q. Key contributors were strong performance in the first half of the year driven by project pipeline built before the pandemic and the contribution of BlueSoft acquired in mid-2019. Thirdly, mobile wholesale revenues were up 12% year-on-year due to much higher voice traffic as a result of the pandemic. Finally, revenues from equipment sales were down 13% year-on-year reflecting mainly negative impact of the pandemic (partial shops closure in 2Q and reduced customer demand).

In 4Q alone, revenues were up 2.8% or PLN 84 million year-on-year which was the highest growth rate of all quarters in 2020. The key contributors to this performance were core telecom services (advancing 3.6% year-on-year), IT/IS (up 26% year-on-year) and mobile wholesale (up 15% year-on-year). After particularly weak third quarter, revenues from IT/IS rebounded driven by year-end demand revival from public and finance customers.

Strong commercial performance in 2020 in all key services

In 2020 we successfully combined strong growth of customer volumes in all key services (convergence, fixed broadband, mobile post-paid) with improving underlying trends in the average revenue that they generate (ARPO).

Our commercial activity is mainly focused on delivering a package of mobile and fixed services, which we define as convergence. It is our competitive edge, it increases customer loyalty and allows us to upsell more services, winning a higher share of household media and telecom budgets.

In 2020 our **B2C convergent customer base** increased by 114,000 and 8.3% year-on-year. At the end of December, 65% of our B2C broadband customers were convergent versus 62% a year ago. The total number of services used by B2C convergent customers stood at 6.0 million, which implies that on average every customer uses more than four services. ARPO from convergent customers accelerated its growth rate to 3.2% year-on-year to PLN 105.7. This was largely due to our value strategy, increasing share of fibre and TV services, and upsell of additional services. In 4Q alone customer net additions reached 42,000 (which was the best quarterly result of the last 2 years), while ARPO stood at PLN 107.1 and was up 4.2% year-on-year.

Total **fixed broadband customer base** increased in 2020 by 95,000 and 3.6% year-on-year. In 4Q alone it grew by 40,000, which was the highest quarterly increase in last 3 years. It was driven by growth of fibre customer base which expanded 39% year-on-year, adding 205,000 in 2020. In 4Q alone, the fibre net additions broke another quarterly record and stood at 63,000. Fibre already reached 27% of our total broadband customer base. The copper broadband customer base continued to decrease and was lower by 152,000 versus previous year. The ARPO from broadband-only services grew 4.7% year-on-year versus -1.8% decline in 2019. The key contributors of this turnaround were price increases introduced in 2019 and growing share of fibre customers. Fibre customers generate the highest ARPO which is mainly fuelled by high share of TV services, growing popularity of higher fibre speeds additionally paid and increasing share of customers in single family houses (who pay higher price to cover higher network rollout cost).

Total **mobile post-paid customer base** increased by 655,000 in 2020, or by 6.4% year-on-year. In handset offers, net customer additions of 347,000 were the highest in two years, owing to good new sales volumes and successful churn management. In 2020 post-paid churn ratio decreased to 2.3% from 2.6% in 2019. Despite negative impact of roaming the trend in post-paid ARPO from mobile-only services improved. It declined 4.1% year-on-year in 2020 versus a drop of 5.6% year-on-year in 2019 as a result of our value pricing strategy. Excluding roaming, this ARPO decline was contained to only 0.6% year-on-year.

Pre-paid customer base in 2020 decreased by 3.7% to 4.9 million. This drop reflected market trend and was caused by pandemic-related reduced mobility of people negatively affecting activity of our customers and demand for new pre-paid cards. However ARPO from pre-paid customers increased by 3.4% (after it was down 4% in 2019) as a result of higher voice and data traffic.

In **fixed voice**, the net loss of lines was contained to 210,000 as compared to 298,000 in 2019 as the churn level was positively impacted by the pandemic. The key trends were broadly unchanged: the number of VoIP services continued to grow, as they are part of the Orange Love package. Excluding VoIP services, the loss of lines reflects structural negative market trends. However dynamics of ARPO from fixed voice services-only turned positive (up 1.9% year-on-year) as a result of increased traffic.

2020 EBITDAaL up 2.9% driven by strong performance of core telecom services and exceptional efforts on cost savings

EBITDA after Lease (EBITDAaL) for 2020 came in at PLN 2,797 and was up 2.9% year-on-year. Direct margin (a difference between revenues and direct costs) was down PLN 72 million year-on-year as positive impact of strong performance of core service revenue lines was more than offset

by pandemic-related lower roaming revenues and additional provisions as well as ongoing pressure from legacy fixed voice. This decline was fully compensated by further optimisation of indirect costs, which decreased 4% year-on-year. These savings on top of results of continued optimisation initiatives in many areas (labour, CRM, general expenses) were significantly supported by exceptional measures taken by the management to offset negative impact of the pandemic. These included mainly curtailment of jubilee awards scheme (resulting in PLN 64 million reversal of provisions for employee benefits) and renegotiation of certain terms of Social Agreement with trade unions.

In 4Q alone EBITDAaL decreased 4.1% year-on-year. Almost 2% year-on-year growth of the direct margin (reflecting strong revenue growth of core telecom services) was offset by growing indirect costs which were affected by around PLN 35 million provisioning for claims and litigations.

2020 bottom line reflects much lower gains on real estate disposals and FX losses

Net income for 2020 was PLN 46 million versus PLN 82 million generated in 2019. Operating income was slightly lower year-on-year as growth of EBITDAaL was offset by much lower gains on sale of assets and slightly higher depreciation (due to our network investments). Financial costs were PLN 34 million higher year-on-year only due to foreign exchange losses mainly on EURO denominated long-term leasing liabilities.

Organic Cash Flow reflects strong cash generation from operating activities and much lower proceeds from sale of assets

Organic cash flow for 2020 was PLN 642 million, which was PLN 95 million below the level generated in 2019. However excluding PLN 440 million lower cash proceeds from sale of assets (an outcome of on the one hand record high real estate sales in 2019 and on the other hand pandemic-related market slowdown in 2020) level of cash generated was PLN 345 million better than the year before. This was down to two main factors. Firstly, growth of EBITDAaL and higher working capital release (mainly as a result of lower growth of receivables related to equipment instalment sales) translated into PLN 147 million better year-on-year cash from operating activities. Secondly, capital expenditure cash outflows were PLN 262 million lower year-on-year and reflected some slowdown of investments introduced to offset more difficult property market due to the pandemic.

Success of the Orange.one strategy

The implementation of Orange Polska's strategy announced in 2017 ended with the end of 2020. We believe that this strategy has been a great success. In our opinion, Orange Polska has considerably improved its market position in all key segments of the market, and has become a much more efficient operator. The crucial element of the success was our investments in the fibre network, which supports our convergent strategy and provides our long-term competitive advantage. At the end of 2020, 5 million households were connectable with our fibre network, which had been our strategic ambition formulated in 2017. Our share of fibre customers has tripled over the last three years, reaching 27%. We have achieved a major customer base increase in all key service categories: convergence, fixed broadband and mobile. Simultaneously, our value strategy and fibre expansion have driven a very significant improvement in ARPO trends.

We have met all the financial goals set in our strategy, reversing prolonged negative trends and returning to sustainable growth. Our key measure of operating profitability, EBITDAaL (or EBITDA earlier), has been growing for the last three years, while our revenues have been growing for the last two years. It has been a result of the implementation of our convergence strategy, monetisation of fibre network investments, steady focus on value generation in our commercial activities, 'more for more' pricing strategy and very high cost savings. Operating profitability is improving despite continued structural pressure on high-margin traditional fixed line services, the erosion of which

almost fully filters through to profits. The growing operating profitability has led to an increase in cash generation and a decrease in net debt and leverage ratio.

At the end of 2020, we were ranked the #1 operator in terms of customer satisfaction, which had also been our strategic ambition. The highest ever absolute level of NPS is a consequence of our prolonged and consistent efforts to improve all the elements of the 'customer journey', from network connectivity to portfolio structure, sales and customer care.

We also believe that there is room for improvement in certain areas, and we will address it in the next strategic period. We intend to announce our updated strategy in the second quarter of 2021.

Commenting on 2020 results, Jacek Kunicki, Chief Financial Officer, said:

“Our 2020 results met our guidance and expectations and were strong, especially given particularly challenging circumstances resulting from the COVID-19 crisis. EBITDAaL increased by almost 3%, significantly helped by our exceptional efforts with respect to cost savings which offset the negative impact of the pandemic coming from roaming and risk provisions. Our revenue dynamics were also positively helped by a strong year-end, mainly in the ICT area. I am especially pleased that revenues from key telecom services, which are essential to margin generation, more than doubled in terms of growth rate to 2.9%. This trend was driven by our value strategy, combining strong customer volumes and improving trends in ARPO.

We met all the financial commitments contained in our Orange.one strategy, delivering turnaround of revenues and operating profitability. Since 2017 our revenues have increased by more than 4%. Growing operating profitability translated into growth of organic cash flows, and substantial reduction of our net debt and the level of financial leverage.

In 2021 we plan to maintain growth of our top line and EBITDAaL in the low single digits. We will continue our cost transformation but we expect this year's EBITDAaL growth driver to be direct margin. This will be another step forward on our path to sustainable turnaround. Our revenues should be further supported by our value approach in commercial activity, and further focus on ICT. On the other hand we will face some regulatory challenges, including cuts in mobile and fixed termination rates as well as changes to prepaid regulations. We obviously carefully monitor economic situation resulting from prolonging pandemic and its potential impact on our operations.”

Orange Polska 2021 guidance

The Management Board of Orange Polska hereby publishes the Company's guidance for the full-year 2021.

2020 EBITDAaL	2021 EBITDAaL guidance
PLN 2,797 million	Low single digit growth versus 2020

The management forecasts that EBITDAaL will grow in 2021 by a low single digit percentage. We anticipate further growth of core telecommunication services (convergence, mobile and broadband) which are essential to our profit margin generation, continued value focus in commercial activity, growth of IT & integration revenues and further cost optimisation. We expect regulatory impact from cuts in MTR and FTR to negatively impact our revenues but have limited impact on profit margin. We also expect further pressure on high margin legacy services (retail and wholesale fixed telephony).

Realisation of this guidance will be monitored by the Company on an ongoing basis. Should there occur material deviation from the forecast, the Company will make a revision to the forecast and immediately publish it in the form of a current report.

Reconciliation of operating performance measure to financial statements

Disclosures on performance measures, including information on data restatements for the year 2019 in connection with changes in accounting policies, have been presented in the Notes 2 and 3 to IFRS Consolidated Financial Statements of the Orange Polska Group for the year ended 31 December 2020 (available at <https://www.orange-ir.pl/results-center/>).

<i>in PLNm</i>	4Q 2020	4Q 2019	2020	2019
Operating income/ loss	57	-176	404	415
Less gains on disposal of assets	-40	-4	-61	-270
Add-back of depreciation, amortisation and impairment of property, plant and equipment and intangible assets	649	698	2,511	2,448
Interest expense on lease liabilities	-15	-15	-62	-66
Adjustment for the impact of employment termination programs	-13	176	-22	181
Adjustment for the costs related to acquisition, disposal and integration of subsidiaries	16	3	27	10
EBITDAaL (EBITDA after Leases)	654	682	2,797	2,718

Forward-looking statement

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

Orange Polska's Management Board is pleased to invite you to the Company's 4Q 2020 results presentation.

18th February 2021

Start: 11.00 CET

The presentation will be available via a live webcast <http://infostrefa.tv/orange> and via a live conference call

Time:

11:00 (Warsaw)

10:00 (London)

05:00 (New York)

Dial in numbers:

Conference Code: 411064

Poland: 48 22 124 49 59

Canada: 1 587 855 1318

Germany: 49 30 25 555 323

Russia: 7 495 283 98 58

United Kingdom: 44 203 984 9844

United States: 1 718 866 4614

Orange Polska Group Consolidated

amounts in PLN millions	2019					2020				
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY
Income statement	restated (IFRS16)*	restated (IFRS16)*	restated (IFRS16)*	restated (IFRS16)*	restated (IFRS16)*	restated (IFRS16)*	IFRS16	IFRS16	IFRS16	IFRS16
Revenues										
Mobile services only	640	646	660	652	2,598	638	630	645	644	2,557
Fixed services only	569	552	540	531	2,192	523	527	518	513	2,081
Narrowband	244	233	224	216	917	208	206	194	190	798
Broadband	219	213	211	211	854	211	214	216	215	856
B2B Network Solutions	106	106	105	104	421	104	107	108	108	427
Convergent services B2C	369	384	399	406	1,558	419	428	438	456	1,741
Equipment sales	367	352	359	477	1,555	306	308	325	407	1,346
IT and integration services	147	163	224	269	803	233	238	186	340	997
Wholesale	560	568	585	565	2,278	601	613	590	618	2,422
Mobile wholesale	310	324	323	330	1,287	349	366	345	378	1,438
Fixed wholesale	177	169	186	157	689	171	165	162	156	654
Other	73	75	76	78	302	81	82	83	84	330
Other revenues	126	94	103	99	422	84	84	91	105	364
Total revenues	2,778	2,759	2,870	2,999	11,406	2,804	2,828	2,793	3,083	11,508
Labour expenses**	(403)	(377)	(361)	(349)	(1,490)	(402)	(287)	(320)	(343)	(1,352)
External purchases	(1,554)	(1,533)	(1,567)	(1,763)	(6,417)	(1,550)	(1,597)	(1,537)	(1,851)	(6,535)
- Interconnect expenses	(446)	(461)	(478)	(441)	(1,826)	(482)	(507)	(489)	(513)	(1,991)
- Network and IT expenses	(148)	(152)	(142)	(151)	(593)	(151)	(162)	(161)	(176)	(650)
- Commercial expenses	(583)	(578)	(589)	(764)	(2,514)	(546)	(552)	(519)	(763)	(2,380)
- Other external purchases	(377)	(342)	(358)	(407)	(1,484)	(371)	(376)	(368)	(399)	(1,514)
Other operating incomes & expenses**	(43)	(51)	(44)	(47)	(185)	(21)	(42)	(39)	(75)	(177)
Impairment of receivables and contract assets	(32)	(27)	(39)	(40)	(138)	(36)	(50)	(30)	(35)	(151)
Amortization and impairment of right-of-use assets	(95)	(92)	(102)	(103)	(392)	(106)	(108)	(110)	(110)	(434)
Interest expense on lease liabilities	(16)	(17)	(18)	(15)	(66)	(16)	(16)	(15)	(15)	(62)
EBITDAaL (EBITDA after Leases)	635	662	739	682	2,718	673	728	742	654	2,797
% of revenues	22.9%	24.0%	25.7%	22.7%	23.8%	24.0%	25.7%	26.6%	21.2%	24.3%
Gains on disposal of assets***	5	44	218	4	271	10	5	6	40	61
Depreciation, amortisation and impairment of property, plant and equipment and intangibles assets	(583)	(575)	(592)	(698)	(2,448)	(608)	(636)	(618)	(649)	(2,511)
Add-back of interest expense on lease liabilities	16	17	18	15	66	16	16	15	15	62
Adjustment for the impact of employment termination programs**	2	(6)	(1)	(176)	(181)	0	0	9	13	22
Adjustment for the costs related to acquisition, disposal and integration of subsidiaries**	0	(3)	(4)	(3)	(10)	(3)	(4)	(4)	(16)	(27)
Adjustment for the impact of deconsolidation of subsidiaries***	(1)	0	0	0	(1)	0	0	0	0	0
Operating income / (loss)	74	139	378	(176)	415	88	109	150	57	404
% of revenues	2.7%	5.0%	13.2%	-5.9%	3.6%	3.1%	3.9%	5.4%	1.8%	3.5%
Finance costs, net	(80)	(73)	(107)	(48)	(308)	(132)	(49)	(83)	(78)	(342)
- Interest expense on lease liabilities	(16)	(17)	(18)	(15)	(66)	(16)	(16)	(15)	(15)	(62)
- Other interest expenses, net (excl. Interest expense on lease liabilities)	(50)	(48)	(49)	(49)	(196)	(51)	(45)	(43)	(44)	(183)
- Discounting expense	(14)	(11)	(20)	(3)	(48)	(23)	0	(11)	(9)	(43)
- Foreign exchange losses	0	3	(20)	19	2	(42)	12	(14)	(10)	(54)
Income tax	1	(14)	(49)	37	(25)	6	(8)	(14)	0	(16)
Consolidated net income / (loss)	(5)	52	222	(187)	82	(38)	52	53	(21)	46

* In Q2 2020 retrospective additional impact of the IFRS 16 scope was recognised as described in Financial Statement in Note 2 and 3

** Labour expenses and other operating incomes & expenses exclude adjustment due to employment termination program and some costs related to acquisition, disposal and integration of subsidiaries

*** Gains on disposal of assets exclude impact of deconsolidation of subsidiaries

Orange Polska Group key performance indicators

Customer base (in thousands)	2019				2020			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
B2C convergent customers	1,276	1,307	1,331	1,369	1,387	1,410	1,441	1,483
Fixed telephony accesses								
PSTN	2,322	2,228	2,140	2,046	1,962	1,900	1,831	1,762
VoIP	1,006	1,031	1,046	1,063	1,072	1,099	1,110	1,138
Total retail main lines	3,328	3,259	3,186	3,109	3,034	2,998	2,941	2,899
o/w B2C convergent	778	800	807	825	830	833	839	855
o/w B2C PSTN convergent	44	38	31	27	23	21	18	16
o/w B2C VoIP convergent	734	762	776	799	807	813	822	839
Fixed broadband access								
ADSL	1,098	1,056	1,017	958	923	896	864	822
VHBB (VDSL+Fibre)	921	961	998	1,063	1,101	1,139	1,184	1,252
o/w VDSL	522	527	525	543	537	531	522	527
o/w Fibre	399	434	473	520	564	608	662	725
Wireless for fixed	557	565	574	586	592	603	614	628
Retail broadband - total	2,576	2,582	2,589	2,607	2,616	2,638	2,662	2,702
o/w B2C convergent	1,276	1,307	1,331	1,369	1,387	1,410	1,441	1,483
TV client base								
IPTV	455	476	495	521	539	554	575	605
DTH (TV over Satellite)	503	496	484	473	456	442	425	410
TV client base - total	958	972	979	994	994	996	1,001	1,015
o/w B2C convergent	758	788	802	828	836	842	851	870
Mobile accesses								
Post-paid								
Mobile Handset	7,553	7,611	7,672	7,748	7,810	7,875	7,985	8,095
Mobile Broadband	934	895	865	831	822	806	777	751
M2M	1,483	1,534	1,591	1,658	1,710	1,823	1,987	2,046
Total post-paid	9,970	10,040	10,128	10,237	10,342	10,504	10,749	10,892
o/w B2C convergent	2,434	2,486	2,528	2,589	2,612	2,651	2,713	2,787
Total pre-paid	4,867	4,924	5,012	5,047	5,095	4,982	4,920	4,860
Total	14,837	14,964	15,140	15,284	15,436	15,487	15,669	15,752
Wholesale customers								
WLR	408	381	354	328	310	299	287	273
Bitstream access	137	133	129	128	128	129	130	132
LLU	73	69	66	63	60	58	55	52
Quarterly ARPO in PLN per month	2019				2020			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Convergent services B2C	101.4	101.9	103.4	102.8	104.8	105.4	105.5	107.1
Fixed services only - voice	36.3	36.2	36.2	36.3	36.5	37.4	36.8	37.3
Fixed services only - broadband	55.5	54.9	55.2	56.0	56.7	58.0	58.7	58.7
Mobile services only	20.0	20.1	20.3	20.0	19.5	19.3	19.9	19.8
Post-paid excl M2M	26.9	27.0	27.1	26.7	26.3	25.5	25.9	25.6
Mobile Handset	28.6	28.7	28.9	28.5	28.0	27.2	27.6	27.3
Mobile Broadband	16.4	15.9	15.4	14.3	13.6	13.3	12.9	12.7
Pre-paid	11.4	11.6	12.1	11.9	11.6	11.9	12.5	12.7
Mobile wholesale (convergent + mono)	7.1	7.5	7.4	7.5	8.0	8.4	7.9	8.7

Other mobile operating statistics	2019				2020			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Number of smartphones (thousands)	7,521	7,658	7,778	7,857	7,857	7,907	8,112	8,158
AUPU (in minutes)								
post-paid	357.9	356.6	349.5	354.3	397.3	441.5	386.7	443.4
pre-paid	161.9	163.0	158.8	158.6	173.2	193.3	175.7	197.3
blended	286.5	285.8	279.3	281.8	314.2	350.2	310.4	355.5
Quarterly mobile customer churn rate (%)								
post-paid	2.8	2.5	2.4	2.8	2.5	2.1	2.2	2.3
pre-paid	10.8	10.2	10.7	10.2	9.1	10.4	11.4	10.7
SAC post-paid (PLN)	82.4	99.1	94.8	116.6	82.1	78.3	77.5	139.5
SRC post-paid (PLN)	43.9	43.1	45.7	60.9	48.0	59.8	59.1	64.7
Employment structure of Group as reported								
Active full time equivalents (end of period)								
Orange Polska	13,077	12,429	12,219	12,034	11,885	11,219	11,047	11,048
50% of Networks	355	353	351	342	330	330	335	333
Total	13,432	12,782	12,570	12,376	12,215	11,549	11,382	11,381

Terms used:

ARPO – average revenue per offer

Average Usage per User (AUPU) – The average monthly total usage of minutes divided by the average number of SIM cards (excluding M2M) in a given period.

Churn rate – the number of customers who disconnect from a network divided by the weighted average number of customers in a given period.

Convergent services – Revenues from B2C convergent offers (excluding equipment sales). A convergent offer is defined as an offer combining at least a broadband access (xDSL, FTTx, cable or wireless for fixed) and a mobile voice contract (excluding MVNOs) with a financial benefit. Convergent services revenues do not include incoming and visitor roaming revenues.

Convergent services B2C ARPO – The average monthly revenues from convergent services generated by retail customers (B2C) divided by the **average** number of B2C convergent customers in a given period.

Fixed broadband-only services – Revenues from fixed broadband offers (excluding B2C convergent offers and equipment sales), including TV and VoIP services.

Fixed broadband-only services ARPO – The average monthly revenues from fixed broadband only services divided by the average number of accesses in a given period.

Household connectable with fibre - an apartment in multi-family building or a single family house within the reach of our fibre to the home service that allows to provide service with a speed of at least 100Mb/s

Mobile-only services – Revenues from mobile offers (excluding consumer market convergent offers) and Machine to Machine (M2M) connectivity. Mobile-only services revenues do not include equipment sales and incoming and visitor roaming revenues.

Mobile-only services ARPO – The average monthly retail revenues from mobile only services excluding M2M connectivity, divided by the average number of SIM cards (excluding M2M) in a given period.

Mobile-only broadband ARPO – The average monthly retail revenues from SIM cards dedicated to mobile broadband access (excluding B2C convergent offers and equipment sales) divided by the average number of these SIM cards in a given period.

Mobile-only handset ARPO – The average monthly retail revenues from SIM cards dedicated to mobile handset access (excluding B2C convergent offers and equipment sales) divided by the average number of these SIM cards in a given period.

Subscriber Acquisition Cost (SAC) – Customer acquisition costs divided by the number of gross customers added during the respective period. Customer acquisition costs comprise commissions paid to distributors and net subsidies resulting from the sale of the handset.

Subscriber Retention Cost (SRC) – Customer retention costs divided by the number of customers retained during the respective period. Customer retention costs comprise commissions paid to distributors and net subsidies resulting from the sale of the handset.