**Current Report 5/2023**
**Orange Polska S.A., Warsaw, Poland**
**15 February, 2023**

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", "Company") for 4Q and FY 2022.

Disclosures on performance measures have been presented in the Note 3 to IFRS Consolidated Financial Statements of the Orange Polska Group for the year ended 31 December 2022 (available at https://www.orange-ir.pl/results-center/).

## Orange Polska reports strong 2022 financial results, raises its dividend and confirms .Grow strategy ambitions

| key figures (PLN million) | 4Q 2022 | 4Q 2021 | Change | 2022 | 2021 | Change |
|---|---|---|---|---|---|---|
| Revenue | 3,379 | 3,171 | +6.6% | 12,488 | 11,928 | +4.7% |
| | | | | | | |
| EBITDAaL | 736 | 707 | +4.1% | 3,078 | 2,963 | +3.9% |
| EBITDAaL margin | 21.8% | 22.3% | -0.5 p.p. | 24.6% | 24.8% | -0.2 p.p. |
| | | | | | | |
| operating income | 256 | 15 | 17.1x | 1,161 | 2,211 | -47% |
| net income/(loss) | 163 | -69 | +232m | 724 | 1,672 | -57% |
| | | | | | | |
| eCapex | 823 | 650 | +26.6% | 1,719 | 1,737 | -1.0% |
| organic cash flows | -4 | 131 | -135m | 822 | 867 | -5.2% |

| KPI ('000) | 4Q 2022 | 4Q 2021 | Change |
|---|---|---|---|
| **convergent customers (B2C)** | 1,625 | **1,552** | **+4.7%** |
| **mobile accesses (SIM cards)** | 17,630 | **16,800** | **+4.9%** |
| post-paid | 12,566 | 11,847 | +6.1% |
| pre-paid | 5,064 | 4,953 | +2.2% |
| **fixed broadband accesses (retail)** | 2,804 | **2,746** | **+2.1%** |
| o/w fibre | 1,171 | 945 | +23.9% |
| **fixed voice lines (retail)** | 2,572 | **2,702** | **-4.8%** |

## Highlights:

- **Strong 2022 financial results, guidance delivered, despite energy costs headwinds:**
  - EBITDAaL growth at 3.9% yoy (+4.1% yoy in 4Q) as direct margin expansion combined with further cost transformation mitigated PLN 220 million surge in energy costs
  - Net income at PLN 724 million (+166% yoy on comparable basis[1]) resulting mainly from growing operating income
  - ROCE at 6.5% (vs 4.4% in 2021) due to improving operating performance and balance sheet discipline
  - eCapex (economic capex) at PLN 1.7bn, in line with the low end of the guided range
  - Financial leverage at 1.3x illustrating good cash generation and a sound balance sheet structure

| 2022 | Revenues | EBITDAaL | eCapex |
|---|---|---|---|
| **Guidance** | low single digit growth | flat/low single digit growth | PLN 1.7-1.9bn |
| **Achievements** | +4.7% yoy ✓ | +3.9% yoy ✓ | 1.72bn ✓ |

- **2022 revenues +4.7% yoy** (+6.6% yoy in 4Q) **with strong performance in all key lines:**
  - +6.3% yoy growth of **core telecom** services (convergence, mobile-only and broadband-only) driven by both customer base and ARPO growth
  - +23% yoy growth of **IT/IS** as we benefit from demand for digitisation
  - +24% yoy growth of **wholesale revenues** (ex. interconnect and other legacy areas) as we capitalise on the demand for our infrastructure
  - +47% yoy growth of **other revenues** thanks to energy resale which benefits from growing unitary prices

- **Orange Polska Management recommends to pay PLN 0.35 dividend per share in 2023, underscoring Company's strong operating performance and balance sheet**

- **Solid and consistent commercial performance in all key services:**
  - +5% yoy growth of convergent customers, +31k net adds in 4Q
    - Convergence ARPO +3% yoy in 2022, driven by fibre and value strategy
  - +24% yoy growth of fibre customers, +51k net adds in 4Q
    - 7.1m households connectable with fibre
  - +4% yoy growth of post-paid mobile handset customers, +57k net adds in 4Q
    - Mobile-only handset ARPO +3% in 2022 driven by value strategy
- **Management guidance for 2023:**
  - low single digit revenue growth
  - flat/low single digit EBITDAaL growth
  - eCapex to be in the range of PLN 1.5-1.7bn

[1] yoy comparison excludes impact related to FiberCo transaction in 2021

**Commenting on 2022 performance, Julien Ducarroz, Chief Executive Officer, said:**
“2022 was the second year of implementation of our ambitious .Grow strategy and last year’s performance confirms that we are progressively reaching our mid-term objectives. It was a particularly hard test as we faced an accumulation of exceptional headwinds such as war in Ukraine, the widespread energy crisis and double-digit inflation. It wouldn’t have been possible to pass this test without the concerted efforts of our teams and for that I am thankful to all employees of Orange Polska.

The results of the past two years prove that our business has strong foundations based on our superior networks, a wide range of high-quality services and strong capabilities to execute. All three engines of our core business delivered growth: services for consumers, businesses and other telecom operators. Last year was particularly successful for wholesale area as we capitalise on the demand for our infrastructure.

In parallel with strong commercial and financial performance, we made exemplary progress in our #OrangeGoesGreen program. In 2022 we have cut our CO2 emissions by 14%, by contracting more energy from renewable sources, marking a ninth consecutive year of reduction. In addition, we have contracted more green energy for the future securing our long-term CO2 emissions reduction objective (at least 65% reduction vs 2015) three years ahead of the plan.

Our digital transformation is also progressing well. We increasingly use digital tools to increase our efficiency. We are developing advanced big-data driven marketing platform to improve customer value management. We are transforming to self-care in customer service and making a better use of digital channels in sales. Already close to 50% of customers use digital tools to interact with us.

The key challenge for 2023 is obviously achieving growth despite the impact of high inflation. Our commercial business model, based on fixed-term subscription contracts, makes it difficult to immediately pass inflation to end users. Therefore we need to pursue a combination of intensified commercial value strategy and cost transformation. We are pleased that long-awaited consultation for the 5G auction has begun, as the acquisition of the c-band spectrum will unlock new business opportunities.

We are in the mid-point in our strategy cycle and our results prove that we are on track to meet its goals. Therefore I am pleased to say that the management has recommended to the Annual General Meeting the payment of a dividend of PLN 0.35 per share in 2023 from 2022 profits. Dividend increase underscores that we are committed to share the benefits of the successful implementation of the .Grow strategy with our shareholders.”

## Financial Review

### 2022 revenues up 4.7% year-on-year with strong performance in all key revenue lines

Revenues totalled PLN 12,488 million in 2022 and were up 4.7% year-on-year or PLN 560 million. Growth rate accelerated compared to 2021 when they increased 3.6% year-on-year. All key revenue lines contributed to this strong performance.

Firstly, combined revenues of convergence, mobile-only and fixed broadband-only (which we consider our core telecom services) were up 6.3% year-on-year. This was an outcome of successful combination of strong growth of customer volumes and improving average revenue that they generate (ARPO). Improving ARPO was a consequence of our value pricing strategy, growing share of fibre and further recovery of roaming after lockdowns in 2021.

Secondly, IT and integration services recorded another strong year with revenues growing 23% year-on-year. It was fully organic growth and resulted mainly from wide and well-diversified portfolio of services which allows us to adapt to a changing demand structure and be less dependent on fluctuations in supply chains. Thirdly, total wholesale revenues were down 14% year-on-year due to regulated cuts of mobile and fixed termination rates. However excluding legacy services wholesale revenues increased 24% year-on-year benefitting from good demand for infrastructure rental to other operators and growth of visitor roaming revenues. Finally, other revenues increased 47% year-on-year, due to higher average realised price in the energy resale business.

In 4Q alone, revenues were up 6.6% or PLN 208 million year-on-year. The key contributors to the growth were unchanged: core telecom services (advancing 6.0% year-on-year), IT/IS (up 18% year-on-year) and other revenues (up 40% year-on-year). Equipment revenues increased 10% year-on-year reflecting our successful Christmas campaign.

## Strong commercial performance in 2022 in all key subscription services

In 2022 we continued to successfully combine solid growth of customer volumes in all key services (convergence, fixed broadband, mobile post-paid) with improving 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. In 2022 our **B2C convergent customer base** increased by 73 thousand and 4.7% year-on-year and exceeded 1.6 million. At the end of December, 69% of our B2C broadband customers were convergent versus 67% a year ago. ARPO from convergent customers expanded by almost 3% year-on-year to PLN 114.7. This was largely due to our value strategy and increasing share of fibre and TV services. In 4Q alone customer net additions reached 31 thousand while ARPO stood at PLN 115.9 and was up 2.4% year-on-year.

Total **fixed broadband customer** base increased in 2022 by 58 thousand and 2.1% year-on-year. In 4Q alone it grew by 11 thousand. Fibre customers base expanded by 226 thousand or 24% as a result of increasing penetration of fibre services on our past investments, expansion of the fibre footprint and migration from copper. In 4Q alone, the fibre net additions stood at 51 thousand. Fibre already reached 42% of our total broadband customer base. The copper broadband customer base continued to decrease and was lower by 168 thousand versus previous year. The ARPO from broadband-only services in 2022 stood at PLN 61.7 and grew almost 4% benefitting from our value strategy 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 and increasing share of customers in single family houses (who pay a higher price to cover higher network rollout cost).

**Mobile handset customer base** increased in 2022 by 299 thousand or almost 4% year-on-year, supported by all consumer brands (Orange, Nju Mobile and Flex) and good performance on the business market. 2022 post-paid churn ratio remained at 2.1% level, unchanged vs 2021. As a result of our value pricing strategy and further roaming recovery mobile-only handset ARPO increase improved to 2.6% year-on-year in 2022 from growth of 0.9% year-on-year in 2021.

**Pre-paid customer base** in 2022 increased by 2.2% to 5.1 million and was particularly boosted by Ukrainian customers. Dynamics of the reported customer base also reflected changes made in our commercial offer. ARPO from pre-paid offers stood at PLN 12.4 in 2022 and was 1.6% lower year-on-year as it was diluted by the free starters offers for the Ukrainian customers.

In **fixed voice**, in 2022 net loss of lines stood at 130 thousand as compared to 197 thousand a year ago and reflected structural negative market trends.

### 2022 EBITDAaL up 3.9% year-on-year as margin from key revenue lines mitigated surging energy prices

EBITDA after Leases (EBITDAaL) for 2022 came in at PLN 3,078 million and was up 3.9% year-on-year or PLN 115 million. This growth was generated solely by direct margin (difference between revenues and direct costs) resulting from strong revenue growth in core telecom services, wholesale (excluding legacy areas) and IT/IS. This profitable revenue expansion translated into profits through our high operating leverage. Indirect costs increased but only 1% year-on-year. More than 70% year-on-year higher costs of electricity, gas and fuel (caused by a sharp rise of prices in the wake of energy crisis) was largely offset by our mitigating measures in indirect expenses.

In 4Q alone EBITDAaL increased 4.1% year-on-year as a result of 3% growth of the direct margin and 2% growth of indirect costs (driven by increase in energy costs). The drivers of the performance were similar as in the full-year results.

### 2022 net profit improved on comparable basis (ex. one-off gain related to FiberCo transaction in 2021) on the back of growing EBITDAaL and lower depreciation

Net income for 2022 was PLN 724 million was significantly below PLN 1,672 million of net profit generated in 2021. However 2021 figure was boosted by PLN 1,400 million (net of tax) gain on the sale of 50% stake in Światłowód Inwestycje. Excluding this one-off development, net income in 2022 was significantly better than in the previous year. This improvement resulted mainly from three elements. Firstly, growing EBITDAaL. Secondly, depreciation decreased 8% year-on-year which resulted mainly from extension of useful lives of certain assets and lower mobile capex in the past few years. Finally, 2021 bottom line was impacted by PLN 136 million provision related to the new social plan. Net financial costs in 2022 were slightly higher due to non-cash FX losses (on EURO denominated long-term leasing liabilities).

### 2022 Organic Cash Flow reflects strong cash generation from operating activities

Organic cash flow for 2022 was PLN 822 million, a decline of 5% (or PLN 45 million) year-on-year. There were three key factors contributing to this performance. Firstly, PLN 194 million better cash generation from operating activities before working capital reflected higher EBITDAaL. Secondly, capital expenditure cash outflows (ex. proceeds from sale of fibre network assets to Światłowód Inwestycje) were PLN 175 million lower year-on-year due to phasing of capex projects. On the other hand working capital requirement was higher by PLN 355 million mainly due to growth of receivables related to record high equipment instalment sale.

### Commenting on 2022 results, Jacek Kunicki, Chief Financial Officer, said:

“Our results in 2022 were strong across the board as we delivered our annual objectives despite a particularly turbulent environment. We grew our revenues, profits and return on capital employed, all while keeping a solid cash generation and a healthy balance sheet. We recommend to share benefits of the our improving results with shareholders through a 40% growth of the dividend to be paid from our 2022 results.

I am particularly pleased about an almost 4% EBITDAaL expansion, despite the PLN 220 million headwinds stemming from the surging energy prices. This was possible mainly due to solid growth of core telecom services in the retail markets, as well as by a good contribution from wholesale. It was coupled with the benefits of our ongoing cost transformation program which had once again delivered positive results helping to maintain our high operating leverage. Operating profitability was the key driver of net income and – in combination with a disciplined approach to capital allocation – it allowed us to reach 6.5% return on capital employed, a big improvement since the start of .Grow strategy.

The macro conditions are obviously more difficult than we assumed at the inception of .Grow strategy, and 2023 will be a year of a strong challenge that we must rise up to and overcome. Nonetheless, following two years of executing this four-year strategy, we are well prepared to face the challenges ahead and to continue to extract maximum value from our assets.”

## Management recommends dividend payment from 2022 profits

Taking into account strong 2022 results and sound balance sheet situation, the Management Board of Orange Polska on 15 February 2023 has adopted a resolution to recommend to Annual General Meeting payment of a cash dividend of PLN 0.35 per share in 2023 from 2022 profits.

The proposal to increase the dividend is a reflection of the confidence of the management in the future prospects of Orange Polska. The Company considers PLN 0.35 per share as a new sustainable floor for the future.

Further changes to dividends will be decided on yearly basis taking into account projections of underlying financial results and long-term financial leverage (net debt/EBITDAaL) forecast versus 1.7x to 2.2x leverage corridor.

## Orange Polska 2023 guidance

The Management Board of Orange Polska hereby publishes the Company’s guidance for the full-year 2023.

We forecast our revenues to increase by a low single digit in 2023. We anticipate further growth of core telecommunication services (convergence, mobile and broadband) on the retail markets, coupled with solid revenues from IT & integration, energy resale, and continued high demand for our infrastructure from our wholesale customers. We also expect continued pressure on high margin legacy services (retail and wholesale fixed telephony).

The EBITDAaL for 2023 is estimated to be flat or growing by a low single digit percentage. Similarly to 2022, we expect EBITDAaL to be supported by profitable revenue expansion in all key areas of business and further cost optimisation. However inflationary environment is expected to weigh on our operating costs and constitute a key challenge to growth.

We anticipate our economic capex (eCapex) in 2023 to be in the range of PLN 1.5-1.7 billion noting that the eCapex definition excludes acquisition of mobile spectrum. The guided range reflects disciplined approach to investments, an ambitious plan for disposal of our unused real estate, and our view that the outcome of the 5G spectrum auction (c-band) is more likely in the second part of the year.

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.

The management is fully confirming all financial ambitions embedded in the .Grow strategy presented in June 2021.

## .Grow strategy financial ambitions versus performance in 2021-2022

| | Mid-term guidance (2021 to 2024)* | 2021-22 performance |
|---|---|---|
| Revenues | low single digit growth CAGR** | +4.2% CAGR** |
| EBITDAaL | low-to-mid single growth CAGR** | +4.9% CAGR** |
| eCapex (PLN bn) | 1.7 to 1.9 yearly average over the period | 1.73bn (avg 2021-22) |
| ROCE*** | increase 3-4x (vs. 1.6% in 2020) | 6.5% in 2022 (4x increase) |
| Net debt / EBITDAaL | we aim to keep safe balance sheet, with financial leverage in the range 1.7-2.2x**** | 1.3x at the end of '22 |

*As presented in .Grow strategy in June 2021
**Compound annual growth rate
***Return on capital employed
****Long-term prospects for net debt/EBITDAaL

## Reconciliation of operating performance measure to financial statements

| *in PLNm* | 4Q 2022 | 4Q 2021 | FY 2022 | FY 2021 |
|---|---|---|---|---|
| **Operating income** | **256** | **15** | **1,161** | **2,211** |
| Less gain on the loss of control of Światłowód Inwestycje | - | - | - | -1,543 |
| Less gains on disposal of assets | -22 | -28 | -107 | -52 |
| Add-back of depreciation, amortisation and impairment of property, plant and equipment and intangible assets* | 520 | 591 | 2,046 | 2,255 |
| Less share of profit/Add share of loss of joint venture adjusted for elimination of margin earned on asset related transactions with joint venture | 9 | 1 | 57 | -9 |
| Less interest expense on lease liabilities | -30 | -13 | -95 | -53 |
| Adjustment for the impact of employment termination programs | -1 | 136 | -1 | 129 |
| Adjustment for the costs related to acquisition, disposal and integration of subsidiaries | 4 | 5 | 17 | 25 |
| **EBITDAaL (EBITDA after Leases)** | **736** | **707** | **3,078** | **2,963** |

* In Q4 2021 D&A includes impairment of rights of perpetual usufruct of land historically recognised as property, plant and equipment, subsequently reclassified to right-of-use assets (PLN 34 million).

## 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 2022 results presentation.

**16th February 2023**
**Start: 12:00 CET**

The presentation will take place on-line. It will be available via a live webcast https://mm.closir.com/slides?id=411064 and via a live conference call.

**Time:**
12:00 (Warsaw)
11:00 (London)
06:00 (New York)

**Dial in numbers:**
**Conference Code: 411064**

Poland: 0048 22 124 49 59
Canada: 001 587 855 1318
Germany: 0049 30 25 555 323
France: 0033 1758 50 878
United Kingdom: 0044 203 984 9844
United States: 001 718 866 4614

## Orange Polska Group Consolidated

amounts in PLN millions

## Income statement

| | 2021 | | | | | 2022 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | FY | 1Q | 2Q | 3Q | 4Q | FY |
| | IFRS16 | IFRS16 | IFRS16 | IFRS16 | IFRS16 | IFRS16 | IFRS16 | IFRS16 | IFRS16 | IFRS16 |
| **Revenues** | | | | | | | | | | |
| **Mobile services only** | **631** | **652** | **682** | **671** | **2,636** | **671** | **699** | **710** | **717** | **2,797** |
| **Fixed services only** | **504** | **494** | **484** | **486** | **1,968** | **477** | **475** | **475** | **471** | **1,898** |
| Narrowband | 182 | 174 | 165 | 161 | 682 | 153 | 147 | 143 | 138 | 581 |
| Broadband | 214 | 214 | 214 | 217 | 859 | 219 | 223 | 224 | 224 | 890 |
| B2B Network Solutions | 108 | 106 | 105 | 108 | 427 | 105 | 105 | 108 | 109 | 427 |
| **Convergent services B2C** | **477** | **492** | **511** | **522** | **2,002** | **526** | **530** | **544** | **554** | **2,154** |
| **Equipment sales** | **343** | **330** | **342** | **445** | **1,460** | **331** | **363** | **400** | **488** | **1,582** |
| **IT and integration services** | **250** | **269** | **255** | **412** | **1,186** | **305** | **348** | **313** | **487** | **1,453** |
| **Wholesale** | **598** | **598** | **493** | **501** | **2,190** | **456** | **467** | **493** | **474** | **1,890** |
| Mobile wholesale | 353 | 378 | 317 | 323 | 1,371 | 286 | 295 | 295 | 285 | 1,161 |
| Fixed wholesale | 157 | 132 | 86 | 85 | 460 | 73 | 72 | 85 | 79 | 309 |
| Other | 88 | 88 | 90 | 93 | 359 | 97 | 100 | 113 | 110 | 420 |
| **Other revenues** | **115** | **119** | **118** | **134** | **486** | **165** | **173** | **188** | **188** | **714** |
| **Total revenues** | **2,918** | **2,954** | **2,885** | **3,171** | **11,928** | **2,931** | **3,055** | **3,123** | **3,379** | **12,488** |
| Labour expenses* | (372) | (339) | (318) | (364) | (1,393) | (368) | (344) | (322) | (365) | (1,399) |
| **External purchases*** | **(1,627)** | **(1,662)** | **(1,568)** | **(1,929)** | **(6,786)** | **(1,688)** | **(1,780)** | **(1,826)** | **(2,129)** | **(7,423)** |
| - Interconnect expenses | (482) | (491) | (396) | (413) | (1,782) | (369) | (385) | (395) | (389) | (1,538) |
| - Network and IT expenses | (152) | (163) | (162) | (192) | (669) | (207) | (205) | (230) | (241) | (883) |
| - Commercial expenses | (587) | (582) | (582) | (816) | (2,567) | (602) | (688) | (665) | (898) | (2,853) |
| - Other external purchases* | (406) | (426) | (428) | (508) | (1,768) | (510) | (502) | (536) | (601) | (2,149) |
| Other operating incomes & expenses* | (59) | (42) | (60) | (30) | (191) | 5 | 34 | 16 | 21 | 76 |
| Impairment of receivables and contract assets | (23) | (23) | (16) | (5) | (67) | (18) | (23) | (19) | (14) | (74) |
| Amortization and impairment of right-of-use assets | (115) | (118) | (119) | (123) | (475) | (123) | (123) | (123) | (126) | (495) |
| Interest expense on lease liabilities | (13) | (14) | (13) | (13) | (53) | (17) | (21) | (27) | (30) | (95) |
| **EBITDAaL (EBITDA after Leases)** | **709** | **756** | **791** | **707** | **2,963** | **722** | **798** | **822** | **736** | **3,078** |
| *% of revenues* | *24.3%* | *25.6%* | *27.4%* | *22.3%* | *24.8%* | *24.6%* | *26.1%* | *26.3%* | *21.8%* | *24.6%* |
| Gains/ (losses) on disposal of assets | (20) | 7 | 37 | 28 | 52 | 21 | 49 | 15 | 22 | 107 |
| Gain related to sale of 50% stake in Światłowód Inwestycje (FiberCo) | 0 | 0 | 1,543 | 0 | 1,543 | 0 | 0 | 0 | 0 | 0 |
| Depreciation, amortisation and impairment of property, plant and equipment and intangibles assets** | (576) | (542) | (546) | (591) | (2,255) | (504) | (506) | (516) | (520) | (2,046) |
| Add-back of interest expense on lease liabilities | 13 | 14 | 13 | 13 | 53 | 17 | 21 | 27 | 30 | 95 |
| Adjustment for the impact of employment termination programs* | 0 | 0 | 7 | (136) | (129) | 0 | 6 | (6) | 1 | 1 |
| Adjustment for the costs related to acquisition,disposal and integration of subsidiaries* | (10) | (11) | 1 | (5) | (25) | (4) | (5) | (4) | (4) | (17) |
| Share of profit/ (loss) of joint venture adjusted for elimination of margin earned on asset related transactions with joint venture* | 0 | 0 | 10 | (1) | 9 | (8) | (26) | (14) | (9) | (57) |
| **Operting income** | **116** | **224** | **1,856** | **15** | **2,211** | **244** | **337** | **324** | **256** | **1,161** |
| *% of revenues* | *4.0%* | *7.6%* | *64.3%* | *0.5%* | *18.5%* | *8.3%* | *11.0%* | *10.4%* | *7.6%* | *9.3%* |
| Finance costs, net | (66) | (45) | (86) | (84) | (281) | (88) | (68) | (86) | (52) | (294) |
| - Interest expense on lease liabilities | (13) | (14) | (13) | (13) | (53) | (17) | (21) | (27) | (30) | (95) |
| - Other Interest expenses, net (excl. Interest expense on lease liabilities) | (38) | (44) | (42) | (42) | (166) | (34) | (27) | (12) | (24) | (97) |
| - Discounting expense | (8) | (12) | (15) | (31) | (66) | (19) | (21) | (20) | (20) | (80) |
| - Foreign exchange gains/ (losses) | (7) | 25 | (16) | 2 | 4 | (18) | 1 | (27) | 22 | (22) |
| Income tax | (11) | (63) | (184) | 0 | (258) | (31) | (26) | (45) | (41) | (143) |
| **Consolidated net income / (loss)** | **39** | **116** | **1,586** | **(69)** | **1,672** | **125** | **243** | **193** | **163** | **724** |

*Labour expenses, other external purchases and other operating incomes & expenses exclude adjustment due to employment termination program and some costs related to acquisition,disposal and integration of subsidiaries, and starting from Q2'22 also for elimination of margin earned on transactions with joint venture.

** In Q4 2021 D&A includes impairment of rights of perpetual usufruct of land historically recognised as property, plant and equipment, subsequently reclassified to right-of-use assets (PLN 34 million).

# Orange Polska Group key performance indicators

| *Customer base (in thousands)* | 2021 | | | | 2022 | | | |
|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| **B2C convergent customers** | **1,503** | **1,517** | **1,531** | **1,552** | **1,563** | **1,578** | **1,594** | **1,625** |
| **Fixed broadband access** | | | | | | | | |
| Fibre | 779 | 827 | 880 | 945 | 999 | 1,065 | 1,120 | 1,171 |
| ADSL | 786 | 756 | 725 | 686 | 653 | 623 | 591 | 561 |
| VDSL | 519 | 511 | 501 | 491 | 480 | 470 | 459 | 448 |
| Wireless for fixed | 627 | 625 | 623 | 624 | 622 | 627 | 624 | 625 |
| **Retail broadband - total** | **2,711** | **2,719** | **2,729** | **2,746** | **2,755** | **2,786** | **2,793** | **2,804** |
| *o/w B2C convergent* | *1,503* | *1,517* | *1,531* | *1,552* | *1,563* | *1,578* | *1,594* | *1,625* |
| **TV client base** | | | | | | | | |
| IPTV | 625 | 642 | 669 | 710 | 737 | 768 | 794 | 821 |
| DTH (TV over Satellite) | 392 | 376 | 339 | 286 | 241 | 203 | 169 | 135 |
| **TV client base - total** | **1,017** | **1,018** | **1,008** | **995** | **978** | **970** | **963** | **955** |
| *o/w B2C convergent* | *876* | *879* | *871* | *862* | *848* | *843* | *839* | *836* |
| **Mobile accesses** | | | | | | | | |
| Post-paid | | | | | | | | |
| *Mobile Handset* | *8,183* | *8,266* | *8,357* | *8,424* | *8,506* | *8,609* | *8,666* | *8,723* |
| *Mobile Broadband* | *723* | *705* | *690* | *674* | *659* | *646* | *638* | *627* |
| *M2M* | *2,111* | *2,221* | *2,632* | *2,749* | *2,880* | *2,983* | *3,168* | *3,216* |
| **Total post-paid** | **11,017** | **11,192** | **11,679** | **11,847** | **12,046** | **12,238** | **12,472** | **12,566** |
| *o/w B2C convergent* | *2,823* | *2,848* | *2,871* | *2,900* | *2,914* | *2,937* | *2,958* | *2,991* |
| **Pre-paid** | **4,783** | **4,855** | **4,910** | **4,953** | **5,260** | **5,591** | **5,451** | **5,064** |
| **Total** | **15,800** | **16,047** | **16,590** | **16,800** | **17,306** | **17,829** | **17,924** | **17,630** |
| **Fibre households connectable** | **5,174** | **5,379** | **5,611** | **5,934** | **6,153** | **6,475** | **6,757** | **7,073** |
| **Wholesale customers** | | | | | | | | |
| *WLR* | *260* | *251* | *242* | *232* | *222* | *214* | *206* | *198* |
| *Bitstream access* | *136* | *139* | *142* | *144* | *147* | *151* | *155* | *162* |
| *o/w fibre* | *34* | *41* | *47* | *53* | *59* | *65* | *73* | *83* |
| *LLU* | *49* | *46* | *44* | *42* | *40* | *39* | *37* | *34* |
| **Fixed telephony accesses** | | | | | | | | |
| PSTN | 1,686 | 1,624 | 1,570 | 1,514 | 1,463 | 1,417 | 1,375 | 1,331 |
| VoIP | 1,151 | 1,158 | 1,168 | 1,188 | 1,199 | 1,216 | 1,228 | 1,241 |
| **Total retail main lines** | **2,837** | **2,782** | **2,738** | **2,702** | **2,662** | **2,633** | **2,603** | **2,572** |
| *o/w B2C convergent* | *859* | *860* | *868* | *887* | *896* | *911* | *923* | *940* |
| *o/w B2C PSTN convergent* | *13* | *11* | *10* | *9* | *8* | *7* | *7* | *6* |
| *o/w B2C VoIP convergent* | *846* | *849* | *858* | *879* | *888* | *904* | *916* | *934* |

| *Quarterly ARPO in PLN per month* | 2021 | | | | 2022 | | | |
|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Convergent services B2C | 109.6 | 111.4 | 113.2 | 113.2 | 113.7 | 113.7 | 115.6 | 115.9 |
| Fixed services only - voice | 37.1 | 37.0 | 36.5 | 36.9 | 36.5 | 36.2 | 36.2 | 36.4 |
| Fixed services only - broadband | 58.8 | 59.2 | 59.5 | 60.5 | 61.0 | 61.3 | 62.0 | 62.5 |
| Mobile services only | 19.6 | 20.1 | 20.7 | 20.3 | 20.1 | 20.2 | 20.1 | 20.8 |
| Post-paid excl M2M | 25.6 | 26.0 | 26.7 | 26.3 | 26.4 | 26.8 | 27.3 | 27.3 |
| *Mobile Handset* | *27.2* | *27.7* | *28.3* | 27.9 | *28.0* | 28.3 | 28.9 | 28.8 |
| *Mobile Broadband* | *12.5* | *12.3* | *12.3* | 12.2 | *12.1* | 12.1 | 12.1 | 12.1 |
| Pre-paid | 11.9 | 12.6 | 13.1 | 12.9 | 12.3 | 12.5 | 11.8 | 12.9 |
| Mobile wholesale (convergent + mono) | 8.1 | 8.5 | 7.1 | 7.2 | 6.2 | 6.1 | 5.9 | 5.9 |

| *Other mobile operating statistics* | 2021 | | | | 2022 | | | |
|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| **DATA AUPU in GB** | | | | | | | | |
| post-paid | 5.4 | 5.9 | 6.3 | 6.5 | 6.8 | 7.4 | 8.0 | 8.3 |
| pre-paid | 4.8 | 5.1 | 5.4 | 5.8 | 6.0 | 6.4 | 6.7 | 7.9 |
| blended | 5.2 | 5.6 | 6.0 | 6.2 | 6.5 | 7.0 | 7.5 | 8.2 |
| **Quarterly mobile customer churn rate (%)** | | | | | | | | |
| post-paid | 2.3 | 1.9 | 1.8 | 2.3 | 1.9 | 1.9 | 2.3 | 2.1 |
| pre-paid | 10.8 | 9.1 | 10.0 | 10.5 | 9.5 | 7.5 | 14.6 | 18.5 |

| **Employment structure of Group as reported**<br>**Active full time equivalents (end of period)** | 2021 | | | | 2022 | | | |
|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| **Orange Polska** | **10,827** | **10,583** | **10,312** | **10,125** | **10,085** | **9,831** | **9,640** | **9,445** |
| 50% of Networks | 349 | 332 | 327 | 327 | 338 | 339 | 331 | 319 |
| Total | 11,176 | 10,915 | 10,639 | 10,452 | 10,423 | 10,170 | 9,971 | 9,764 |

| **Key environmental indicators** | 2021 | 2022 |
|---|---|---|
| | **full year** | **full year** |
| $CO_2$ emissions (Scope 1+2) [k tones] | 367 | 316 |
| Energy consumption[GWh] | 533 | 518 |
| Renewable electricity as % total electricity consumption | 6% | 12% |

Terms used:

**ARPO** – average revenue per offer

**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.

**Data Average Usage per User ( Data AUPU)** – The average monthly total usage of gigabytes divided by the average number of mobile SIM cards (ex M2M and mobile broadband) 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 300Mb/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.