

Financial information for the first semester 2022

Sustained financial performance despite macro-economic context and competitive environment nationwide

- Mobile postpaid customer base +3.5% yoy / Cable customer base +13.9% yoy
- H1 Revenues +3.3% yoy / H1 Retail service revenues +6.4% yoy
- H1 EBITDAaL +3.5% yoy

H1 Operational Highlights

- **The commercial performance remained positive especially in postpaid**, despite the limited growth of the market compared with last year and a competitive environment nationwide.
- Thanks to the success of the Go portfolio and the effectiveness of the “Go Extreme Special Edition” promotion, as well as the hey! Portfolio, **33k new mobile postpaid were added** bringing total subscribers to 2.8m (+3.5% yoy)
- **Cable customer base increased by 22k**, with an ending base of 417k customers (+13.9% yoy) within a context of the end of the Covid boost.
- **B2C convergent ARPO decreased by 0.6% yoy to €73.2**, mainly because of the discounts provided in the mobile tariffs, as well as the growing Love Duo customer base.
- **Mobile only postpaid ARPO increased by 1.5% yoy to €19.9** mainly explained by the increase in customer roaming.

Orange Belgium: key operating figures

	H1 2021	H1 2022	change
Mobile postpaid customer base (in '000)	2 681	2 775	3.5%
Net adds (in '000)	41	33	-19.7%
Mobile only postpaid ARPO (€ per month)	19.6	19.9	1.5%
Cable customer base (in '000)	366	417	13.9%
Net adds (in '000)	41	22	-44.9%
B2C convergent ARPO (€ per month)	73.6	73.2	-0.6%

H1 Financial Highlights

- **Revenues reached 677.3 million euros, increasing by 3.3%**, despite the loss of Mobile Vikings revenues as from Q2 2022. Retail service revenues continued to grow by 6.4%, mainly thanks to higher convergent service revenues (+13.0% yoy)
- **EBITDAaL increased by 3.5% yoy to 166.8 million euros**, mainly driven by higher retail service revenues, supported by effective cost management despite the growing pressure linked to the macro-economic context. Stable EBITDAaL margin at 24.6%
- **eCapex grew by 5.8% yoy to 86.0 million euros**, mainly explained by the acceleration of the implementation of the network sharing with Proximus and the deployment of 5G

Orange Belgium Group: key financial figures

in €m	H1 2021	H1 2022	change
Revenues	655.9	677.3	3.3%
Retail service revenues	460.8	490.5	6.4%
EBITDAaL	161.2	166.8	3.5%
margin as % of revenues	24.6%	24.6%	6 bp
eCapex ¹	-81.3	-86.0	5.8%
Operating cash flow²	79.9	80.8	1.2%
Net financial debt	124.4	65.3	

1. eCapex excluding licence fees. In H1 2021 Orange Belgium paid 10.9 million euros on licence fees. In H1 2022 Orange Belgium paid 10.9 million euros on licence fees.
2. Operating cash flow defined as EBITDAaL – eCapex excluding licence fees

Xavier Pichon, Chief Executive Officer, commented:

The events in the world during the first half of this year have had major impact on the macro-economic situation with unprecedented inflation and rising energy costs. In addition, we notice that the market has been slowing down with fewer market movements in a competitive environment nationwide. Nevertheless, Orange Belgium has been able to provide positive commercial results, consolidating our position in mobile and improving our market share in broadband. Proof of the company's strong resilience.

Following the spectrum auction in June, we were able to obtain the maximum of key 5G spectrum available. This spectrum will allow us to deploy a multi-gigabit 5G network with outstanding coverage and capacity. In combination with the switch-off of 3G and later 2G, this will allow optimum usage of the spectrum providing the optimal services for the customer. In addition, during the first half of this year, we already made the 5G network available to our postpaid customers and we announced the opening of a second 5G Lab in the heart of Liège. True to our commitment to act as an engaged and responsible operator, we opened the Orange Digital Center in Brussels, free and open to all to promote learning.

Antoine Chouc, Chief Financial Officer, stated:

As last year, we have been able to deliver solid financial results, both in revenues as well as in EBITDAaL. Despite the loss of Mobile Vikings, our revenues have improved over the first half of the year. The growth comes mainly from the positive commercial performance and the review of our fixed and mobile tariff plans.

In a context of macro-economic uncertainties with rising inflation and increasing energy costs we have been able to control our costs successfully. Indirect costs have grown at a slower pace than inflation over the same period. Consequently, we were able to increase our EBITDAaL by 3.5% compared with the same period of last year.

We remain cautiously optimistic and confirm our guidance for the year 2022, with low single-digit revenue growth, EBITDAaL between 350 million euros and 370 million euros, and eCapex between 210 million euros and 230 million euros.

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1. Key highlights

1.1 Operational highlights

- **5G Lab opening in the heart of Liège**

After the inauguration of its first 5G Lab in Antwerp in October 2021, Orange Belgium forged a partnership with the iconic Grand Poste of Liège, veritable hub dedicated to creative companies and innovation. The objective of the 5G Lab in Liège is to demystify this new technology and demonstrate its possibilities and applications. The lab will also be used to develop and test out innovative and concrete new 5G applications in collaboration with customers, prospects and partners.
- **Orange Belgium opened 5G to all its postpaid customers**

Using the temporary spectrum allowed by the national regulator BIPT, every eligible postpaid customer, including those of its b-brand hey! will be able to discover a much faster network experience.
- **Orange launched the Eco Rating for devices and a new global program “re”**

The Eco Rating will help consumers identify and compare the most sustainable mobile phones and encourage suppliers to reduce the environmental impact of their devices. The Eco Rating initiative has been created jointly by Deutsche Telekom, Orange, Telefónica, Telia Company and Vodafone to provide consistent, accurate information at retail on the environmental impact of producing, using, transporting, and disposing of smartphones and feature phones. Orange Belgium also launches a global program re: Repair, Refurbish, Recycle and Return.
- **Orange Belgium launched its new generation of TV decoders in March.**

Based on the Android TV ecosystem, the new interface allows direct access to the native applications of content providers such as VRT NU and RTBF Auvio, allowing customers to get direct access to the content they’re looking for like 4K support, voice control and recording in the Orange cloud. Thanks to a partnership with Streamz, customers will be able to enjoy the entire catalogue of this streaming service for a period of 3 months, free of charge.
- **Orange Belgium adapts its prices, upgrades the data volume of all its mobile subscriptions and extends the multi card reductions**

Orange Belgium has adapted several prices since 1st June. As a next-generation operator, always promising to follow and anticipate its customers’ needs, Orange Belgium also has improved the content of its offers and upgraded the data cap of all its Go mobile subscriptions, with increases ranging from 0.5 to 10 GB, also extending its multi card reductions.
- **Our customers can now engage for the environment and social inclusion through its Orange Thank You loyalty programme**

Orange Belgium will now offer its customers the possibility to also engage and act by turning their loyalty gifts into donations for Belgian associations.
- **New features for its hey! brand: a tariff plan for youngsters, the Myhey! App and the hey! community**

Orange Belgium has introduced plenty of novelties and an evolution of its portfolio. The new offer will give discounts valid for 2 years: 7-15-25€ become 5-10-20€, the hey!community will have its own online platform, a tariff plan dedicated to youngsters under 26 years old, and the MyHey! application to launch in the summer
- **Launch of Orange Belgium Fund, a corporate fund to foster digital and social inclusion**

Under the umbrella of the King Baudouin’s Foundation with the aim of supporting local initiatives, the fund kicks off with a major partnership with ToekomstATELIERdelAvenir, a Brussels-based association which accompanies and coaches socially vulnerable teenagers to help them acquire skills and maximize their chances on the job market.
- **Orange Belgium obtained the maximum amount of key 5G spectrum available in the auction. Furthermore, it announces the phasing out of 3G services from mid-2023**

After this phase of the auction, Orange Belgium will have spectrum rights for 2X10 MHz in 700 MHz, 2X10 MHz in 900 MHz, 2X15 MHz in 1800 MHz, 2X15 MHz in 2100 MHz, and 100 MHz in 3.6 GHz spectrum. The total amount of the unique licence fees is 321.5 million euros for a period of 20 years.

The additional spectrum, the maximum with respect to the new 5G frequencies, will allow Orange Belgium to ensure a high-quality coverage coupled with a high capacity for its advanced mobile network for its residential and business customers. The spectrum obtained in the auction provides Orange Belgium with the means to realise its 5G ambitions, while it will also ensure it can provide optimal 4G services.

To further optimize the efficiency of its spectrum use, Orange Belgium will also start the phasing out of the 3G technology on its network as from mid-2023, for a definitive switch-off of 3G in 2025. Its 2G technology will remain until end of 2028. Orange Belgium guarantees the continuity of its 4G technology that covers nearly 100% of the Belgian population.
- **Orange Belgium launched an Orange Digital Center, a major hub for initiatives focused on digital inclusion and innovation**

To help reduce the digital divide, Orange Belgium has opened an Orange Digital Center in the heart of Brussels. The Orange Digital Center will serve as a support and development center allowing everyone to acquire and improve their digital and entrepreneurial skills, with activities ranging from digital training to coaching for small businesses and start-ups, offering a genuine trajectory for personal and business growth.

1.2 Regulatory highlights

▪ Review of the 2018 market analysis decisions

The CRC initiated its review of the 2018 market analysis decisions that define the framework for the regulation of the cable, copper and fibre networks in Belgium. A new decision is expected around mid-2023.

▪ New spectrum allocation, renewal of existing spectrum attributions

Extension of the licence duration for 2G and 3G

The decision on the extension until mid-September 2021 was published on 23 February 2021. Since then, 2 additional 6-months extensions were decided upon by the BIPT. The current extension period runs until 15 September 2022.

Attribution of new 700/900/1400/1800/2100/3500 MHz spectrum and timeframe 5G auction

On 21 October 2021, the Council of Ministers approved the Royal Decrees that govern the 5G- and spectrum renewal auctions. The Royal Decrees were published on 23 December 2021, and contain spectrum set-asides for a new entrant operator.

On 14 January 2022, the BIPT published the call for candidates for the auction on the allocation of new 5G spectrum (700 MHz, 1400 MHz, 3600 MHz) and the renewal of the existing 2G and 3G spectrum (900MHz, 1800 MHz, 2100MHz). The auction for all frequencies apart from 1400 MHz started on 1 June 2022 and ended on 20 June 2022. In addition to the existing mobile operators 2 newcomers acquired radio spectrum in the auctions, one (Citymesh Mobile NV) of these took up the spectrum package reserved for a new entrant. The positioning of the blocs for the auctioned spectrum bands, has been completed. The 1400 MHz spectrum auction started July 12th 2022. Telenet initiated a legal action against the spectrum Royal Decrees in which spectrum is reserved for a new entrant.

▪ 5G Security

On 2 December 2020, the BIPT launched a public consultation on a draft law and a draft Royal Decree concerning the security of 5G networks, in particular regarding the constraints that apply regarding certain types of suppliers. The consultation ended on 30 December 2020.

The BIPT launched on 7 May 2021 (until 5 June 2021) a public consultation on a draft Royal Decree which aims to introduce additional supplier security measures for the provision of 5G services for full MVNOs. Additional draft Royal Decrees were prepared aiming to introduce positioning requirements for the 5G networks and apply constraints to certain types of private 5G networks. Public consultations concerning the new draft Royal Decrees were launched and ended on 17 December 2021. The publication of the final Royal Decrees is foreseen for the beginning of 2023.

▪ RAN sharing agreement between Orange Belgium and Proximus

On 25 November 2019, Orange Belgium and Proximus signed an agreement with the purpose of establishing a 50-50 joint venture on radio mobile access network sharing, covering 2G, 3G, 4G and 5G technologies. Telenet lodged a complaint with the national competition authority against this agreement. On 10 January 2020 the Competition Authority decided by means of provisional measures, that the BIPT could further assess the agreement for an additional period of 2 months. These measures expired on 16 March 2020 and Orange Belgium and Proximus have resumed works for the implementation of the project.

Whereas the procedure on the merits is ongoing, the Competition Authority is sending several requests for information to Orange Belgium and Proximus regarding various elements of the agreement. The outcome of the complaint is now expected in Q3 2022.

▪ Social tariffs in the telecom sector

The federal government has initiated plans to review the modalities (technical, financial, operational) of the social tariff discounts for certain user groups.

In December 2021, a public consultation on the draft law to review the social tariffs was organized by the BIPT. Among the new proposals are an extension of the range of beneficiaries, the automation of the allocation of the social tariffs (which are a reduction on the retail tariff), and the review of the nominal values of the amounts of the social tariff discounts. The social tariffs would apply for fixed internet and fixed telephony mainly, with an additional social tariff for a bespoke (more limited) group of mobile users.

2. Comments on the financial situation

2.1 Consolidated figures for the Orange Belgium Group

Orange Belgium Group: consolidated P&L

in €m	H1 2021	H1 2022	change
Revenues	655.9	677.3	3.3%
Belgium	629.2	648.6	3.1%
Luxembourg	36.9	36.7	-0.7%
Interco elimination	-10.3	-7.9	-22.8%
EBITDAaL	161.2	166.8	3.5%
Belgium	155.0	159.6	3.0%
Luxembourg	6.2	7.2	17.5%
<i>margin as % of revenues</i>	<i>24.6%</i>	<i>24.6%</i>	<i>6 bp</i>

2.2 Consolidated statement of comprehensive income

Revenues

Group revenues grew by 3.3% to 677.3 million euros.

in €m	H1 2021	H1 2022	change
<i>Convergent service revenues</i>	123.5	139.6	13.0%
<i>Mobile only service revenues</i>	282.3	289.4	2.5%
<i>Fixed only service revenues</i>	34.5	39.3	14.0%
<i>IT & Integration Services</i>	20.5	22.2	8.1%
Retail service revenues	460.8	490.5	6.4%
Equipment sales	70.0	71.5	2.0%
Wholesale revenues	113.0	106.6	-5.7%
Other revenues	12.0	8.8	-26.9%
Revenues	655.9	677.3	3.3%

- **Retail service revenues** increased by 6.4% to 490.5 million euros mainly driven by revenue growth in convergence service revenues. Fixed only service revenues increased by 14.0% as an increasing customer base and the inclusion of naked broadband.
- **Equipment sales and other revenues** decreased by 2%, explained by lower volumes sold in comparison to the same period of last year.
- **Wholesale revenues** decreased by 5.7% due to the loss of Mobile Vikings MVNO, less incoming voice revenue, partially offset by more visitor roaming.

Operating costs

Total operational costs reached 509.6 million euros in H1'22 (+3.2%)

in €m	H1 2021	H1 2022	change
Direct costs	-266.0	-278.7	4.8%
Labour costs	-77.3	-80.5	4.2%
Indirect costs including RouA and finance lease costs	-151.4	-151.2	-0.7%
<i>of which RouA and finance lease costs</i>	<i>-27.9</i>	<i>-26.2</i>	
	-494.7	-509.6	3.2%

- **Direct costs increased by 4.8% to 278.7 million euros.** This is mainly due to an increase in equipment and cable costs.
- **Labour costs grew by 4.2% to 80.5 million euros,** largely explained by inflation impact
- **Indirect costs** were stable at 151.2 million euros.

From EBITDAaL to Net profit

Reconciliation from EBITDAaL to Net profit

in €m	H1 2021	H1 2022
EBITDAaL	161.2	166.8
<i>margin as % of revenues</i>	24.6%	24.6%
Other restructuring costs	-2.8	-4.6
Depreciation and amortization of other intangible assets and property, plant and equipment	-147.7	-125.7
Impairment of fixed assets	-0.8	-0.1
Share of profits (losses) of associates	0.2	0.2
Finance lease cost	1.1	1.1
Operating profit (EBIT)	11.2	37.6
Net financial income (expense)	-1.6	-5.1
Profit before tax	9.6	32.5
Tax expense	-2.3	-5.8
Net profit for the period	7.3	26.7

- **EBITDAaL** increased by 3.5% to 166.8 million euros. This improvement is mainly explained by the higher increase in revenues and management of costs.
- **Depreciation and amortization** amounted to 125.7 million euros in H1'22.
- **Restructuring costs** for the semester amounted to 4.6 million euros.
- **Net financial expenses** (including finance lease cost for an amount of 0.9 million euros) amounted to 5.1 million euros.
- The group reported a **tax expense** of 5.8 million euros in H1'22 vs 2.3 million euros in H1'21.
- Orange Belgium Group reported a **net profit** of 26.7 million euros during the H1'22 vs 7.3 million euros during H1'21.

2.3 Liquidity and capital resources

The Group uses Operating cash flow and Organic cash flow as the main metrics for analysing cash generation. Operating cash flow is defined as EBITDAaL less eCapex. Organic cash flow measures the net cash provided by operating activities less eCapex plus the proceeds from the disposal of tangible and intangible assets.

Operating cash flow remains stable at 80.6 million euros compared to 79.9 million euros in H1'21.

Organic cash flow

in €m	H1 2021	H1 2022
EBITDAaL	161.2	166.8
eCapex excluding licence fee	-81.3	-86.0
Operating cash flow	79.9	80.8

Reconciliation to organic cash flow

in €m	H1 2021	H1 2022
Net profit (loss) before the period	7.3	26.7
Adjustments to reconcile net profit (loss) to cash generated from operations	200.3	189.1
Changes in working capital requirements	1.1	-12.8
Other net cash out	-23.0	-16.3
Net cash provided by operating activities	185.8	186.8
eCapex including licence fee	-92.2	-96.9
Increase (decrease) in fixed assets payables	-16.7	-56.7
Repayment of lease liabilities	-27.0	-25.9
Organic cash flow	49.9	7.3

Net debt

€m, period ended	31.12.2021	30.06.2022
Cash & cash equivalents		
Cash	-24.0	-32.9
Cash equivalents	-29.8	-27.8
	-53.7	-60.6
Financial liabilities		
Intercompany short-term borrowing	0	3.1
Third parties short-term borrowing	1.5	1.1
Intercompany long-term borrowing	121.8	121.8
	123.3	125.9
Net debt (Financial liabilities minus cash and cash equivalents)	69.5	65.3
Net debt/ EBITDAaL	0.2	0.2

2.4 Activities of the Orange Belgium Group by segment

The following gives a breakdown of Orange Belgium Group's activities in greater detail:

2.4.1. Orange Belgium

Cable services

In H1'22, Orange Belgium's convergence customer base continued to grow by adding 22k new convergent and fixed only customers, reaching 417k subscribers. B2C customers represent almost 90% of cable subscriber base.

	H1 2021	H1 2022
Cable customer base		
B2C cable customer base	326	371
B2B cable customer base	40	46
	366	417
ARPO (in € per month)		
B2C convergent	73.6	73.2

Mobile services

Orange Belgium maintained its commercial momentum during the semester.

The company achieved net-adds of 33k subscribers in the postpaid segment. The postpaid customer base increased by 3.5% to 2.78 million while the prepaid customer base decreased by 8.4%.

Postpaid mobile ARPO increase by 1.5% to €19.9 in H1'22 reflecting the retail price increase.

Prepaid ARPO decrease by 11.4% to €5.8 since H1 2021.

Orange Belgium: mobile services operating figures (in '000s, unless otherwise indicated)

	H1 2021	H1 2022	change
Mobile customers			
Postpaid	2 681	2 775	3.5%
Prepaid	432	395	-8.4%
M2M	1 741	1 993	14.4%
	4 854	5 163	6.4%
MVNO customers	350	18	-94.8%
Mobile only ARPO (€ per month)			
Blended	17.4	18.0	3.3%
Postpaid (mobile only)	19.6	19.9	1.5%
Prepaid	6.5	5.8	-11.4%

Financial review

Revenues in Belgium reached 648.6 million euros, increasing by 3.1%, whereby retail service revenues were the main factor for growth.

Retail service revenues increased by 6.7% to 467.8 million euros due to sustained uptake of convergent services revenues. Convergent services revenues continued its growth trajectory in this first semester with a year-on-year increase of 13.0%.

Wholesale revenues decreased by 7.0% to 101.2 million euros due to the loss of the Mobile Vikings.

Orange Belgium: key financial figures

in €m	H1 2021	H1 2022	change
Convergent service revenues	123.5	139.6	13.0%
Mobile only service revenues	263.9	270.5	2.5%
Fixed only service revenues	30.4	35.6	16.9%
IT & Integration services	20.5	22.2	8.1%
Retail service revenues	438.4	467.8	6.7%
Equipment sales	63.8	65.6	2.8%
Wholesale revenues	108.9	101.2	-7.0%
Other revenues	18.1	13.9	-22.9%
Revenues	629.2	648.6	3.1%
EBITDAaL	155.0	159.6	3.0%
<i>margin as % of revenues</i>	24.6%	24.6%	-3 bp

EBITDAaL increased by 3% reaching 159.6 million euros explained by an increase in revenues as well as cost management.

2.4.2. Orange Communications Luxembourg

Operating review

Orange Communications Luxembourg increased its mobile subscriber base by 3k to 209k

Orange Communications Luxembourg: mobile services operating figures (in '000s, unless otherwise indicated)

	H1 2021	H1 2022
Mobile customers	206	209
MVNO customers	4	4

Financial review

Revenues decrease by 0.7% to 36.7million euros.

EBITDAaL increased by 17.5% to 7.2 million euros.

Orange Communications Luxembourg: key financial figures

in €m	H1 2021	H1 2022	change
Mobile only service revenues	18.4	18.9	3.2%
Fixed only service revenues	4.1	3.7	-8.3%
Retail service revenues	22.4	22.7	1.1%
Equipment sales	6.3	5.9	-6.0%
Wholesale revenues	6.9	8.0	15.8%
Other revenues	1.3	0.1	-91.6%
Revenues	36.9	36.7	-0.7%
EBITDAaL	6.2	7.2	17.5%
<i>margin as % of revenues</i>	16.7%	19.7%	306 bp

3. Financial risks and risk management

There were no changes to the information disclosed in the 2021 annual report.

4. Significant event after the end of the first semester of 2022

The 1400 MHz spectrum auction started July 12th 2022 and ended July 20th 2022. In the 1400 MHz auction, a spectrum band used for download capacity, Orange Belgium obtained 30 MHz, i.e. one third of the auctioned spectrum, at a price of 2.33 M€ per MHz. The unique license fee for a 20 year license period for this spectrum is 69.650.000 €.

None of the above mentioned events were adjusting events and no other adjusting events nor any other significant non adjusting events arose between the balance sheet date and the date at which the interim condensed consolidated financial statements have been authorized for issue.

5. Outlook

Orange Belgium expects low single-digit revenue growth in 2022 considering further uptake on its postpaid and convergent customer base.

For 2022, the Company expects EBITDAaL between 350 million euros and 370 million euros. This range takes into account:

- Loss of Mobile Vikings as from April 2022
- Increased energy costs
- Labour cost indexation

In addition, total eCapex is expected to be between 210 million euros and 230 million euros. This considers the renewal of spectrum in Q2 2022.

The outlook 2022 does not take into account the integration of VOO.

6. Conference call details

Date: 22 July 2022
Time: 13:30 (GET), 12:30 (UK), 07:30 (US/NY)
Conference call: [Orange Belgium H1 2022 results](#)

Please aim to access the conference call ten minutes prior to the scheduled start time.

7. Shares

Share trading volumes and closing prices are based on trades made on NYSE Euronext Brussels.

	H1 2021	H1 2022
Trading of shares		
Average closing share price (€)	21.7	18.9
Average daily volume	75.416	8 694
Average daily value traded (€ m)	1.6	0.2
Shares and market values		
Total number of shares (m)	60.0	59.94
Treasury shares (k)	69.7	-
Closing price (€)	18.9	17.9
Market capitalization (€ m)	1 135.5	1 074.2

8. Interim condensed consolidated financial statements

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Interim condensed consolidated statement of comprehensive income

in €m	Notes	30.06.2021	30.06.2022
Retail service revenues		460.8	490.5
Convergent service revenues		123.5	139.6
Mobile only service revenues		282.3	289.4
Fixed only service revenues		34.5	39.3
IT & Integration Service		20.5	22.2
Equipment sales		70.0	71.5
Wholesale revenues		113.0	106.6
Other revenues		12.0	8.8
Revenues		655.9	677.3
Purchase of material		-86.1	-89.6
Other direct costs		-178.5	-185.2
Impairment loss on trade and other receivables, including contract assets		-1.3	-3.9
Direct costs		-266.0	-278.7
Labour costs		-77.3	-80.5
Commercial expenses		-14.0	-12.2
Other IT & Network expenses		-49.7	-52.0
Property expenses		-2.6	-6.4
General expenses		-29.1	-30.6
Other indirect income		14.1	15.2
Other indirect costs		-41.0	-38.1
Depreciation of right-of-use of leased assets		-28.0	-26.2
Indirect costs		-150.3	-150.3
Other restructuring costs (*)		-2.8	-4.6
Depreciation and amortization of other intangible assets and property, plant and equipment	9.12	-147.7	-125.7
Impairment of fixed assets		-0.8	-0.1
Share of profits (losses) of associates		0.2	0.2
Operating Profit (EBIT)		11.2	37.5
Financial result		-1.6	-5.1
Financial costs		-1.8	-5.1
Financial income		0.2	0.0
Profit (loss) before taxation (PBT)		9.6	32.5
Tax expense	9.10	-2.3	-5.8
Net profit (loss) for the period (**)		7.3	26.7
Profit (loss) attributable to equity holders of the parent		7.3	26.7
Consolidated Statement of Comprehensive Income			
Net profit (loss) for the period		7.3	26.7
Other comprehensive income		0.0	-0.8
Total comprehensive income for the period		7.3	25.9
Part of the total comprehensive income attributable to equity holders of the parent		7.3	25.9
Basic earnings per share (in EUR)		0.12	0.45
Weighted average number of ordinary shares (excl. treasury shares)		59 944 757	59 944 757
Diluted earnings per share (in EUR)		0.12	0.45
Diluted weighted average number of ordinary shares (excl. treasury shares)		59 944 757	59 944 757

* Restructuring costs consist of contract termination costs and redundancy charges and acquisition and integration costs.

** Since there are no discontinued operations, the net profit or loss of the period corresponds to the result of continued operations

Interim condensed consolidated statement of financial position

in €m	Notes	31.12.2021	30.06.2022
ASSETS			
Goodwill	9.6	89.5	89.5
Other intangible assets		247.4	241.0
Property, plant and equipment		662.8	626.6
Rights-of-use of leased assets	9.11	299.2	276.0
Interests in associates and joint ventures		5.8	5.9
Non-current financial assets		2.2	1.4
Other non-current assets	9.7	0.7	30.2
Deferred tax assets		1.8	1.8
Total non-current assets		1 309.3	1 272.4
Inventories		24.0	19.1
Trade receivables		188.1	177.9
Other assets related to contracts with customers		61.7	64.2
Current financial assets		0.4	0.4
Current derivatives assets		0.2	0.4
Other current assets		7.7	9.1
Operating taxes and levies receivables		9.2	0.4
Current tax assets		0.3	0.4
Prepaid expenses		5.0	20.2
Cash and cash equivalents	9.8	53.7	60.6
Total current assets		350.3	352.8
Total Assets		1 659.7	1 625.2
EQUITY AND LIABILITIES			
Share capital		131.7	131.7
Legal reserve		13.2	13.2
Retained earnings (excl. legal reserve)		479.3	505.2
Equity attributable to the owners of the parent	9.9	624.2	650.1
Total Equity		624.2	650.1
Non-current financial liabilities	9.8	121.8	121.8
Non-current lease liabilities	9.11	255.3	235.8
Non-current employee benefits		0.1	0.1
Non-current provisions for dismantling	9.12	80.7	71.8
Other non-current liabilities		2.6	1.1
Deferred tax liabilities		4.6	3.8
Total non-current liabilities		464.9	434.4
Current fixed assets payable		71.7	42.5
Trade payables		258.9	246.1
Current financial liabilities	9.8	1.5	4.1
Current lease liabilities	9.11	44.7	40.8
Current derivatives liabilities		0.2	0.4
Current employee benefits		34.1	34.6
Current provisions for dismantling		9.1	4.8
Current restructuring provisions	9.12	1.1	4.0
Other current liabilities		7.1	4.3
Operating taxes and levies payables		75.5	87.1
Current tax payables		10.7	11.5
Liabilities related to contracts with customers		56.0	60.2
Deferred income		0.2	0.3
Total current liabilities		570.6	540.6
Total Equity and Liabilities		1 659.7	1 625.2

Interim condensed consolidated cash flow statement

in €m	Notes	30.06.2021	30.06.2022
Operating activities			
Consolidated net profit		7.3	26.7
Adjustments to reconcile net profit (loss) to cash generated from operations			
Operating taxes and levies		20.0	21.0
Depreciation, amortization of other intangible assets and property, plant and equipment		147.7	125.7
Depreciation of right-of-use assets		28.0	26.2
Impairment of non-current assets		0.8	0.1
Gains (losses) on disposal		-1.0	-0.6
Changes in other provisions		-0.1	1.8
Share of profits (losses) of associates and joint ventures		-0.2	-0.2
Income tax expense		2.3	5.8
Finance costs, net		1.6	5.1
Operational net foreign exchange and derivatives		-0.1	0.1
Share-based compensation		0.0	0.0
Impairment loss on trade and other receivables, including contract assets		1.3	3.9
		200.3	189.1
Changes in working capital requirements			
Decrease (increase) in inventories, gross		7.5	4.1
Decrease (increase) in trade receivables, gross		19.5	6.3
Increase (decrease) in trade payables		-27.1	-12.8
Change in other assets related to contracts with customers		7.6	-2.6
Change in liabilities related to contracts with customers		-3.8	4.2
Changes in other assets and liabilities		-2.6	-12.0
		1.1	-12.8
Other net cash out			
Operating taxes and levies paid		-13.1	-9.3
Interest paid and interest rates effects on derivatives, net		-2.5	-1.2
Income tax paid	9.10	-7.4	-5.7
		-23.0	-16.3
Net cash provided by operating activities		185.8	186.8
Investing activities			
Purchases of property, plant and equipment and intangible assets			
Purchases of property, plant and equipment and intangible assets		-92.2	-96.9
Increase (decrease) in fixed assets payables		-16.7	-56.7
Cash paid for investments securities and acquired businesses, net of cash acquired		-0.4	0.0
Net cash used in investing activities		-109.3	-153.6
Financing activities			
Long-term debt redemptions and repayments		-80.8	-0.4
Repayment of lease liabilities		-27.0	-25.9
Increase (decrease) of bank overdrafts and short-term borrowings		22.2	0.0
Purchase of treasury shares		0.2	0.0
Dividends paid to owners of the parent company	9.9	-30.0	0.0
Net cash used in financing activities		-115.4	-26.3
Net change in cash and cash equivalents		-38.9	6.9
Opening balance			
o/w cash		32.0	24.0
o/w cash equivalents		28.8	29.8
Cash change in cash and cash equivalents		-38.9	6.9
Closing balance			
o/w cash	9.8	21.0	32.9
o/w cash equivalents		0.9	27.8
Organic Cash Flow (*)		49.9	7.3

* Net cash flow from operations less acquisitions of tangible and intangible assets plus proceeds from disposals of tangible and intangible assets minus repayment of lease liabilities.

Interim condensed consolidated statement of changes in equity

in €m	Share capital	Legal reserve	Retained earnings	Treasury shares	Total equity
Balance at 31 December 2021	131.7	13.2	479.3	-	624.2
Net profit for the period			26.7		26.7
Other comprehensive income			-0.8		-0.8
Total comprehensive income for the period			25.9		25.9
Treasury shares					0.2
Employee- Share-based compensation			0.0		0.0
Declared dividends					
Balance at 30 June 2022	131.7	13.2	505.2		650.1

in €m	Share capital	Legal reserve	Retained earnings	Treasury shares	Total equity
Balance at 31 December 2020	131.7	13.2	470.6	-1.5	613.9
Net profit for the period			7.3		7.3
Other comprehensive income			0.0		0.0
Total comprehensive income for the period			7.3		7.3
Treasury shares				0.2	0.2
Employee- Share-based compensation			0.0		0.0
Declared dividends			-30.0		-30.0
Balance at 30 June 2021	131.7	13.2	447.8	-1.3	591.4

Segment information

Interim condensed consolidated statement of comprehensive income for the first half year ended 30 June 2022

in €m, six months ended 30 June 2022	Orange Belgium	Orange Luxembourg	Interco elimination	Orange Belgium Group
Retail service revenues	467.8	22.7	0.0	490.5
Convergent service revenues	139.6	0.0	0.0	139.6
Mobile only service revenues	270.5	18.9	0.0	289.4
Fixed only service revenues	35.6	3.7	0.0	39.3
IT & Integration service revenues	22.2	0.0	0.0	22.2
Equipment sales	65.6	5.9	0.0	71.5
Wholesale revenues	101.2	8.0	-2.7	106.6
Other revenues	13.9	0.1	-5.3	8.8
Total revenues	648.6	36.7	-7.9	677.3
Direct costs	-271.1	-15.5	7.9	-278.7
Labor costs	-76.7	-3.8	0.0	-80.5
Indirect costs, of which	-140.2	-10.1	0.0	-150.3
Operational taxes and fees	-19.6	-1.5	0.0	-21.0
Depreciation of right-of-use of leased assets	-24.2	-2.1	0.0	-26.2
Other restructuring costs	-4.6	0.0	0.0	-4.6
Depreciation, amortization of other intangible assets and property, plant and equipment	-121.9	-3.8	0.0	-125.7
Impairment of fixed assets	-0.1	0.0	0.0	-0.1
Share of profits (losses) of associates	0.2	0.0	0.0	0.2
Operating Profit (EBIT)	34.2	3.4	0.0	37.6
Net financial income (expenses)	-5.1	-0.1	0.0	-5.1
Profit (loss) before taxation (PBT)	29.2	3.4	0.0	32.5
Tax expense	-5.7	-0.1	0.0	-5.8
Net profit (loss) of the period	23.4	3.3	0.0	26.7

Reconciliation from EBITDAaL to Net Profit for the first half year ended 30 June 2022

in €m, six months ended 30 June 2022	Orange Belgium	Orange Luxembourg	Interco elimination	Orange Belgium Group
EBITDAaL	159.6	7.2	0.0	166.8
Share of profits (losses) of associates	0.2	0.0	0.0	0.2
Impairment of fixed assets	-0.1	0.0	0.0	-0.1
Depreciation, amortization of other intangible assets and property, plant and equipment	-121.9	-3.8	0.0	-125.7
Other restructuring costs	-4.6	0.0	0.0	-4.6
Finance lease costs	0.9	0.0	0.0	0.9
Operating profit (EBIT)	34.2	3.4	0.0	37.6
Financial result	-5.1	-0.1	0.0	-5.1
Profit (loss) before taxation (PBT)	29.2	3.4	0.0	32.5
Tax expense	-5.7	-0.1	0.0	-5.8
Net profit (loss) for the period	23.4	3.3	0.0	26.7

Interim condensed consolidated statement of comprehensive income for the first half year ended 30 June 2021

in €m, six months ended 30 June 2021	Orange Belgium	Orange Luxembourg	Interco elimination	Orange Belgium Group
Retail service revenues	438.4	22.4	0.0	460.8
Convergent service revenues	123.5	0.0	0.0	123.5
Mobile only service revenues	263.9	18.4	0.0	282.3
Fixed only service revenues	30.4	4.1	0.0	34.5
IT & Integration service revenues	20.5	0.0	0.0	20.5
Equipment sales	63.8	6.3	0.0	70.0
Wholesale revenues	108.9	6.9	-2.8	113.0
Other revenues	18.1	1.3	-7.4	12.0
Total Revenues	629.2	36.9	-10.3	655.9
Direct costs	-258.7	-17.6	10.3	-266.0
Labor costs	-73.0	-4.3	0.0	-77.3
Indirect costs, of which	-141.5	-8.9	0.0	-150.3
Operational taxes and fees	-18.5	-1.4	0.0	-20.0
Depreciation of right-of-use of leased assets	-25.1	-2.9	0.0	-28.0
Other restructuring costs	-2.6	-0.1	0.0	-2.8
Depreciation, amortization of other intangible assets and property, plant and equipment	-143.7	-4.0	0.0	-147.7
Impairment of fixed assets	-0.8	0.0	0.0	-0.8
Share of profits (losses) of associates	0.2	0.0	0.0	0.2
Operating profit (EBIT)	9.2	2.0	0.0	11.2
Net financial income (expense)	-1.6	0.0	0.0	-1.6
Profit (loss) before taxation (PBT)	7.6	2.0	0.0	9.6
Tax expense	-1.7	-0.6	0.0	-2.3
Net profit (loss) of the period	5.9	1.4	0.0	7.3

Reconciliation from EBITDAaL to Net Profit for the first half year ended 30 June 2021

in €m, six months ended 30 June 2021

	Orange Belgium	Orange Luxembourg	Interco elimination	Orange Belgium Group
EBITDAaL	155.0	6.2	0.0	161.2
Share of profits (losses) of associates	0.2	0.0	0.0	0.2
Impairment of fixed assets	-0.8	0.0	0.0	-0.8
Depreciation, amortization of other intangible assets and property, plant and equipment	-143.7	-4.0	0.0	-147.7
Other restructuring costs	-2.6	-0.1	0.0	-2.8
Finance lease costs	1.1	0.0	0.0	1.1
Operating profit (EBIT)	9.2	2.0	0.0	11.2
Financial result	-1.6	0.0	0.0	-1.6
Profit (loss) before taxation (PBT)	7.6	2.0	0.0	9.6
Tax expense	-1.7	-0.6	0.0	-2.3
Net profit (loss) for the period	5.9	1.4	0.0	7.3

9. Notes to the interim condensed consolidated financial statements

Orange Belgium S.A. (a subsidiary of Orange S.A.) is one of the leading telecommunication operators in the Belgian market, with over 4 million customers, and in Luxembourg through its subsidiary Orange Communications Luxembourg. Orange Belgium is listed on Euronext Brussels.

The company is a convergent operator which provides mobile telecommunication, internet and TV services to residential clients, as well as innovative mobile and fixed line services to businesses and large corporates. Orange Belgium is also a wholesale operator, providing partners access to its infrastructure and service capabilities. Orange Belgium's high-performance mobile network supports 2G, 3G, 4G, 4G+ and 5G technology and is the subject of on-going investments.

9.1 Basis of preparation of the financial statements

9.1.1 Statement of compliance

The interim condensed consolidated financial statements for the six months period ended 30 June 2022 were prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and were authorized for issue by the Board of Directors on 20 July 2022.

This report should be read in conjunction with Orange Belgium's annual consolidated financial statements for the year ended 31 December 2021.

The interim condensed consolidated financial statements are presented in million euros except when otherwise indicated. The Group's functional and presentation currency is the euro. Each entity applies this currency for its financial statements. They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements

9.1.2 Accounting Policies

The accounting policies and methods of computation adopted in the preparation of the interim condensed consolidated financial statements as at and for the six months period ended 30 June 2022 have remained unchanged compared to those followed in the preparation of the consolidated financial statements for the year ended 31 December 2021. They should be read in conjunction with Orange Belgium's annual consolidated financial statements as at 31 December 2021 since they do not include all the information and disclosures required in the annual consolidated financial statements.

9.1.3 Uses of estimates and judgment

In the preparation of interim condensed consolidated financial statements, Orange Belgium's management is required to make estimates insofar as many elements included in these consolidated financial statements cannot be measured with precision. The underlying assumptions used for the main estimates are similar to those described in the annual report for the year ended 31 December 2021.

Management revises these estimates if the underlying circumstances evolve or in light of new information or experience. Consequently, estimates made at 30 June 2022 may subsequently be changed.

Management also uses its judgment to define appropriate accounting policies to apply to certain transactions when the current IFRS standards and interpretations do not specifically deal with the related accounting issues.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

9.1.4 Standards or interpretations applicable for the annual period beginning on or after January 1, 2022

- Annual Improvements to IFRS Standards 2018–2020 (applicable for annual periods beginning on or after 1 January 2022)
- Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework (applicable for annual periods beginning on or after 1 January 2022)
- Amendment to IAS 16: Revenue generated before the intended use of an asset
- Amendment to IAS 37: Onerous contracts - Contract performance costs

These amendments did not have any impact on the Interim Condensed Consolidated Financial Statements of Orange Belgium Group on 30 June 2022.

9.1.5 New accounting standards not yet effective

A number of new standards, amendments to standards and interpretations are published, but not yet applicable for the annual period beginning on 1 January 2021, and have not been applied in preparing these interim condensed consolidated financial statements

9.2 Armed conflict in Ukraine

The conflict in Ukraine had only very limited direct impact on the activities of Orange Belgium. As a responsible operator, Orange Belgium provided free calls and sms to Ukraine in order that people in Belgium could stay in touch with their family and relatives in the affected country. The indirect impact is more important, mainly the increased inflation, the rise of the energy costs, and potential difficulties in certain supplies.

9.3 Covid-19 pandemic

Although the measures following Covid-19 of the government has been decreased, Orange Belgium continues to follow up closely and has following major points of attention in this respect:

Human health and safety: Orange Belgium is closely monitoring developments in terms of this pandemic and puts the health and safety of its staff at the forefront. Orange Belgium is taking all the necessary measures to protect its staff in addition to the health instructions given by national authorities, while ensuring the conditions required for business continuity. Orange Belgium still permits its employees to do partly teleworking for its employees whenever the activity can be carried out remotely and the necessary equipment is available.

Business continuity: Orange Belgium must, as a provider of essential business services, ensure the continuity of its electronic communications services and in particular of its critical activities. In accordance with government directives, Orange Belgium has set up a business continuity plan, which mainly covers network and information systems supervision and operation teams, security teams, technical support, staff in data centres and intervention teams. In addition, the significant increase in traffic on Orange Belgium's networks poses a risk of congestion that could lead to a deterioration or even interruption of services. To avoid such degradation or even interruptions, Orange Belgium has increased in the past the capacity of its networks.

Financial performance: Orange Belgium experienced a slight decrease in revenues in the first half 2021 in mobile-only service revenues as well as wholesale revenues mainly driven by the following elements:

- the limited opening hours and customer visit capacity at the Orange stores during the lockdown period;
- a slowdown in business with certain business customers, while on the other hand other customers have requested extra capacity or new services;
- the decline in international and roaming traffic; and
- the decline in SMS traffic

During the first half of 2022 the roaming traffic is coming back in comparison to 2021 and shops remained open without important restrictions. As a consequence, we see that overall revenues is growing again, because of the increase in retail service revenues as well as in roaming revenues.

9.4 VOO

On December 24, 2021, Orange announced it has reached a final agreement with Nethys to acquire 75% less one share of VOO. The deal will give Orange its own fixed network in the Wallonia region and part of Brussels. Orange's bid for a majority stake in cable operator VOO will be decided by EU competition authority by July 28th 2022. The EU can clear the deal with or without remedies after its preliminary review or it can open an additional investigation if it has serious concerns.

9.5 Consolidation perimeter

The consolidation perimeter has not change during the first half year of 2022 and includes IRISnet SCRL (accounted for by equity method – 28.16%). MWingz S.R.L. (accounted for as a joint operation) and the following wholly owned companies: Orange Belgium S.A., Orange Communications Luxembourg S.A., Smart Services Network S.A., Walcom Business Solutions S.A., A3COM S.A., A&S Partners S.A., Upsize N.V, BKM N.V and CC@PS BV.

Orange Belgium holds, directly or indirectly (e.g. through other subsidiaries) less than 20% of the voting power of Belgian Mobile Wallet and CommuniThings. As such, Orange Belgium does not have significant influence. Moreover, generating surplus value is not the main purpose of these two investments.

9.6 Goodwill

There were no changes in goodwill during the six months ended 30 June 2022.

As at 30 June 2022, there were no internal or external indicators that further impairment tests on goodwill should be performed.

Management continues to pay attention to any indication that could require an anticipated review of the values. These tests are planned to be performed for the year-end closing. The impairment test for goodwill is based on value in use calculation for the Luxembourg segment and for the segment "Belgium" by estimating the fair value less costs to sell taking into account Orange Belgium's share price as quoted on the stock exchange.

Goodwill related to Mobistar Affiliate S.A., Mobistar Enterprise Services S.A., A&S Partners S.A. and Upsize N.V. are fully allocated to the Belgium segment. Goodwill related to Orange Communications Luxembourg S.A. is fully allocated to the Luxembourg segment.

in €m	31.12.2021			30.06.2022		
	Acquisition Value	Accumulated impairment losses	Net carrying amount	Acquisition Value	Accumulated impairment losses	Net carrying amount
Orange Communications Luxembourg S.A.	68.7	-17.9	50.9	68.7	-17.9	50.9
Other goodwill - Belgium segment	53.5	-14.9	38.6	53.5	-14.9	38.6
Total goodwill	122.3	-32.8	89.5	122.3	-32.8	89.5

9.7 Other non-current assets

The payments done at the end of June 2022 related to the acquisition of spectrum have been recorded under other long term noncurrent assets for 27.5 million euros as the licences are not yet effective.

An off-balance sheet commitment has been recorded for the remaining amount to be paid once licences will be operational for an amount of 294.0 million euros

9.8 Cash and cash equivalents, financial liabilities

Cash and cash equivalents include cash on hand and cash deposits with a maximum term of 3 months. Bank and inter-company cash pooling overdrafts are classified as short-term financial liabilities. The cash flow statement provides an explanation to the 4.2 million euros decrease in net financial debt for the first half of 2022.

in €m	31.12.2021	30.06.2022
Cash and cash equivalents		
Cash equivalents	-29.7	-27.7
Cash	-24.0	-32.9
Total cash and cash equivalents	-53.7	-60.6
Financial liabilities		
Intercompany short-term borrowing	0.0	3.1
Third parties short-term borrowing	1.5	1.1
Intercompany long-term borrowing	121.8	121.8
Total borrowings	123.3	125.9
Net debt (Financial liabilities- Cash and cash equivalents)	69.5	65.3

Orange Belgium S.A. and its parent company, Atlas Services Belgium S.A. signed on 10 March 2021 a Revolving Credit Facility Agreement for a total facility amount of 120 million euros with the final maturity of 5 years. Consequently, this liability is presented since 31 December 2021 as intercompany long-term borrowing.

9.9 Shareholders' equity

During the first half of 2022, there were no changes to the share capital.

All ordinary shares are fully paid and have a par value of €2.195.

	Share capital (in thousand EUR)	Number of ordinary shares (in units)
As at 1 January 2022	131 721	59 944 757
As at 30 June 2022	131 721	59 944 757

The Annual General Meeting of Shareholders held on 4 May 2022 decided not to distribute any dividend for the 2021 financial year.

9.10 Income taxes

The tax expenses, calculated on the current year results, increased to 5.8 million euros in the first half of 2022 compared to 2.3 million euros in the first half of 2021. This increase is fully in line with the increase in profit before taxes in Belgium for the first half of 2022.

The following table shows the major components of income tax expense:

in €m	30.06.2022	30.06.2021
Current income tax	-6.5	-5.4
Deferred tax expense arising to the origination and reversal of temporary differences	0.7	3.1
Total tax expenses	-5.8	-2.3

9.11 Lease agreements

In the course of its activities, the Group regularly enters leases as a lessee. The leases concern mainly the following asset categories:

- Land and buildings
- Network and terminals; and
- Other

9.11.1 Lease liabilities

As of 30 June 2022, lease liabilities amount to 276.6 million euros, including non-current lease liabilities of 235.8 million euros and current lease liabilities of 40.8 million euros.

9.11.2 Right-of-use assets

in €m	Gross value	Accumulated depreciation and amortization	Accumulated impairment	Net book value 30.06.2022	Net book value 31.12.2021
Land and buildings	398.5	-136.2	0.0	262.3	286.2
Networks and terminals	5.6	-4.3	0.0	1.2	1.7
Other right-of-use	23.5	-11.0	0.0	12.4	11.2
Total right-of-use assets	427.6	-151.6	0.0	276.0	299.2

in €m	June 2022
Net book value of right-of-use assets - in the opening balance	299.2
Increase (new right-of-use assets)	19.7
Depreciation and amortization	-26.2
Impact of changes in the assessments (*)	-16.7
Net book value of right-of-use assets - in the closing balance	276.0

(*) includes discount rate change, changes in duration and rental fees

9.12 Current and non-current provisions

Provisions for outstanding litigation

Orange Belgium is a party in various judicial procedures whereby third-party individuals or entities are claiming repair of damages they pretend to have incurred. Each litigation is evaluated on an individual basis in order to assess as to whether it is more likely than not that an outflow of resources will be necessary to settle the litigation and to ensure that the assumptions taken to measure the provisions are valid.

The outstanding claims are built up during the previous years and it can be reasonably assumed that they will be subject to a Court decision or solved by means of a common agreement within the following years.

€m	
Balance at 31 December 2021	3.5
Addition	0.2
Utilization	-0.2
Reversal	-1.6
Other	0.0
Balance at 30 June 2022	1.9

en millions d'euros	
Balance at 31 December 2020	3.5
Addition	0.0
Utilization	0.0
Reversal	0.0
Other	0.0
Balance at 30 June 2021	3.5

Provisions for network site dismantling

Provisions for network site decreased since end of December 2021 from 89.7 million euros to 76.6 million euros as per June 30, 2022.

The decrease is mainly driven by the raise in discount rate (-15.1 million euros) partially compensated by the inflation rate increase (+3.3 million euros).

During the first half of 2022, the average dismantling cost per site was stable compared to end of 2021, at 14.9 thousand euros

Although size and installation on site may slightly vary from site to site, the provision is calculated on an average dismantling cost which is based on the actual costs incurred in the past for similar activities.

Proximus and Orange Belgium installed a collaboration to develop the mobile access network of the future by sharing active and passive equipment of the Radio Access Network (RAN). MWingz is the joint venture that has been created to plan, build and operate the common grid. A dismantling plan has been deployed originally for the coming three years to dismantle the affected sites in order to achieve the target grid of sites to be managed by MWingz. The dismantling plan is reviewed on a regular basis to adjust actual plans to economic circumstances. These dismantling transactions also have an impact on the depreciations of network equipment and installations impacted by the reduction of useful life of the sites. The adjustment of

the depreciation is applied prospectively and results in an increased depreciation of 12.1 million euros on the results of the first half year 2022.

€m	
Balance at 31 December 2021	82.7
Addition	0.0
Utilization	-0.2
Reversal	1.2
Other	-11.8
Balance at 30 June 2022	76.6

en millions d'euros	
Balance at 31 December 2020	82.6
Addition	0.0
Utilization	-0.3
Reversal	0.0
Other	0.1
Balance at 30 June 2021	76.6

9.13 Disputes

• Telecom masts

Since 1997, certain municipalities and four provinces have adopted local taxes, on an annual basis, on pylons, masts or antennas erected within their boundaries. Orange Belgium continues to file fiscal objections against each tax assessment notice received concerning these taxes. These taxes are currently being contested in Civil Courts (Courts of First Instance - Tax Chamber and Courts of Appeal).

The mobile operators have concluded beginning of 2021 an agreement for the period 2021-2022 with the Walloon government. Orange Belgium engages itself to pay an amount of 1.78 million euros over 2 years and to invest an incremental amount of 3.6 million euros in telecom infrastructure in the Walloon region in the period 2021-2022. An amount of 491,833.48€ was paid in December 2021 to the Walloon region. This is the first tranche of 0,9 million euros from which the taxes received from local authorities for 2021 have been deducted.

• Access to Coditel Brabant (Telenet) 's cable network

After Orange Belgium paid the provision for the cable wholesale access set-up fees, Coditel Brabant (Telenet) failed to provide such access within the regulatory 6-month period. This, in combination to the lack of progress on the development of an effective wholesale service, prompted Orange Belgium to initiate legal action against Coditel/Telenet for breach of its regulatory obligations end of December 2016. As the implementation of a technical solution was still ongoing beginning 2018, the proceedings were put on hold. The case was reactivated and Telenet submitted briefs on 6 March 2020. Hearings took place in October 2021 and on 8 December 2021 the court decided that Telenet committed a fault because it did not respect the regulation on granting Orange access to its network. An expert is appointed to calculate the damages.

• Access to Telenet's cable network – own channel

Based on the decisions on regulated access to the cable networks Orange Belgium is entitled to offer “own channels” to its retail TV customers, i.e. channels that are not commercially offered by the cable operators. While VOO provided such own channel (Eleven Sports 3) on its network, Telenet refused to offer such access at reasonable conditions. Beginning 2018, Orange Belgium initiated proceedings against Telenet for breach of its regulatory obligations before the Commercial Court of Antwerp.

On 30 May 2018 the Commercial Court of Antwerp dismissed Orange Belgium's claim. Orange Belgium appealed this judgment.

On 11 April 2019 the Court of appeal found Telenet in breach of its regulatory obligations as well as guilty of abusing its dominant position. The Court ordered Telenet to provide reasonable conditions within one month subject to penalty payment of €2500/day afterwards.

Telenet appealed the decision of the Court of Appeal at the Supreme Court which dismissed the appeal of Telenet on 7 October 2021. The Supreme Court confirmed the findings of the Court of Appeal regarding Telenet abusing its position on the market and putting forward unreasonable conditions for regulated services. As a consequence, the judgment of 11 April 2021 of the Court of Appeal of Antwerp is final.

Orange Belgium issued a claim of €250,000 (total amount of the penalty) against Telenet for noncompliance with the decision of the Court of Appeal. This claim was attacked by Telenet with the attachment judge who decided on 22 October 2020 that the claim of OBE was unfounded. Orange Belgium appealed the judgment on 7 December 2020 at the Court of Appeal in Antwerp. The pleadings took place on 1 June 2022 and we received a judgment on 29 June 2022 in which the Court of Appeal considered the appeal of Orange founded and Telenet must pay a penalty of 125,000 euros. Telenet can appeal this judgment before the Supreme Court within 3 months after notification of the judgment

• Lycamobile

On 19 February 2016, Lycamobile Belgium Limited and Lycamobile BVBA initiated legal proceedings against Orange Belgium (previously Mobistar) before the Brussels Commercial Court claiming damages for the alleged belated commercial

launch of Lycamobile's 4G services. The case was heard on 10 March 2017. By judgment of 12 May 2017, the Brussels Commercial Court dismissed the claim and ordered Lycamobile to pay Orange Belgium €18,000 as compensation for procedural costs. The judgment was served on 3 July 2017 and Lycamobile paid the full amount. On 11 August 2017, Lycamobile filed an appeal before the Brussels Court of Appeal. An introductory hearing took place on 21 September 2017 and a calendar for the filing of trial briefs was set. Parties have exchanged trial briefs. The case has been handled at the hearing of 1 October 2021. By judgment of 29 October 2021, the Brussels Court of Appeal confirmed the first judgment and sentenced Lycamobile to pay the procedural costs to Orange Belgium. As Lycamobile did not initiate proceedings before the Supreme Court, this file should be considered as finally settled by this judgment.

- **Euphony Benelux NV in bankruptcy**

On 2 April 2015, Orange Belgium was summoned by the receivers of Euphony Benelux NV to a hearing on 17 April 2015 at the Brussels Commercial Court. The bankruptcy receivers claim that Orange Belgium should pay a provisional amount of one (1) euro for overdue commissions as well as an eviction fee. In this context, the bankruptcy receivers claim that Orange Belgium should submit all relevant documents to allow the bankruptcy receivers to calculate the amounts claimed.

On 17 April 2018, the Court dismissed the claim relating to the eviction fee and appointed an expert for the claim relating to the overdue commissions. Orange Belgium has filed an appeal at the Brussels Court of Appeals. An introductory hearing took place and the Court of Appeals has set a calendar for the filing of trial briefs. Parties have exchanged trial briefs. No pleading date has been set.

- **RAN sharing**

The provisional measures imposed by the Belgian Competition Authority expired on 16 March 2020 and Orange Belgium and Proximus have resumed works for the implementation of the project. On 1 April 2020 both companies transferred the relevant people to the newly created joint operation "MWingz".

In parallel, a procedure on the merits has been initiated by the Belgian Competition Authority. The procedure is ongoing at the moment.

- **Transitpoints – interconnection links**

Telenet included in its regulated reference offer of 2014 a charge of €5k per GB internet interconnect traffic capacity. The charges were not mentioned in any final regulatory price decision. This charge was not applied during 2014, 2015, 2016, 2017. Only as of 2018 Telenet started charging this amount, for each transitpoint and each interconnect capacity increase. Orange Belgium systematically disputed the amounts charged for the transitpoints.

The May 2020 wholesale charges decision imposes only a charge of ~170€/month per 100 GB. Orange Belgium continued to refuse to pay any charges based on the old amounts. Telenet started a legal procedure before the enterprise court of Mechelen. The pleadings took place on 25 March 2022 and on 22 April 2022 the court rejected the claim of Telenet. Telenet lodged an appeal against this decision before the Court of Appeal of Antwerp.

10. Related parties

The terms and conditions applied to sales and purchases of traffic and services, to the centralized treasury management agreement, to the revolving credit facility agreements as well as to the interest-bearing loans and borrowings are determined at arm's length basis according to the normal market prices and conditions. There is no outstanding guarantee provided to or received from any related parties at the balance sheet date. No allowance for doubtful debtors on amounts owed by related parties is outstanding at the balance sheet date.

in €m

30.06.2022	Sales to related parties	Purchases from related parties (*)	Amounts owed by related parties	Amounts owed to related parties (*)
Orange - Traffic and services	16.8	-18.6	0.0	0.0
Orange - Cash pool	0.0	-3.2	30.5	35.1
Orange Affiliates - Traffic and services	7.1	-8.5	-1.0	5.5
Atlas Services Belgium - Loan	0.0	-0.1	0.0	119.8
Brand fees to Orange SA	0.5	-8.5	0.5	0.0
Total	24.4	-38.9	30.0	160.5

(*) including financial costs

in €m

30.06.2021	Sales to related parties	Purchases from related parties (*)	Amounts owed by related parties	Amounts owed to related parties (*)
Orange - Traffic and services	11.9	-15.1	0.0	0.0
Orange - Cash pool	0.0	-0.1	-16.0	36.0
Orange Affiliates - Traffic and services	5.7	-7.3	-3.5	6.4
Atlas Services Belgium - Loan	0.0	-0.4	0.0	120.0
Brand fees to Orange SA	0.0	-8.8	0.0	0.0
Total	17.6	-31.7	-19.5	162.4

(*) including financial costs

11. Subsequent events

The 1400 MHz spectrum auction started July 12th 2022 and ended July 20th 2022. In the 1400 MHz auction, a spectrum band used for download capacity, Orange Belgium obtained 30 MHz, i.e. one third of the auctioned spectrum, at a price of 2.33 M€ per MHz. The unique license fee for a 20 year license period for this spectrum is 69.650.000 €.

None of the above mentioned events were adjusting events and no other adjusting events nor any other significant non adjusting events arose between the balance sheet date and the date at which the interim condensed consolidated financial statements have been authorized for issue.

12. Other

During the first half of 2022, no significant events have occurred regarding the fair value of financial assets and liabilities.

13. Declaration by the persons responsible

We, the undersigned, Xavier Pichon, CEO, and Antoine Chouc, CFO, declare that to our knowledge:

a) the set of condensed consolidated financial statements drawn up in accordance with IAS 34 “Interim Financial Reporting”, gives a faithful image of the assets, financial situation and results of the issuer and the companies included within its consolidation;

b) the interim report contains a faithful presentation of the important events and major transactions between contracting parties which occurred during the first six months of the financial year, and their impact on the set of condensed consolidated financial statements, and a description of the main risks and uncertainties for the remaining months of the financial year.

Brussels, 22 July 2022

Xavier Pichon
CEO

Antoine Chouc
CFO

Statutory auditor's report to the board of directors of Orange Belgium SA/NV on the review of the condensed consolidated interim financial information as at June 30, 2022 and for the six-month period then ended

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Orange Belgium SA/NV as at June 30, 2022, the interim condensed consolidated statements of comprehensive income, the interim condensed consolidated cash flow statement and the interim condensed consolidated statement of changes in equity for the six-month period then ended, and notes to the interim financial information (“the condensed consolidated interim financial information”). The board of directors is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, “Interim Financial Reporting” as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at June 30, 2022 and for the six-month period then ended is not prepared, in all material respects, in accordance with IAS 34, “Interim Financial Reporting” as adopted by the European Union.

Zaventem, July 20, 2022

KPMG Bedrijfsrevisoren - Réviseurs d’Entreprises

Statutory Auditor

represented by

Alexis Palm

Bedrijfsrevisor / Réviseur d’Entreprises

14. Glossary

Financial KPIs

Revenues

revenues in line with the offer	Provide Group revenues split in convergent services, mobile only services, fixed only services, IT & integration services, wholesale, equipment sales and other revenues.
retail service revenues	Revenue aggregation of revenues from convergent services, mobile only services, fixed only services, IT & integration services.
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 Fixed-4G (fLTE) with cell-lock) and a mobile voice contract (excluding MVNOs: Mobile Virtual Network Operator). Convergent services revenues do not include incoming and visitor roaming revenues.
mobile only services	Revenues from mobile offers (excluding B2C convergent offers and equipment sales) and M2M connectivity, excluding incoming and visitors roaming revenues.
fixed only services	Revenues from fixed offers (excluding B2C convergent offers and equipment sales) including (i) fixed broadband, (ii) fixed narrowband, and (iii) data infrastructure, managed networks, and incoming phone calls to customer relations call centres.
IT & integration services	Revenues from collaborative services (consulting, integration, messaging, project management), application services (customer relationship management and infrastructure applications), hosting, cloud computing services, security services, video-conferencing and M2M services. It also includes equipment sales associated with the supply of these services.
Wholesale	Revenues with third-party telecom operators for (i) mobile: incoming, visitor roaming, domestic mobile interconnection (i.e. network sharing and domestic roaming agreement) and MVNO, and for (ii) fixed carriers services.
equipment sales	Revenues from all mobile and fixed equipment sales, excluding (i) equipment sales associated with the supply of IT & Integration services, and (ii) equipment sales to dealers and brokers.
other revenues	Include (i) equipment sales to brokers and dealers, (ii) portal, on-line advertising revenues, (iii) corporate transversal business line activities, and (iv) other miscellaneous revenues.

Profit & Loss

Data on a comparable basis	Data based on comparable accounting principles, scope of consolidation and exchange rates are presented for previous periods. The transition from data on an historical basis to data on a comparable basis consists of keeping the results for the period ended and then restating the results for the corresponding period of the preceding year for the purpose of presenting, over comparable periods, financial data with comparable accounting principles, scope of consolidation and exchange rate. The method used is to apply to the data of the corresponding period of the preceding year, the accounting principles and scope of consolidation for the period just ended as well as the average exchange rate used for the income statement for the period ended. Changes in data on a comparable basis reflect organic business changes. Data on a comparable basis is not a financial aggregate as defined by IFRS and may not be comparable to similarly-named indicators used by other companies.
EBITDAaL (since 1 January 2019)	EBITDA after lease is not a financial measure as defined by IFRS. It corresponds to the net profit before: taxes; net interest expense; share of profit/losses from associates; impairment of goodwill and fixed assets; effects resulting from business combinations; reclassification of cumulative translation adjustment from liquidated entities; depreciation and amortization; the effects of significant litigation, specific labour expenses; review of the investments and business portfolio, restructuring costs.

Cash flow statement

Operating cash flow	EBITDAaL minus eCapex since 1 January 2019.
Organic cash flow	Organic cash flows correspond to net cash provided by operating activities decreased by capex/eCapex and the repayment of lease liabilities, increased by proceeds from sale of property, plant and equipment and intangible assets and adjusted for the payments for acquisition of telecommunications licences.
eCapex (since 1 January 2019)	Economic Capex is not a financial measure as defined by IFRS. It corresponds to capital expenditures on tangible and intangible assets excluding telecommunication licences and excluding investments through financial leases less proceeds from the disposal of fixed and intangible assets.
licences & spectrum	Cash out related to acquisitions of licences and spectrum.
change in WCR	Change in net inventories, plus change in gross trade receivables, plus change in trade payables, plus change in other elements of WCR.
other operational items	Mainly offset of non-cash items included in adjusted EBITDA, items not included in adjusted EBITDA but included in net cash provided by operating activities, and change in fixed asset payables.
net debt variation	Variation of net debt level.

Operational KPIs

Convergent

B2C convergent customer base	Number of B2C customers holding an offer combining at least a broadband access (xDSL, FTTx, cable or Fixed-4G (fLTE) with cell-lock) and a mobile voice contract (excluding MVNOs).
B2C convergent ARPO	Average quarterly Revenues Per Offer (ARPO) of convergent services are calculated by dividing (a) the revenues from convergent offers billed to the B2C customers (excluding equipment sales) over the past three months, by (b) the weighted average number of convergent offers over the same period. The weighted average number of convergent offers is the average of the monthly averages during the period in question. The monthly average is the arithmetic mean of the number of convergent offers at the start and end of the month. Convergent ARPO is expressed as monthly revenues per convergent offer.

Mobile

mobile customer base (excl. MVNOs)	Number of customers with active simcard, including (i) M2M and (ii) business and internet everywhere (excluding MVNOs).
Contract	Customer with whom Orange has a formal contractual agreement with the customer billed on a monthly basis for access fees and any additional voice or data use.
Prepaid	Customer with whom Orange has written contract with the customer paying in advance any data or voice use by purchasing vouchers in retail outlets for example.
M2M (machine-to-machine)	Exchange of information between machines that is established between the central control system (server) and any type of equipment, through one or several communication networks.
mobile B2C convergent customers	Number of mobile lines of B2C convergent customers.
mobile only customers	Number of mobile customers (see definition of this term) excluding mobile convergent customers (see definition of this term).
MVNO customers	Hosted MVNO customers on Orange networks.
mobile only ARPO (quarterly)	Average quarterly Revenues Per Offer (ARPO) of mobile only services are calculated by dividing (a) the revenues of mobile only services billed to the customers, generated over the past three months, by (b) the weighted average number of mobile only customers (excluding M2M customers) over the same period. The weighted average number of customers is the average of the monthly averages during the period in question. The monthly average is the arithmetic mean of the number of customers at the start and end of the month. Mobile only ARPO is expressed as monthly revenues per customer.

Fixed

number of lines (copper + FTTH)	Number of fixed lines operated by Orange.
B2C broadband convergent customers	Number of B2C customers holding an offer combining at least a broadband access (xDSL, FTTx, cable or Fixed-4G (fLTE) with cell-lock) and a mobile voice contract (excluding MVNOs).
fixed broadband only customers	Number of fixed broadband customers excluding broadband convergent customers (see definition of this term).
fixed only broadband ARPO (quarterly)	Average quarterly Revenues Per Offer (ARPO) of fixed only broadband services (xDSL, FTTH, Fixed-4G (fLTE), satellite and Wimax) are calculated by dividing (a) the revenues from consumer fixed only broadband services over the past three months, by (b) the weighted average number of accesses over the same period. The weighted average number of accesses is the average of the monthly averages during the period in question. The monthly average is the arithmetic mean of the number of accesses at the start and end of the month. ARPO is expressed as monthly revenues per access.

Consolidation perimeter

The scope of consolidation includes the following companies: Orange Belgium S.A. (100%), the Luxembourgian company Orange Communications Luxembourg S.A. (100%), IRISnet S.C.R.L. (28.16%), Smart Services Network S.A. (100%), Walcom Business Solutions S.A. (100%), A3COM S.A. (100%), A & S Partners S.A. (100%), Upsize N.V. (100%), BKM N.V. (100%), CCP@S B.V. (100%) and MWingz S.R.L. (50%).

Rounding

Due to rounding, numbers presented may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

About Orange Belgium

Orange Belgium is one of the leading telecommunication operators in the Belgian market, with over 4m customers, and in Luxembourg through its subsidiary Orange Communications Luxembourg.

As a convergent actor, we provide mobile telecommunication services, internet and TV to private clients, as well as innovative mobile and fixed line services to businesses. Our high-performance mobile network supports 2G, 3G, 4G and 4G+ technology and is the subject of ongoing investments.

Orange Belgium is a subsidiary of Orange Group, one of the leading European and African operators of mobile telephony and internet access, as well as one of the world leaders for telecommunication services to enterprises.

Orange Belgium is listed on the Brussels Stock Exchange (OBEL).

More information on: corporate.orange.be, www.orange.be or follow us on Twitter: [@pressOrangeBe](https://twitter.com/pressOrangeBe).

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