

Financial information for the third quarter of 2021 and first nine months of 2021

Solid EBITDAaL growth on the back of strong mobile commercial momentum and continuous cost management

- Mobile postpaid customer base +3.9% yoy / Cable customer base +25.5% yoy
- Q3 Revenues +3.3% yoy / Q3 Retail service revenues +4.8% yoy
- Q3 EBITDAaL +8.1% yoy (YTD '21: +8.5%)

Q3 Operational Highlights

- **Strong growth in mobile net adds.** The mobile postpaid customer base grew by 37k to 2.7m subscribers supported by the attractiveness of the Go portfolio, especially after the Go Plus data boost launched in June.
- **Love and Home offers continue their steady growth trajectory.** Cable customer base increased by 17k during Q3 to 382k customers (+25.5% yoy).
- **B2C convergent ARPO decreased by 3.1% yoy to €73.1**, as a result of the discounts provided on mobile tariff plans in convergence.
- **Mobile only postpaid ARPO remained stable at €20.5.**

Orange Belgium: key operating figures

	Q3 2020	Q3 2021	change
Mobile postpaid customer base (in '000)	2 615	2 718	3.9%
Net adds (in '000)	21	37	75.8%
Mobile only postpaid ARPO (€ per month)	20.5	20.5	-0.3%
Cable customer base (in '000)	305	382	25.5%
Net adds (in '000)	17	17	-1.1%
B2C convergent ARPO (€ per month)	75.4	73.1	-3.1%

Q3 Financial Highlights

- **Revenues reached €346.3m, up 3.3% yoy**, mainly explained by an increase in retail service revenues as well as in wholesale revenues. As in previous quarters, retail service revenues continued to grow (+4.8% yoy), mainly due to convergent service revenues (+14.6% yoy). Revenue growth is also driven by a significant increase in customer and visitor roaming.
- **EBITDAaL increased by 8.1% yoy to €96.7m.** The increase of retail service revenues supported by continuous cost efficiencies have been the main drivers. EBITDAaL margin reached 27.9%.
- **eCapex closed at €40.2m, slightly below Q3 2020 due to seasonality effect.** A catch-up is expected in Q4 driven by the implementation of the RAN sharing deal.

Orange Belgium Group: key financial figures

In €m	reported Q3 2020	Q3 2021	reported change	reported 9M 2020	9M 2021	reported change
Revenues	335.3	346.3	3.3%	971.9	1 002.1	3.1%
Retail service revenues	230.6	241.7	4.8%	676.4	702.5	3.9%
EBITDAaL	89.4	96.7	8.1%	237.6	257.9	8.5%
margin as % of revenues	26.7%	27.9%	126 bp	24.4%	25.7%	129 bp
eCapex ¹	-41.9	-40.2	-4.1%	-106.8	-121.5	13.8%
Operating cash flow²	47.5	56.5	18.9%	130.7	136.3	4.3%
Net financial debt	135.3	63.3		135.3	63.3	

1. eCapex excluding licence fees. In Q1 and Q3 2021 Orange Belgium paid 10.9 million euros on licence fees each quarter.

2. Operating cash flow defined as EBITDAaL – eCapex excluding licence fees

Xavier Pichon, Chief Executive Officer, commented:

Orange Belgium maintained solid commercial performance over the third quarter supported by the recent enhancements to the Go portfolio and the continuous growth of our convergence offers.

In addition, Orange Belgium continues to differentiate itself in the market while extending the range of value propositions to satisfy customers' constantly changing needs.

We successfully launched Orange TV Lite, enabling customers to stream OTT, without having to pay a full TV subscription or needing a set-top box and *hey!* our new 100% digital brand, targeting ultra-connected customers leading completely digitally oriented lives.

Antoine Chouc, Chief Financial Officer, stated:

Our positive commercial results also delivered corresponding financial performance. Our revenues have increased 3.3% in comparison to last year mainly supported by higher retail service revenues as well as growth in wholesale revenues.

The combination of increased retail service revenues and continuous cost management has resulted in outstanding EBITDAaL for this quarter. Regarding eCapex, we expect a catch-up in the last quarter of the year.

Given these results, and the improved health context, we expect to slightly exceed our EBITDAaL guidance. Revenue and eCapex guidance remain unchanged.

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1. Key highlights

1.1 Operational highlights

- **Orange Belgium launched #SamenSolidair #TousSolidaires**
The heavy floods greatly disrupted the lives of many Belgian citizens and, as a responsible operator, Orange Belgium maintained (and restored where needed) the connectivity in the impacted areas and also helped the affected families. Orange Belgium decided to turn 100 shops into collection points where the public could leave essential items to help the people who lost their homes. Furthermore, the customers impacted by the heavy rain fall received 5GB mobile data.
- **Orange TV Lite launched**
Orange TV Lite enables customers to combine a streaming account and common TV broadcasting, without having to pay a full subscription. Orange TV Lite enables viewers to watch a selection of up to 20 television channels. There will be 2 offers: one with Dutch-speaking channels and the other with French-speaking channels. Orange TV Lite comes with a set of extra features. Programmes can be recorded and watched later. TV can be streamed on a wide variety of devices and the app can be installed on five devices in total, making Orange TV Lite family friendly. Orange TV Lite is available only in a 'Love' or 'Home' package at a cost of €8.5 /month.
- **hey!, the new, 100% digital brand is launched**
On 24 September 2021, Orange Belgium launched its new and innovative b-brand geared towards digital-savvy customers. hey! is a 100% digital brand which takes a participative approach specially designed to meet the needs of ultra-connected customers leading completely digitally oriented lives. This next generation value proposition is based on 4 pillars: 100% digital, Generous, Low impact, Evolutive.
- **Orange Money launched in Belgium**
Thanks to a totally free mobile application, customers can now have a mobile wallet and instantly send money to Orange Money users in Belgium or Africa. Moreover, this service is open to all customers, regardless of their telecom operator. This service is a first-ever in Europe other than France, and further expands Orange Belgium's wide range of services and is a great addition to the special offers already available to the Belgian diaspora.
- **First 5G Lab opened in Antwerp**
Orange Belgium officially opened its first Orange 5G Lab in Antwerp, inviting companies to discover, test and develop new innovative use cases on 5G Stand Alone network technology.

The new Orange 5G Lab consolidates the knowledge and expertise gathered from Orange Belgium on 5G Industry 4.0 as well as the initial co-innovation use cases delivered in the Port of Antwerp to help develop and test new and inspiring Industry 4.0 use cases. During the process Orange Belgium is permanently expanding its ecosystem of partners, customers and also startups. The Lab will join the Orange's international network of seven other Labs across Europe, fostering collaboration and innovation on an unprecedented level.

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.
- **B2B Wholesale Market**
In December 2019, the BIPT published a decision confirming the significant market power of Proximus on the wholesale B2B access market and maintaining its current obligations regarding access, transparency, non-discrimination and price control. Moreover, the BIPT imposed on Proximus the new obligation to provide access to ducts containing its fibres. Reduced obligations apply in geographical areas where there is sufficient competition.

On 31 March 2021, the BIPT launched a public consultation on Proximus' wholesale leased lines reference offer (BROTSoLL). The consultation ended on 11 May 2021 and a final decision was taken on 21 September 2021.
- **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 was published on 23 February 2021. Given the delay with the finalisation of the new spectrum framework, on 23 June 2021, the BIPT published a consultation to extend the licences for a new period of 6 months as of mid-September. On 7 September 2021, the BIPT published the decision on the extension for another period of six months of the 2G and 3G licences, now until mid-March 2022.

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

On 22 January 2021 the Federal Government approved the set of draft Royal Decrees and Law proposal that set up the framework for the attribution of the 5G spectrum (700, 3400-3800 and 1400 MHz) and the renewal of the 900, 1800 and 2100 MHz licences. The framework contains a number of conditions whose main goal is to attract a 4th full MNO to the market. No material changes versus the decrees that were published mid 2018 by the BIPT are known at the moment.

BIPT also launched a public consultation on all the frequencies to be allocated in the coming months (5G frequencies, and 900/1800/2100 licences). This consultation implies that any new decision on frequency allocations is postponed until November 2021. One of the key elements subject to discussion is the possibility of reserving a quantity of spectrum for a potential 4th player.

The auctions are expected during Q2 2022.

Temporary usage rights for the 3.6GHz-3.8GHz band

Given the delays on the new spectrum allocation, the BIPT granted temporary user rights for the 3.6GHz-3.8GHz band on 15 July 2020 to five operators: Orange Belgium, Proximus, Telenet, the Flemish ICT-player Cegeka and B2B telecom operator Entropia (who relinquished its right on 29 July 2020). After a number of changes, today the 3 MNOs have access to 50 MHz spectrum based on temporary licences in this band.

▪ **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. By its decision on 10 January 2020 the Competition authority provided for an additional period of 2 months during which the BIPT could further assess the agreement. The provisional measures decided by the Competition Authority 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 procedure is expected by the end of the year.

▪ **Transposition of the EEC (European Electronic Communications Code)**

The transposition of the EEC, which redefines the framework for the telecom regulations, into national legislation is delayed until Q4 2021. The draft texts, which are understood to be broadly speaking in line with the European texts, have been reviewed by the State Council and must now be approved by Parliament.

▪ **Consultation on draft communication on towerco**

The BIPT launched a consultation closing on 8 October 2021, on the interpretation of the law on rights and obligations of "towercos" regarding antenna site sharing.

▪ **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. A public consultation will be launched before end of the year.

2. Comments on the financial situation

2.1 Consolidated figures for the Orange Belgium Group

Orange Belgium Group: consolidated P&L

in €m	reported Q3 2020	Q3 2021	reported change	reported 9M 2020	9M 2021	reported change
Revenues	335.3	346.3	3.3%	971.9	1 002.1	3.1%
Belgium	321.4	331.0	3.0%	933.5	960.1	2.9%
Luxembourg	18.3	18.8	3.1%	49.7	55.8	12.1%
Interco elimination	-4.4	-3.5	-19.2%	-11.3	-13.8	21.6%
EBITDAaL	89.4	96.7	8.1%	237.6	257.9	8.5%
Belgium	86.7	93.5	7.9%	229.2	248.5	8.4%
Luxembourg	2.7	3.2	17.4%	8.4	9.4	11.5%
<i>margin as % of revenues</i>	<i>26.7%</i>	<i>27.9%</i>	<i>126 bp</i>	<i>24.4%</i>	<i>25.7%</i>	<i>129 bp</i>

2.2 Consolidated statement of comprehensive income

Revenues

Group revenues increased by 3.3% to €346.3m.

Orange Belgium Group: consolidated revenues

in €m	reported Q3 2020	Q3 2021	reported change	reported 9M 2020	9M 2021	reported change
<i>Convergent service revenues</i>	56.5	64.8	14.6%	162.9	188.3	15.6%
<i>Mobile only service revenues</i>	149.7	149.1	-0.4%	440.3	431.4	-2.0%
<i>Fixed only service revenues</i>	14.5	17.9	23.5%	43.3	52.4	20.9%
<i>IT & Integration Services</i>	10.0	9.9	-0.7%	29.9	30.4	1.7%
Retail service revenues	230.6	241.7	4.8%	676.4	702.5	3.9%
Equipment sales	33.3	25.7	-22.6%	89.4	95.8	7.2%
Wholesale revenues	63.9	65.9	3.0%	182.8	178.9	-2.2%
Other revenues	7.4	13.0	75.5%	23.3	25.0	7.2%
Revenues	335.3	346.3	3.3%	971.9	1 002.1	3.1%

- **Retail service revenues** increased by 4.8% to €241.7m mainly driven by revenue growth in convergence service revenues (+14.6%) and fixed only service revenues (+23.5%). Fixed only service revenues growth is driven by the increasing customer base and the inclusion of naked broadband.
- **Equipment sales and other revenues** decreased by 4.8%, explained by lower volumes in comparison to last year.
- **Wholesale revenues** grew by 3.0% mainly explained by more visitor roaming partially offset by less incoming traffic (voice and SMS).

Operating costs

Total operational costs increased by 1.5% in comparison to the previous year, reaching €249.6m.

in €m	reported Q3 2020	Q3 2021	reported change	reported 9M 2020	9M 2021	reported change
Direct costs	-143.8	-150.6	4.8%	-400.7	-416.6	4.0%
Labour costs	-37.0	-36.0	-2.8%	-111.3	-113.3	1.8%
Indirect costs including RouA and finance lease costs	-65.0	-62.9	-3.2%	-222.3	-214.3	-3.6%
<i>of which RouA and finance lease costs</i>	<i>-12.7</i>	<i>-13.7</i>		<i>-37.1</i>	<i>-41.6</i>	
	-245.8	-249.6	1.5%	-734.3	-744.2	1.4%

- **Direct costs** increased by 4.8% to €150.6m, mainly explained by higher cable and equipment costs, offset by lower interconnection costs and commissions.
- **Labour costs** amounted to €36.0m, 2.8% lower than Q3'20.
- **Indirect costs** decreased by 3.2% mainly driven by cost control and seasonality on general expenses and A&P.

From EBITDAaL to Net profit

Reconciliation from EBITDAaL to Net profit in €m	reported		reported	
	Q3 2020	Q3 2021	9M 2020	9M 2021
EBITDAaL	89.4	96.7	237.6	257.9
<i>margin as % of revenues</i>	26.7%	27.9%	24.4%	25.7%
Share of profits (losses) of associates	0.0	0.0	0.1	0.2
Depreciation and amortization of other intangible assets and property, plant and equipment	-58.2	-74.5	-176.8	-223.0
Other restructuring costs	-1.1	-0.6	-4.7	-3.3
Finance lease cost	0.2	0.3	1.4	1.4
Operating profit (EBIT)	30.4	22.0	57.5	33.2
Financial result	-1.2	-0.6	-4.3	-2.1
Profit (loss) before taxation (PBT)	29.2	21.5	53.3	31.1
Tax expense	-7.7	-3.5	-11.3	-5.7
Net profit (loss) before the period	21.4	18.0	41.8	25.3

- EBITDAaL reached €96.7m, increasing by 8.1% mainly explained by the higher increase in revenues, management of costs and seasonality effects.
- Depreciation and amortization amounted to €74.5m in Q3'21.
- Restructuring costs for the quarter amounted to €0.6m.
- Net financial expenses (including finance lease cost for an amount of €0.3m) amounted to €0.6m.
- The group reported a tax expense of €3.5m in Q3'21 vs €7.7m in Q3'20.
- Orange Belgium reported a net profit of €18.0m during the quarter vs €21.4m during Q3'20

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 proceeds from the disposal of tangible and intangible assets.

Operating cash flow increased from €47.5m to €56.5m in comparison to Q3'20, due to higher EBITDAaL and slightly lower eCapex.

Operating cash flow

in €m	reported		reported	
	Q3 2020	Q3 2021	9M 2020	9M 2021
EBITDAaL	89.4	96.7	237.6	257.9
eCapex ¹	-41.9	-40.2	-106.8	-121.5
Operating cash flow²	47.5	56.5	130.7	136.3

- eCapex excluding licence fees. In Q1 and Q3 2021 Orange Belgium paid 10.9 million euros on licence fees each quarter.
- Operating cash flow defined as EBITDAaL – eCapex excluding licence fees

Organic cash flow amounted to €61.2 million in Q3'21.

Reconciliation to organic cash flow

in €m	reported		reported	
	Q3 2020	Q3 2021	9M 2020	9M 2021
Net profit (loss) before the period	21.4	18.0	41.8	25.3
Adjustments to reconcile net profit (loss) to cash generated from operations	79.3	92.1	249.4	292.4
Changes in working capital requirements	4.1	20.0	24.1	21.1
Other net cash out	-2.9	-5.3	-24.7	-28.3
Net cash provided by operating activities	102.0	124.8	290.6	310.6
eCapex	-41.9	-51.1	-106.8	-143.3
Increase (decrease) in fixed assets payables	-1.2	0.6	-15.4	-16.1
Repayment of lease liabilities	-12.8	-13.0	-37.5	-40.0
Organic cash flow	46.1	61.2	130.9	111.1

Net debt at the end of quarter stood at €63.3m, compared to €144.9m at the end of 2020. Gearing, as measured by the net debt/Reported EBITDAaL ratio, decreased to 0.2x.

Net debt

€m, period ended	31.12.2020	30.09.2021
Cash & cash equivalents		
Cash	-32.0	-25.0
Cash equivalents	-28.8	-35.7
	-60.8	-60.7
Financial liabilities		
Intercompany short-term borrowing	200.4	-0.1
Third parties short-term borrowing	1.9	0.7
Intercompany long-term borrowing	3.4	123.3
	205.8	124.0
Net debt (Financial liabilities minus cash and cash equivalents)	144.9	63.3
Net debt/Reported EBITDAaL	0.5	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

Operating review

Cable services

In Q3'21, Orange Belgium's cable customer base continued to grow. During the quarter, the Love and Home offers attracted 17k new subscribers to reach 382k subscribers. B2C customers represent almost 90% of cable subscriber base.

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

	Q3 2020	Q3 2021	change		Q3 2020	Q3 2021
Cable customer base				Net-adds		
B2C cable customer base	273	340	24.5%	B2C cable customer base	15	14
B2B cable customer base	32	42	33.5%	B2B cable customer base	2	2
	305	382	25.5%		17	17
ARPO (in € per month)						
B2C convergent	75.4	73.1	-3.1%			

Mobile services

The company reached 2.7 million postpaid customers while adding 37k subscribers net adds in the quarter. The prepaid customer base decreased by 10.5%.

Postpaid mobile ARPO retreated by 0.3% to €20.5 in the third quarter of 2021.

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

	Q3 2020	Q3 2021	change		Q3 2020	Q3 2021
Mobile customers				Net-adds		
Postpaid	2 615	2 718	3.9%	Postpaid	21	37
Prepaid	475	425	-10.5%	Prepaid	-8	-7
M2M	1 531	1 795	17.2%	M2M	69	54
	4 621	4 938	6.9%		81	84
MVNO customers	343	355	3.2%	MVNO customers	15	4
Mobile only ARPO (€ per month)						
Blended	18.2	18.3	0.6%			
Postpaid (mobile only)	20.5	20.5	-0.3%			
Prepaid	7.4	7.1	-3.7%			

Financial review

Revenues in Belgium increased by 3.0% to €331.0m. The increase in retail service revenues and wholesale revenues were the main factors for this growth. Retail service revenues increased by 4.6% to €230.3m thanks to increasing convergent services revenues (+14.6%) as well as fixed only service revenues (+27.5%). On the other hand, wholesale revenues increased by 1.8% to €63.0m boosted by more visitor roaming partially offset by less incoming traffic (voice and SMS).

Orange Belgium: key financial figures

in €m	reported Q3 2020	Q3 2021	reported change	reported 9M 2020	9M 2021	reported change
Convergent service revenues	56.5	64.8	14.6%	162.9	188.3	15.6%
Mobile only service revenues	141.0	139.6	-1.0%	414.8	403.5	-2.7%
Fixed only service revenues	12.6	16.0	27.5%	36.8	46.4	26.1%
IT & Integration services	10.0	9.9	-0.7%	29.9	30.4	1.7%
Retail service revenues	220.0	230.3	4.6%	644.4	668.7	3.8%
Equipment sales	29.2	22.9	-21.6%	79.4	86.7	9.2%
Wholesale revenues	61.9	63.0	1.8%	178.3	171.9	-3.6%
Other revenues	10.2	14.8	44.9%	31.4	32.9	4.9%
Revenues	321.4	331.0	3.0%	933.5	960.1	2.9%
EBITDAaL	86.7	93.5	7.9%	229.2	248.5	8.4%
margin as % of revenues	27.0%	28.2%	127 bp	24.5%	25.9%	133 bp

EBITDAaL increased by 7.9% due to higher retail service revenues, seasonality effects and cost control during the quarter.

2.4.2. Orange Communications Luxembourg

Operating review

Orange Communications Luxembourg increased its postpaid subscriber base by 4.1%, closing at 122k.

Orange Communications Luxembourg: mobile services operating figures

	Q3 2020	Q3 2021	change		Q3 2020	Q3 2021
Mobile customers				Net-adds		
Postpaid	117	122	4.1%	Postpaid	0	3
Prepaid	16	15	-7.5%	Prepaid	2	1
M2M	71	69	-3.5%	M2M	3	-4
	206	206	0.0%		6	-1
MVNO customers	3	4	38.2%	MVNO customers	0	0

Financial review

Revenues during the quarter increased by 3.1% to €18.8m mainly explained by an increase in retail service revenues (+7.5%) as well as the wholesale revenues growth (+47.4%). The increase in wholesale revenues is explained by higher visitor roaming and incoming traffic.

EBITDAaL increased by 17.4% to €3.2m.

Orange Communications Luxembourg: key financial figures

in €m	reported Q3 2020	Q3 2021	reported change	reported 9M 2020	9M 2021	reported change
Mobile only service revenues	8.7	9.6	9.8%	25.5	27.9	9.5%
Fixed only service revenues	1.9	1.9	-2.8%	6.5	5.9	-9.0%
Retail service revenues	10.6	11.4	7.5%	32.0	33.8	5.8%
Equipment sales	4.0	2.8	-29.9%	10.0	9.1	-8.7%
Wholesale revenues	2.9	4.3	47.4%	7.0	11.3	59.8%
Other revenues	0.7	0.3	-62.3%	0.8	1.6	111.0%
Revenues	18.3	18.8	3.1%	49.7	55.8	12.1%
EBITDAaL	2.7	3.2	17.4%	8.4	9.4	11.5%
margin as % of revenues	15.0%	17.1%	208 bp	16.9%	16.8%	-9 bp

3. Outlook

Orange Belgium reconfirms its 2021 guidance:

- Low single-digit revenue growth
- Total eCapex is expected to be between €200m and €220m
- Regarding the EBITDAaL guidance (€320m-€340m), the company expects to slightly exceed the given range, taking into account the positive results and the improved health context.

4. Financial risks and risk management

There were no changes to the information disclosed on p.94-95 and p.125-126 in the 2020 annual report.

5. 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. First tranche of 0.9 million euros will be paid in the second half of current accounting year.

• 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 with 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. Taking the implementation of a technical solution was still ongoing beginning 2018, the proceedings were put on hold. The case is reactivated and Telenet submitted briefs on 6 March 2020. Hearings are taking place in course of October 2021.

• 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 will be 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 December 7 2020 at the Court of Appeal in Antwerp. The introduction hearing to fix a calendar for the exchange took place on 6 January 2021. The pleadings are brought forward from 23 March 2022 to 17 November 2021.

• Access to Telenet's cable network – own internet profile

Under the regulation of the access to the cable networks alternative operators have the right to commercialize internet profiles that are not commercialized by the regulated cable operator (“own internet profiles”), i.e. an internet profile with different upload/download speeds and/or volumes than the internet speeds and/or volumes offered by the cable operator to its own retail clients. Despite several requests made by Orange Belgium to Telenet since 2015, Telenet refused to grant such own profile until May 2018. In view of the damages incurred by Orange Belgium linked to the refusals, Orange Belgium filed a formal complaint against Telenet with the regulator in February 2018. On 22 October 2018 the regulator published its decision finding Telenet in breach with its regulatory obligation for not providing an own profile to Orange Belgium. Orange Belgium sent a formal notice to Telenet in January 2019 requesting a compensation for the damages incurred. Facing the refusal of Telenet to pay damages, Orange Belgium introduced a damage claim before the Enterprise Court. The pleadings took place on 17 January 2020. On 14 February 2020 the Enterprise Court found Telenet in breach with its regulatory obligations and granted a part of the claimed damages. Orange Belgium decided to appeal the judgement. Pleadings will take place on 1 December 2021.

• 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 judgement on 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 judgement 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 and we are currently awaiting the 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 will take place on 25 March 2022.

6. Subsequent events

No other significant events occurred after the end of the third quarter and first nine months of 2021.

7. 2021 Financial calendar

11 February Financial results Q4 2021 (7:00 am CET) – Press release
11 February Financial results Q4 2021 (2:00 pm CET) – Audio conference call

This is a preliminary agenda and is subject to changes

8. Conference call details

Date: 21 October 2021
Time: 10:00 am (CET), 9:00 am (UK), 4:00 am (US/NY)
Conference call pin code: 11164399#

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

9. Shares

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

	Q3 2020	Q3 2021
Trading of shares		
Average closing share price (€)	14.3	19.7
Average daily volume	48 944	6 961
Average daily value traded (€ m)	0.7	0.1
Shares and market values		
Total number of shares (m)	60.01	59.94
Treasury shares (k)	104.1	-
Closing price (€)	13.8	19.4
Market capitalization (€ m)	827.0	1 164.1

10. Consolidated financial statements

Consolidated statement of comprehensive income

in €m	30.09.2020	30.09.2021
Retail service revenues	676.4	702.5
Convergent service revenues	162.9	188.3
Mobile only service revenues	440.3	431.4
Fixed only service revenues	43.3	52.4
IT & Integration Service	29.9	30.4
Equipment sales	89.4	95.8
Wholesale revenues	182.8	178.9
Other revenues	23.3	25.0
Revenues	971.9	1 002.1
Purchase of material	-115.6	-129.0
Other direct costs	-281.9	-284.6
Impairment loss on trade and other receivables, including contract assets	-3.2	-3.0
Direct costs	-400.7	-416.6
Labour costs	-111.3	-113.3
Commercial expenses	-26.5	-22.3
Other IT & Network expenses	-73.5	-72.8
Property expenses	-10.5	-5.5
General expenses	-44.6	-41.2
Other indirect income	17.4	21.1
Other indirect costs	-46.2	-50.6
Depreciation of right-of-use of leased assets	-37.1	-41.6
Indirect costs	-221.0	-212.9
Other restructuring costs (*)	-4.7	-3.3
Depreciation and amortization of other intangible assets and property, plant and equipment	-176.8	223.0
Share of profits (losses) of associates	0.1	0.2
Operating Profit (EBIT)	57.5	33.2
Financial result	-4.3	-2.1
Financial costs	-4.3	-2.1
Financial income	0.0	0.0
Profit (loss) before taxation (PBT)	53.3	31.1
Tax expense	-11.3	-5.7
Net profit (loss) for the period (**)	41.8	25.3
Profit (loss) attributable to equity holders of the parent	41.8	25.3
Consolidated Statement of Comprehensive Income		
Net profit (loss) for the period	41.8	25.3
Other comprehensive income (cash flow hedging net of tax)	0.9	0.1
Total comprehensive income for the period	42.7	25.4
Part of the total comprehensive income attributable to equity holders of the parent	42.7	25.4
Basic earnings per share (in EUR)	0.70	0.42
Weighted average number of ordinary shares (excl. treasury shares)	59 898 567	59 944 757
Diluted earnings per share (in EUR)	0.70	0.42
Diluted weighted average number of ordinary shares (excl. treasury shares)	59 898 567	59 944 757

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

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

Consolidated statement of financial position

in €m	31.12.2020	30.09.2021
ASSETS		
Goodwill	104.4	104.4
Other intangible assets	250.0	246.8
Property, plant and equipment	707.6	631.2
Rights-of-use of leased assets	303.8	317.5
Interests in associates and joint ventures	5.5	5.7
Non-current financial assets	2.3	2.6
Other non-current assets	0.6	0.7
Deferred tax assets	3.1	2.6
Total non-current assets	1 377.3	1 311.5
Inventories	26.7	19.0
Trade receivables	207.5	189.8
Other assets related to contracts with customers	63.2	52.7
Current financial assets	0.4	0.4
Current derivatives assets	0.3	0.4
Other current assets	7.4	3.1
Operating taxes and levies receivables	1.4	2.7
Current tax assets	0.3	2.2
Prepaid expenses	6.8	13.0
Cash and cash equivalents	60.8	60.7
Total current assets	374.7	343.9
Total Assets	1 752.0	1 655.4
EQUITY AND LIABILITIES		
Share capital	131.7	131.7
Legal reserve	13.2	13.2
Retained earnings (excl. legal reserve)	470.6	464.7
Treasury shares	-1.5	0.0
Equity attributable to the owners of the parent	613.9	609.6
Total Equity	613.9	609.6
Non-current financial liabilities	3.5	123.3
Non-current lease liabilities	259.6	281.1
Non-current provisions for dismantling	77.1	76.7
Other non-current liabilities	2.3	2.5
Deferred tax liabilities	8.2	3.4
Total Non-current liabilities	350.7	487.0
Current fixed assets payable	57.0	40.9
Trade payables	296.5	282.2
Current financial liabilities	202.1	0.7
Current lease liabilities	44.4	36.7
Current derivatives liabilities	0.5	0.4
Current employee benefits	33.7	37.7
Current provisions for dismantling	5.5	5.5
Current restructuring provisions	1.2	1.1
Other current liabilities	3.8	5.7
Operating taxes and levies payables	77.2	87.2
Current tax payables	4.8	6.6
Liabilities related to contracts with customers	59.0	53.7
Deferred income	1.6	0.6
Total current liabilities	787.3	558.8
Total Equity and Liabilities	1 752.0	1 655.4

Consolidated cash flow statement

in €m	30.09.2020	30.09.2021
Operating activities		
Consolidated net profit	41.8	25.3
Adjustments to reconcile net profit (loss) to cash generated from operations		
Operating taxes and levies	20.7	19.4
Depreciation, amortization of other intangible assets and property, plant and equipment	176.8	223.0
Depreciation of right-of-use assets	37.1	41.6
Gains (losses) on disposal	-1.0	-1.5
Changes in other provisions	-2.7	-0.7
Share of profits (losses) of associates and joint ventures	-0.1	-0.2
Income tax expense	11.3	5.7
Finance costs, net	4.3	2.1
Share-based compensation	-0.2	0.0
Impairment loss on trade and other receivables, including contract assets	3.2	3.0
	249.4	292.4
Changes in working capital requirements		
Decrease (increase) in inventories, gross	13.1	7.7
Decrease (increase) in trade receivables, gross	29.8	16.4
Increase (decrease) in trade payables	-16.6	-15.6
Change in other assets related to contracts with customers	6.2	10.5
Change in liabilities related to contracts with customers	-7.4	-5.3
Changes in other assets and liabilities	-1.0	7.3
	24.1	21.1
Other net cash out		
Operating taxes and levies paid	-12.7	-15.1
Interest paid and interest rates effects on derivatives, net	-4.2	-2.8
Income tax paid	-7.8	-10.4
	-24.7	-28.3
Net cash provided by operating activities	290.6	310.6
Investing activities		
Purchases of property, plant and equipment and intangible assets		
Purchases of property, plant and equipment and intangible assets	-106.8	-143.3
Increase (decrease) in fixed assets payables	-15.4	-16.1
Cash paid for investments securities and acquired businesses, net of cash acquired	-0.4	-0.4
Decrease (increase) in securities and other financial assets	-0.2	-0.1
Net cash used in investing activities	-122.8	-159.8
Financing activities		
Long-term debt redemptions and repayments	-26.8	-81.2
Repayment of lease liabilities	-37.5	-40.0
Increase (decrease) of bank overdrafts and short-term borrowings	-6.2	0.0
Purchase of treasury shares	-1.3	0.1
Capital increase (decrease) - owners of the parent company	-0.1	0.2
Dividends paid to owners of the parent company	-30.0	-30.0
Net cash used in financing activities	-101.9	-150.9
Net change in cash and cash equivalents	65.9	-0.1
Opening balance	20.2	60.8
o/w cash	18.3	32.0
o/w cash equivalents	1.9	28.8
Cash change in cash and cash equivalents	65.9	-0.1
Closing balance	86.1	60.7
o/w cash	25.4	25.0
o/w cash equivalents	60.7	35.7
Organic Cash Flow (*)	130.9	111.1

* 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.

11. 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	<p>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.</p> <p>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.</p> <p>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.</p>
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.
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	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%), CC@PS 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 3m 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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