

Press release

Paris, July 30, 2021, 7:45 a.m.

Acceleration in growth and successful integration of Play

 financial release

This press release includes financial information as estimated by the iliad Group at June 30, 2021. The estimated results and financial statements contained in this press release were prepared by the iliad Group's Finance Department. The iliad Group's final financial statements for the first half of 2021 will be approved for issue by iliad's Board of Directors on August 4, 2021 and will be published on August 5, 2021. The Group's Statutory Auditors are currently carrying out their review of these financial statements.

In the first half of 2021, the iliad Group confirmed its unique status as a European telecom operator with strong growth potential.

- ▶ Pro forma like-for-like¹ growth for Services revenues reached 6.3% in the second quarter, up on the 4.8% increase recorded for the first three months of the year.
- ▶ Excluding the consolidation of Poland-based Play, the Group's EBITDAaL rose by 17% and operating cash flow² edged up by a modest €22 million, with the increase in capex in France offsetting a large portion of the decrease in Italy's operating losses.

In France, growth picked up pace in the second quarter, coming in at 5.0%³, with a rise in revenues for the Fixed business – led by the commercial and financial success of the Freebox Pop and the launch of the B2B activity – and a good value/volume mix for Mobile.

- ▶ The Group's first-half 2021 sales performance in France is a tangible result of our ambitious investment strategy aimed at giving us the best infrastructure and the most innovative services.

¹ Calculated as if Play had been consolidated as from January 1, 2020

² EBITDAaL less capex (excluding payments for frequencies)

³ Growth in Services revenues

- ▶ Pursuing our investments will be key to fueling Free's revenue and profitability growth in the coming years. With the largest 5G network in France⁴, the market's leading position in Fixed and Fiber for an alternative operator, and the launch of Free Pro at end-March and Free Flex in early July, Free has many major strengths that will enable it to maintain its growth profile.

The Group's Italian business confirmed its ability to turn commercial achievements into financial success in the first half of 2021. Just three years after its launch, Iliad Italia has won more than 10% market share, and has recorded positive EBITDAaL (€6 million) for the first time.

- ▶ Thanks to the 7,800 active sites it has rolled out over the past three years, Iliad Italia can now carry over half of its own data traffic on its own network. Going forward, it intends to continue its investment drive in order to reinforce the appeal of its offers;
- ▶ After building up a recognized and highly popular brand name, the Group is currently actively preparing for the launch of its Fixed business in Italy.

The integration of Play within the Iliad Group has proved successful, with our Polish operations reporting a better sales performance for the first half of 2021 as a whole, a faster pace of growth in the second quarter, and a strong increase in EBITDAaL and operating cash flow.

- ▶ Play saw its sales performance improve in the second quarter for its mobile business, both for subscribers on contracts and prepaid cards, recording its best quarter in three years in terms of net adds. Overall growth in mobile services billed to subscribers came to 8.1%, versus 5.0% in the first quarter.
- ▶ Adjusted for the impact of the proceeds of the sale of mobile sites to Cellnex, the Poland segment recorded double-digit growth in EBITDAaL.
- ▶ Thanks to the strategic partnership with Cellnex finalized on March 31, Play has strengthened its investment capacity, enabling it to enter a new growth cycle which will involve (i) deploying 5G, (ii) densifying its mobile network to support growth in usages, and (iii) pursuing its objective of entering the fixed market.
- ▶ In line with its aim of becoming a convergent operator in Poland, the Group is working on various projects for growing its fixed business – both organically, with the possibility of setting up a specific vehicle in charge of fiber rollouts, and externally, with the possibility of acquiring a leading fixed operator. To this end, the Iliad Group has put forward an indicative offer to Liberty Global for acquiring 100% of the share capital of UPC Poland. This offer would give UPC Poland an enterprise value of PLN 7,300 million based on an estimated EBITDA for 2021 of PLN 782 million. Talks are currently under way but the Group cannot currently give any assurance as to their successful outcome. The Group will inform the market of this outcome in due course.

⁴ By number of sites

Key operating performance indicators at June 30, 2021

FRANCE	Q2 2021e	Q1 2021	3-month change
Number of mobile subscribers	13,345k	13,382k	-36k
- o/w on the Free Mobile Unlimited 4G/5G Plan ¹	8,754k	8,657k	+97k
- o/w on the voice-based plan	4,592k	4,725k	-133k
Number of Broadband and Ultra-Fast Broadband subscribers	6,812k	6,765k	+47k
- o/w Fiber	3,318k	3,071k	+247k
Total number of subscribers – France	20,157k	20,147k	10k
Number of connectible Fiber sockets	22.7m	21.1m	1.6m
	Q2 2021e	Q2 2020	Year-on-year change
Broadband and Ultra-Fast Broadband ARPU (in €) ²	32.7	31.9	+2.5%
Mobile ARPU billed to subscribers (in €) ²	10.9	10.2	+6.9%
ITALY	Q2 2021e	Q1 2021	3-month change
Number of mobile subscribers	7,820k	7,540k	+280k
POLAND	Q2 2021e	Q1 2021	3-month change
Number of registered mobile subscribers ²	15,464k	15,373k	+91k
Number of active mobile subscribers ²	12,310k	12,165k	+145k
- o/w on plans	8,428k	8,392k	+36k
- o/w prepaid	3,882k	3,773k	+108k
Number of Home subscribers ²	198k	162k	+36k
- o/w TV Box subscribers	176k	149k	+27k
- o/w Fixed Broadband/Ultra-Fast Broadband subscribers	22k	13k	+9k
Total number of subscribers – Poland²	12,508k	12,327k	+181k
	Q2 2021e	Q2 2020	Year-on-year change
Mobile ARPU billed to subscribers (in PLN) ³	27.6	26.5	+4.0%

¹ 50/100/150 GB for non-Freebox subscribers.

² See glossary for definitions.

³ ARPU calculated based on revenues billed to mobile subscribers.

Key figures and events of first-half 2021

Group

Estimated revenues

- ⦿ Consolidated revenues totaled €3.72 billion in first-half 2021, with year-on-year growth amounting to 33.7%, both for the full six-month period and for the second quarter. The increase was driven by the consolidation of Play in Poland (since November 18, 2020), as well as by the rebound in growth in France and a strong performance in Italy. Excluding Play, consolidated revenue growth was slightly higher in the second quarter than the first quarter, coming in at 4.9%.
- ⦿ Revenues for France came to €2.54 billion in first-half 2021, up 2.7% for the full six months and 3.0% in the second quarter. The year-on-year increase was led by a 7.2% rise in Mobile services billed to subscribers and a strong performance from Fixed services, with 5.9% growth.
- ⦿ In Italy, revenues advanced 22.9% to €383 million in the first six months of 2021, with 20.4% growth in the second quarter. In a complicated environment due to the pandemic and a lower churn rate in the Italian market, Iliad Italia's growth remained solid, with revenues billed to subscribers up by 24.9% for the full six months – nearing the 26.7% increase posted in the first quarter.
- ⦿ In Poland, revenues totaled €801 million, representing solid pro forma growth of 3.9% (in PLN) for the first half overall, with an acceleration in the second quarter to 4.2%. Mobile services revenues billed to subscribers swung up 8.1% in the second quarter, versus 5.0% in the first three months of the year.

Estimated profitability

- ⦿ Consolidated EBITDAaL rose by a steep 59.5% to €1.40 billion, propelled mainly by the consolidation of Play (€373 million contribution, including a positive impact from the additional sale of mobile sites to On Tower Poland – "OTP"). Excluding Play, year-on-year growth in consolidated EBITDAaL was still a strong 17.0%, with Italy's EBITDAaL moving into positive territory for the first time and France recording a further increase.
- ⦿ Profit for the period advanced 15% to €239 million. This was achieved despite the gain recorded in first-half 2020 from the sale of 51% of IFT to InfraVia.
- ⦿ The Group's operating cash flow surged from €31 million in first-half 2020 to €362 million in the first six months of 2021. Excluding Play, however, operating cash flow was only €22 million higher year on year, as the increase in capital expenditure in France largely offset the effect of Italy's reduced cash flow losses.

France

Operational information

- ▶ **The total Fixed subscriber base rose by 90,000 in the first half of 2021, with a 47,000 increase in the second quarter.** Fiber kept up its solid momentum, with 513,000 new subscribers taking up the Group's Fiber plans in the first half of 2021 (including 245,000 in the second quarter, more or less stable compared with second-quarter 2020). At end-June 2021, the Fiber subscriber base stood at 3.32 million, with the penetration rate among the overall subscriber base rising 15 points year on year to 48.7%.
- ▶ Free was number one in France for Fixed Internet performance in the first half of 2021, according to nPerf⁵, notably thanks to its excellent Fiber services. The nPerf survey gave Free the best average download speed in the market (535 Mbps) and the best average upload speed (356 Mbps).
- ▶ The Free Mobile Unlimited 4G/5G Plan (50/100/150 GB for non-Freebox subscribers) continued to do well, with 191,000 net new subscribers during first-half 2021, including 97,000 in the second quarter. However, the total mobile subscriber base decreased by 30,000 net subscribers over the six-month period, with a 36,000 net decrease in the second quarter. This reduction was mainly due to aggressive promotions launched by certain competitors for entry-level plans, which impacted the subscriber base for our €2 plan.

Estimated financial information

- ▶ Services revenues generated by the Fixed business amounted to €1.41 billion in the first half of 2021, up 5.1% year on year.
- ▶ At €32.7, Fixed ARPU was 80 euro cents (2.5%) higher than in the second quarter of 2020 and 10 cents higher than in first-quarter 2021. The rise in ARPU reflects the better subscriber mix and the effect of subscribers switching to plans that are not part of promotional deals.
- ▶ Revenue growth for B2B picked up pace in the second quarter of 2021, coming in at 39.9% versus 20.1% in the first quarter.
- ▶ Mobile services revenues increased 2.0% to €1.06 billion for the first half of 2021, with a 3.7% increase in the second quarter to €533 million.
- ▶ **The Mobile business delivered a good showing in the second quarter, with a 7.2% increase in revenues billed to subscribers.** Mobile ARPU billed to subscribers rose 6.9% to €10.9, due to the steady stream of subscribers switching from the Série Free Plan to the Free Unlimited 4G/5G Plan.
- ▶ Other Mobile revenues (mainly corresponding to income from voice and SMS/MMS interconnections) decreased by 10.6% year on year to €189 million. These revenues (which generate very low margins) were boosted in first-half 2020 by an atypical rise in volumes of voice traffic and text messages due to the unprecedented travel restrictions imposed in France.

⁵ In the nPerf performance survey of fixed Internet connections in Metropolitan France published on July 16, 2021, in terms of average FTTH speeds in first-half 2021, Free was ranked number one both for download speed (534.8 Mbps) and for upload speed (356.1 Mbps). Survey based on 3,529,013 tests carried out between January 1, 2021 and June 30, 2021 on Ultra-Fast Broadband lines (FTTH, cable and VDSL2) by users of the nPerf tool in Metropolitan France. See www.nperf.com for the full survey and the methodology used.

- ▶ First-half revenues from sales of devices retreated 23.2% to €79 million. The main reason for this decline was a 33% fall in sales of smartphones in the second quarter, reflecting the preparation of our retail system for the new Free Flex model.
- ▶ EBITDAaL generated in France rose 6.2% to €1,019 million, representing an EBITDAaL margin of 40.1%, up 1.3 points on first-half 2020.
 - The improvement in profitability in France was attributable to (i) an **operating leverage** effect stemming from the respective €69 million and €43 million year-on-year increases in Fixed services revenues and Mobile services billed to subscribers, (ii) **further openings of sites** equipped for 700 MHz frequencies and deployments of new sites, giving the Group more consistent and higher quality mobile coverage, which is encouraging subscribers to switch to the Free Mobile Unlimited 4G/5G Plan, and (iii) a **positive contribution from “Other income and expenses from operations, net”**, notably including proceeds from the sale of mobile sites in connection with the build-to-suit program. These factors helped offset (i) **the increase in expenses related to the use of infrastructure** (taxes, rental costs, energy costs, maintenance charges), such as the Group’s mobile sites and Fiber network, chiefly attributable to the creation of the joint venture with InfraVia (“IFT”), and (ii) a 16% rise in **payroll costs** as a result of new hires to support the faster pace of Fiber rollouts and connections, and recruitments both for the mobile and hosting businesses and for the expansion of the retail network.
- ▶ **The Group continued the rollouts of its Ultra-Fast fixed and mobile networks in the first half of 2021**, in line with its aim of becoming the alternative operator of choice for latest-generation networks. As announced on May 18, 2021, the Group also pursued its very intense pace of rollout for 5G on the two frequency bands that it uses (700 MHz and 3.5 GHz). **Capital expenditure in France rose 24.0% year on year to €771 million:**
 - The number of connectible sockets increased by 5.9 million over 12 months, totaling 22.7 million at end-June 2021. The Group’s Fiber plans are now available in some 10,700 municipalities (versus 8,200 at end-2020). Topping 3.3 million, the FTTH subscriber base was 50% higher at June 30, 2021 than one year earlier. The 1.1 million year-on-year increase in subscriber numbers represents a record high for the Group in terms of connections.
 - Over 4,000 4G sites have been newly equipped to use 700 MHz frequencies over the past 12 months, significantly enhancing the subscriber experience. This trend is being recognized by an increasing number of external surveys and is expected to continue thanks to the acquisition of additional frequency licenses in the third quarter.
 - During the first half of 2021, Free pursued its brisk pace of 5G rollouts and consolidated its position as France’s telco with the largest 5G network. At end-June 2021, Free had the largest number of 5G sites (all frequencies combined) in Metropolitan France, with nearly 17,000 authorized sites (including some 2,500 using 3.5 GHz frequencies) and over 10,200 sites that were commercially up and running (including some 1,300 using 3.5 GHz frequencies). Our very high outlay on the 5G rollout, combined with that of other French telecom operators, means that France is one of the leading countries in Europe in terms of 5G availability.

- Lastly, as explained in the first-quarter revenue release issued on May 18, 2021, the Group's capex also rose during first-half 2021 as a result of expenditure incurred to secure supplies and increase inventories of components for its Freeboxes and electronic equipment in view of the current market shortages.

Italy

Estimated operating and financial information

Despite a challenging operating context in the first half of 2021 due to ongoing Covid restrictions, revenues generated by Iliad Italia were up 22.9% year on year to €383 million, and advanced 20.4% in the second quarter. The main factors underlying this first-half performance are as follows:

- ▶ Iliad Italia delivered a good sales performance during the period despite a less favorable operating context for a new entrant, with almost 600,000 new subscribers since the beginning of 2021, including 280,000 in the second quarter. The Group had a total of 7.82 million subscribers in Italy at June 30, 2021, representing a market share of over 10%.
- ▶ The Group continued to expand its retail network in Italy. At June 30, 2021, it had 19 stores and more than 1,400 Simboxes in 900 kiosks located in busy catchment areas and more than 2,000 indirect sales outlets.
- ▶ For the first time, the Italian business made a positive contribution to consolidated EBITDAaL, reporting a €6 million surplus compared with an €84 million loss in first-half 2020. This positive swing was attributable to the revenue growth deriving from the Group's network rollout drive, which is reflected in the €113 million increase in gross profit over the period.
- ▶ The Group kept up the brisk momentum of its network rollout in the first half of 2021, and at end-June it had some 7,800 sites switched on in Italy, versus 6,100 at the end of 2020. This figure is in line with the Group's target of having 8,500 active sites by the end of 2021, and the higher number of sites has enabled Iliad Italia to increase the portion of traffic carried on its own network. **Capital expenditure in Italy came to €201 million, and operating cash flow losses declined by €112 million.**
- ▶ During the first half of 2021, the Iliad Group acquired a 12.4% stake in Unieuro – Italy's leading distributor of electronic products. This acquisition will strengthen the commercial partnership that already exists between Iliad and Unieuro.

Estimated operating and financial information

Play's revenues in Poland totaled PLN 3.64 billion in the first half of 2021, up 3.9% year on year on a pro forma basis (as Iliad has only consolidated Play since November 18, 2020). The growth figure was higher in the second quarter than in the first, reaching 4.2%. The main factors underlying the Poland segment's performance in the first half of 2021 were as follows:

- ▶ **Play's sales performance improved for the second quarter in a row**, thanks to (i) its strategy of focusing on creating value by enhancing services and launching convergent offerings, and (ii) the ramp-up of its Home offerings (TV Box and Fixed Internet). The base of active subscribers on contracts (excluding M2M and free SIM cards) increased by 37,000, fueled by a better churn rate. The prepaid subscriber base rose by 108,000 units. Most of the increase in the mobile subscriber base - both contract and prepaid - was due to the Play brand.
- ▶ In the **Home segment** (TV Box and Fixed Internet), the subscriber base rose by **36,000 units in the second quarter**, on a par with first-quarter growth, highlighting Play's significant potential in these segments.
- ▶ Play's value-focused growth strategy has paid off, with ARPU billed to subscribers up 4.0% year on year in the second quarter of 2021, to PLN 27.6.
- ▶ Sales of devices rose by 3.2% for the full six-month period and by 2.6% in the second quarter.
- ▶ EBITDAaL in Poland rose 47.1% in the first half of 2021, notably due to a significant amount of proceeds received on the sale of 517 further sites at the close of the OTP deal. Even excluding these proceeds, EBITDAaL saw double-digit growth thanks to (i) higher gross profit due to a better revenue mix, and (ii) the initial beneficial impacts of Play's integration within the Iliad Group.
- ▶ Play's capital expenditure amounted to PLN 292 million in the first half of 2021, down 3.3% year on year on a pro forma basis. This slight decrease was due to the Covid crisis. During first-half 2021, Play switched on 295 new active sites. We strengthened our investment capacity in Poland during the period, thanks to the completion on March 31, 2021 of the industrial partnership with Cellnex through the sale to Cellnex of 60% of the company that manages the Group's passive mobile telecommunications infrastructure in Poland. This has enabled Play to enter a new growth cycle which will involve (i) deploying 5G, (ii) densifying its mobile network to support growth in usages, and (iii) entering the fixed market.

Estimated consolidated results for first-half 2021

<i>In € millions</i>	H1 2021e	H1 2020	% change
Consolidated revenues	3,722	2,784	+33.7%
Consolidated services revenues ¹	3,478	2,688	+29.4%
Consolidated revenues from devices	253	105	+140.9%
<i>Intra-group sales</i>	(5)	(4)	+25.0%
Revenues – France	2,542	2,475	+2.7%
<i>By segment</i>			
- B2C	2,497	2,440	+2.3%
- B2B	45	35	29.7%
Revenues – Italy	383	312	+22.9%
Revenues – Poland	801	-	-
Consolidated EBITDAaL	1,398	876	+59.5%
EBITDAaL – France ²	1,019	960	+6.2%
- B2C	1,017	956	+6.2%
- B2B	3	4	-7.7%
EBITDAaL – Italy	6	(84)	NM
EBITDAaL – Poland	373	-	-
Consolidated capex⁽³⁾	1,036	845	+22.7%
Capex – France ⁽³⁾	771	622	+24.0%
- B2C	741	612	+21.1%
- B2B	30	9	NM
Capex – Italy ⁽³⁾	201	223	-9.9%
Capex – Poland ⁽³⁾	64	-	-
Profit from ordinary activities	579	218	+165.2%
Profit from ordinary activities – France ²	432	432	0.0%
Profit/(loss) from ordinary activities – Italy	(139)	(214)	-35.1%
Profit from ordinary activities – Poland	286	-	
Profit for the period	239	208	+14.6%
Net debt	7,380	3,733	+97.7%
Leverage ratio⁽⁴⁾	2.75x	2.16x	+0.60x

(1) Excluding intra-group sales for the Group and for France (2) Including intra-group sales for the Group (3) Excluding payments for frequencies.

(4) Calculated including 12-month EBITDAaL contribution from Poland

Estimated revenues for second-quarter 2021

The table below shows the breakdown of revenues by category for the first and second quarters of both 2021 and 2020.

<i>In € millions</i>	Q2 2021e	Q2 2020	% change	Q1 2021	Q1 2020	% change
Consolidated revenues	1,875	1,402	+33.7%	1,846	1,382	+33.6%
Consolidated services revenues ¹	1,759	1,348	+30.4%	1,719	1,339	+28.3%
Consolidated revenues from devices	122	58	+109.2%	131	45	+192.5%
Total intra-group sales	(3)	(2)	NM	(3)	(3)	NM
Revenues – France	1,280	1,242	+3.1%	1,263	1,233	+2.4%
<i>By type of revenues</i>						
- Services	1,246	1,187	+5.0%	1,221	1,190	+2.6%
Fixed services	712	672	+6.0%	692	663	+4.4%
Mobile services	533	514	+3.7%	529	527	+0.3%
<i>o/w billed to subscribers</i>	438	408	+7.2%	436	422	+3.4%
<i>o/w other²</i>	96	106	-9.3%	93	105	-11.8%
- Devices	36	58	-38.4%	43	45	-3.4%
- Intra-group sales – France	(2)	(3)	NM	(1)	(1)	NM
<i>By segment</i>						
- B2C	1,255	1,224	+2.5%	1,242	1,216	+2.2%
- B2B	24	18	39.9%	21	17	+20.1%
Revenues – Italy	195	162	+20.4%	188	150	+25.1%
- Mobile services	193	160	+20.6%	186	149	+24.2%
<i>o/w billed to subscribers</i>	150	120	+24.9%	145	114	+26.7%
<i>o/w other²</i>	43	40	+7.6%	41	34	+20.2%
Revenues – Poland³	404	-	-	398	-	-
- Services	319	-	-	312	-	-
<i>o/w Mobile services billed to subscribers</i>	224	-	-	218	-	-
<i>o/w Interconnection & other services⁴</i>	93	-	-	86	-	-
<i>o/w Home</i>	2	-	-	2	-	-
- Devices	85	-	-	86	-	-

(1) Excluding intra-group sales for the Group and for France (2) Mainly interconnection revenues (3) EUR/PLN: 4.54574

(4) Mainly interconnection, wholesale and B2B services revenues

Comparison of estimated results for first-half 2021 and first-half 2020

<i>In € millions</i>	H1 2021	H1 2020	% change
Revenues	3,722	2,784	+33.7%
Purchases used in production	1,293	1,014	+27.5%
Gross profit	2,429	1,771	+37.2%
<i>as a % of revenues</i>	65.3%	63.6%	+1.7 pts
Payroll costs	(225)	(160)	+41.1%
External charges	(447)	(297)	+50.5%
Taxes other than on income	(102)	(79)	+28.6%
Additions to provisions	(48)	(32)	+50.3%
Other income and expenses from operations, net	146	(11)	NM
Depreciation of right-of-use assets	(355)	(315)	+12.6%
EBITDAaL	1,398	876	+59.5%
<i>as a % of revenues</i>	37.6%	31.5%	+6.1 pts
Share-based payment expense	(21)	(18)	+15.5%
Depreciation, amortization and provisions for impairment	(798)	(640)	+24.7%
Profit from ordinary activities	579	218	+165.2%
Other operating income and expense, net	(50)	231	NM
Operating profit	529	450	+17.7%
Interest expense	(90)	(39)	+133.4%
Other financial income and expense, net	(128)	(80)	+60.0%
Corporate income tax	(85)	(135)	-37.2%
Share of profit of equity-accounted investees	12	13	-1.0%
Profit for the period	239	208	+14.6%

Estimated consolidated debt

At June 30, 2021, the Group had gross debt of €8,987 million and net debt of €7,380 million (excluding the impact of IFRS 16). At the same date, it had sufficient liquidity to finance its operations, with €1.6 billion in consolidated cash and cash equivalents and €2.1 billion in undrawn revolving credit facilities.

The Group is pursuing its strategy of investing in major industrial projects that will generate substantial future cash flows, while maintaining its solid financial structure and significant access to financing. At June 30, 2021, the Group's leverage ratio including Play (based on a 12-month contribution to EBITDAaL) was contained 2.75x EBITDAaL.

On May 18, 2021, the Group announced that it intended to sell its 30% stake in On Tower France and to dedicate part of the sale proceeds to its capital expenditure programs. At this stage of the talks, the Group expects this stake to be valued at over €700 million. Firmly convinced that the rollout of 5G will be a major growth driver for the Iliad Group in the coming years, the Group decided to dedicate a portion of the proceeds of this sale to accelerating its capex program for 5G infrastructure in France.

Group objectives

As well as the effect it is continuing to have on people's lives, the Covid-19 pandemic is still weighing heavily on the economies of many countries. In 2020, the social and financial impacts of the virus on the Iliad Group were limited. However, for 2021 and beyond, the pandemic could affect the Iliad Group and its objectives, just as it may affect all telecommunications companies. Potential impacts include a shortage of certain electronic components and a slower rollout of Fixed and Mobile networks.

FRANCE

Long-term goal for the B2C market: 25% share of the Mobile, Broadband and Ultra-Fast Broadband markets

▶ B2C

▶ Fixed

- More than 5 million Fiber subscribers by 2023
- 30 million connectible Fiber sockets by end-2022

▶ Mobile

- Over 80% of the subscriber base signed up to the Free Mobile Unlimited 4G/5G Plan⁶ by 2024
- Over 25,000 sites by 2023

▶ Financial targets

- 2021: EBITDAaL less capex (excluding B2B activities) of more than €600 million (target revised (i) following the decision to allocate part of the future proceeds from the sale of On Tower France to our 5G capital expenditure program, and (ii) to secure supplies and increase inventories of components for our Freeboxes and other electronic equipment in view of the current market shortages and, to a lesser extent, of fiercer competition on the mobile market in France in second-quarter 2021)

▶ B2B

- B2B market share of around 4% to 5% by 2024
- B2B revenues of between €400 million and €500 million by 2024

ITALY

▶ Mobile

- Have around 8,500 active sites by end-2021
- Have rolled out between 10,000 and 12,000 sites by end-2023

▶ Fixed

- Launch the Fixed business after summer 2021

▶ Financial targets

- Achieve positive EBITDAaL for full-year 2021
- Generate €1.5 billion in revenues in Italy in the long term

POLAND

- ▶ Increase EBITDAaL less capex in 2021 – on a 12-month pro forma basis

Glossary

Alternative operator: An operator that entered the market subsequent to the incumbent State operator losing its monopoly.

Broadband and Ultra-Fast Broadband ARPU: Includes revenues from the flat-rate package and value-added services but excludes one-time revenues (e.g., fees for switching from one offer to another or cancellation fees), divided by the total number of Broadband and Ultra-Fast Broadband subscribers billed for the last month of the quarter.

Broadband and Ultra-Fast Broadband subscribers: Subscribers who have signed up for the Group's ADSL, VDSL or FTTH offerings.

Connectible FTTH socket: A socket for which the link between the shared access point and the optical splitter has been put in place by the building operator, which the Group can access in accordance with its co-financing commitments, and for which the connection to the Group's network has been completed or is in progress.

EBITDAaL: Profit from ordinary activities before depreciation, amortization and impairment of property, plant and equipment and intangible assets, and the impact of share-based payment expense.

FTTH: Fiber To The Home: Data delivery technology that directly connects subscribers' homes to an optical node (ON).

Leverage ratio: Represents the ratio between net debt (short- and long-term financial liabilities less cash and cash equivalents) and EBITDAaL.

Mobile ARPU billed to subscribers: Includes revenues billed to subscribers divided by the total number of Mobile subscribers during the period.

Net adds: Represents the difference between total subscribers at the end of two different periods.

Number of active mobile subscribers – Poland: Represents, at the end of a given period, the total number of subscribers, identified by their telephone lines, who have subscribed to a Play mobile offering (excluding M2M and free SIM cards) and who have issued or received at least one communication (voice or data) during the preceding 30 days.

Number of Broadband and Ultra-Fast Broadband subscribers – France: Represents, at the end of a given period, the total number of subscribers, identified by their telephone lines, who have signed up for a Free or Alice Broadband or Ultra-Fast Broadband offering, excluding those recorded as having requested the termination of their subscription.

Number of Home subscribers – Poland: Represents, at the end of a given period, the number of subscribers who have signed up to a TV Box plan or a fixed Broadband or Ultra-Fast Broadband plan, excluding those recorded as having requested the termination of their subscription.

Number of mobile subscribers – France: Represents, at the end of a given period, the total number of subscribers, identified by their telephone lines, who have subscribed to a Free mobile offering, excluding those recorded as having requested the termination of their subscription.

Number of mobile subscribers – Italy: Represents, at the end of a given period, the total number of subscribers, identified by their telephone lines, who have subscribed to an Iliad Italia mobile offering and who have issued or received at least one communication during the preceding three months.

Number of registered mobile subscribers – Poland: Represents, at the end of a given period, the total number of subscribers, identified by their telephone lines, who have subscribed to a Play mobile offering (including M2M cards and free SIM cards), excluding those recorded as having requested the termination of their subscription.

Revenues billed to subscribers: Revenues generated from services billed directly to subscribers (services included in subscribers' mobile plans as well as additional services).

Services revenues: Revenues excluding sales of devices.

Total number of subscribers – Poland: Represents, at the end of a given period, the number of active mobile subscribers in Poland and the number of Home subscribers in Poland

About the iliad Group

Created in the early 1990s, the iliad Group is the inventor of the world's first triple-play box and has grown into a major European telecoms player, standing out for its innovative, straightforward and attractive offerings. The Group is the parent of Free in France, iliad in Italy and Play in Poland, has some 15,000 employees serving 42.7 million subscribers, and generated €5.9 billion in revenues in 2020. In France, the Group is an integrated Fixed and Mobile Ultra-Fast Broadband operator and had over 20 million retail subscribers at June 30, 2021 (13.3 million mobile subscribers and 6.8 million fixed subscribers). On March 23, 2021, it launched its B2B activity in France under the Free Pro brand. In Italy - where the Group launched its business in 2018 under the iliad brand, becoming the country's fourth mobile operator - it had over 7.8 million subscribers at end-June 2021. With the acquisition of the Polish mobile operator Play in November 2020, the iliad Group has become Europe's sixth-largest mobile operator by number of subscribers (excluding M2M). iliad is listed on Euronext Paris (under the ILD ticker symbol).

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 www.iliad.fr/en

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Contacts:

Investor relations: ir@iliad.fr

Press relations: presse@iliad.fr

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