

Financial information for the fourth quarter and full year 2021

Strong EBITDAaL growth of 10.7% in the last quarter of 2021 due to solid growth in retail service revenues and efficient cost management

- Mobile postpaid customer base +3.9% yoy
- Cable customer base +20.8% yoy
- Q4 Revenues +5.3% yoy

Q4 Operational Highlights

- **Go portfolio continued to be successful, supported by the launch of Go Extreme.** During the quarter, 24k new mobile postpaid customers, reaching 2.7m subscribers (+3.9% yoy).
- **Cable net adds totalled 12k new customers.** The quarter was characterised by aggressive campaigns and gifts for end-of-year period from competition.
- **B2C convergent ARPO decreased by 1.3% yoy to €72.7**, due to the growing Love Duo customer base with a lower price point, lower set-up fees, as well as discounts on mobile tariff plans in convergence.
- **Mobile only postpaid ARPO increased by 0.6% yoy to €19.9**, mainly due to increased out-of-bundle from higher roaming traffic.

Orange Belgium: key operating figures

	Q4 2020	Q4 2021	change
Mobile postpaid customer base (in '000)	2 641	2 743	3.9%
Net adds (in '000)	26	24	-4.2%
Mobile only postpaid ARPO (€ per month)	19.8	19.9	0.6%
Cable customer base (in '000)	326	394	20.8%
Net adds (in '000)	22	12	-44.4%
B2C convergent ARPO (€ per month)	73.6	72.7	-1.3%

Q4 Financial Highlights

- **Revenues reached €361.4m, up 5.3% yoy.** Retail service revenues followed a similar trend, up 5.7%, mainly thanks to higher convergence services (+15.1% yoy). Equipment sales increased thanks to strong demand over the end-of-year period. Wholesales revenues remained stable in comparison to last year.
- **EBITDAaL grew 10.7% yoy to €95.1m**, driven by higher retail service revenues and cost efficiencies in A&P and property expenses.
- **eCapex increased 16.4% yoy to €82.6m**, mainly explained by a catch-up from previous quarters and RAN sharing deployment.
- **Debt closed at €69.5m with gearing at 0.2x.**

Orange Belgium Group: key financial figures

In €m	reported Q4 2020	Q4 2021	reported change	reported FY 2020	FY 2021	reported change
Revenues	343.0	361.4	5.3%	1 314.9	1 363.5	3.7%
Retail service revenues	229.5	242.6	5.7%	905.9	945.1	4.3%
EBITDAaL	85.9	95.1	10.7%	323.5	353.0	9.1%
margin as % of revenues	25.1%	26.3%	127 bp	24.6%	25.9%	129 bp
eCapex ¹	-70.9	-82.6	16.4%	-177.7	-204.1	14.8%
Operating cash flow²	15.0	12.6	-16.3%	145.8	148.9	2.2%
Net financial debt	144.9	69.5		144.9	69.5	

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:

We can be proud of what we have achieved in the past year, both in terms of business and financial performance. Despite the Covid-19 pandemic, many projects have succeeded.

Of course, I must mention the agreement signed with Nethys to acquire 75% minus one share in VOO. This acquisition, that needs to be approved by the competition authorities, will enable Orange Belgium to operate a very high-speed network in Wallonia and part of Brussels, thereby reinforcing the deployment of our convergent strategy at a national level. Our investment plan will enable us to upgrade the network to multi-gigabit for the benefit of customers and the competitiveness of Wallonia and Brussels.

We can look back on a very successful quarter in terms of commercial performance. Additionally, we accomplished some very important achievements in the 4th quarter: we launched our Orange 5G Lab in Antwerp and we also saw a ramp up of our new brand hey!

2021 brought us one step closer to achieving our strategic ambition and paved the way for our new market positioning, a new ambition for the years to come characterised by our strategic plan Orange Ahead.

2022 will certainly be a year of new and very exciting challenges that will bind our company to a future of growth for the benefit of all our stakeholders.

Antoine Chouc, Chief Financial Officer, stated:

2021 has been a challenging year. Nevertheless, we have been able to provide excellent financial results with a 9.1% increase in EBITDAaL, in excess of €350m.

With a growth of more than 5.7% during the fourth quarter of 2021, our retail service revenues remain the main driver of this EBITDAaL growth, greatly due to our convergent strategy. We also achieved significant cost savings. With our Orange Ahead programme and the implementation of the RAN sharing, we will continue our cost management which will create the basis for future EBITDAaL growth.

As announced in Q3, our EBITDAaL is above the guidance range of €320-340m. The other figures are in line with our guidance. We expected a low-single digit growth in revenues, which resulted in a 3.7% increase. Our eCapex was €204.1m, which is well within the given range of €200-220m.

2021 dividend

Considering the upcoming spectrum auctions and the balance sheet impact of the acquisition of VOO, the Board of Directors will not propose any dividend for the financial year 2021 at the Annual General Meeting.

2022 outlook

Orange Belgium expects low single-digit revenue growth in 2022. The Company targets EBITDAaL of between €350m and €370m. Total eCapex in 2022 is expected to be between €210m and €230m.

New financial calendar

The Board of Directors of Orange Belgium has decided to move to the publication of half-yearly and full-year results. The next financial results will be published on 22 July 2022 for the first half year of 2022 and in February 2023 (exact date to be confirmed) for 2022 full-year results. There will be no longer separate publications for the first and third quarters of the year.

Contents

1.	Key highlights.....	4
1.1	Operational highlights.....	4
1.2	Regulatory highlights.....	4
2.	Comments on the financial situation.....	6
2.1	Consolidated figures for the Orange Belgium Group.....	6
2.2	Consolidated statement of comprehensive income.....	6
2.3	Liquidity and capital resources.....	7
2.4	Activities of the Orange Belgium Group by segment.....	8
2.4.1.	Orange Belgium.....	8
2.4.2.	Orange Communications Luxembourg.....	10
3.	Financial risks and risk management.....	10
4.	Disputes.....	10
5.	Significant event after the end of the fourth quarter of 2021.....	11
6.	Shareholder remuneration.....	12
7.	Outlook.....	12
8.	2022 Financial calendar.....	12
9.	Conference call details.....	12
10.	Shares.....	12
11.	Consolidated financial statements.....	13
	Consolidated statement of comprehensive income.....	13
	Consolidated statement of financial position.....	14
	Consolidated cash flow statement.....	15
	Consolidated statement of changes in equity.....	16
	Segment information.....	17
12.	Statutory auditor's procedures.....	19
13.	Glossary.....	20
	About Orange Belgium.....	22

1. Key highlights

1.1 Operational highlights

▪ Covid-19 impact

Despite the easing of Covid-19 related measures, Orange Belgium continues to be fully mobilised to ensure network and service continuity and to support its customers. Network and service continuity are critical in managing the Covid-19 crisis. The network continues to handle the increased traffic without any major issues for our customers. Technical teams permanently monitor the network and reinforce it if necessary to guarantee seamless communication at all times.

The Covid measures announced by the Belgian government allowed all non-essential shops to remain open subject to maintaining social distancing of 1.5m and restricting the total amount of people allowed inside shops.

▪ Go Unlimited became Go Extreme and offers 60GB per month

As from 22 November 2021, Orange Belgium's most abundant mobile subscription becomes Go Extreme offering double data, up from 30 to 60GB per month, at no additional cost.

▪ Orange Belgium announced an agreement with Nethys to acquire 75% minus one share in VOO SA

Following the period of exclusive negotiations that began on 22 November 2021 and the approval of Enodia's Board of Directors, Orange Belgium and Nethys signed an agreement for the acquisition by Orange Belgium of 75% less one share of VOO SA, on 24 December 2021.

The transaction is based on an enterprise value of €1.8 billion for 100% of the capital and corresponds to an EBITDA multiple of 9.5x. This acquisition represents a major step forward in Orange Belgium's national convergent strategy and will increase investment and competition in the telecommunications sector for the benefit of customers and the competitiveness of the Walloon and Brussels regions.

The closing of the transaction is subject to customary conditions precedent, including the approval of the European Commission expected in 2022. Until such approvals and closing of the transaction are obtained, the two companies will continue to operate independently.

▪ hey! will offer 25% data boost every quarter in the first year

hey!, the new brand launched by Orange Belgium in September 2021, is planning to give new customers extra data every three months in their first year. The amount of data will increase 25% each quarter as from February 2022.

▪ Orange Belgium has raised fixed broadband and TV prices

Orange Belgium raised prices for new and existing customers as from January 2022.

▪ 5G Lab to be opened in first half of 2022 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.

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 market analysis 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. 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. On 19 January 2022, the BIPT has launched a consultation on extending the licenses for another 6 months so they shall expire on 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 potential new entrant operator. The auctions will be conducted by using a modular approach, allowing a potential 4th operator to purchase only a part of the spectrum.

On 14 January 2022, the BIPT published the call for candidates for the auction on the allocation of the new spectrum for 5G and the renewal of the existing 2G and 3G spectrum. The auction is scheduled for June 2022.

- **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.

- **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 expected in Q1 2022.

- **Transposition of the EECG (European Electronic Communications Code)**

On 21 December 2021 the law transposing the EECG was published in the Belgian State Gazette. It entered into force on 10 January 2022.

- **Consultation on draft communication on towerco**

The BIPT has published on 30 November 2021 a “Communication” on the interpretation of the law regarding antenna site sharing concerning the rights and obligations of “towerco’s”.

- **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.

- **Acquisition**

On 24 December 2021, Orange Belgium announced it has reached a final agreement with Nethys to acquire 75% less one share of VOO, based on an enterprise value of €1.8 billion (USD 2.04 billion) for 100% of the capital. The deal will give Orange Belgium its own fixed network in the Wallonia region and part of Brussels. Orange Belgium also revealed it plans to upgrade VOO’s cable network and deploy additional FTTH infrastructure. The closing of the transaction is subject to customary conditions precedent, including the approval of the EC expected in 2022.

2. Comments on the financial situation

2.1 Consolidated figures for the Orange Belgium Group

Orange Belgium Group: consolidated P&L

in €m	reported Q4 2020	Q4 2021	reported change	reported FY 2020	FY 2021	reported change
Revenues	343.0	361.4	5.3%	1 314.9	1 363.5	3.7%
Belgium	329.0	347.4	5.6%	1 262.5	1 307.5	3.6%
Luxembourg	21.1	20.5	-2.8%	70.9	76.3	7.7%
Interco elimination	-7.1	-6.5	-8.1%	-18.4	-20.3	10.2%
EBITDAaL	85.9	95.1	10.7%	323.5	353.0	9.1%
Belgium	83.0	91.3	10.0%	312.1	339.8	8.9%
Luxembourg	3.0	3.9	30.5%	11.4	13.3	16.5%
<i>margin as % of revenues</i>	<i>25.1%</i>	<i>26.3%</i>	<i>127 bp</i>	<i>24.6%</i>	<i>25.9%</i>	<i>129 bp</i>

2.2 Consolidated statement of comprehensive income

Revenues

Comparable Group revenues increased by 5.3% to €361.4m.

Orange Belgium Group: consolidated revenues

in €m	Q4 2020	Q4 2021	change	FY 2020	FY 2021	change
<i>Convergent service revenues</i>	57.9	66.7	15.1%	220.8	255.0	15.5%
<i>Mobile only service revenues</i>	144.9	147.4	1.8%	585.2	578.8	-1.1%
<i>Fixed only service revenues</i>	16.3	18.7	14.7%	59.6	71.1	19.2%
<i>IT & Integration Services</i>	10.4	9.8	-6.0%	40.4	40.3	-0.3%
Retail service revenues	229.5	242.6	5.7%	905.9	945.1	4.3%
Equipment sales	42.9	45.4	5.7%	132.2	141.1	6.7%
Wholesale revenues	63.4	63.1	-0.5%	246.2	241.9	-1.7%
Other revenues	7.2	10.3	42.6%	30.5	35.3	15.6%
Revenues	343.0	361.4	5.3%	1 314.9	1 363.5	3.7%

- **Retail service revenues** increased by 5.7% to €242.6m mainly driven by revenue growth in convergence service revenues. Fixed only service revenues increased by 14.7% as a result of higher cable revenues due to an increasing customer base.
- **Equipment sales and other revenues** increased by 11.1%, explained to higher volumes sold in comparison to the same period of last year.
- **Wholesale revenues** decreased slightly by 0.5%.

Operating costs

Total operating costs increased by 3.6% vs Q4'20, reaching €266.2m.

in €m	reported Q4 2020	Q4 2021	reported change	Reported FY 2020	FY 2021	reported change
Direct costs	-148.2	-154.3	4.1%	-549.0	-570.9	4.0%
Labour costs	-35.7	-35.3	-1.0%	-146.9	-148.6	1.1%
Indirect costs including RouA and finance lease costs	-73.2	-76.6	4.7%	-295.5	-290.9	-1.5%
<i>of which RouA and finance lease costs</i>	<i>-15.4</i>	<i>-12.5</i>		<i>-52.5</i>	<i>-54.1</i>	
	-257.1	-266.2	3.6%	-991.4	-1 010.5	1.9%

- **Direct costs** increased by 4.1% to €154.3m, mainly due to an increase in customer access connectivity and handsets, partly offset by the decrease in interconnection cost and commissions.
- **Labour costs** amounted to €35.3m, 1.0% lower than Q4'20.
- **Indirect costs** increased by 4.7%, closing at €76.6m.

From EBITDAaL to Net profit

Reconciliation from EBITDAaL to Net profit

in €m	reported		reported	
	Q4 2020	Q4 2021	FY 2020	FY 2021
EBITDAaL	85.9	95.1	323.5	353.0
<i>margin as % of revenues</i>	25.1%	26.3%	24.6%	25.9%
Share of profits (losses) of associates	0.1	0.0	0.2	0.3
Impairment of goodwill	0.0	-14.9	0.0	-14.9
Impairment of fixed assets	-0.7	-1.6	-0.7	-1.6
Depreciation and amortization of other intangible assets and property, plant and equipment	-73.4	-56.2	-250.2	-279.2
Other restructuring costs	-0.9	-0.7	-5.6	-4.0
Finance lease cost	0.9	0.8	2.3	2.3
Operating profit (EBIT)	11.9	22.5	69.4	55.7
Financial result	-1.0	-1.1	-5.3	-3.2
Profit (loss) before taxation (PBT)	10.8	21.4	64.1	52.5
Tax expense	1.2	-7.1	-10.1	-12.8
Net profit (loss) before the period	12.2	14.4	54.0	39.7

- EBITDAaL increased by 10.7% to €95.1m. This improvement is mainly due to a positive result in retail service revenues as well as cost efficiencies.
- Impairment of goodwill amounted to €14.9m. Goodwill is tested for impairment each year. For BKM N.V., as the recoverable value did not exceed the carrying amount, an impairment of €14.9m was recorded at year end. Other goodwill has remained unchanged.
- Depreciation and amortization amounted to €56.2m.
- Restructuring costs for the quarter amounted to €0.7m.
- Net financial expenses (including finance lease cost for an amount of €0.8m) amounted to €1.1m.
- The Group reported a tax expense of €7.1m in Q4'21.
- Orange Belgium Group reported a net profit of €14.4m during Q4'21 vs €12.2m in Q4'20.

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 decreased from €15.0m to €12.6m in comparison to Q4'20, due to higher EBITDAaL as well as higher eCapex.

Operating cash flow

in €m	Q4 2020	Q4 2021	FY 2020	FY 2021
EBITDAaL	85.9	95.1	323.5	353.0
eCapex ¹	-70.9	-82.6	-177.7	-204.1
Operating cash flow²	15.0	12.6	145.8	148.9

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

Organic cash flow amounted to -€6.3m in Q4'21.

Reconciliation to organic cash flow

in €m	reported		reported	
	Q4 2020	Q4 2021	FY 2020	FY 2021
Net profit (loss) before the period	12.2	14.4	54.0	39.7
Adjustments to reconcile net profit (loss) to cash generated from operations	87.6	105.6	337.0	397.9
Changes in working capital requirements	-33.4	-42.3	-9.3	-21.2
Other net cash out	-12.5	-20.3	-37.2	-48.6
Net cash provided by operating activities	53.8	57.3	344.4	367.9
eCapex	-70.9	-82.6	-177.7	-225.9
Increase (decrease) in fixed assets payables	19.5	30.7	4.1	14.7
Repayment of lease liabilities	-10.8	-11.8	-48.4	-51.8
Organic cash flow	-8.5	-6.3	122.4	104.8

Net debt at the end of quarter stood at €69.5m, 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	31.12.2021
Cash & cash equivalents		
Cash	-32.0	-24.0
Cash equivalents	-28.8	-29.8
	-60.8	-53.7
Financial liabilities		
Intercompany short-term borrowing	200.4	0.0
Third parties short-term borrowing	1.9	1.5
Intercompany long-term borrowing	3.4	121.8
	205.8	123.3
Net debt (Financial liabilities minus cash and cash equivalents)	144.9	69.5
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

Cable services

Orange Belgium's cable customer base continued its growth trajectory in Q4'21. During the quarter, the convergent and fixed only offers attracted 12k new subscribers, reaching 394k cable customers. B2C customers represent 89% of the total subscriber base.

The portion of Love Duo customers keeps increasing quarter after quarter. At the end of Q4'21, Love Duo represented more than 25% of the customer base. This had a direct impact on the B2C convergent ARPO, which decreased by 1.3% yoy, since Love Duo has a lower price point than Love Trio, as well as the effect of the discounts on the mobile when combined with convergence.

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

	Q4 2020	Q4 2021	change		Q4 2020	Q4 2021
Cable customer base				Net-adds		
B2C cable customer base	293	350	19.4%	B2C cable customer base	20	10
B2B cable customer base	33	44	33.6%	B2B cable customer base	2	2
	326	394	20.8%		22	12
ARPO (in € per month)						
B2C convergent	73.6	72.7	-1.3%			

Mobile services

The company reached 2.7 million postpaid customers as it added 24k subscribers net adds in the quarter. The prepaid customer base decreased by 11.0%.

Postpaid mobile ARPO increased by 0.6% in Q4'21 to €19.9, thanks to a higher out-of-bundle revenues mainly because of increased roaming.

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

	Q4 2020	Q4 2021	change		Q4 2020	Q4 2021
Mobile customers				Net-adds		
Postpaid	2 641	2 743	3.9%	Postpaid	26	24
Prepaid	459	409	-11.0%	Prepaid	-16	-16
M2M	1 601	1 878	17.3%	M2M	70	83
	4 701	5 029	7.0%		79	91
MVNO customers	349	347	-0.6%	MVNO customers	5	-8
Mobile only ARPO (€ per month)						
Blended	17.5	17.8	1.6%			
Postpaid (mobile only)	19.8	19.9	0.6%			
Prepaid	6.9	6.8	-2.4%			

Financial review

Revenues in Belgium increased by 5.6% to €347.4m. The increase in retail service revenues is the main driver for this change.

Retail service revenues increased by 6.6% to €231.0m thanks to increasing convergent services revenues. Convergent services revenues continued to grow with a year-on-year increase by 15.1%, showing the attractiveness of the Love offer.

Equipment sales increased by 4.6% to €40.5m in Q4'21.

Wholesale revenues increased slightly by 0.4% to €61.0m.

Orange Belgium: key financial figures

in €m	reported Q4 2020	Q4 2021	reported change	reported FY 2020	FY 2021	reported change
Convergent service revenues	57.9	66.7	15.1%	220.8	255.0	15.5%
Mobile only service revenues	134.9	137.7	2.1%	549.7	541.2	-1.5%
Fixed only service revenues	13.6	16.9	24.3%	50.4	63.3	25.6%
IT & Integration services	10.4	9.8	-6.0%	40.4	40.3	-0.3%
Retail service revenues	216.8	231.0	6.6%	861.2	899.7	4.5%
Equipment sales	38.8	40.5	4.6%	118.2	127.2	7.7%
Wholesale revenues	60.7	61.0	0.4%	239.0	232.9	-2.6%
Other revenues	12.7	14.8	16.4%	44.1	47.7	8.2%
Revenues	329.0	347.4	5.6%	1 262.5	1 307.5	3.6%
EBITDAaL	83.0	91.3	10.0%	312.1	339.8	8.9%
<i>margin as % of revenues</i>	25.2%	26.3%	106 bp	24.7%	26.0%	126 bp

EBITDAaL increased by 10.0% due to higher retail service revenues and cost control during the quarter.

2.4.2. Orange Communications Luxembourg

Operating review

Orange Communications Luxembourg decreased its mobile subscriber base to 202k, down by 1.4% yoy.

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

	Q4 2020	Q4 2021	change		Q4 2020	Q4 2021
Mobile customers				Net-adds		
Postpaid	117	120	2.7%	Postpaid	0	-2
Prepaid	19	14	-25.0%	Prepaid	2	-1
M2M	70	68	-1.9%	M2M	-2	-1
	205	202	-1.4%		0	-3
MVNO customers	3	0	-100.0%	MVNO customers	0	-4

Financial review

Revenues during the quarter decreased by 2.8% to €20.5m.

EBITDAaL increased by 30.5% to €3.9m.

Orange Communications Luxembourg: key financial figures

in €m	reported Q4 2020	Q4 2021	reported change	reported FY 2020	FY 2021	reported change
Mobile only service revenues	10.0	9.8	-2.5%	35.5	37.7	6.1%
Fixed only service revenues	2.7	1.8	-32.9%	9.2	7.8	-16.0%
Retail service revenues	12.7	11.6	-9.0%	44.7	45.4	1.6%
Equipment sales	4.1	4.8	16.7%	14.1	13.9	-1.2%
Wholesale revenues	3.8	3.7	-0.5%	10.8	15.0	38.8%
Other revenues	0.5	0.4	-25.2%	1.2	2.0	58.1%
Revenues	21.1	20.5	-2.8%	70.9	76.3	7.7%
EBITDAaL	3.0	3.9	30.5%	11.4	13.3	16.5%
<i>margin as % of revenues</i>	14.1%	18.9%	482 bp	16.1%	17.4%	131 bp

3. 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.

4. 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€ 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 introduction hearing took place on 6 January 2021 on which a calendar for exchanging submissions was fixed. The pleadings are set for 23 March 2022.

- **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 commercialise internet profiles that are not commercialised 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. Telenet refused to grant such own profile until May 2018. 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. 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 judgment. The Court of Appeal confirmed on 22 December 2021 the decision of the Enterprise Court concerning the error of Telenet.

- **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. Unless Lycamobile would initiate proceedings before the Supreme Court, this file should be 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 will take place on 25 March 2022.

5. Significant event after the end of the fourth quarter of 2021

No other significant events occurred after the end of the fourth quarter and twelve months of 2021.

6. Shareholder remuneration

The Orange Belgium Group aims to balance the appropriate cash returns to equity holders maintaining a balanced and sound financial position, while leaving sufficient leeway to continue to invest in its convergent strategy, the expansion of its network and other growth opportunities.

Orange Belgium's Board of Directors will not propose a dividend for the financial year 2021 to preserve cash for future capital requirements such as the payment of the spectrum auction and the VOO acquisition, that will lead post-closing to leverage ratio of 3.5.

7. 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 €350m and €370m. This range takes into account:

- Covid-19 impact
- Loss of Mobile Vikings as from April 2022
- Energy costs increase
- Labour cost indexation

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

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

8. 2022 Financial calendar

04 May	Annual General Meeting of Shareholders
01 July	Start of quiet period
22 July	Financial results Q2 2022 (7:00 am CET) – Press release
22 July	Financial results Q2 2022 (2:00 pm CET) – Audio conference call

This is a preliminary agenda and is subject to changes

9. Conference call details

Date: 11 February 2022
Time: 14:00 (CET), 13:00 (UK), 08:00 (US/NY)
Conference call: [Orange Belgium FY 2021 results](#)
Please aim to access the conference call ten minutes prior to the scheduled start time.

10. Shares

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

	Q4 2020	Q4 2021
Trading of shares		
Average closing share price (€)	17.1	19.6
Average daily volume	128 206	12 230
Average daily value traded (€ m)	2.2	0.2
Shares and market values		
Total number of shares (m)	60.01	59.94
Treasury shares (k)	69.7	-
Closing price (€)	21.8	19.9
Market capitalization (€ m)	1 308.3	1 192.9

11. Consolidated financial statements

Consolidated statement of comprehensive income

in €m	31.12.2020	31.12.2021
Retail service revenues	905.9	945.1
Convergent service revenues	220.8	255.0
Mobile only service revenues	585.2	578.8
Fixed only service revenues	59.6	71.1
IT & Integration Service	40.4	40.3
Equipment sales	132.2	141.1
Wholesale revenues	246.2	241.9
Other revenues	30.5	35.3
Revenues	1 314.9	1 363.5
Purchase of material	-167.7	-185.4
Other direct costs	-374.6	-376.9
Impairment loss on trade and other receivables, including contract assets	-6.6	-8.7
Direct costs	-549.0	-570.9
Labour costs	-146.9	-148.6
Commercial expenses	-42.9	-33.8
Other IT & Network expenses	-95.3	-97.4
Property expenses	-14.5	-8.5
General expenses	-61.5	-63.6
Other indirect income	26.4	28.8
Other indirect costs	-52.9	-60.2
Depreciation of right-of-use of leased assets	-52.5	-54.1
Indirect costs	-293.2	-288.7
Other restructuring costs (*)	-5.6	-4.0
Depreciation and amortization of other intangible assets and property, plant and equipment	-250.2	-279.2
Impairment of goodwill	0.0	-14.9
Impairment of fixed assets	-0.7	-1.6
Share of profits (losses) of associates	0.2	0.3
Operating Profit (EBIT)	69.4	55.7
Financial result	-5.3	-3.2
Financial costs	-5.3	-3.2
Financial income	0.0	0.0
Profit (loss) before taxation (PBT)	64.1	52.5
Tax expense	-10.1	-12.8
Net profit (loss) for the period (**)	54.0	39.7
Profit (loss) attributable to equity holders of the parent	54.0	39.7
Consolidated Statement of Comprehensive Income		
Net profit (loss) for the period	54.0	39.7
Other comprehensive income (cash flow hedging net of tax)	0.0	-0.3
Total comprehensive income for the period	54.0	39.5
Part of the total comprehensive income attributable to equity holders of the parent	54.0	39.5
Basic earnings per share (in EUR)	0.90	0.66
Weighted average number of ordinary shares (excl. treasury shares)	59 905 867	59 944 757
Diluted earnings per share (in EUR)	0.90	0.66
Diluted weighted average number of ordinary shares (excl. treasury shares)	59 905 867	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	31.12.2021
ASSETS		
Goodwill	104.4	89.5
Other intangible assets	250.0	247.4
Property, plant and equipment	707.6	662.8
Rights-of-use of leased assets	303.8	299.2
Interests in associates and joint ventures	5.5	5.8
Non-current financial assets	2.3	2.2
Other non-current assets	0.6	0.7
Deferred tax assets	3.1	1.8
Total non-current assets	1 377.3	1 309.3
Inventories	26.7	24.0
Trade receivables	207.5	188.1
Other assets related to contracts with customers	63.2	61.7
Current financial assets	0.4	0.4
Current derivatives assets	0.3	0.2
Other current assets	7.4	7.7
Operating taxes and levies receivables	1.4	9.2
Current tax assets	0.3	0.3
Prepaid expenses	6.8	5.0
Cash and cash equivalents	60.8	53.7
Total current assets	374.7	350.3
Total Assets	1 752.0	1 659.7
EQUITY AND LIABILITIES		
Share capital	131.7	131.7
Legal reserve	13.2	13.2
Retained earnings (excl. legal reserve)	470.6	479.3
Treasury shares	-1.5	0.0
Equity attributable to the owners of the parent	613.9	624.2
Total Equity	613.9	624.2
Non-current financial liabilities	3.5	121.8
Non-current lease liabilities	259.6	255.3
Non-current employee benefits	0.0	0.1
Non-current provisions for dismantling	77.1	80.7
Other non-current liabilities	2.3	2.6
Deferred tax liabilities	8.2	4.6
Total non-current liabilities	350.7	464.9
Current fixed assets payable	57.0	71.7
Trade payables	296.6	258.8
Current financial liabilities	202.1	1.5
Current lease liabilities	44.4	44.7
Current derivatives liabilities	0.5	0.2
Current employee benefits	33.7	34.1
Current provisions for dismantling	5.5	9.1
Current restructuring provisions	1.2	1.1
Other current liabilities	3.8	7.1
Operating taxes and levies payables	77.2	75.5
Current tax payables	4.8	10.7
Liabilities related to contracts with customers	59.0	56.0
Deferred income	1.6	0.2
Total current liabilities	787.3	570.6
Total Equity and Liabilities	1 752.0	1 659.7

Consolidated cash flow statement

in €m	31.12.2020	31.12.2021
Operating activities		
Consolidated net profit	54.0	39.7
Adjustments to reconcile net profit (loss) to cash generated from operations		
Operating taxes and levies	17.0	25.8
Depreciation, amortization of other intangible assets and property, plant and equipment	250.2	279.2
Depreciation of right-of-use assets	52.5	54.1
Impairment of non-current assets	0.7	1.6
Gains (losses) on disposal	-2.7	-1.7
Changes in other provisions	-2.3	-1.0
Share of profits (losses) of associates and joint ventures	-0.2	-0.3
Income tax expense	10.1	12.8
Finance costs, net	5.3	3.2
Impairment of goodwill	0.0	14.9
Operational net foreign exchange and derivatives	-0.1	0.0
Share-based compensation	-0.2	0.7
Impairment loss on trade and other receivables, including contract assets	6.6	8.7
	337.0	397.9
Changes in working capital requirements		
Decrease (increase) in inventories, gross	5.2	3.0
Decrease (increase) in trade receivables, gross	10.6	10.7
Increase (decrease) in trade payables	-18.5	-37.7
Change in other assets related to contracts with customers	1.5	1.5
Change in liabilities related to contracts with customers	-6.8	-2.9
Changes in other assets and liabilities	-1.2	4.2
	-9.3	-21.2
Other net cash out		
Operating taxes and levies paid	-19.4	-35.3
Interest paid and interest rates effects on derivatives, net	-5.3	-3.8
Income tax paid	-12.6	-9.5
	-37.2	-48.6
Net cash provided by operating activities	344.4	367.9
Investing activities		
Purchases of property, plant and equipment and intangible assets		
Purchases of property, plant and equipment and intangible assets	-177.7	-225.9
Increase (decrease) in fixed assets payables	4.1	14.7
Cash paid for investments securities and acquired businesses, net of cash acquired	-1.7	-0.2
Decrease (increase) in securities and other financial assets	-0.1	0.1
Net cash used in investing activities	-175.4	-211.3
Financing activities		
Long-term debt redemptions and repayments	-42.2	-81.9
Repayment of lease liabilities	-48.4	-51.8
Increase (decrease) of bank overdrafts and short-term borrowings	-6.5	0.0
Purchase of treasury shares	-1.3	0.1
Dividends paid to owners of the parent company	-30.0	-30.0
Net cash used in financing activities	-128.4	-163.6
Net change in cash and cash equivalents	40.6	-7.1
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	40.6	-7.1
Closing balance	60.8	53.7
o/w cash	32.0	24.0
o/w cash equivalents	28.8	29.8
Organic Cash Flow (*)	122.4	104.8

* 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.

Consolidated statement of changes in equity

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			39.7		39.7
Other comprehensive income			-0.3		-0.3
Total comprehensive income for the period			39.5		39.5
Treasury shares			-1.5	1.5	0.0
Employee- Share-based compensation			0.7		0.7
Declared dividends			-30.0		-30.0
Balance at 31 December 2021	131.7	13.2	479.3		624.2

in €m	Share capital	Legal reserve	Retained earnings	Treasury shares	Total equity
Balance at 31 December 2019 (*), as previously reported	131.7	13.2	447.4	-0.2	592.1
PPA adjustment Upsize N.V.			-0.6		-0.6
Restated balance at 31 December 2019	131.7	13.2	446.8	-0.2	591.5
Net profit for the period			54.0		54.0
Other comprehensive income			0.0		0.0
Total comprehensive income for the period			54.0		54.0
Treasury shares				-1.3	-1.3
Employee - Share-based compensation			-0.2		-0.2
Declared dividends			-30.0		-30.0
Balance at 31 December 2020	131.7	13.2	470.6	-1.5	613.9

* The 31 December 2019 statement of financial position has been restated, reflecting the impact of the purchase price allocation ("PPA") for the Upsize N.V. acquisition, which was not yet available at year-end 2019. The recognition of the fair value of the intangible assets of Upsize N.V. resulted in an additional amortization expense of 0.6 million euros recognized for the period between the acquisition date, 31 July 2019 and 31 December 2019, for which the comparative financial information has been restated.

Segment information

in €m, twelve months ended 31 December 2021	Orange Belgium	Orange Luxembourg	Interco elimination	Orange Belgium Group
Retail service revenues	899.7	45.4		945.1
Convergent service revenues	255.0			255.0
Mobile only service revenues	541.2	37.7		578.8
Fixed only service revenues	63.3	7.8		71.1
IT & Integration service revenues	40.3	0.0		40.3
Equipment sales	127.2	13.9		141.1
Wholesale revenues	232.9	15.0	-5.9	241.9
Other revenues	47.7	2.0	-14.4	35.3
Revenues	1 307.5	76.3	-20.3	1 363.5
Direct costs	-553.5	-37.8	20.3	-570.9
Labour costs	-140.6	-8.0		-148.6
Indirect costs, of which	-271.4	-17.3		-288.7
Operational taxes and fees	-22.9	-2.9		-25.8
Depreciation of right-of-use of leased assets	-49.7	-4.4		-54.1
Other restructuring costs	-3.9	-0.2		-4.0
Depreciation, amortization of other intangible assets and property, plant and equipment	-271.1	-8.1		-279.2
Impairment of goodwill	-14.9			-14.9
Impairment of fixed assets	-1.6			-1.6
Share of profits (losses) of associates	0.3			0.3
Operating profit (EBIT)	50.7	5.0		55.7
Net financial income (expense)	-3.1	-0.1		-3.2
Profit (loss) before taxation (PBT)	47.6	4.9		52.5
Tax expense	-11.4	-1.4		-12.8
Net profit (loss) for the period	36.3	3.5		39.7

in €m, twelve months ended 31 December 2020	Orange Belgium	Orange Luxembourg	Interco elimination	Orange Belgium Group
Retail service revenues	861.2	44.7		905.9
Convergent service revenues	220.8	0.0		220.8
Mobile only service revenues	549.7	35.5		585.2
Fixed only service revenues	50.4	9.2		59.6
IT & Integration Service revenues	40.4	0.0		40.4
Equipment sales	118.2	14.1		132.2
Wholesale revenues	239.0	10.8	-3.6	246.2
Other revenues	44.1	1.2	-14.8	30.5
Revenues	1 262.5	70.9	-18.4	1 314.9
Direct costs	-532.2	-35.2	18.4	-549.0
Labour costs	-139.0	-8.0		-146.9
Indirect costs, of which	-277.0	-16.2		-293.2
Operational taxes and fees	-14.5	-2.6		-17.0
Depreciation of rights-of-use of leased assets	-47.9	-4.6		-52.5
Other restructuring costs	-5.2	-0.4		-5.6
Depreciation, amortization of other intangible assets and property, plant and equipment	-242.4	-7.8		-250.2
Impairment of fixed assets	-0.7	0.0		-0.7
Share of profits (losses) of associates	0.2	0.0		0.2
Operating profit (EBIT)	66.2	3.2		69.4
Net financial income (expense)	-5.6	0.3		-5.3
Profit (loss) before taxation (PBT)	60.6	3.5		64.1
Tax expense	-10.6	0.5		-10.1
Net profit (loss) for the period	50.0	4.0		54.0

in €m, twelve months ended 31 December 2021	Orange Belgium	Orange Luxembourg	Interco elimination	Orange Belgium Group
EBITDAaL	339.8	13.3		353.0
Share of profits (losses) of associates	0.3			0.3
Impairment of goodwill	-14.9			-14.9
Impairment of fixed assets	-1.6			-1.6
Depreciation, amortization of other intangible assets and property, plant and equipment	-271.1	-8.1		-279.2
Other restructuring costs	-3.9	-0.2		-4.0
Finance lease costs	2.3			2.3
Operating profit (EBIT)	50.7	5.0		55.7
Financial result	-3.1	-0.1		-3.2
Profit (loss) before taxation (PBT)	47.6	4.9		52.5
Tax expense	-11.4	-1.4		-12.8
Net profit (loss) for the period	36.3	3.5		39.7

in €m, twelve months ended 31 December 2020	Orange Belgium	Orange Luxembourg	Interco elimination	Orange Belgium Group
EBITDAaL	312.1	11.4		323.5
Share of profits (losses) of associates	0.2	0.0		0.2
Impairment of fixed assets	-0.7	0.0		-0.7
Depreciation, amortization of other intangible assets and property, plant and equipment	-242.4	-7.8		-250.2
Other restructuring costs	-5.2	-0.4		-5.6
Finance lease costs	2.3	0.0		2.3
Operating profit (EBIT)	66.2	3.2		69.4
Financial result	-5.6	0.3		-5.3
Profit (loss) before taxation (PBT)	60.6	3.5		64.1
Tax expense	-10.6	0.5		-10.1
Net profit (loss) for the period	50.0	4.0		54.0

12. Statutory auditor's procedures

The statutory auditor, KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises, represented by Alexis Palm has confirmed that the audit procedures, which have been substantially completed, have not revealed any material misstatement in the accounting information included in the Company's annual announcement.

13. 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, FTTH, 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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