# Annual Report **Orange Belgium 2023**

# Orange Belgium

Orange Belgium is one of the leading players in the telecommunications market in Belgium and Luxembourg (through its subsidiary Orange Communications Luxembourg).

Thanks to its own fixed and mobile networks, Orange Belgium offers both residential and business customers fixed and mobile connectivity services and convergent offerings (internet, telephony, television, including original TV content: Be tv, VOOsport, etc.).

Orange Belgium is the first telecom operator nationwide to offer 1Gbps on the fixed network.

Orange Belgium is also a wholesale operator, offering its partners access to its infrastructure as well as a broad portfolio of connectivity and mobility services, including offerings based on Big Data and the Internet of Things (IoT).

Orange Belgium has more than 3 million customers in Belgium and Luxembourg, and operates top-quality mobile and fixed-line networks, which are constantly being invested in to remain at the cutting edge of technology in the sector.

Orange Belgium is a subsidiary of the Orange Group, one of the leading European and African operators in the mobile and internet access markets, and one of the world leaders in providing telecommunication services to corporate customers.

Orange Belgium is listed on the Brussels stock exchange.

# Contents



# Key figures

## Operational

**987 k**
Cable customers
(+5.5% yoy[1])

**3.32 million**
Mobile contracts excl. M2M
(+4.0% yoy[1])

**+47 k**
Net adds[2]
Cable customers

**+111 k**
Net adds[2]
Mobile contracts excl. M2M

## Financial

**€1,749.5 million**
Revenues
(+4.6% yoy[1])

**€451.3 million**
EBITDAaL
(+0.3% yoy[1])

**€304.1 million**
eCapex (excluding licence fees)
(+4.1% yoy[1])

1 Comparable base includes VOO revenues, eCapex and EBITDAaL with interco elimination
2 Includes 7 months of VOO net adds

# Chairman's letter

## Dear team members, shareholders, partners, and customers,

In 2023, Orange Belgium marked a significant milestone. Benefiting from the strength of the Orange Group and the joining of forces with telecom operator VOO, our company is now positioned as a true leader in the Belgian telecom market.

I would like to extend a warm welcome to the VOO employees, customers and partners. Acknowledging the challenges and questions that may have arisen throughout 2023, I take immense pride in the results achieved, not solely from a financial perspective. The Employee Net Promoter Score (eNPS) reflects the alignment and commitment of our organization's combined workforce.

To all leaders at Orange Belgium, I want to express my gratitude, including not only senior leaders but also our business and people managers who contribute to achieving our objectives. I extend the same gratitude to our shareholders and the companies we collaborate with. As we help them achieve their aspirations, our mutual support forms the foundation of strong, enduring partnerships.

Customer feedback, gauged through NPS and satisfaction surveys, underscores the positive reception of our efforts. With this feedback in mind, I am confident and enthusiastic about the future we are building with the colleagues from the Orange Group. Together, we have laid a robust foundation to navigate current competition and anticipate challenges in the upcoming months and years.

In light of our achievements, I firmly believe we are well-prepared for success in this period and industry. Our commitment moving forward is to maintain a keen focus on meeting customer expectations, as we have in the past. We will tirelessly strive to satisfy their evolving needs, as we recognize the correlation between happy employees and satisfied customers. Results will follow, measured by continued market share growth in a fiercely competitive environment.

As we embark on a new year, I propose that 'optimism' becomes our keyword for 2024. Our company's unique DNA, combining a strong local entity with membership in a large international group, positions us favorably to confront upcoming challenges.

The Senior Leadership Team, the Board, and all stakeholders are committed to providing unwavering support to the management team and employees as we collectively strive to 'Lead the Future'.

Thankfully yours,

**Johan Deschuyffeleer**

**"Our company's unique DNA, combining a strong local entity with membership in a large international group, positions us favorably to confront upcoming challenges."**

# "The natural DNA of the Orange brand is to be a leader, not a challenger"

**Xavier Pichon,**
**Chief Executive Officer**

# CEO Interview

**"By fully integrating ourselves into the overarching strategy of the Orange Group, we unlock a wealth of opportunities."**

**Xavier Pichon, Chief Executive Officer**

**2023 was marked by two major milestones for Orange Belgium: the acquisition of telecom operator VOO, and the launch of the 'Lead the Future' strategy: Orange Belgium's long-term industrial project creating value for its customers, employees, and society. Xavier Pichon, Chief Executive Officer of Orange Belgium, looks back on a pivotal year for the company.**

### What are your thoughts on 2023 in retrospect?

**Xavier Pichon:** As I look back at the year that has passed, it was truly fantastic and I can honestly say the work that has been done is quite impressive. For that, I would like to thank all Orange and VOO team members, the leadership teams, the entire Executive Committee, and the Board. I also want to highlight the outstanding teamwork that has contributed to our successful commercial and financial results, both in the consumer and business segments.

After the closing of the acquisition of VOO, things accelerated and everyone had to move at a fast pace, which is crucial in this type of operation. Six months later, we have been able to integrate almost 100% of both companies in terms of operations organization. And on top of that, we are moving fast on the equity side as well, aligning our shareholders on the same goal. So, for me, 2023 has been a very satisfying and outstanding year.

### In June of 2023, Orange Belgium introduced 'Lead the Future'. Can you explain what drove the launch of this new long-term strategy?

**X.P.:** For the past two decades, Orange Belgium has continuously developed its telecom skills and pioneering spirit to challenge the market. But the natural DNA of the Orange brand is to be a leader, not a challenger. The launch of the 'Lead the Future' strategy by Orange Belgium was primarily driven by the company's ambition to solidify its position as a leader in the Belgian telecom market and align with the overarching strategy of the Orange Group.

### What is the biggest difference with the previous strategy 'Orange Ahead'?

**X.P.:** While the previous strategy, 'Orange Ahead', was instrumental in establishing Orange Belgium as a next-generation operator, emphasizing sustainability, technological expertise, and growth, 'Lead the Future' marks a shift towards embracing the inherent leadership qualities of the international Orange brand.

Between both strategies, I would argue that the essence remains consistent: the overarching goal of shaping the future of the telecommunications industry in Belgium. But the strategic transition towards 'Lead the Future' clearly underscores the company's commitment to not only maintaining but also enhancing its leadership status, ensuring its relevance and competitiveness in the ever-evolving landscape.

By fully integrating ourselves into the overarching strategy of the Orange Group, we unlock a wealth of opportunities to leverage, and can exchange expertise and knowledge on an international scale. This collaboration extends beyond borders, allowing us to tap into the diverse experiences and best practices of Orange's operations across different countries. By sharing insights, innovative solutions, and successful strategies, we can enhance our capabilities, drive efficiencies, and accelerate our collective progress towards common goals.

### What is the importance of the acquisition of VOO in the new strategy? How does it change the position of Orange Belgium in the Belgian telco market?

**X.P.:** Orange Belgium has always been equipped with a unique DNA on the market. The acquisition of telecom operator VOO was the only missing part of the puzzle, allowing us to fully prepare the playing field and connect all the dots as an incumbent operator. It was not merely about expanding our technical infrastructure with our own fixed network. The operation encompassed a comprehensive integration of additional assets, including diverse and complementary brands, a wealth of skills, collaborators, etc. Now, benefiting from the strength of the Group and the joining of forces with VOO, we are taking a genuine leader's position in the Belgian telecom market.


**"We have been pursuing one clear ambition: to become a market leader by combining the strengths of Orange and VOO."**

**Xavier Pichon,**
**Chief Executive Officer**

### What are the main strengths of the 'Lead the Future' strategy?

**X.P.:** In a way it is a very simple but very clear strategy. Our industrial vision for the future encompasses three strategic pillars: logical building blocks that are also very much interconnected. Pillar 1 is all about connectivity and speed, reliability of our state-of-the-art mobile and fixed network, coupled with cybersecurity. That infrastructure is the foundation, and on top of that we are positioning ourselves as the leader in segmented offers and the end-to-end customer process. This is the second pillar: our Belgian-operated customer experience excellence and our ability to propose multi segmented retail services in a differentiated way brings state-of-the-art connectivity and value-added services to premium and access customers. For the third pillar, we leverage the first two also in terms of human and ESG values, by fostering digital inclusion within Belgian society and by committing ourselves to a Net Zero Carbon status by 2040. We are also committed to becoming Belgium's preferred tech and telco employer.

### For each of the three pillars, can you highlight one achievement for 2023?

**X.P.:** In pursuit of our strategic objectives, our foremost goal was to establish ourselves as the leader in gigabit networks nationwide by mid-2024, ensuring that 95% of Belgian residents could access speeds of 1 Gbps. Remarkably, thanks to the exceptional efforts of our technical teams, we have reached this milestone in fixed broadband by the end of this year already, demonstrating our commitment to technological advancement and infrastructure development.

Furthermore, underpinning our strategy is a dedication to enhancing customer experience excellence, our second pillar. To this end, we introduced several new value propositions tailored to meet the evolving needs of our customers. For instance, we launched a competitive home internet subscription specifically designed for customers of hey!, our digital b-brand, catering to their preferences and requirements. Next to that, Orange Belgium totally revamped its fixed internet solutions and launched new gigabit speed 'Fiber' offers to meet the growing demand for faster and reliable internet connectivity. Additionally, we expanded our Orange TV portfolio by incorporating popular channels such as VOOsport World and Be tv, enriching the entertainment options available to our subscribers.

Equally noteworthy are our achievements in the third pillar of our strategy. We not only met but exceeded our digital inclusion objectives for 2023, underscoring our commitment to bridging the digital divide and ensuring equitable access to technology and connectivity for all segments of society. At the same time, we remained on track with our ambitious targets for reducing $CO_2$ emissions, reflecting our dedication to environmental sustainability and corporate responsibility.

### What are the main objectives for 2024 and how do you see the company evolving?

**X.P.:** Since June 8th, we have been pursuing one clear ambition: to become a market leader by combining the strengths of Orange and VOO, enabling us to effectively implement our 'Lead the Future' strategy. Even though we remain two separate legal entities, we want to present ourselves as a single operator and to this end we have been gradually introducing a transitional organization allowing closer cooperation between the different teams. As planned, starting next year, Orange Belgium and VOO will be able to act as one operator.

Next year will clearly be a pivotal year for the telecommunications market in Belgium, and things will continue to evolve rapidly, driven by technological advancements, marketing dynamics, and regulatory changes. Additionally, the competition among telecom operators – existing and new – will remain fierce, with companies trying to differentiate themselves through innovative product offerings, competitive pricing, and superior customer service. This competition benefits consumers, as it leads to greater choice and better value propositions.

### If you have to sum up 2023 in a couple of words: what are they? And what is your keyword for 2024?

**X.P.:** For 2023 I would say 'clear vision', 'additional value creation' and 'execution' were the keywords. And for the year to come, it is clearly 'confidence'. New opportunities and challenges await us in 2024 that we will bring to fruition thanks to the preparatory work done this year.

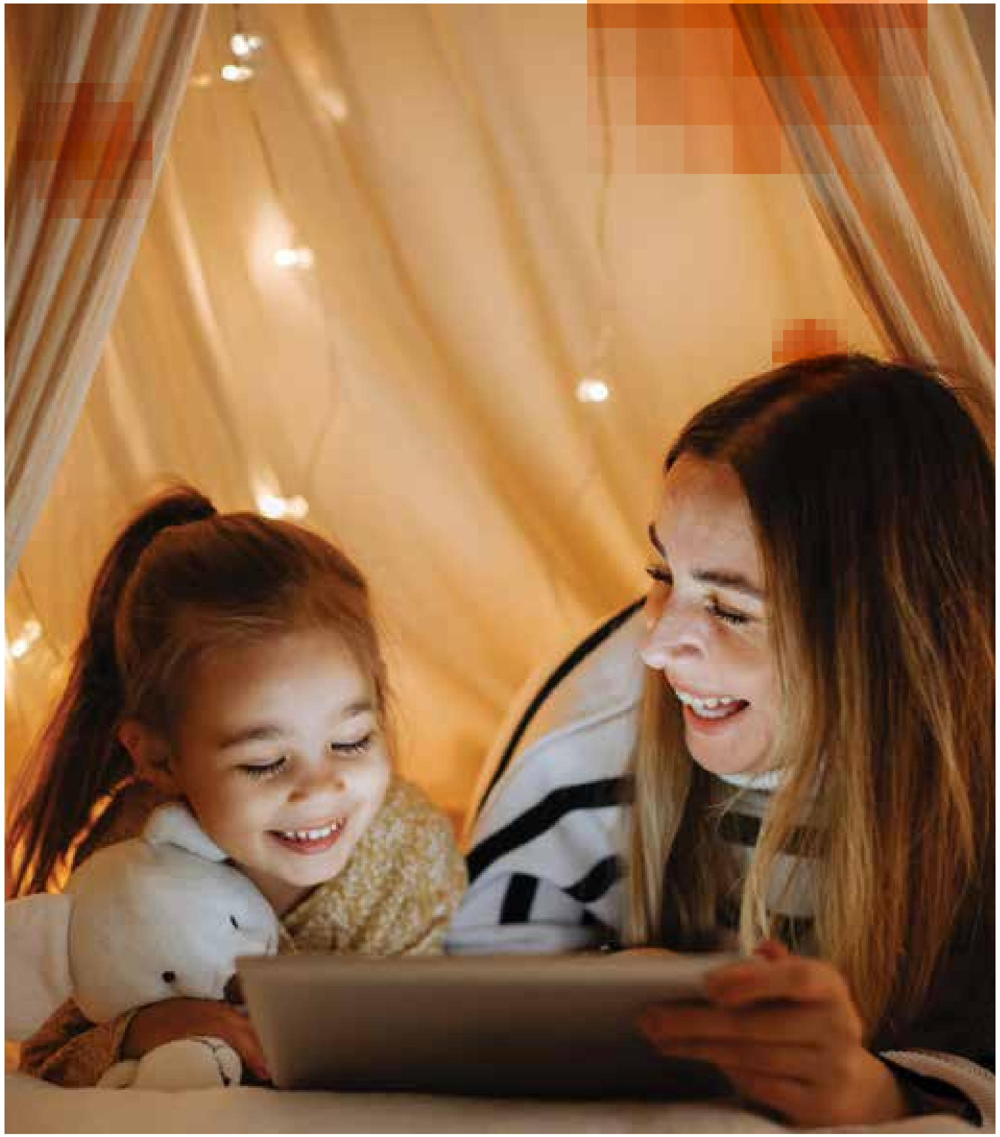
# VOO acquisition and 2024 market insights

**In 2023, Orange Belgium completed its acquisition of a controlling stake in telecoms operator VOO SA. Paul-Marie Dessart, General Secretary at Orange Belgium, reflects on this significant milestone event and offers insights into what lies ahead in 2024.**

### What were the key developments in the Belgian telecommunications market throughout 2023?

**Paul-Marie Dessart:** Looking at the sector as a whole, I would say that, following the spectrum auction organized by the BIPT in 2022, the confirmation of the arrival of a fourth entrant onto the consumer market perhaps stood out as the most notable development.

For Orange Belgium, the closing of the acquisition of VOO, the cable network operator in the Walloon region and part of the Brussels region, was of course the most important and most anticipated event of 2023. Acquiring the controlling stake in VOO enables us to operate and modernize a very high-speed network, thereby reinforcing the deployment of our convergent multigigabit strategy at a national level: the first pillar of our ambitious 'Lead the Future' investment plan. In combination with VOO's and Orange's skills and expertise, we strengthen the quality of our offers to the customers and ensure competitiveness in the Walloon and Brussels regions.



**"One of the challenges will be to keep on creating added value on top of the pure telecom services."**

**Paul-Marie Dessart, General Secretary**

### Can you take us through the final stages of the acquisition process? What are the next steps?

**P-M D.:** After several months of discussion, in March of 2023, the European Commission approved the acquisition of 75% of the capital less one share of VOO SA by Orange Belgium, with the remaining 25% plus one share retained by Nethys. This official green light allowed us to then move quickly into the final phase of the buyout towards the closing of the transaction, which took place in June.

In November, Nethys expressed its intention to use the option of converting its minority stake in VOO into Orange Belgium shares. By doing so, Nethys would obtain an 11% stake in Orange Belgium and would retain, once in the capital of Orange Belgium, the governance rights associated with its stake in VOO. At this point, the conversion process is ongoing. Following the procedure provided for in the Companies and Associations Code, it will be analysed by a committee of independent Orange Belgium directors, with the support of an independent expert, who will submit an opinion to the Board of Directors. The transaction will then have to be approved by the General Assembly of Orange Belgium in 2024. So by mid-2024, Orange Belgium is set to own 100% of the shares of VOO, meaning our companies can truly merge as one single operator, both on the operational side as well as legally.

### How do you see the market evolving in 2024?

**P-M D.:** 2024 will undoubtedly create a new dynamic on the Belgian telecommunications market, with the arrival of new entrants in the country or a part of it. Next to that, one of the challenges will be to keep on creating added value on top of the pure telecom services, by focusing on areas such as network quality, innovative services, enhanced customer experience, premium content, sustainability initiatives, partnerships and ecosystem development. This is how telecom operators worldwide can differentiate themselves in a competitive market, retain customers, attract new ones, and ultimately create added value for both their business and their customers. And this is also exactly the rationale behind our 'Lead the Future' strategy, based on the three pillars.

# Highlights 2023_





## January

Orange Belgium and Telenet sign two commercial wholesale agreements providing access to each other's Hybrid Fiber Coaxial and Fiber to the Home networks

## March

11 innovative 5G pilot projects on Orange Belgium's network are selected by the Federal Government for subsidies to accelerate 5G in Belgium_

## April

Orange Belgium collects over 115,000 old devices: one step closer towards a circular economy

Orange Belgium's digital and innovative b-brand hey! renews its partnership with Royale Union Saint-Gilloise

## June

Orange Belgium completes the acquisition of a 75% stake minus 1 share in telco operator VOO SA and launches Lead the Future: a long-term industrial project creating value for its customers, employees, and society

1 year after launching the Orange Digital Center and Orange Belgium Fund, the telecom operator launches a Tech Academy and signs new partnerships

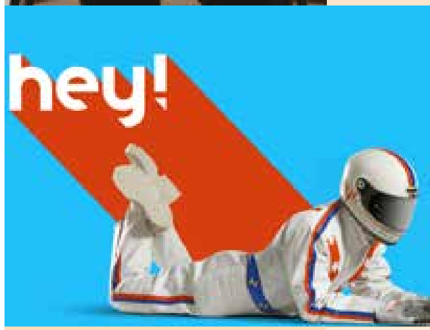
## September

Flemish Government appoints Orange Belgium as trusted partner for mobile connectivity and Internet of Things services

Orange Belgium's next proofpoint in Customer Experience Excellence: a competitive home internet subscription for hey! customers

## November

Orange Belgium pursues its customer experience excellence ambition by adding VOOsport World and Be tv to its TV offers

# Lead the Future

## Capitalizing on our infrastructure

### Nationwide gigabit and multigigabit networks leadership

- **Mobile**
  - 5G frequencies (capacity and speed)
  - 5G Core SA (reliability and B2B services)
  - RAN Sharing agreement (coverage)
- **Broadband**
  - South: powerful HFC & FTTH network modernized towards state-of-the-art standards
  - North: HFC & FTTH Wholesale agreements

## New enterprise model

### We care for People<br>A resilient and responsible company

- **Future proof ESG enterprise model**
  - Net zero carbon operator
  - Digital inclusion
- **Preferred tech & telco employer**
  - Attractive industrial project and HR policy
  - Tech talents development
  - Diversity & inclusion

## Capitalizing on our core business

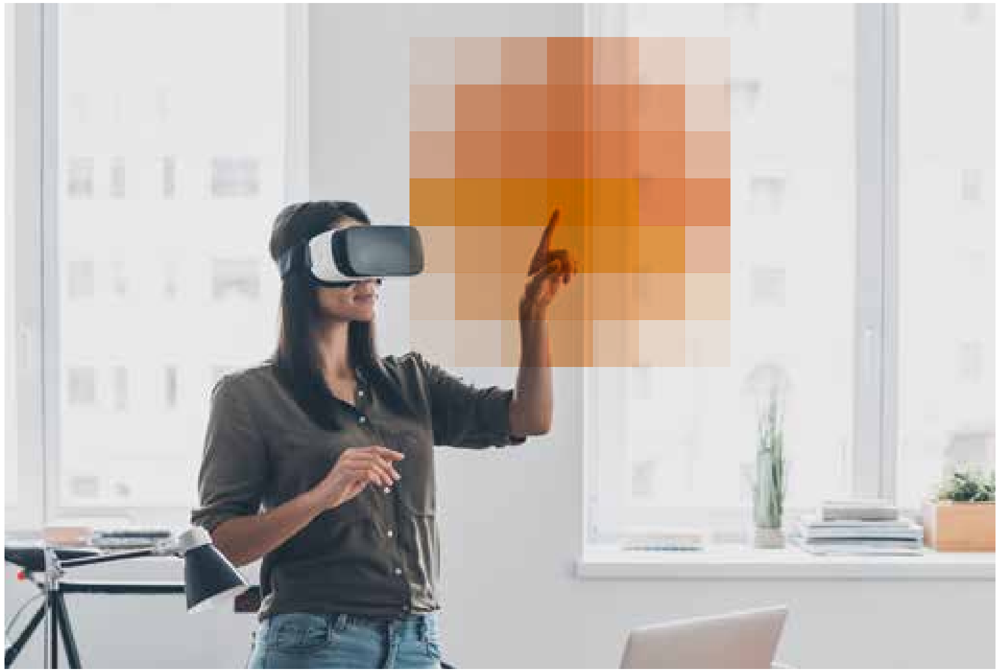
### Customer experience excellence

- **Multisegmented service offering**
  - Consumer Premium segment
  - Consumer Access segment
  - Business segment
- **(Re)internalization of major servicing assets**
  - Customer's call servicing
  - Mastering of IT skills and tools
- **Expand customer data and AI knowledge capabilities**
  - Meaningful brand
  - Tailored value propositions
  - Local approach

Pillar 1:

# Nationwide gigabit and multigigabit networks leadership

**Orange Belgium aims to be the leader in gigabit networks as from 2024 and will secure this position in the long term on multi-gigabit networks, thanks to the fiber mastery of the Orange Group.**



## Broadband

For more than 10 years, Orange has made the strategic choice of fiber. With more than 50 million sockets deployed and more than 10 million active customers, the Orange Group has become the undisputed leader in fiber in Europe.

By mid-2024 Orange Belgium aims to become the gigabit networks leader for the B2C, B2B and wholesale market, allowing 95% of Belgian inhabitants to access 1 Gbps speeds on its powerful HFC (Hybrid Fiber Coaxial) network. Thanks to the exceptional efforts of the VOO network teams, this milestone achievement was all but achieved by the end of 2023.

The acceleration of the 'GigaBoost' program has modernized VOO's powerful HFC network in record time, allowing 100% of our customers in part of Brussels and Wallonia to enjoy gigabit speeds. In the rest of Brussels and Flanders, customers enjoy the full capabilities of a gigabit network thanks to the wholesale HFC and FTTP (Fiber to the Premises) agreement with Wyre.

**95 %**

**of Belgian households enjoying fixed gigabit speeds**

To maintain its networks leadership over time, Orange Belgium will level up the 'GigaBoost' VOO program to the 'GigaFiber' level, embarking on a new cycle of long-term investments to ensure that the HFC network remains at the forefront of both coaxial and fiber technologies, using the latest DOCSIS standards increasing speed and improving latency, to eventually offer customers speeds of 10 Gbps. By 2040, the goal is to cover 75% of the national footprint with end-to-end fiber, achieved through a combination of VOO's 66% FTTP network and wholesale access to Wyre's FTTP network.

## Mobile

In the mobile segment, 5G coverage will reach 75% of the population by end of 2025, with the fastest mobile network. Orange Belgium's 5G equipped customer base has now reached more than 1 million clients (B2C + B2B), meaning that 1 in 3 Orange customers owns a 5G-compatible device. This includes devices such as smartphones, tablets, connected objects, etc. that are compatible with and can support 5G frequencies.

With the adaptation of emission norms also enabling the roll-out of 5G in Brussels, Orange Belgium has started deployment of 5G on its antennas in the capital. 5G frequencies will initially be available at defined high-traffic locations, such as railway stations. The majority of 5G deployment in Brussels is scheduled for 2024, with some additional last rollouts in 2025.

In a bid to accelerate 5G use in Belgium, Orange Belgium is providing new opportunities to consumers and businesses alike. 5G core SA (Stand Alone) roll-out will result in the most reliable mobile network and enable customized B2B servicing. Working closely with industry partners, the company is also supporting the implementation of several government funded 5G-standalone technology use cases in different areas such as the healthcare sector, transport and logistics, audiovisual production, military defense and public security, production, smart cities, etc.

Thanks to the Radio Access Network (RAN) sharing agreement with Proximus, Orange Belgium will also offer the largest mobile coverage and, together with Proximus, the highest number of radio sites in Belgium.

**1 million**

**Orange customers own a 5G compatible device**

**"Our network strategic initiatives solidify Orange Belgium's commitment to delivering cutting-edge open connectivity solutions and staying at the forefront of technological advancements in the telecommunications industry."**

**Philippe Toussaint,**
**Chief Technology Officer**

## Pillar 2:

# Customer experience excellence

**Orange Belgium's domestically operated customer experience excellence and ability to propose multi-segmented retail services in a differentiated way brings state-of-the-art connectivity and value-added services to premium and access customers.**

**"At the core of our commitment lies a deep appreciation for customer experience excellence. We understand that in today's interconnected world, providing the best broadband, mobile and TV offer goes beyond mere connectivity. It's about crafting an experience that delights, empowers, and enriches the lives of our valued customers."**

**Christophe Dujardin,**
**Chief Consumer Officer**

## Managing a multi-segmented ecosystem

Orange Belgium has established a longstanding tradition of prioritizing customer focus, placing the customers' needs at the heart of its operations. With a commitment to providing exceptional service and tailored solutions, the telco operator has built enduring relationships with its customers, earning their trust and loyalty. This customer-centric approach has been a key pillar of Orange Belgium's success and continues to drive its relentless improvement and innovation efforts to meet and exceed customer needs. Orange Belgium continuously adapts its services and products to cater to the changing demands of the digital world, offering innovative solutions and personalized experiences that empower customers to stay connected, entertained, and informed in an ever-evolving technological landscape. We will continue to develop and improve our value propositions for three complementary retail segments:

- **Consumer premium segment:** benefiting from a full range premium servicing through physical and digital customer touchpoints, focusing on multi-gigabit convergent connectivity and value-added services propositions, leveraging on the VOO/Be tv distribution contracts and platforms.
- **Consumer access segment:** efficient digital servicing with appealing and evolutive multi-product value propositions.
- **Business segment:** tailor-made B2B value propositions through Orange Belgium's best of breed strategy, putting cyber security and ICT expertise at the heart and enriched with multi-gigabit network speeds and 5G enabled servicing. VOO's expertise in the SoHo (Small Office Home Office) segment is also nurtured to develop more business opportunities in all Belgian regions.

## Bringing our customers' servicing assets back to Belgium

In order to provide Orange Belgium with an end-to-end mastering of the entire customer journey and experience, two major servicing assets in Belgium will move from an outsourced to a local model:

- **Customer calls servicing:** by the end of 2024, every residential convergent call and every high & low market business call will be handled locally to the benefit of our customer experience and local employment sustainability. By capitalizing on the excellence of award-winning contact center WBCC, Orange and partners, customer relations will be fully managed in Belgium.
- **Orange and VOO's IT skills:** we are building the foundation of state-of-the-art IT tools and operations by pivoting from an external model towards an internalized and qualitative IT mastering level.

Orange Belgium's customer experience excellence will also be enabled by expanding customer data & AI knowledge capabilities in both premium and access segments. By doing so, we demonstrate an agile management of the telco market changes and attract residential and business prospects with the most meaningful brand, displaying tailored value propositions towards defined geographical clusters.

**"Orange Belgium has a unique DNA in the telecoms market and is very well placed to make a long-term commitment to its stakeholders, driven by a constant pursuit of offering a smooth, innovative and reliable service. Our business partnerships perfectly reflect our ambitions in terms of Customer Experience Excellence and our ability to offer connectivity services of remarkable quality as well as tailor-made value propositions."**

**Werner De Laet, Chief Enterprise & Innovation Officer**

**Orange Belgium offers an even more premium internet experience with My Comfort Service**

**Orange Belgium's digital b-brand hey! creates even more value for its customers by doubling mobile data**


**Orange Belgium shakes up fixed internet and launches its new gigabit speed Fiber offers**


**A competitive home internet subscription for hey! customers**

**Flemish Government appoints Orange Belgium as trusted partner for mobile connectivity and IoT-services**

**Orange Belgium consolidates its position as a trusted partner of the Brussels Region by renewing its commitment to the government and Paradigm within the framework of IRISnet3**

IRISnet paradigm Powered by Orange

## Pillar 3:

# We care for people

**37,000**
**mobile devices collected thanks to our Re program**

**Orange Belgium cares deeply for people, whether they work for us or are part of Belgian society. Orange Belgium was already carbon neutral certified and recognized as a top employer in the past. Today, both Orange Belgium and VOO level up and embrace the Orange Group standards in terms of Environmental, Social, and Governance (ESG) practices and Human Resources (HR) group policies. We will ceaselessly pursue a transparent and sustainable engagement for the planet and digital inclusion. We are also committed to becoming Belgium's preferred tech and telco employer.**

## Net Zero Carbon by 2040

Orange Belgium is aligned with the Orange Group global commitment to be Net Zero Carbon by 2040. In line with this objective, the Group is making 3 commitments to reduce $CO_2$ emissions by 22% in scope 1 & 2 and by 14% in scope 3 by 2025:

1. Reduce own $CO_2e$ emissions (scope 1)
2. Decrease indirect emissions associated with own energy consumption (scope 2)
3. Reduce emissions generated upstream by our suppliers and downstream by our customers (scope 3)

These three commitments align with scopes 1, 2 and 3 of the Greenhouse Gas Protocol, for which Orange has established a roadmap validated by the international scientific reference SBTi (Science Based Targets initiative).

To meet the first two targets, we optimize free cooling in technical environments (datacenters, PoPs and antenna sites), reducing air conditioning use to days exceeding 27°C. To improve the energy efficiency of our mobile networks we are using 100% renewable electrical supplies and have implemented several energy saving features such as nightly 4G and 5G switch offs and equipped 1,400 RAN sites with smart meters, displaying the real time data of our radio equipment consumption. Additionally, we are switching off power of decommissioned equipment faster than before. Finally, for our company cars we launched the e-fleet project in July 2023, targeting a 100% electric fleet by 2028 and promoting alternative types of transport.

To meet the third target, we are promoting a circular economy notably with our **Re program**:

- **Opening of our 'Future shop'** in June 2023: innovative, responsible and accessible
- **Refurbished sales:** 13,500 phones sold over the year, a +21% increase from 2022, representing 4% of total sales
- **Collected 37,000 mobiles**, with 40% given a second life by Comparecycle and 60% recycled by Recupel
- 85% collection rate for **old settopboxes and modems** avoiding 753t $CO_2e$ through e-waste reuse and recycling. This effort resulted in planting 4 hectares of forest with Natuurpunt.

## Reducing the digital gap

**Orange Belgium wants to make digital inclusion a factor facilitating equality of opportunity**

- Orange Digital Center
  905 people trained
  715 people attended conferences
- Orange Belgium Fund
  3,643 beneficiaries received digital support
- DigitAll: Orange supports DigitAll's campaign to reduce the digital divide in Belgium

Orange Belgium is committed to promoting inclusivity for all its customers through a multifaceted approach that integrates quality network services, social offers, and accessibility initiatives. By ensuring a reliable and high-quality network, we strive to provide equal access to communication and digital services for everyone. Our social offers and affordable smartphone options aim to bridge the digital divide by making technology more accessible to diverse socio-economic groups. Additionally, our staggered payment plans empower customers to manage their expenses effectively while enjoying the latest devices. Through interactive digital workshops hosted in our shops, we provide hands-on guidance to enhance digital literacy and empower individuals from all backgrounds. Moreover, our online platforms serve as a valuable resource, offering tips on best practices and fostering community engagement through blogs, social networks, and fundraising initiatives via SMS.

More info https://corporate.orange.be/en/social-responsibility

More info https://orangedigitalcenter.be/

**"Today, not having access to digital technology, for whatever reason, can quickly lead to a form of social exclusion. As an operator, Orange Belgium leverages its technologies and resources to provide trainings to individuals of all ages, genders, and skill levels. By doing so, we contribute to the reduction of the digital divide and enhance employability opportunities for everyone."**

**Isabelle Vanden Eede, Chief Brand, Communication & ESG Officer**

**4,548**

**beneficiaries of digital support**

**"Each strategic pillar requires us to care about the people side of this ambition: technological leadership requires a broad tech skill supply, customer excellence requires an engaged workforce experiencing themselves what excellent service feels like and sustainable care for people and planet requires we foster an inclusive culture where diversity is welcomed, well-being is prioritized and where discrimination finds no refuge. Together, we shape a workplace where every talent finds its place, creating a truly unique experience for all."**

**Jelle Jacquet, Chief People Officer**

## Becoming the preferred tech & telco employer

We believe the employee experience needs to reflect the ambitions of the customer experience. Hence, within Orange Belgium, over the past years we have been working on building a robust yet flexible and easy-to-access HR-department with processes that guarantee equal treatment.

We strive to become an increasingly inclusive employer and develop all available talents by:

- offering a diverse and inclusive work environment that encourages all our employees to progress and to develop their talents for a unique experience
- focusing on diversity in the broad sense and promoting team diversity
- ensuring well-being as a key component of our equity and inclusion strategy
- raising awareness on stereotypes and ban any form of discrimination or violence from the workplace

Since 2011 we are GEEIS (Gender Equity European and International Standard) certified. In November 2023 a follow-up audit confirmed our global levels for both Gender (level 4 on 5) and Inclusion (level 3 on 5) whilst improving our scores on different topics thanks to initiatives such as the Thriving Team approach, Tech Academy and WomInTech.

**Thriving Team approach**

We created a synergy between culture, well-being, team coaching as well as learning & development bringing all elements together into one Thriving team. This team proposes a unique, coherent and attractive journey to our team members, teams and the organization. It was launched on January 24th 2023, with a Thriving day promoting well-being, team and individual development and new learning solutions. This event attracted more than 1 in 2 employees on premises and showed more than 90% promotors of our approaches. Since the launch the one Thriving team has accompanied 29 teams and around 140 team members with workshops and coachings to find their best self, become more resilient and efficient, and grow as a team. This resulted in a satisfaction score of 8.8/10.

The same Thriving team also prepared the accompaniment that is offered to the combined OBE/VOO teams. In the second half of 2023, around 580 VOO employees were welcomed to the Orange Belgium headquarters during 4 Discovery Days with an average satisfaction score of 9.1/10. These were a success as proven by our latest eNPS scores that further improved both at Orange Belgium as on VOO side even in these exciting times of changes.

During the same period, we also launched the Employee Academy which proposes specifically selected contents and learning paths. The Manager Academy training offer has been specially designed to help managers develop their leadership & managerial skills as well as develop their peer network.

**Tech Academy & WomInTech**

Besides taking care of our present employees, Orange Belgium also took the lead in investing in future tech talents and in employer branding. Almost one in two Belgians (46% of the population) are in a situation of digital vulnerability. Over three-quarters of these individuals are low-skilled, earn a modest income, and are primarily women.

This digital divide is also deeply felt within the workplace, as six out of ten Belgian companies face significant challenges in locating qualified tech professionals. In its pursuit of becoming the 'place to be' for tech and tech-related talent, Orange Belgium has taken the initiative to establish its very own 'Tech Academy'. This endeavor aims to not only cultivate a diverse pool of skills within Belgium, but also to rejuvenate and feminize tech professions. This was possible thanks to our unique partnership with the Ecole Polytechnique de Bruxelles (agreement signed in June 2023) and with WomInTech, a student's association aiming at promoting tech and STEM (Science, Technology, Engineering, and Mathematics) amongst students (March 2023).

**9.1/10**

**The average satisfaction score for the Discovery Days for VOO employees**

# Orange Luxembourg

**In 2023, Orange Luxembourg focused on customer service excellence and fiber. Corinne Loze, Chief Executive Officer of Orange Luxembourg, looks back on the past year.**

### What were the highlights of 2023 for Orange Luxembourg?

**Corinne Loze:** We focused our efforts on customer excellence and simplifying our offers and services to better meet the needs and expectations of our customers.

After launching our video shopping service in 2022 on orange.lu, in January 2023 we introduced a video technical support service for all Orange Fiber subscribers, a first in Luxembourg. Thanks to an advanced video platform which uses artificial intelligence, our advisors can remotely assist our customers by video and quickly solve potential anomalies. This initiative aims to allow our customers to fully enjoy Orange Fiber at all times.

In September, we strengthened our Fiber ecosystem by deploying the Livebox and its WiFi Booster repeater. Our goal is to provide the best experience for customers connected to Orange Fiber, by offering them a sophisticated and sustainable multi-gigabit gateway, adapted to the needs of individuals and professionals, and thus assure our customers of the full Orange Group experience.

In addition to this new Box, we redesigned our Fiber offers so as to now have a single comprehensive and affordable offer that meets all common needs at a competitive price, thus simplifying the lives of users.

In terms of home fiber installation, we have also optimised the customer experience by significantly reducing the average installation time to 5 days.

On the mobile side, throughout the year we continued to develop our 5G network throughout the country together with our partner Nokia. Orange 5G will be available over 90% of the territory by the end of 2024.

We also further simplified our mobile offer portfolio so as to always meet the demands of our customers and propose fair-priced offers. Today, our "BeUnlimited" mobile plan offering unlimited calls, text messages and data in Luxembourg, Europe and the USA is the "Value for money" plan on the Luxembourg market.

To keep pace with new uses, in September we launched a new channel for interacting with our customers by integrating conversational

applications, including WhatsApp. A unique service in Luxembourg. This new channel simplifies exchanges with our customers and allows us to offer personalised service. Customers can now contact us via WhatsApp – just as they do with friends and relatives - for an administrative issue, information on an offer or a technical question.

We also strengthened our Orange Thank You loyalty programme to offer even more advantages to our customers and show our appreciation for their loyalty. Throughout the year, in addition to discounts on smartphones and movie tickets every Wednesday, our customers have been able to take advantage of gifts and many surprises thanks to new partners, including amusement parks, concerts, tech gifts and so on.

**"In 2023, we focused our efforts on customer excellence and simplifying our offers and services to better meet the needs and expectations of our customers."**

**Corinne Loze, CEO Orange Luxembourg**

## How did Orange's commitment to social responsibility translate into 2023?

**C.L.:** Throughout 2023, we strengthened our commitment to digital inclusion and against online violence.

After the launch of "Safe Zone" on various video game platforms to combat cyberbullying in November 2022, we enriched our "Safe Zones" in Fortnite during the first half of 2023. Luxembourgish Fortnite players who are faced with cyberbullying or online safety issues can now take refuge in an Orange "Safe Zone" and find the official Luxembourgish BEE SECURE helpline.

In June, we organised a special digital awareness training course with players aged 12 to 13 on the training grounds of our partner, the Luxembourg Football Federation. Fun workshops were held under the banner of entertainment and linking football, awareness of cyberbullying and good online behaviour.

Through our Orange Digital Center (ODC), we launched "ODCs outside the walls" in shopping centers to offer support for digital life. For example, in December with our partner Golden Me, we organised a "smartphone coffee" dedicated to sharing tips and advice on how to use your smartphone and all its features.

Orange teams also made a strong commitment to humanitarian and social causes by participating in several races across the country. By taking part in these races, the members of the #TeamOrangeRunning Luxembourg conveyed the values of mutual aid, solidarity and positive action, thus embodying Orange's spirit of social responsibility.

# Management report

**Orange Belgium is one of the leading telecommunication operators on the Belgian market, with over 3 million customers, and in Luxembourg through its subsidiary Orange 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.

Orange Belgium is a subsidiary of the Orange Group, one of the leading European and African operators for mobile telephony and broadband 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).

The Management Report for the accounting year ended on 31 December 2023, consisting of pages 22 to 30, has been prepared in accordance with Articles 3:6 and 3:32 of the Belgian Code of Companies and Associations and was approved by the Board of Directors on 20 March 2023. It covers both the consolidated accounts of the Orange Belgium Group and the statutory accounts of Orange Belgium S.A. The Corporate Governance statement on pages 31 to 49 is an integral part of this Management Report.

## 1. Recent events

### First Semester of 2023

#### Orange Belgium and Telenet signed two commercial wholesale agreements

On 30th January, Orange Belgium and Telenet have signed two commercial fixed wholesale agreements. The agreements will provide access to each other's fixed networks for a 15-year period and cover both current Hybrid Fiber Coaxial and future Fiber to the Home technologies in both network areas.

#### Orange Belgium officially launches its cybersecurity app

Orange Belgium announced the official Belgian launch of Orange Phone, a free anti-spam protection and call identification application available on iOS and Android. With cybercrime on the rise and phishing attacks becoming more advanced, Orange Belgium commits itself to making digital empowerment accessible to all Belgians via its new assistance app. Continuing to support its customers with cybersecurity, Orange Belgium also organised trainings and workshops at the Orange Digital Center and has hosted a webinar on March 7th and 9th 2023, in collaboration with cybersecurity experts in Belgium.

#### 11 innovative 5G pilot projects have been selected by the Federal Government

Orange Belgium has been selected by the Federal Governmental Department of Economy to conduct 11 Belgian pilot projects supported by 5G which will run in 2023 and 2024. In doing so, Orange Belgium responded to the FPS Economy project call to encourage the creation of new initiatives on 5G. The objective is to accelerate the rollout and the implementation of 5G use cases in Belgium. The projects for subsidies have been selected by a jury composed by amongst others the Cabinet De Sutter, FOD Economy, BIPT, BOSA and Belspo to accelerate 5G in Belgium.

#### Orange Belgium collects over 115,000 old devices

After being the first operator in Belgium to introduce the Eco Rating label for devices and launching the Re program in 2022, the telecom operator has reached the milestone of 115,000 smartphones collected.

#### hey! renews its partnership with Royale Union Saint-Gilloise

Since August 2022, Orange Belgium's b-brand hey! is a proud sponsor of football club Royale Union Saint-Gilloise (USG). Both partners are happy to announce that they prolong this sponsorship until June 2024, based on their strong recognition of shared values. As part of the renewed collaboration, the Orange Belgium Fund and the Union Foundation will also work closely together for the benefit of socially vulnerable children and projects with a social and environmental impact.

### Orange Belgium completes the acquisition of a 75% stake minus 1 share in telco operator VOO SA

On 2th June, Orange Belgium announces that it has completed its acquisition of a controlling stake in telco operator, VOO SA. The closing of this deal will give Orange Belgium a 75% stake minus 1 share in VOO SA, with the remaining 25% plus one share retained by Nethys. This transaction values VOO at an enterprise value of €1.8 billion for 100% of the capital. Orange Belgium has financed this transaction through an intra-Group loan. The transaction includes a liquidity mechanism, whereby Nethys has a Put option and Orange Belgium a Call option on Nethys' shares in the VOO Holding.

### Orange Belgium and i-mens promote translation software and 5G technology

Home care organization i-mens employs about 600 colleagues who speak 'super different languages'. They do not speak a common language with their customers and colleagues. To address this challenge, i-mens, in collaboration with Orange Belgium, is exploring the use of translation software and leveraging 5G technology to enable secure and direct communication between employees and customers in the field, and planners and managers at central level.

### Orange Belgium Tech Academy signs new partnerships

Digital inclusion is a strategic pillar for Orange Belgium, convinced that it has become a crucial factor of social and financial inclusion. With the launch of the Orange Digital Center and the Orange Belgium Fund, Orange Belgium installed a long-term commitment to help overcome the digital divide in Belgian society, offering financial support and structural guidance through various partnerships and initiatives. One year to date, the telecom operator draws up a positive balance and, spurred on by its ambition to become the preferred tech & telco employer, announces two new collaborations: a Chair at the ULB and a Digital House for women with Girleek.

### Orange Belgium partners with VANTIVA to deploy next-generation multi-gigabit DOCSIS 3.1 HFC gateway

In partnership with VANTIVA, formerly known as Technicolor, Orange Belgium launches the Livebox, its latest generation DOCSIS 3.1 HFC gateway and its Wi-Fi 6 extender booster. The Livebox will also enable Orange Belgium to launch a new 'Boost Giga' offering at 1Gbps with 95% nationwide coverage by mid-2024. Based on the new flagship of VANTIVA's DOCSIS portfolio and specially customized for Orange Belgium, the Livebox is the most advanced and sustainably built hybrid fiber coaxial gateway for the consumer and business market with an-end-to-end Wi-Fi 6 solution.

## Second semester of 2023

### Since 25 July, Orange Belgium welcomes a new mobile virtual network operator: UNDO

UNDO is a new Belgian mobile virtual network operator (MVNO) with the ambition of reducing the human impact on the climate. For their launch, UNDO called upon Effortel's Mobile Virtual Network Enabler technology. As the name UNDO suggests, the objective is to allow the user to "undo" his carbon footprint.

### In August, hey! created even more value for its customers by doubling its mobile data

Hey! increased its already generous offer and surprises its customers by doubling the data volumes. Customers can now choose from three subscription formulas: 2 GB (7 euros/month and 5 euros/month for the ones under 26 years), 20 GB (15 euros/month and 10 euros for the ones under 26 years) or 80 GB (25 euros/month and 20 euros for the ones under 26 years). Thanks to the hey! boost, these data volumes will increase to 4 GB, 40 GB and 160 GB after one year.

### In September, Flemish Government appointed Orange Belgium as trusted partner for Mobile connectivity and Internet of Things services for the next 5 years, extendable to 7 years

The objective of the new public contract, worth over 23 million euros, is to enable all public administrations in the Flemish Region to benefit from the Orange Belgium mobile network and its catalogue of services at competitive prices. The services include a broad and modular offering of mobile telephony, mobile data communications for professional use and for "Machine to Machine" (M2M) and "Internet of Things" (IoT) to a variety of administrative entities.

### End September, Orange Belgium shook up fixed internet and launched its new gigabit speed Fiber offers

To meet the ever-growing demand for faster and reliable internet connectivity, we launched a new comprehensive Fiber internet-range. With 4 different options to choose from, Orange Belgium caters to the specific needs of every household and expands gigabit internet speeds nationwide. With a comprehensive range of internet packages with varying speed options, starting from 150 Mbps to 400 Mbps and even up to 1 Gbps, this flexibility ensures that customers can choose the plan that best suits their requirements.

### Hey! Launched a new competitive home internet subscription

Two years after the successful launch, the innovative and digital brand hey! adds a fixed internet service next to its mobile offer. This new service offers competitive pricing, efficient digital servicing and evolutive product propositioning. The launch comes with a promotion offer: new customers will pay 29 euros/month for the first three months of subscription (no installation costs), existing customers will pay 29 euros/month for the first six months of subscription (no installation costs). After the promotional period, the standard price will be 39 euros/month, ensuring that customers continue to receive exceptional value.

### Orange Belgium signed partnership with cyan AG and SAM to launch a 360° mobile network security solution

Together with leading security and intelligence provider SAM Seamless Network, a fixed network protection has been added so that retail and small independent business customers can benefit from one single security solution.

### Last October 2023, Orange Belgium and EVS live broadcasted theatre play through 5G

Orange Belgium and EVS inaugurated the launch of the "Flex Production" 5G project at La Grand Poste in Liège. Flex Production makes it possible to dispense with the need for mobile control rooms, thanks to the creation of a remote audiovisual production flow over 5G between the event location and the centralized production center. To carry out this ambitious pilot project, Orange Blegium initiated a collaboration with the Théâtre de Liège, broadcasting the play Andromaque live to more than 10,000 students from Wallonie-Bruxelles Enseignement.

### Since November 2023, Orange Belgium added VOOsport World and Be tv to its TV offers

To strengthen this pillar of its "Lead the Future" strategy, the operator is expanding its TV content value propositions, offering VOOsport World, including exclusivity for the Premier League, and Be tv, including premium cinema and series features.

### Orange Belgium continues to pave the way for 5G with 1200 sites equipped with 5G end 2023

Orange Belgium aims to cover the entire network by 2025 combining several frequencies to ensure the best possible experience at customers' premises.
Working closely with industry partners, the telecom operator is also supporting the implementation of several government funded 5G-standalone technology use cases.

### BKM will merge into Orange Belgium

In order to streamline the group corporate footprint and branding, to accelerate ICT business development and to improve efficiency, the Boards of directors of Orange Belgium and BKM, a wholly owned subsidiary of Orange Belgium, have resolved to merge BKM upstream into Orange Belgium. The merge operation will be completed in 2024.

### Nethys confirmed to Orange Belgium its intention to convert its stake in VOO into Orange Belgium shares

This transaction falls within the scope of the procedure provided for in Article 7:97 of the Companies and Associations Code, it will be analysed by a committee of independent Orange Belgium directors, with the support of KBC appointed as independent expert. After the KBC report submission to the Board of Directors, the transaction will then have to be approved by the General Assembly of Orange Belgium. We expect that the General Assembly of 2024 (2 May 2024) will validate the transaction.

### BIPT communication regarding FTTH network deployment

In October 2023 the BIPT published a communication addressing the cooperation between competitors in the deployment of FTTH networks. Referring to the preliminary results of a study regarding the duplication of FTTH networks, the BIPT acknowledges that such duplication can have significant economic consequences, in particular regarding the profitability of such investments, in particular in less densely populated areas of Belgium. The communication puts forward a series of conditions to be met by cooperating parties and clarifies that no (draft) new broadband market analysis decision will be put forward until mid-May 2024, allowing parties to communicate any cooperation agreements so that BIPT can consider these in its market analysis.

## 2. Comments on the consolidated accounts prepared according to IFRS standards

The scope of consolidation includes the following companies: Orange Belgium S.A. (100%), the parent company, and Orange Belgium's subsidiaries: 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% consolidated till 30 June 2023), A & S Partners S.A. (100%), BKM N.V. (100%), CC@PS BV (100% consolidated till 31 October 2023), VOO Holding S.A. (100%), VOO S.A. (100%), Applications Cable Multimedia (ACM) S.A. (100%), BeTV S.A. (100%), Wallonie Bruxelles Contact Center S.A (100%) and MWingz S.R.L. (50%).

**Orange Belgium S.A.** (the company's ultimate majority shareholder is Orange S.A.) is one of the main actors on the telecommunications market in Belgium and Luxembourg. Orange Belgium is listed on the Brussels Stock Exchange (OBEL).

**Orange Communications Luxembourg S.A.**, a company organized and existing under the laws of Luxembourg, was acquired as of 2 July 2007 by Orange Belgium S.A. The purchase concerned 90% of the shares of Orange Communications Luxembourg S.A. The remaining 10% of shares were acquired on 12 November 2008. The company has consolidated the results of Orange Communications Luxembourg S.A. for 100%, as of 2 July 2007.

**IRISnet S.C.R.L.** is a company constituted in July 2012 in collaboration with the Brussels authorities in order to take over the activities performed by the temporary association IRISnet, and is responsible for the operation of the Irisnet 2 optical fiber network and for the provision of fixed telephony, data transmission services (internet, e-mail) and other network related services (video-conferencing, video surveillance, etc.). The take-over of the activities took place on 1 November 2012. In this new legal structure, Orange Belgium S.A. contributed in cash for €3,450,000 equivalent to 345,000 shares out of the 1,225,000 shares issued by the company. Due to the deal structure, IRISnet S.C.R.L. is accounted for in the accounts using the equity method.

**Smart Services Network S.A.** (SSN) is a Belgian company that distributes telecommunication and energy services including those of Orange Belgium and Luminus. SSN's route to market is based on the principle of multi-level marketing. SSN's network consists of more than 1,000 independent consultants. Smart Services Network S.A., a company organized and existing under the laws of Belgium, was created as of 30 September 2014. Orange Belgium S.A. contributed in cash for €999,900 equivalent to 9,999 shares out of the 10,000 shares issued by the company. Atlas Services Belgium S.A. contributed in cash for €100 equivalent to 1 share. In 2016, Orange Belgium S.A. contributed in cash in the capital increase of Smart Services Network S.A. for €700,000, equivalent to 7,000 shares. On 25 March 2022, the carried forwarded losses have been integrated in the capital of the company for an amount of €1,041,610.41 and a capital increase of €341,610.41 has been funded. After these transactions, the capital of the company amounts to €1,000,000.00.

**Walcom Business Solutions S.A.**, a company organized and existing under the laws of Belgium, was created as of 13 July 2017. Walcom Business Solutions S.A. specializes in the sales of telecommunication products and services for the professional market. Orange Belgium S.A. contributed in cash for €60,885 equivalent to 99 shares of the 100 shares issued by Walcom Business Solutions S.A. Walcom S.A., liquidated during the accounting year 2020, contributed in cash for €615 equivalent to 1 share. The results of Walcom Business Solutions S.A are fully consolidated by the company since 13 July 2017.

**A3Com S.A.** was already an exclusive Orange Belgium agent, specialized in telecommunications product sales and services for residential customers through a network of 12 Orange shops located in the Brussels region. A3Com S.A., a company organized and existing under the laws of Belgium, was acquired as of 30 September 2017 by Orange Belgium S.A. The purchase concerned 100% of the 630 shares of A3Com S.A. The results of A3Com S.A. are fully consolidated by the company since 1 October 2017. On 2 October 2023, A3COM S.A. merged into Orange Belgium S.A. with legal effect as of 1 July 2023.

**A&S Partners S.A.** also an existing Orange Belgium agent, provides telecommunications services to B2B customers within the Brussels region via a dedicated sales team of 35 professionals under the name of AS Mobility. A&S Partners S.A., a company organized and existing under the laws of Belgium, was acquired as of 30 September 2017 by Orange Belgium S.A. The purchase concerned 100% of the 620 shares of A&S Partners S.A. The results of A&S Partners S.A. are fully consolidated by the company since 1 October 2017.

**Upsize N.V. (up to 30 June 2022)** was a holding company that was acquired on 31 July 2019 for an enterprise value of €52,400,000.00. The purchase concerned 100% of the 60,000 shares of Upsize N.V. The results of Upsize N.V. have been fully consolidated by the company since 1 August 2019 till 30 June 2022.On 1 July 2022, Upsize N.V. has been merged with Orange Belgium S.A. As from that date the later became owner at 100% of BKM N.V.

**BKM N.V.** is a nationwide ICT integrator and a pioneer in cloud UCC solutions. Since 1 July 2022, Orange Belgium S.A. owns 100% of the 2,329 shares of BKM N.V. BKM N.V. has a solid track-record in the SME and CMA markets in Belgium. BKM N.V. has 220 specialist staff who work in four areas of expertise: Unified Communications & Collaboration (UCC) solutions; IT & security solutions; Document & Visual solutions; and Connectivity solutions. BKM merged with Orange Belgium S.A. on 1 March 2024, with legal effect as of 1 January 2024.

**CC@PS BV** provides document and visual solutions to SME customers via a team of 13 professionals, mainly in West Flanders. BKM N.V. owns 100% of the 750 shares of CC@ PS BV. CC@PS BV has left the consolidation scope with the sale of the company on 31 October 2023.

**MWingz S.R.L.** is a joint operation between Orange Belgium S.A. and Proximus S.A., each owning 50% of the company that will manage the unilateral and shared mobile radio access network of both shareholders. In 2019 both companies decided to build a shared mobile radio access network with the objective to meet customers' increasing demand for mobile network quality and deeper indoor coverage. The agreement will also allow a faster and more comprehensive 5G roll-out in Belgium. While sharing the common part of their mobile radio access networks, both companies will continue to have full control over their own core network and spectrum assets ensuring differentiated services. MWingz S.R.L. is a company organized and created under the laws of Belgium and was created as of 6 December 2019. Orange Belgium S.A. contributed in cash for €1 equivalent to 1 share out of the 2 shares issued by the Company. Proximus S.A. contributed in cash for €1 equivalent to 1 share. In April 2020, Orange Belgium did participate in the capital increase of MWingz S.R.L. for €1,599,999. Orange Belgium holds 50% of the shares of MWingz S.R.L. This company started the operational activities as from 1 April 2020.

**VOO Holding S.A.** is a holding company set up on 22 May 2023, owned by Orange Belgium (75% of shares-1) and Nethys (25% of shares +1). The company is organized and created under the laws of Belgium. The purpose of VOO Holding is the acquisition of participations or interests, by way of subscription, merger,… in other commercial or financial companies or real estate companies, including in companies active in the field of telecommunications.

**VOO S.A.** is a telecommunication operator organized and created under the laws of Belgium, with the following purposes : development and maintenance of optical fiber network, provision of all services to customers, design-creation and production of any audiovisual goods or services. On 2 June 2023, Orange acquired VOO S.A and its 100% subsidiaries.

**WBCC S.A.** is VOO's subsidiary, organized and created under the laws of Belgium. Main purposes : providing customers several telephone services, as assistance or help ; providing also marketing and telemarketing services. On 2 June 2023, Orange acquired VOO S.A. and its 100% subsidiaries.

**BeTV S.A.** is VOO's subsidiary organized and created under the laws of Belgium, with the following purposes : television broadcast service intended for the public, by ensuring the programming, production, promotion, exploitation of these broadcasts. The exploitation concerns both the direct or indirect exploitation of the right to access the service, the marketing, publication or other, of the broadcast time, the exploitation of all derived rights or even any production or publishing operation. On 2 June 2023, Orange acquired VOO S.A. and its 100% subsidiaries.

**ACM S.A.** was organized and created under the laws of Belgium, owned by VOO and Brutélé. The purpose of ACM is the management of infrastructure and equipment relating to the interconnection and interoperability of cable distribution networks ; and the establishment and management of technical equipment necessary for interconnection. ACM no longer exists : merged into VOO S.A. with legal effect as of 1 January 2024.

## 2.1 Consolidated statement of comprehensive income

| In €m | Reported FY 2022 | Comparable FY 2022 | FY 2023 | Reported change | Comparable change |
|---|---|---|---|---|---|
| **Revenues** | **1 391.2** | **1 672.2** | **1 749.5** | **25.8%** | **4.6%** |
| Retail service revenues | 1 009.5 | 1 275.7 | 1 355.1 | 34.2% | 6.2% |
| Equipment sales | 147.7 | 159.4 | 176.5 | 19.5% | 10.7% |
| Wholesale revenues | 210.2 | 213.1 | 190.9 | -9.2% | -10.4% |
| Other revenues | 23.8 | 24.0 | 27.0 | 13.3% | 12.1% |
| **EBITDAaL** | **373.7** | **449.8** | **451.3** | **20.8%** | **0.3%** |
| % of Revenues | 26.9% | 26.9% | 25.8% | | |
| **Net profit (loss) for the period** | **58.2** | | **-10.8** | | |
| **Earnings (Loss) per share (€)** | **0.97** | | **-0.0** | | |
| eCapex[1] | -220.0 | -292.2 | -304.1 | 38.2% | 4.1% |
| % of Revenues | 15.8% | 17.5% | 17.4% | | |
| Adjusted Operating cash flow[2] | 153.7 | 157.7 | 147.2 | -4.2% | -6.6% |
| Organic cash flow | -115.2 | | -182.1 | | |
| Net financial debt | 190.7 | | 2 224.0 | | |

1. eCapex excluding licence fees. In 2022 Orange Belgium capitalized 253.6 millions
2. Adjusted Operating cash flow defined as EBITDAaL – eCapex excluding licence fees.

### Revenues

Group revenues reached €1,749.5 million in 2023, up by 25.8% in comparison to last year. Retail service revenues amounted to €1,355.1 million, up by 34.2%, supported by convergent service revenues (+58.3%) and fixed revenues (+187.3%). Additionally, equipment sales, mobile service revenues and other revenues increased, while wholesale decreased.

### Result of operating activities before depreciation and other expenses

EBITDAaL increased by 20.8% to €451.3 million driven by higher retail service revenues and supported by tough cost control despite inflation impacts. The margin decreased 1.1pt as it reached 25.8%.

Total operational expenses for the full year increased by 6% to €1,292.6 million. The following provides an overview of the different expenses:

- Direct costs grew by 3.1% to €639.5 million
- Labour costs grew by 5.3% to €215.6 million already importantly by higher salary indexation in 2023.
- Indirect costs grew by 10.9% to €437.5million mainly driven by the effect of the inflation.

| In €m | Reported FY 2022 | Comparable FY 2022 | FY 2023 | Reported change | Comparable change |
|---|---|---|---|---|---|
| Direct costs | -574.0 | 620.5 | 639.5 | 11.4% | 3.1% |
| Labour costs | -157.0 | -204.7 | -215.6 | 37.3% | 5.3% |
| Indirect costs including RouA | -283.7 | -394.5 | -437.5 | 54.2% | 10.9% |
| *of which RouA* | -53.7 | -53.7 | -59.5 | | |
| | **-1 014.8** | **-1 219.7** | **-1 292.6** | **24.7%** | **6.0%** |

### Depreciation and other expenses

Depreciation and amortization increased from €246.5 million in 2022 to €333.3 million in 2023.

### Impairment of goodwill

Goodwill is tested for impairment each year. Our testing in 2023 did not reveal any need to impair goodwill.

### EBIT

EBIT decreased from €95.7 million in 2022 to €78.8 million in 2023.

### Financial result

Net financial expenses increased from €14.1 million in 2022 to €81.0 million in 2023. The increase is mainly due to the financing of the VOO acquisition through an intragroup loan.

### Taxes

Full-year tax expense decreased from €23.5 million in 2022 to €8.6 million in 2023 due to the decrease of taxable profit.

### Net profit and earnings per share

The full-year net loss for year 2023 was €10.8 million. Earnings per share was null in 2023, compared to a profit per share of €0.97 for the previous restated year.

## 2.2 Consolidated statement of financial position

### Assets

**Goodwill** has increased during 2023 with the goodwill paid for the VOO acquisition (before PPA allocation €888 million). The fair value adjustment on the intangible assets related to the acquired customer relationships (€115 million), the brand name (€16 million) combined with a decrease of capitalized expenses (-€11 million). The allocation to the tangible fixed assets amounts to €152 million and relates essentially to the network. Together with the deferred tax impact of the above-mentioned adjustments (€68 million), goodwill was reduced by €204 million.

No impairment losses were recorded in 2023. The carrying year-end value is €751.2 million.

**Intangible assets** mainly relate to mobile licenses and spectrum fees. The net carrying value at year-end was €907.2 million compared to €784.6 million at the previous year-end. The increase comes mainly from the PPA allocation of VOO.

**Property, plant and equipment** mainly comprises network facilities and equipment. The net book value at year-end was €1,787.5 million compared with €644.6 million at 2021 year- end. The VOO acquisition causes the increase versus 2022.

**Rights-of-use assets** relate to the application of IFRS 16, decreased from €260.3 million to €200.8 million as of 31 December 2023.

**Inventories** increased by €25.9 million to €51.4 million, mainly due to the VOO acquisition.

**Trade receivables** increased from €166.4 million at the end of 2022 to €217.9 million as of 31 December 2023 mainly due to the VOO acquisition.

**Other current assets and prepaid expenses** increased by €27.8 million to €39.2 million in 2023, driven mainly by the VOO acquisition.

**Other assets related to contracts with customers** totaled €100.7 million, an increase of €29.1 million compared to 2022. This variation is due to the acquisition of VOO in combination with the evolution of the number of subsidized contracts and the increased in value of the subsidized offers.

**Cash and cash equivalents** increased by €11.8 million to €47.7 million at the end of 2023. More details on cash flows can be found in the cash flow statement.

### Total equity and liabilities

**Total equity** decreased by €24.5 million to €664.5 million. The change in retained earnings (€24.5 million) results mainly from the net loss for the period (€10.8 million) and the variation of OCI.

**Non-current liabilities** increased from €557.1 million at the end of 2022 to €2,393.5 million at the end of 2023. The main drivers are: the intragroup financing of the VOO acquisition €1,843.7 million, the VOO other non-current liabilities €35.0 million the increase in the deferred taxes €57.1 million mainly as a result of VOO, the non-current derivative liabilities €9.4 million, partially offset by a decrease in IFRS 16 lease obligations €62.4 million.

**Current liabilities** increased to €1,067.6 million at the end of 2023 from €845.5 million at the end of 2022. This increase is mainly the lower fixed assets payable €179.2 million (spectrum payable in 2022), higher trade payable and other current liabilities mainly due to the VOO acquisition €59.4 million and €11 million respectively, the put option of Nethys on the remaining 25% and 1 share of VOO (€279.0 million), higher current employee benefits mainly due to VOO €21.5 million and increased VAT and tax liabilities partially related to VOO (€47.7 million).

### Dividends

The Board of Directors will not propose a dividend or dividend authorization for the financial year 2023 at the Annual General Meeting considering the balance sheet impact of the acquisition of VOO.

## 2.3 Liquidity and capital resources

### Cash flows

Orange Belgium uses Adjusted Operating cash flow and Organic cash flow as the main performance metrics for analyzing cash generation. The table below shows the reconciliation to EBITDAaL.

**Operating cash flow** is defined as EBITDAaL less eCapex (excluding license fees). Operating cash flow decreased by -€6.5 million mainly due to an increase in investments of €84.1 million, partially offset by a higher EBITDAaL (+€77.6 million compared to 2022).

**Organic cash flow** measures the net cash provided by operating activities less 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 licenses. Organic cash flow decreased from €-115.2 million to €-182.1 million, mainly explained by the interest paid in relation to the financing of the VOO acquisition in 2023.

**Organic cash flow from telecom activities** corresponds to the organic cash flow adjusted for the spectrum license acquisition. In 2023 this KPI amounted to €19.3 million compared to €105.3 million for the year ended 31 December 2022.

| in €m | FY 2022 | FY 2023 |
|---|---|---|
| **EBITDAaL** | **373.7** | **451.3** |
| eCapex[1] | -220.0 | -304.1 |
| **Adjusted Operating cash flow[2]** | **153.7** | **147.2** |
| **Net profit (loss) before the period** | **58.2** | **-10.8** |
| Adjustments to reconcile net profit (loss) to cash generated from operations | 392.5 | 497.6 |
| Changes in working capital requirements | -25.3 | -12.9 |
| Other net cash out | -35.8 | -96.7 |
| **Net cash provided by operating activities** | **389.5** | **377.3** |
| eCapex and license fees | -473.6 | -304.1 |
| Increase (decrease) in fixed assets payables | 20.5 | -198.8 |
| Repayment of lease liabilities | -51.6 | -56.5 |
| Organic cash flow | -115.2 | -182.1 |
| Elimination of telecommunication licenses paid | 220.5 | 201.4 |
| **Organic cash flow from telecom activities** | **105.3** | **19.3** |

1. eCapex excluding license fees. In 2022 Orange Belgium capitalized 556.9 million.
2. Adjusted Operating cash flow defined as EBITDAaL – eCapex excluding license fees.

### Net debt

Net debt at year-end was €2,224.0 million, compared to €190.7 million at the end of 2022. The increase is due to: intragroup financing of the VOO acquisition €1,723.6 million, Orange S.A. revolving credit facility €120.0 million and credit lines from banks, the put option of Nethys on its minority share €279.0 million and external financing of VOO €138.8 million. Intercompany short-term borrowing decreased to €10.4 million.

| €m, period ended | 31.12.2022 | 31.12.2023 |
|---|---|---|
| **Cash & cash equivalents** | | |
| Cash | -35.9 | -47.7 |
| Cash equivalents | 0.0 | 0.0 |
| **Total cash & cash equivalents** | **-35.9** | **-47.7** |
| | | |
| **Financial liabilities** | | |
| Intercompany short-term borrowing | 104.7 | 10.4 |
| Third parties short-term borrowing | 1.1 | 57.7 |
| Put option Nethys SA | | 279.0 |
| **Third parties long-term borrowing** | | **81.0** |
| Intercompany long-term borrowing | 120.8 | 1 843.7 |
| **Total borrowings** | **226.6** | **2 271.8** |
| | | |
| **Net debt (Financial liabilities minus cash and cash equivalents)** | **190.7** | **2 224.0** |

# 3. Orange Belgium S.A.'s statutory accounts 2023

The statutory income statement and balance sheet are presented on pages 135 to 137. As for the exhaustive annual accounts of Orange Belgium S.A., please refer to the Central Balance Sheet Office website (http://www.nbb.be/en).

**Versus 31 December 2022, the main fluctuations can be described as follows:**

**Financial fixed assets – participations** increased significantly versus year-end 2022 due to the participation into VOO Holding S.A., the holding vehicle created to host the split in ownership of the VOO Group between Orange Belgium S.A. and the minority shareholder, Nethys S.A. (836.9 million euros), partially set-off by the reversal of the A3COM S.A. participation following the merger effective as at 1 July 2023 (6.3 million euros).

**Financial fixed assets – receivable** increased with 594.6 million euros versus year-end 2022 due to the combined effect of two new credit facility agreements granted to VOO Holding S.A. of respectively 540 million euros and 60 million euros, compensated by the 5.4 million euros reimbursement of an intercompany loan of Orange Communications Luxembourg S.A..

**Other long-term loans** increased during 2023 due to the financing of the VOO acquisition through an intra-group loan with Atlas Service Belgium S.A. (1,731.6 million euros).

**Short-term other loans** decreased with 100.1 million euros versus 31 December 2022 mainly as the result of the reimbursement of a intra-group loan of Orange S.A. (97.8 million euros).

**Other short-term debts** decreased by 192.5 million euros compared to year-end 2022 due amounts payable for the Spectrum licenses in 2022 (194.0 million euros), paid over the course of 2023.

**Financial income** increased by 28.1 million euros during 2023.  It consists for the most part of the merger result in the amount of 28.1 million related to the Upsize N.V. merger with Orange Belgium S.A.

**Financial charges** increased by 34.4 million euros over the course of 2023 following increased financing from Atlas Service Belgium S.A. for the VOO acquisition.

# 4. Events after the reporting period

## BKM-Orange merges into Orange Belgium

March 1st BKM-Orange merges into Orange Belgium to answer the growing demand of B2B customers for a single connectivity and ICT provider. As of today, BKM-Orange will continue under the flag of Orange Belgium. The merger strengthens Orange's customer experience excellence ambition, a fundamental pillar of its 'Lead the Future' strategy, by putting ICT needs at the heart of business customer propositions.

# 5. Outlook

The Company targets an EBITDAaL between €515m and €535m. Total eCapex in 2024 is expected to be between €365m and €385m.

# 6. Legal disputes

The following section summarizes Orange Belgium's legal 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 the tax assessment notices received concerning these taxes. These taxes are currently being contested in Civil Courts (Courts of First Instance - Tax Chamber and Courts of Appeal).

At beginning of 2021 the mobile operators concluded an agreement with the Walloon government for the period 2021-2022. Orange Belgium committed 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 had been deducted.

After deduction of the local taxes levied for 2021 and 2022 to the second tranche of €446,625 of the protocol agreement, no contribution was due any more to the Walloon region in December 2022.

The contribution to be paid to the Walloon region in February 2023 was determined at the end of January 2023, considering all local 2021 and 2022 taxes levied and/or known by that date.

According to this analysis, the amount of local taxes exceeded the amount due to the Walloon Region on 15 February 2023 and could be deducted. Consequently, there was no contribution to be paid to the Walloon Region by 15 February 2023.

## 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 Belgium access to its network. An expert was appointed to calculate the damages. The expert filed his report and his fees on 18 November 2022 before the court. Following the hearing on the procedural aspects of 18 September 2023, the Court decided to schedule the hearing on the substance on 30 September 2024 and 7 October 2024.

## 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.

The case was handled before the Brussels Court of Appeals at the hearing of 3 October 2022. By judgment rendered on 25 October 2022, the Court declared the claim of airtime commissions as well as the claim of additional compensation completely unfounded. The Court left one point open as it decided it did not have sufficient information to address it and reopened the pleadings at the hearing of 24 April 2023, postponed to the hearing of 19 June 2023. As the bankruptcy receiver did not appear at this hearing, the president (again) postponed the case to the hearing of 26 September 2023. At this hearing, the case was set for pleadings at the hearing of 5 December 2023. The pleadings did take place on 5 December 2023. We are currently still awaiting the judgment.

### Transitpoints – interconnection links

Telenet included in its regulated reference offer of 2014 a charge of 5.000€ 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. Telenet only started charging this amount as of 2018, 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. On 22 April 2022 the enterprise court rejected almost fully the claim of Telenet by retaining an amount of 21.750 euro of Telenet's claim (i.e. only the amount for the monthly fees). Telenet lodged an appeal before the Court of Appeal of Antwerp.

The Court of Appeal fixed a calendar for exchanging briefs and a hearing has taken place on 13 March 2024.

## 7. Justification of the application of the going concern accounting principles

In view of Orange Belgium Group's financial results of the financial year ending 31 December 2023, the company is not subject to the application of article 3:6 §1 (6°) of the Belgian Code of Companies and Associations relating to provision of evidence of the application of the going concern accounting rules.

The loss recorded in the 2023 exercise by Orange Belgium Group is mainly due to the financial costs and non-recurring expenses linked to the VOO acquisition. This will be compensated over the following exercises by the numerous initiatives aimed at increasing the top line and realizing the synergies between both companies

## 8. Other disclosures require in accordance with art. 3:6 and 3:32 of the Belgian Code of Companies and Associations

**Art 3:6 §1.1** – To anticipate, prevent and address mayor risks, Orange Belgium has put in place a structure, procedures and systems with the aim of implementing measures and if necessary dedicated action plans. The goal is to provide reasonable assurance in front of the Audit Committee about the company's resilience and its ability to meet its objectives and fulfill its commitments.

Therefore, the corporate risk map has been updated in 2023 taking into account the external context (geopolitical situation in Eastern Europe, macro-economic factors such as energy prices and inflation, legal and regulatory market conditions), as well as internal factors (acquisition of VOO, major business interruptions, health and safety of our people, among others). For an exhaustive list of our risk clusters, please refer to Risk Management section in the Corporate Governance chapter of this Annual Report..

**Art 3:6 §1.3** – We can expect some market evolutions during the course of 2024 and beyond that may influence the competitive landscape. The evolutions expected are the new mobile entrant, and a new telecom player in the south of the country.

**Art 3:6 §1.4** – Research and development: activities are carried out in this respect and especially in the field of the cable. Orange Belgium developed a patent and benefits from fiscal deductions due to its R&D activities.

**Art 3:6 §1.5** – info on branches not applicable as we have subsidiaries and no branches.

**Art 3:6 §1.7** – Treasury shares: absence of Treasury shares.

**Art 3:6 §1.7** – Use of financial instruments: reference should be made to note 9 of the IFRS financial statements.

**Art 3:6 §4/ Art 3:32 §2** – Non-financial information disclosure. In accordance with Art 3:6 §4 and Art 3:32 §2, Orange Belgium S.A. is exempted from the obligation to prepare and disclose the non-financial information since it is also a subsidiary of Orange S.A. who prepares a consolidated Board of Directors' annual report in accordance with the applicable EU directive.

# Corporate Governance Statement

## 1. Introduction

Orange Belgium adopted the 2020 Belgian Corporate Governance Code (the "CGC") as its compulsory reference code as defined by the Belgian Code of Companies and Associations. It is available on the Corporate Governance Committee website (http://www.corporategovernancecommittee.be). The application of the principles of the CGC takes into account the company's specificities, its size, needs and ownership structure.

Orange Belgium's Corporate Governance Charter (the "Charter"), in its current version, has been approved by the Board of Directors on 19 July 2023 and became effective on the same date. It is available on Orange Belgium's website (https://corporate.orange.be/en/financial-information/corporate-governance). This Charter describes the main aspects of the company's corporate governance, including its governance structure and the internal rules of the Board of Directors, the Executive Management, and committees set up by the Board of Directors.

The Company considers that its Charter as well as this Corporate Governance Statement reflect both the spirit and the provisions of the CGC and the relevant provisions of the Belgian Companies and Associations Code, with the exception of the three following deviations, as detailed in Appendix VI of the Charter:

### Remuneration of Non-Executive Directors

Article 7.6 of the CGC stipulates that each non-executive director receives a part of his remuneration under the form of shares of the Company. The Board believes nonetheless that it is in the best interest of the Company and its stakeholders to deviate from this provision for the following reason:

The remuneration policy of the non-executive directors is in first instance based on the will to attract, motivate and keep qualified directors having the profile and experience required for business administration. In order to achieve that, the Company operates a transparent remuneration policy in line with market standards and taking into account the scale, the organization and the complexity of the Company. No performance related remuneration in connection with the performance of the Company is anticipated for non-executive directors, in accordance with article 7.5 of the CGC.

In order to avoid that the non-executive directors, among which the independent directors, would be overly influenced by the stock market price of the Company's share, the Company has decided not to grant a part of their remuneration under the form of shares of the Company. The Company believes that this deviation to the CGC allows the non-executive directors to be the guardians of the legitimate interests of all stakeholders of the Company and to focus on its long-term perspectives. The Company underlines that the directors (executive and non-executive) belonging to Orange Group exercise their mandate free of charge and that the latter act as well in the best interests of the Company and in a perspective of sustainable value-creation for the shareholders and the stakeholders as a whole. Moreover, the remuneration policy (as described in the Remuneration Report that is submitted to the approval of the General Meeting) has never generated any issues or has never resulted in arbitration or adverse behaviour. It allows to achieve a balance between the various underlying objectives of the CGC as a whole.

### Ownership Threshold for Executive Management

Article 7.9 of the CGC stipulates that the Board determines a minimal ownership threshold that the managers (i.e. the members of the Executive Management) should hold. The Board believes nonetheless that it is in the best interest of the Company and its stakeholders to deviate from this provision for the following reason :

The remuneration policy of the Executive Management is in first instance based on the will to attract, motivate and keep qualified executive managers having the profile and experience required for operational business management. In order to achieve that, the Company operates a transparent remuneration policy in line with market standards and taking into account the scale, the organization and the complexity of the Company. The various components of the remuneration of the Executive Management are described in the Remuneration Report. In accordance with article 7.7 of the CGC, the Board ensures that there is an appropriate balance between fixed and variable remuneration, and cash and deferred remuneration.

In order to match the interests of the executive managers to the objectives of sustainable value-creation, the variable part of the remuneration is structured to link reward to individual performance and to the overall performance of the Company. As the remuneration policy of the Executive Management already had the ambition to remunerate the members of the Executive Management in relation to the short-term performance and the realization of the long-term strategic ambitions of the Company, the Board has decided not to impose to the members of the Executive Management to keep, in addition, a minimal amount of shares. Such an obligation would only add little added value compared to the remuneration policy already put in place and the monitoring hereof could in addition create useless administrative burden.

The Board believes therefore that the current remuneration policy (as described in the Remuneration Report that is submitted to the approval of the General Meeting) already encourages the Executive Management sufficiently to act in the best interests of the Company and in a perspective of sustainable value-creation and that it allows to achieve a good balance between the various underlying objectives of the provision and of the CGC as a whole.

### Appointment of independent members of the Board

Article 3.5. of CGC stipulates that in order to be appointed as an independent member of the Board, a director must satisfy a number of criteria, of which:

a) not have served for a total term of more than twelve years as a non-executive member (article 3.5.2);

b) not maintain, nor have maintained in the past year before their appointment, a significant business relationship with the company or a related company or person, either directly or as partner, shareholder, board member, member of the senior management of a company or person who maintains such a relationship (article 3.5.6).

At the General Meeting of 3 May 2023, the Board nevertheless considered that it was in the best interests of the Company and its stakeholders to deviate from these provisions for the following reasons:

a) the candidacy of an independent director has been presented for renewal for a term that resulted in the twelve-year term being exceeded for one year. The Board has considered that this extension was justified by the need to ensure continuity among the independent directors during a complex integration period. The independent director's mandate was renewed by the shareholders, with full knowledge of the facts and in full transparency.

b) the candidacy of an independent director has been presented for appointment even though this candidate was a director of Orange S.A. during the previous year. The Board has considered that his experience, his sector expertise and the independence of mind that he has demonstrated in the exercise of his mandates would make a useful contribution to the work of the Board. The independent director was appointed by the shareholders, with full knowledge of the facts and in full transparency.

## 2. Risk Management and Internal Control

A comprehensive, consistent and integrated risk management approach is in place to capitalize on synergies between Audit, Control and Risk functions at all levels of the organization. This approach aims to provide reasonable assurance that operating and strategic targets are met, that current laws and regulations are complied with, and that the financial information is reliable.

### Risk management

The framework and the process of risk management, as well as the organization and the responsibilities relating to it are formalized in a charter as well as a risk map, validated by the Executive Management and approved by the Audit Committee and the Board of Directors. Business and operational key players in the different departments are responsible for the identification, analysis, assessment, and treatment and coverage. The company risk map is approved at least once a year by the Executive Management and submitted to the Audit Committee for overall assessment of approach and methodology.

Today, this risk map includes, but is not limited to, the following risk clusters:

- geopolitical and macro-economic instability
- macro-economic direct instability (inflation)
- reputational damage

- breach of integrity and confidentiality of data and information
- corruption and international economic sanctions ethical breach
- frauds
- Damage to property or other assets
- Destabilization by a disruptive business model or innovation
- Health and safety of people
- Errors and financial prejudices
- Investment management
- Management of key or rare skills
- Major business interruption
- Non-compliance with laws or regulations
- Key partnership underperformance
- Governance and subsidiaries management
- Regulatory and legal pressure

In the context of mergers and acquisitions, a specific focus on risk and opportunities linked to VOO was presented on a regular basis in 2023 to the Audit Committee as well as to the Board of Directors.

## Internal control environment and control activities

To address and manage risks, an internal control approach and framework has been deployed for many years at Orange Belgium. It covers aspects such as governance, delegations of powers and signatures, policies, processes, procedures, segregation of duties and controls to ensure selected risk treatments (retain, reduce, transfer, avoid) are effectively carried out.

Through its vision, its mission and its values, Orange Belgium Group defines its corporate culture and promotes ethical values that are reflected in all its activities. There is a charter of professional ethics at company level and a section of the company's intranet, accessible to all employees, that is dedicated to compliance, ethics, corporate social responsibility and to the company culture in general. Within the framework of promoting ethical values, a professional warning system allows for reporting confidential information intended to strengthen the control environment.

The human resources management and the social responsibility of the company are described in the corporate brochure of the annual report. The management and control of the company and the functioning of the management bodies are detailed in the declaration of corporate governance contained in the annual report as well as in the company's articles of association. This corporate governance covers in particular the responsibilities of these bodies, their internal regulations as well as the main rules to be respected in the management of the company.

The control activities are carried out firstly by the functional or operational managers under the supervision of their supervisors. All major processes and the controls that they encompass are formalized. As part of the Orange Group, this internal control environment ensures conformity with the American Sarbanes-Oxley Act and Sapin II law requirements that must be complied with at Orange Group level.

All documentation is regularly reviewed and duly updated. Specific functions of assurance (i.e. fraud, revenue assurance, data privacy, security, business continuity and crisis management), compliance and audit (i.e. 'Internal Audit') have also been set up.

The budget control covers not only the budget aspects, but also key performance indicators. In order to ensure adequate financial planning and follow-up, a financial planning procedure which describes planning, quantification, implementation and review of the budget in alignment with the periodical forecasts, is closely followed up.

**Information and communication**

The company maintains transparent communication towards its employees, in conformity with its values and based on

a multiple system integrating in particular its intranet and periodical presentations by the Executive Management at different levels.

Advanced data processing and control processes ensure reliable information is made available in a timely manner, in particular financial reporting.

Orange Belgium Group aspires to be open and transparent in its disclosure to the public, shareholders, customers, employees and other stakeholders. The company publishes detailed financial reports providing a comprehensive set of key performance indicators and financial statements for each business segment. These results are made available to the press and to the investor and financial analyst community during dedicated meetings (conference calls/webcasts/p hysical meetings). The provided information is accessible to all and available on the company's website (https://corporate. orange. be).

**Monitoring**

In addition to the front-line control activities, specific functions of assurance, compliance and audit are in place to ensure the internal control environment is constantly assessed. Internal Audit reports to the Audit Committee to ensure it can carry out its assignments with independence and impartiality.

The Audit Committee monitors the responsiveness to audit engagements and the follow-up of (corrective) action plans. The Audit Committee also monitors and controls the reporting process of the financial information disclosed by the company and its reporting methods. To this effect, the Audit Committee discusses all financial information with the Executive Management and with the external auditor and if required, examines specific issues with respect to this information.

## 3. Shareholders

The following table shows Orange Belgium's shareholder structure as at 31 December 2023, as evidenced by the notifications received pursuant to article 14, al. 4 of the Law of 2 May 2007:

Atlas Services Belgium – an Orange S.A. wholly-owned subsidiary – is Orange Belgium's main shareholder.

In compliance with Belgian legal regulations on transparency as regards notification of shareholding thresholds of listed companies, Orange Belgium sets notification thresholds at 3%, 5% and multiples of 5%.

### Situation 31.12.2023 (based on Transparency Declarations)

| Shareholders' structure based on declarations | date declaration | # voting rights notified | % owned**** |
|---|---|---|---|
| ASB* | 26/05/2021 | 46,191,064 | 76.94% |
| TFG Asset Management UK LLP** | 17/02/2023 | 6,255,151 | 10.43% |
| Free float | | | 12.63% |
| **Total** | | | **100.00%** |

* The position notified includes 69,657 treasury shares held by Orange Belgium (which have been cancelled on 23 July 2021)
** TFG Asset Management owns 1,692,630 shares and 4,562,521 equivalent financial instruments
**** Percentage owned has been calculated based on the new number of shares after cancellation of treasury shares (59,944,757)

### Notification in compliance with the law on takeover bids

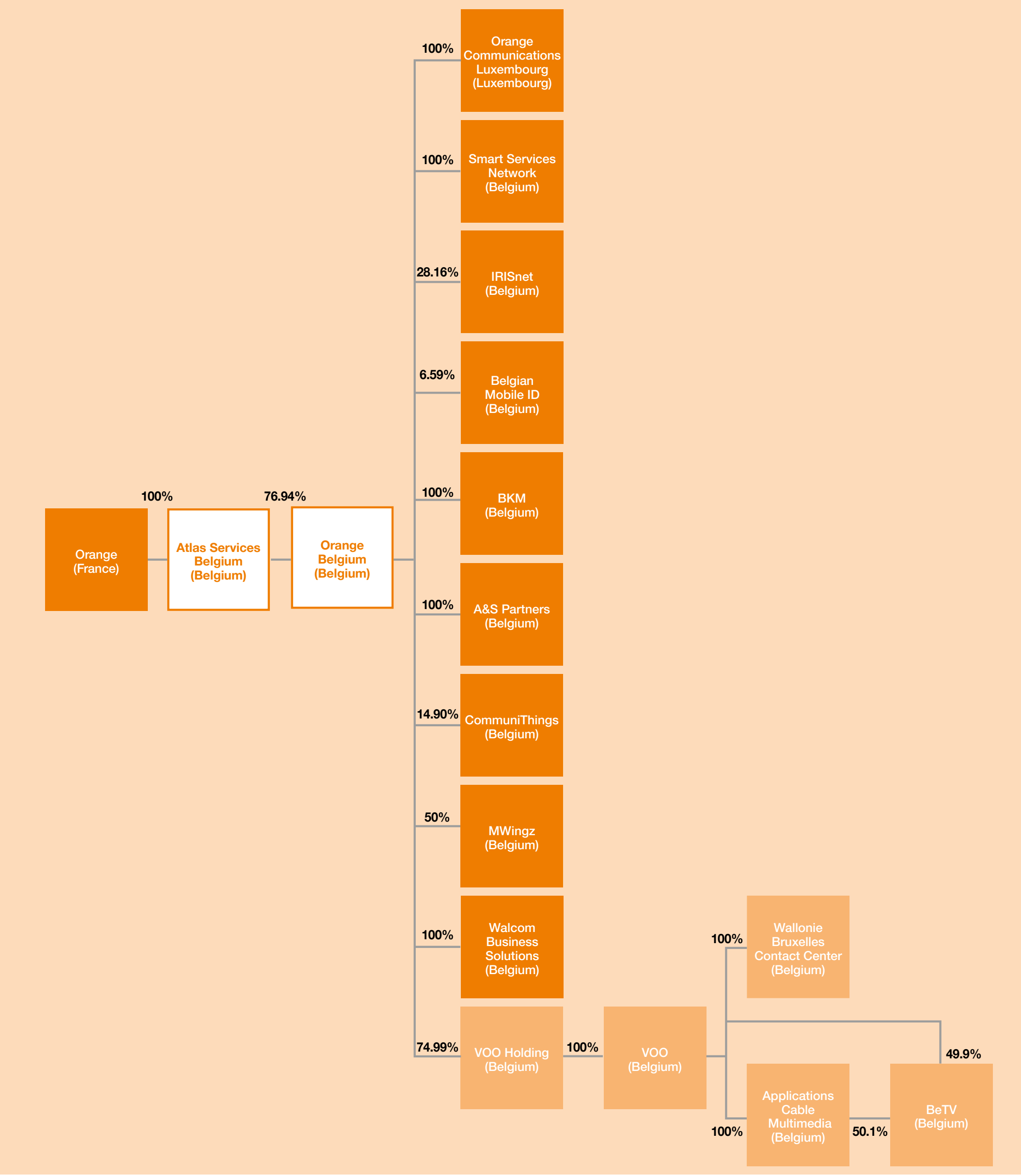
On 24 August 2009, the company received a notification from its ultimate parent company Orange S.A. pursuant to Article 74 §7 of the law of 1 April 2007 concerning takeover bids. This notification detailed Orange S.A.'s ownership of Orange Belgium.

As at 24 August 2009, Orange S.A. held indirectly 31,753,100 Orange Belgium shares.

The chain of control was reconfirmed on 1 July 2013 after an internal restructuring of the Orange Group.

As a result of a public takeover bid launched in 2021, Orange S.A. increased its indirect ownership to 46,191,064 Orange Belgium shares and notified Orange Belgium thereof on 26 May 2021.

The organization chart below illustrates Orange Belgium's corporate structure as at 31 December 2023.



## 4. Relevant information as provided by Article 34 of the Royal Decree of 14 November 2007

### Capital structure – special control rights

The share capital of Orange Belgium is represented by 59,944,757 shares without nominal value, each representing an equal share of the capital. The shares are registered or dematerialised.

There are no specific categories of shares and all shares have the same voting rights with no exceptions.

The principle of the company has always been to respect the rule "one share, one vote". The company has decided not to make use of the option offered by article 7:53 of the Code of Companies and Associations to grant a double voting right to fully paid-up shares that are registered in the share register for at least two years without interruption in the name of the same shareholder.

### Transfer of shares

No specific restrictions have been placed on the free transfer of shares other than those set out by law.

### Control mechanism in employee stock plan when control right not directly exercises by employees

Not applicable.

### Exercise of voting rights

No legal or regulatory restrictions are placed on the exercise of voting rights as regards the company's shares.

### Shareholder agreements

Orange Belgium is not aware of any shareholder agreements which could restrict the transfer of shares and/or the exercise of voting rights.

### Appointment, renewal, resignation and dismissal of directors

The directors are appointed or re-appointed by the General Meeting upon proposal by the Board of Directors, which takes into consideration the proposals made by the Remuneration and Nomination Committee and by those shareholders holding at least 3% of the share capital. The directors are generally appointed for a period that does not exceed four years in accordance with the recommendation of article 5.6 of the CGC; their mandate can be renewed by a resolution of the General Meeting. Any renewal is analysed by reference to the principles set out in the CGC.

If a directorship becomes vacant during the term of office, the remaining directors have the right to appoint a replacement director, on the recommendation of the Remuneration and Nomination Committee. The final appointment of the director is submitted to the next General Meeting for approval.

The directors may be dismissed at any time by the General Meeting.

### Modification of the Articles of Association

The General Meeting may only deliberate on and decide to amend the articles of association when the changes proposed are set out specifically in the notice convening the General Meeting, and when the shareholders present or represented by proxy, represent at least half the capital. If the latter condition is not met, a second General Meeting must be convened which shall validly deliberate and decide, regardless of the share of capital represented by the shareholders present or represented by proxy.

The modification shall only be accepted if approved by three quarters of the votes cast, not counting abstentions. A modification of the company purpose shall only be accepted if approved by four fifths of the votes cast.

### Powers of the Board of Directors, in particular to issue and buyback shares

The Board of Directors is not empowered to issue new shares as long as the company does not make use of the authorised capital procedure.

The Extraordinary General Meeting of 6 May 2020 has, in accordance with and within the limitations set out in the Code of Companies and Associations, authorised the Board of Directors to acquire own shares of the company, by purchase or exchange, on or outside the regulated market.

The company may only acquire shares of the company if it does not hold more than 20% of its own shares. The purchase price shall not be less than eighty-five per cent (85%) or more than one hundred and fifteen per cent (115%) of the average closing price on the regulated market on which the shares were admitted during the 5 working days preceding the purchase or exchange. This authorisation shall remain valid for a period of five (5) years as from 6 May 2020.

This authorisation extends to the acquisition (by purchase or exchange) of shares of the company by a direct subsidiary company, in accordance with article 7:221 and following of the Code of Companies and Associations and under the conditions laid down in those provisions.

The Board of Directors is also authorised to alienate or to cancel the own shares. This authorisation extends to the cancellation of the shares of the company acquired by a direct subsidiary as well as to the alienation of the company's shares by a direct subsidiary company at a price determined by the Board of Directors of the latter. The Board of Directors of the company is also authorised to have the cancellation of own shares of the company recorded by a notary public, and to amend and co-ordinate the articles of association in order to bring them in line with the relevant decisions.

### Significant agreements that may be impacted by a change of control of the company

Agreements to which the company is a party and which are covered by Article 7:151 of the Code of Companies and Associations, where applicable, are presented and approved by the Special General Shareholders Meeting.

Agreements providing for compensation in the event of a public takeover bid

There are no specific agreements between the company and the members of the Board of Directors or the personnel which provide for compensation in the event of a public takeover bid.

## 5. Composition and functioning of the Board of Directors and its Committees

The rules governing the structure, composition, functioning role and assessment of the Board of Directors and of its Committees are set out in the Charter. The internal rules of the Board of Directors (Appendix I), the Audit and Risk Committee (Appendix III) and the Remuneration and Nomination Committee (Appendix IV) are attached to the Charter.

The company opts for a one-tier governance structure: the Board of Directors has the power to accomplish all required or useful acts in order to achieve the corporate purpose of the company, except for those acts that are reserved by law to the General Meeting. The operational management of the company, including without limitation the daily management, is carried out by the Executive Management (see section 6 below).

### Board of Directors

#### Structure and composition

The Board of Directors is comprised of a reasonable number of directors enabling its effective functioning, while taking into account the specificities of the company.

As at 31 December 2023, the Board of Directors consisted of 12 members:

- 11 of the 12 members of the Board of Directors are non- executive directors;
- among the non-executive directors 4 directors are independent;
- 4 members of the Board of Directors are women;
- There is no age limit within the Board of Directors.

The composition of the Board of Directors is determined on the basis of diverse and complementary competencies, experience and knowledge, as well as on the basis of gender and age diversity and diversity in general. In particular, the composition of the Board of Directors must be such that the Board of Directors, as a whole, possess the following competencies:

(i) "generic competencies", namely in the field of finance, accounting, governance, management and organization; and

(ii) "industry specific competencies", namely in the field of operations, technology, distribution, etc.

During 2023, the following changes occurred within the Board of Directors:

- The mandates of the following directors were renewed for a term of four years by the Ordinary General Meeting of Shareholders of 3 May 2023: Mr Matthieu Bouchery, Mrs Clarisse Heriard Dubreuil, Mrs Mari-Noëlle Jégo-Laveissière, K2A Management and Investment Services BVBA represented by Mr Wilfried Verstraete, Leadership and Management Advisory Services SRL represented by Mr Grégoire Dallemagne , Mr Christian Luginbühl, Mr Xavier Pichon, The House of Value – Advisory & Solutions BV represented by Mr Johan Deschuyffeleer and Mr Jean-Marc Vignolles.
- The mandate of Société de Conseil en Gestion et Stratégie d'entreprises SPRL represented by Mrs Nadine Rozencweig-Lemaitre expired at the Ordinary General Meeting of Shareholders of 3 May 2023 and was not renewed.
- Mrs Caroline Guillaumin, Mrs Inne Mertens and Mr Bernard Ramanantsoa were appointed by the Ordinary General Meeting of Shareholders of 3 May 2023 for a term of four years.

| Name | Function | Main function | Born | Nationality | End of mandate |
|---|---|---|---|---|---|
| The House of Value – Advisory & Solutions (5) | Director/Chairman | Director of companies | n/a | Belgian | AGM 2027 |
| X. Pichon (1)(2) | Executive director | CEO-Orange Belgium | 1967 | French | AGM 2027 |
| K2A Management and Investment Services (3)(6) | Independent director | Director of companies | n/a | Belgian | AGM 2027 |
| C. Heriard Dubreuil (1) | Director | Head of Finance & Strategy Europe – Orange S.A. | 1973 | French | AGM 2027 |
| Ch. Luginbühl (1) | Director | Senior VP Governance & Large Projects – Orange S.A. | 1967 | Swiss | AGM 2027 |
| J-M. Vignolles (1) | Director | COO Europe – Orange S.A. | 1953 | French | AGM 2027 |
| M.-N. Jégo-Laveissière (1) | Director | Deputy CEO Europe – Orange S.A. | 1968 | French | AGM 2027 |
| M. Bouchery (1) | Director | Head of Group Finance and Treasury – Orange S.A. | 1978 | French | AGM 2027 |
| Leadership and Management Advisory Services (LMAS) (3)(4) | Independent Director | Director of companies | n/a | Belgian | AGM 2027 |
| C. Guillaumin (1) | Director | Executive VP of Communication for the Group – Orange S.A. | 1965 | French | AGM 2027 |
| I. Mertens (3) | Independent Director | Director of companies | 1974 | Belgian | AGM 2027 |
| B. Ramanantsoa (3) | Independent Director | Director of companies | 1948 | French | AGM 2027 |

(1) Directors who represent the majority shareholder (Atlas Services Belgium).
(2) Director in charge of the daily management since 1 September 2020.
(3) The independent directors have signed a declaration stating that they comply with the criteria of independence mentioned in the Code of Companies and Associations.
(4) The company Leadership and Management Advisory Services (LMAS) is represented by Mr Grégoire Dallemagne.
(5) The company The House of Value – Advisory & Solutions is represented by Mr Johan Deschuyffeleer.
(6) The company K2A Management and Investment Services is represented by Mr Wilfried Verstraete.

### Functioning and role

The Board of Directors meets at least four times a year.

Non-executive directors meet at least once a year without the CEO and the other executive directors (where applicable), in compliance with Article 3.11 of the CGC.

The Board of Directors may only deliberate validly if at least half its members are present or represented. The decisions are adopted by a simple majority of the votes cast.

The Board of Directors met 8 times in 2023. Each director's individual attendance rate is presented in the table below. During the year, the Board of Directors' discussions, reviews and decisions focused on:

- the company's strategy and structure
- the budget and financing
- the operational and financial situation
- the commercial results
- the acquisition of VOO (EC clearance and closing)
- the integration of VOO
- the contribution by Nethys of its VOO Holding stake in the Company, launching of the conflict of interests procedure of art. 7:97 of the Code of Companies and Associations
- the evolution of the regulatory framework
- the risk management
- the assessment of the audit committee
- the management of distribution channels
- the development of the B2B division
- the development of 5G / fibre network
- the auction on existing and new spectrum, arrival of new entrants
- the branding and the communication
- the reform of social tariffs related to telephony and internet
- the economic situation, inflation, energy supply
- the appointment of the new statutory auditor
- the composition of the Board (renewals, new mandates, appointment Chairman and Vice-Chairman)
- the mergers of A3Com and BKM
- Orange S.A. SOX certification, ESG reporting

There were no transactions or contractual relationships in 2023 between the company and its Board members giving rise to conflicts of interests in the sense of Article 7:96 of the Code of Companies and Associations.

| Members of the Board of Directors | Function | 09.02 | 23.03 | 21.04 | 24.05 | 13.06 | 20.07 | 19.10 | 24.10 | 14.12 |
|---|---|---|---|---|---|---|---|---|---|---|
| The House of Value – Advisory & Solutions (J. Deschuyffeleer) | Director/ Chairman | P | R | P | P | P | P | P | P | P |
| K2A Management and Investment Services (W. Verstraete) | Independent director | P | P | P | P | R | P | P | P | P |
| SOGESTRA (N. Lemaitre-Rozencweig) | Independent director/ Vice-chairwoman | P | R | P | NA | NA | NA | NA | NA | P |
| X. Pichon | Director | P | P | P | P | P | P | P | P | |
| J.-M. Vignolles | Director | P | P | P | P | P | P | P | P | |
| Leadership and Management Advisory Services (G. Dallemagne) | Independent director | P | P | P | P | P | P | P | P | P |
| C. Heriard Dubreuil | Director | P | P | P | P | P | P | P | P | n/a |
| M.-N. Jégo-Laveissière | Director | P | P | R | R | P | P | P | P | P |
| G. Dallemagne | Director | P | P | P | R | P | P | P | P | P |
| C. Luginbühl | Director/Vice-chairman | P | P | P | P | P | P | P | P | R |
| C. Guillaumin | Director | NA | NA | NA | P | R | P | R | P | P |
| I. Mertens | Independent Director | NA | NA | NA | P | P | P | P | P | P |
| B. Ramanantsoa | Independent Director | NA | NA | NA | P | P | P | P | P | P |

P: Present (in person or by call) R: validly represented E: excused

J. Deschuyffeleer

B. Ramanantsoa

X. Pichon

W. Verstraete

N. Lemaitre-Rozencweig

C. Heriard Dubreuil

C. Guillaumin

JM. Vignolles

MN. Jégo-Laveissière

G. Dallemagne

I. Mertens

C. Luginbühl

**Evaluation**

The Board of Directors is responsible for a periodic evaluation of its own effectiveness with a view to ensure a continuous improvement in the governance of the company.

In this respect, and under the lead of the Chairman of the Board of the Directors, the Board of Directors must regularly assess (at least once every three years) its size, composition, performance and interaction with the Executive Management. The last assessment has been realized in 2021.

This evaluation process has four objectives:

- assessing the operation of the Board of Directors;
- checking that the important issues are thoroughly prepared and discussed;
- evaluating the actual contribution of each director to the work of the Board of Directors, by his or her attendance at the Board of Directors and Committee meetings and his or her constructive involvement in discussions and decision- making;
- comparing the Board of Directors' current composition against the Board of Directors' desired composition.

In order to enable periodic individual evaluations, the directors must give their full assistance to the Chairman of the Board of Directors, the Remuneration and Nomination Committee and any other persons, whether internal or external to the company, entrusted with the evaluation of the directors. The Chairman of the Board of Directors, and the performance of his or her duties within the Board of Directors, must also be carefully evaluated.

The non-executive directors must assess, on an annual basis, their interaction with the Executive Management and, if necessary, make proposals to the Chairman of the Board of Directors with a view to facilitating improvements.

Based on the results of the evaluation, the Remuneration and Nomination Committee, where appropriate and possibly in consultation with external experts, submits a report commenting the strengths and weaknesses of the Board of Directors and makes proposals to appoint new members or not to re-elect certain members.

## Board Committees

With a view to the efficient performance of its duties and responsibilities, the Board of Directors has set up special committees to analyse specific issues and to advise and report to the Board of Directors on those issues. These committees have an advisory role.

The Charter presents 2 special committees:

- Audit and Risk Committee
- Remuneration and Nomination Committee

These two committees are also foreseen in the company's articles of association.

The Board of Directors pays particular attention to the composition of each of its committees to ensure that in appointing the members of each committee, the needs and qualifications that are required for the optimal operation of that committee are taken into account.

Under the lead of its Chairman, the Board must regularly assess (at least once every three years), the operation of each committee and, in particular, its size, composition and performance. This assessment serves the same four objectives as those set out above to assess the Board of Directors.

**Audit and Risk Committee**

The Audit and Risk Committee (the "Audit Committee") is comprised of at least three directors at all times. All members of the Audit Committee must be exclusively non-executive directors and the majority of them must be independent directors.

As at 31 December 2023, the Audit Committee is comprised of three directors: Mr. Bernard Ramanantsoa, Mrs. Clarisse Heriard-Dubreuil and Leadership and Management Advisory Services (represented by Mr. Grégoire Dallemagne).

Pursuant to Article 3:6, §1 (9°) of the Code of Companies and Associations, the company must justify the independence and expertise, in both accounting and audit matters, of at least one of the members of the Audit Committee. Mr. Grégoire Dallemagne, independent director, is the Audit Committee member who meets the independence criteria pursuant to Article 3.5 of the CGC. His expertise in audit and financial matters is endorsed by an extensive career in the telecoms industry as well as the energy sector.

The Audit Committee is responsible for preparing a long-term audit program covering all company activities. Without prejudice to additional roles that the Board of Directors may assign the Audit Committee, its role is to assist the Board of Directors in its responsibilities with respect to:

- monitoring of the financial reporting process
- monitoring of the effectiveness of the internal control and risk management systems
- review of the budget proposals presented by the management
- monitoring of internal audit and its effectiveness monitoring of the statutory audit of the financial reports
- monitoring of the financial relations between the company and its shareholders
- review and monitoring of the independence of the external auditor

The Audit Committee must convene whenever necessary for the proper operation of the Committee, and in any event at least four times a year and regularly reports to the Board of Directors. The Committee met 5 times in 2023.

| Members of the Audit and Risk Management Committee | Function | 8.02 | 19.04 | 18.07 | 17.10 | 13.12 |
|---|---|---|---|---|---|---|
| B. Ramanantsoa | Independent Director/ Chairman | NA | NA | P | P | P |
| SOGESTRA (N. Lemaitre-Rozencweig) | Independent Director/ Chairwoman | P | P | NA | NA | NA |
| Leadership and Management Advisory Services (G. Dallemagne) | Independent Director | P | E | P | P | P |
| C. Heriard Dubreuil | Director | P | P | P | P | P |

P: Present (in person or by call), E: Excused

In 2023, the main subjects discussed by the Audit Committee were:

- annual evaluation of the committee's functioning
- periodical financial, budget and activity reports
- internal control, including qualitative aspects
- internal audit (plan, activities, reports and conclusions)
- assessment of the external audit and report of the statutory auditor
- risk management (annual security plan, cartography of important risks and events, corruption risk map and compliance action plan)
- annual review and report on "Fraud & Revenue Assurance"
- monitoring ACR (Audit, Internal Control and Risk) recommendations, update ACR Charter, ACR team recruitment
- GDPR and data security
- annual report on ethics, compliance and litigation, data privacy status
- closing of VOO acquisition
- Orange S.A. SOX certification
- upcoming ESG reporting

**Remuneration and Nomination Committee**

The Remuneration and Nomination Committee is comprised of at least three directors at all times. All members of the Remuneration and Nomination Committee must be exclusively non-executive directors and the majority of them must be independent directors.

As at 31 December 2023, the Remuneration and Nomination Committee is comprised of five directors: The House of Value – Advisory Solutions (represented by Mr. Johan Deschuyffeleer), Mrs. Inne Mertens, Mr. Christian Luginbühl, K2A Management Investment Services (represented by Mr. Wilfried Verstraete) and Leadership and Management Advisory Services (represented by Mr. Grégoire Dallemagne).

The Remuneration and Nomination Committee, which has the necessary competencies in respect of remuneration policy, is responsible for assisting the Board of Directors in defining a remuneration policy for the company's directors and Executive Management. Every year, it prepares a remuneration report for the Board of Directors.

In 2023, the main subjects discussed by the Remuneration and Nomination Committee were:

- drafting and analysis of the remuneration report
- endorsement of the performance bonus (short and long term)
- annualization of the bonus
- appointment Chief Technology Officer Fixed Network
- appointment Chief People Officer
- composition of the Board of Directors and advice on the nomination of the independent directors
- HR stream VOO integration

| Members of the Remuneration and Nomination Committee | Function | 8.02 | 20.02 | 26.05 | 17.07 | 24.08 | 13.12 |
|---|---|---|---|---|---|---|---|
| The House of Value – Advisory & Solutions (J. Deschuyffeleer) | Director/ Chairman | P | P | P | P | P | P |
| K2A Management and Investment Services (W. Verstraete) | Independent director | P | P | P | P | P | P |
| SOGESTRA (N. Lemaitre-Rozencweig) | Independent director | P | P | NA | NA | NA | NA |
| Leadership and Management Advisory Services (G. Dallemagne) | Independent director | P | P | P | P | P | P |
| C. Luginbühl | Director | P | P | P | P | P | P |
| I. Mertens | Independent director | NA | NA | P | P | P | P |

P: Present (in person or by call), E: Excused

**Committee of independent directors created in the framework of the procedure of Article 7:97 of the Code of Companies and Associations**

The committee of independent directors has been created in the framework of the application of the conflict of interests' procedure of Article 7:97 of the Code of Companies and Associations. Reference is made to section 10 below of this corporate governance statement for further detail.

This committee met 3 times in 2023.

| Members of the Committee of Independent directors | Function | 11.12 | 15.12 | 20.12 |
|---|---|---|---|---|
| K2A Management and Investment Services (W. Verstraete) | Independent director | P | P | P |
| Leadership and Management Advisory Services (G. Dallemagne) | Independent director | P | P | P |
| I. Mertens | Independent director | P | P | P |

P: Present (in person or by call), E: Excused

## 6. Composition and functioning of the Executive Management

The rules governing the structure, composition, functioning, role and assessment of the Executive Management are detailed in the Charter. The Executive Management's internal rules are presented in the appendices (Appendix II).

### Executive Management

#### Structure and composition

The Executive Management of the company comprises the CEO and all persons who directly report to him and that head a department of the company. The appointment of the members of the Executive Management is submitted to the Board of Directors for prior approval, on the recommendation of the Remuneration and Nomination Committee.

As at 31 December 2023, the Executive Management is comprised of 11 members:

#### Functioning and role

The Executive Management is responsible for managing the company by supporting the CEO in the daily management of the company and in the performance of his or her other duties. Generally, the Executive Management meets weekly, or whenever necessary for the proper operation of the Executive Management and the company.

| Executive Management 2023 | Function |
|---|---|
| Xavier Pichon | Chief Executive Officer |
| Antoine Chouc | Chief Financial Officer |
| Werner De Laet | Chief Enterprise & Innovation Officer |
| Paul Marie Dessart | Secretary General |
| Javier Diaz Sagredo | Chief IT Officer |
| Christophe Dujardin | Chief Consumer Officer |
| Stefan Slavnicu | Chief Technology Officer Mobile Network |
| Bart Staelens | Chief Transformation & Customer Experience Officer |
| Isabelle Vanden Eede | Chief Brand, Communication & ESG Officer |
| Jelle Jacquet | Chief People Officer |
| Philippe Toussaint | Chief Technology Officer Fixed Network |

Xavier Pichon

Antoine Chouc

Werner De Laet

Stefan Slavnicu

Paul Marie Dessart

Christophe Dujardin

Bart Staelens

Isabelle Vanden Eede

Philippe Toussaint

J. Jacquet

## 7. Diversity Policy

Orange Belgium values diversity, equity and inclusion and implements various criteria in its selection processes to account for age, gender, educational background as well as professional experience.

The composition of the Board of Directors and of the Executive Management is determined on the basis of diverse and complementary competencies, experience and knowledge.

With respect to gender diversity, when a directorship is available, the company makes the best effort to present candidates of both genders to ensure that at least one-third of the Board members are of different gender than the other members. The Board of Directors currently has four female directors out of a total of 11.

In the framework of the legislation regarding the publication of information with respect to DEI (Diversity, Equity and Inclusion), the company's DEI policy will be further developed and monitored by the Board of Directors. During the year, Orange Belgium further aligned its DEI approach with Orange S.A.'s approach.

During 2023 we focused on further embedding DEI in our strategic ambitions. DEI is now part of our lead the future strategic pillar 'care for people'. Orange Belgium is now the preferred tech & telco employer in Belgium by- proposing an attractive Lead the Future industrial project and HR policy, developing tech talents through internal learning programs and external partnerships such as the Tech Academy(and more to come soon) and valuing diversity & inclusion highly and putting those values at the heart of our company

In January 2023 we launched the thriving team activities which are entirely focused on fostering team member, team and organizational wellbeing through inhouse individual and team coaching. The Teaming Squad initiative at Orange Belgium aims to address distinctive challenges faced by different teams, responding to post-COVID collaboration dynamics, improving well-being, and nurturing a sense of belonging within the organization. To effectively tackle team-specific challenges, we've adopted an approach that involves internalizing coaching and promoting team development as a pathway to self-improvement, fostering a holistic and diverse work environment.

This approach was awarded by a learning & development award on 16 March 2023.

On 8 March 2023, we partnered with WomIntech, a student association; forming a community of women engineers/Techs & students from ULB who aim to promote gender diversity in engineering studies and to raise awareness around its importance in STEM fields and more specifically in schools and at university. On 26 April 2023 we invited them for a 1day internship for the Girls in ICT Day. We also participated in 2 speed-dating job events organized by them.

On 19 June 2023 we signed a partnership with Ecole Polytechnique de Bruxelles to launch the Orange Tech Academy aiming to equip engineering students with top-tier telecom knowledge. By investing in specialized education and with together our Orange labs, we are preparing students tomorrow's Telecom challenges. This partnership gives Orange TMs upskilling opportunities at the ULB and some of our experts will act as guest lecturers during the year.

During summer 2023 we launched our first edition of the "Orange Summer School" under the 'Tech Academy by Orange' umbrella, welcoming Tech students/trainees for a personalized learning experience within Orange Belgium recruiting them for a student job or internship during the month of July. The students (with an engineering background) were recruited through the regular job student recruitment process for a student job or as trainee in Orange Belgium's Network or IT department. They had the double benefit of earning a regular student job wage and having, the opportunity of discovering telco professional life first-hand.

On 11 October 2023, we had the privilege of presenting the EPB Orange Award. This prestigious prize is awarded to the student with the highest average grade on the Electrical Engineering master's program at the Brussels Faculty of Engineering (BruFace), a joint faculty of the VUB and ULB. While naturally honoring the winner, the Orange Award also serves to highlight Orange's commitment to supporting education in telecommunications. The first Orange Prize was awarded to a female student.

In November 2023 we successfully passed our Gender Equality European & International Standard (GEEIS) follow-up audit, maintaining our global level for both Gender and Inclusion but improving our scores on different topics thanks to the initiatives such as the Tech Academy, WomInTech sponsoring and our Thriving team approach.

During the year we continued to publish engaging and diverse 'inside' stories on our on our Proud to be Orange website in order to promote our employer brand.

And of course we continued to offer different types of benefits to support TM wellbeing: 20 km of Brussels, Bike to work challenge, Biking challenge, Ekiden, summer party, EOY radio and celebrations, all aimed at fostering engagement The Orange Group diversity policy aims at fostering talents and encouraging the inclusion of all employees based on two pillars: gender equality and equal opportunities. Orange Belgium focuses on developing all available talents for a unique experience by:

- Offering a diverse and inclusive work environment that encourages all our employees to progress and to develop their talents for a unique experience;
- Focusing on diversity in the broad sense: promoting team diversity;
- Ensuring well-being as a key component of our equity and inclusion strategy.

### Orange Group has defined 3 pillars for developing an inclusive environment and management

Whilst combatting discrimination by raising awareness of stereotypes and banning all forms of violence from the workplace. These 3 pillars are:

**Gender equality**

- gender balance in all job lines, particularly technical and digital professions
- access for women to management positions at all levels of the hierarchy
- work-life balance
- equal pay between men and women
- combatting sexism, sexual harassment, and violence

**Equal opportunities**

- age; Integration of young people and multi-generational management
- disability; Employment and integration of people with disabilities
- origins; Ethnic, socio-economic and cultural diversity within the company
- identity; Gender identity, sexual orientation and physical appearance
- personal opinions; Religion, political opinion, trade-union membership

**Digital Equality**

- gender balance in digital teams
- increasing the numbers of women in the digital sector
- inclusive Artificial Intelligence Development of responsible and inclusive AI
- accessibility: Ensuring our digital applications are accessible for all
- digital inclusion: Combatting the digital divide, supporting seniors, integration through employment

# 8. Remuneration Report

## Introduction

This remuneration report concerns the 2023 financial year. Remuneration relating to the 2023 financial year complies with the remuneration policy that was applicable to that financial year, as explained in the remuneration report of the previous year, and as henceforth explained in the Remuneration Policy, that will be submitted for approval to the General Meeting of Shareholders on 2 May 2024, and to be found on the Orange Belgium website.

As far as needed, the remuneration policy is incorporated into this remuneration report.

Orange Belgium (including Belgian affiliates) has recorded a 26.9% increase in revenues from €1,333.19 m in 2022 to €1,691.3m while EBITDAaL has grown with 21.9% (from €357.6m to €436m). This substantial increase is to be explained by a strong commercial performance and the acquisition of a controlling stake in VOO S.A.. On the other hand, the Organic Cash Flow from Telecom activities of Orange Belgium (including Belgian affiliates) has decreased with 86% from €102.5m in 2022 to €14.03m .

Taking into consideration both Belgian and Luxembourg scope, we observe an increase of 25.8% in revenues from €1,391.2m in 2022 to €1,749.5m and a positive evolution of EBITDAaL up 20.8% from €373.7m in 2022 to €451.34m. The Organic Cash Flow from Telecom activities decreased from €105.3. m to €19.3m, down with 81.7%.

One of the major events in 2023 has been the acquisition of a 75% stake less 1 share in telco operator VOO S.A., thereby allowing Orange Belgium to position himself as a full convergent network operator. You will find a comprehensive overview of Orange Belgium major achievements in 2023 in the management report chapter.

### 1. Total remuneration

The tables below contain each individual director's total remuneration split by component and including any remuneration from any undertaking belonging to the same group. Furthermore, the tables below present the relative proportion of fixed and variable remuneration.

In accordance with Article 3:6 §3, of the Belgian Code of Companies and Associations, amounts of remuneration for the members of the Board of Directors are disclosed individually (table 1), and amounts of remuneration for the other members of the Executive Management are disclosed globally (table 2).

Independent directors receive a basic fee for their mandate at the board of directors and specific fees for their participation on other committees (both are included in table below).

The remuneration policy of non-executive directors is established in line with market standards taking into consideration the scale, organisation and complexity of the Company. Their remuneration is set at a level to enable the Company to attract, motivate and retain individuals with the profile and necessary experience for the role. No performance related remuneration in connection with the performance of the Company is anticipated for non-executive directors, in accordance with article 7.5 of the CGC.

In order to avoid that the non-executive directors, among which the independent directors, would be overly influenced by the stock market price of the Company's share, the Company has decided not to grant a part of their remuneration under the form of shares of the Company. The Company believes that this deviation to article 7.6 of the CGC allows the non-executive directors to be the guardians of the legitimate interests of all stakeholders of the Company and to focus on its long-term perspectives.

| Name of director, position | Financial year | 1. Fixed remuneration | | | 2. Variable remuneration | | 3. Extra-ordinary items | 4. Pension expense | 5. Total Remune-ration | 6. Proportion of fixed and variable re-muneration |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Base salary | Fees | Fringe benefits | One-year variable | Multi-year variable | | | | |
| The House of Value - Advisory & Solutions (1) | 2023 | | 89,400 | | | | | | | |
| | 2022 | | 89,400 | | | | | | | |
| SOGESTRA (N. Lemaître-Rozencweig) (2) | 2023 | | 47,600 | | | | | | | |
| | 2022 | | 68,400 | | | | | | | |
| Leadership and Management Advisory Services (G. Dallemagne) (3) | 2023 | | 67,200 | | | | | | | |
| | 2022 | | 50,400 | | | | | | | |
| Inne Mertens (4) | 2023 | | 52,800 | | | | | | | |
| | 2022 | | n.a. | | | | | | | |
| Bernard Ramanantsoa (5) | 2023 | | 45,200 | | | | | | | |
| | 2022 | | n.a. | | | | | | | |
| K2A Mangement and Investment Services (W. Verstraete) (6) | 2023 | | 57,600 | | | | | | | |
| | 2022 | | 50,400 | | | | | | | |
| **TOTAL** | **2023** | | **359,800** | | | | | | | |
| | **2022** | | **258,600** | | | | | | | |

(1) as President of the Board of Directors and member of the Remuneration and Nomination Committee
(2) as Vice-President of the Board of Directors, member of the Audit Committee and member of the Remuneration and Nomination Committee
(3) as member of the Audit Committee and member of the Remuneration and Nomination Committee
(4) as member of the Remuneration and Nomination Committee
(5) as President of the Audit Committee
(6) as member of the Remuneration and Nomination Committee

| Name of director, position | Financial year | 1. Fixed remuneration | | | 2. Variable remuneration | | 3. Extra-ordinary items | 4. Pension expense | 5. Total Remune-ration | 6. Proportion of fixed and variable re-muneration |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Base salary | Fees | Fringe benefits | One-year variable | Multi-year variable | | | | |
| CEO | 2023 | 409,903 | | 93,790 | 343,625 | 112,590 | 100,000 (3) | 90,561 | 1,175,449 | Fix:53% Variable: 47% |
| | 2022 | 364,909 | | 94,132 | 378,043 | 157,342 | | 74,620 | 1,069,046 | Fix:50% Variable: 50% |
| Executive Committeee (excl. CEO) | 2023 | 2,283,674 | | 151,845 | 1,007,812 | 528,736 | 26,354 (2) | 426,229 | 4,424,650 | Fix: 65% Variable: 35% |
| | 2022 | 1,829,330 | | 129,772 | 959,735 | 516,155 | 105,911 (1) | 349,377 | 3,890,280 | Fix: 59% Variable: 41% |

(1) in accordance with the remuneration policy the reported amount includes: one- off incentive bonuses granted to the General Secretary, the Chief Financial Officer and the Chief Transformation and Customer Experience Officer for their personal commitment to critical strategic projects and the first tranche of a 3 year retention bonus granted to the General Secretary.

(2) the reported amount includes one-off incentive bonuses (stated net of the FIP multiplier) granted to the General Secretary (second tranche of a 3 year retention bonus) in accordance with the remuneration policy and an exceptional one-off payment to the Chief Financial Officer for his personal commitment to a critical strategic project

(3) The reported amount includes a one-off incentive bonus stated net of the Flex Income Plan multiplier for the CEO's personal commitment to a critical strategic project.

The details of the structure and components of the remuneration of the members of the Executive Management are explained hereunder.

**Structure of the remuneration of the members of the Executive Management**

The remuneration of the members of the Executive Management consists of the following elements:

- Yearly base remuneration (around 47% of total remuneration)
- Variable remuneration which is designed to motivate the executive team to reach company objectives on a yearly basis and on a long-term basis. The variable part represents a substantial part of the executive remuneration (around 41% of total remuneration). Both the short-term and the long-term variable remunerations are linked to specific performance metrics and strategic goals that drive the executive team to focus on sustainable growth and profitability. The yearly and long-term targets are validated by the remuneration committee as well as the results.
  - Short-term variable remuneration called "performance bonus".
  - Long-term variable remuneration called "Long-term Incentive Plan 2020-2022" and "Long-term Incentive Plan 2021-2023", "Long-term Incentive Plan 2022-2024".
- General Meeting of Shareholders of May 2011 decided to apply the exception provided for in article 520ter of the Belgian Companies Code (article 7:91 of the new Belgian Code of Companies and Associations) (combined with article 525 (article 7:121 of the new Belgian Code of Companies and Associations) to take into account the competitive and constantly developing context that is intrinsic to the telecommunications sector.
- Other elements of remuneration (around 12% of total remuneration)
  - Group insurance consisting of four parts: life – death – invalidity and exemption of premiums
  - Hospital insurance
  - Employee profit sharing plan
  - Company car/car allowance
  - Meal vouchers

**Components of the remuneration of the members of the Executive Management**

The remuneration policies concerning the Executive Management are assessed and discussed by the Nomination and Remuneration Committee that submits its proposals for approval to the Board of Directors.

**The yearly base remuneration**

The yearly base remuneration is intended to remunerate the nature and extent of individual responsibilities.

It is based on market benchmarks while respecting internal equity within the company.

**The variable remuneration**

**1) The Performance bonus**

The short-term variable remuneration consists of a proportion to encourage individual performance and another part aimed at attaining company objectives.

In 2023, the targets for the individual variable part were as follows:

The targets for the individual part are set against the main business priorities aligned with the company strategy. The progress against those priorities is assessed based on a number of indicators. The quality of management and leadership behaviour is also taken into consideration during the evaluation.

The targets for the collective part were as follows:

- Organic Cash Flow
- EBITDAaL (Earnings before Interest, Taxes, Depreciation and Amortization, after Lease)
- C-Sat cocktail, a KPI grouping Indicators of the customer satisfaction throughout the customer journey on a number of key products and services in our major market segments.
- Employee Net Promoter Score that measures to what extent Orange Belgium employees would recommend Orange Belgium as a good place to work (percentage of employees who are promoters minus percentage of employees who are detractors).

The performance bonus has been granted in cash, in warrants, in options on shares which are not connected to the company or benefits available in the Flex Income Plan.

More specifically:

- A first portion (the collective part) has been paid in cash under the form of a collective bonus CLA90 (up to the ceiling free of taxes and normal social security charges)
- A second portion has been paid in warrants or options on shares which are not connected to the company (up to the tax ceiling of 20% of the yearly remuneration);
- A third portion has been paid in the Flexible Income Plan, resulting in cash or benefits in kind.

| Name of director, position | 1.<br>Performance criteria | 2.<br>Relative weighting of the performance criteria | 3.<br>Information on Performance Targets [optional]<br>a) Minimum target / threshold performance<br>b) Corresponding award | a) Maximum target / performance<br>b) Corresponding award | 4.<br>a) Measured performance<br>b) Actual award outcome |
|---|---|---|---|---|---|
| CEO | Individual target:<br>Progress against business priorities aligned with the business strategy as well as management attitude and quality of Leadership. | 40% | | | a) overachieved<br>b) 126% |
| | Collective target: Organic Cash Flow | 18% | | | a) S2/2022: overachieved<br>S1/2023: overachieved<br>b) 128.9% |
| | Collective target: EBITDA(aL) | 18% | | | a) S2/2022: overachieved<br>S1/2023: overachieved<br>b) 109,95% |
| | Collective target: C-Sat cocktail | 12% | | | a) S2/2022: below target<br>S1/2023: overachieved<br>b) 100,75% |
| | Collective target: e-NPS | 12% | | | a) S2/2022: overachieved<br>S1/2023: overachieved<br>b) 109,55% |
| Executive Committeee | Individual target:<br>Progress against business priorities aligned with the business strategy as well as management attitude and quality of Leadership. | 40% | | | a) overachieved<br>b) 114% |
| | Collective target: Organic Cash Flow | 18% | | | a) S2/2022: overachieved<br>S1/2023: overachieved<br>b) 128.9% |
| | Collective target: EBITDA(aL) | 18% | | | a) S2/2022: overachieved<br>S1/2023: overachieved<br>b) 109,95% |
| | Collective target: C-Sat cocktail | 12% | | | a) S2/2022: below target<br>S1/2023: overachieved<br>b) 100,75% |
| | Collective target: e-NPS | 12% | | | a) S2/2022: overachieved<br>S1/2023: overachieved<br>b) 109,55% |

### 2) The long-term variable remuneration

The long-term variable consists of recurring long-term Incentive Plans (2021-2023, 2022-2024 and 2023-2025) which represents 30% of yearly fixed remuneration of executive members after three years.

The LTIP is a "rolling plan" over three-year performance periods with awards considered and decided annually by the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee decided on three company KPI's and targets to apply to each annual LTIP award for the three-year performance period at the beginning of the financial year. Company targets are weighted independently 50%/50%/50%, with a maximum possible achievement for each LTIP award of 150%. Subject to the achievement of at least one company target in any three-year performance period, individual contribution by the executive member can add an additional 25% to the final result subject to an overall maximum LTIP potential of 175% of the target award.

LTIP awards will vest subject to company performance measured over each three-year period with plan payments paid in cash, in warrants or in the form of non-company share options, or benefits available in the Flex Income Plan (possibly pension benefits). In the case of payment in the form of options, these options are frozen for one year.

In 2020, the company KPI's decided for the 2020-2022 LTIP award were as follows:

- Total Shareholder Return (TSR)
- Organic Cash Flow (OCF)
- Growth in Mobile Convergence: number of B2C convergent mobile customers at the end of the relevant period compared to the strategic plan approved by the Board of Directors.

In 2021, the company KPI's decided for the 2021-2023 LTIP award were identical as for the 2020-2022 LTIP.

In 2022, the Total Shareholder Return (TSR) indicator has been replaced by EBITDAal in the 2022-2024 LTIP.

In 2023, the Growth in Mobile Convergence has been replaced by a ESG target that is composed of two elements weighing 50% each:

- The number of women in management positions
- The energy efficiency

The 2021-2023, 2022-2024 and 2023-2025 awards are anticipated to vest and become payable in respectively March 2024, March 2025 and March 2026 subject to results.

**Other elements of the remuneration**

### 1) Group insurance - additional pension plan

The additional pension plan is a plan with predefined contributions. The acquired reserve consists of employers' contributions solely.

The amounts paid into the pension plan are specified in table 1 above (total reward).

### 2) Employee profit sharing plan

In accordance with the law of 22 May 2001, Orange Belgium shares 1% of the net consolidated profit under certain circumstances with the members of the personnel including the members of the Executive Management. In the event the conditions are fulfilled, the amount granted to each employee, including the members of the Executive Management, is identical regardless of the position is held.

In 2019, Orange Belgium decided to share 2% of the net consolidated profit as of the 2020 results, under certain circumstances with the members of the personnel including the members of the Executive Management. The percentage could amount to a maximum of 3%, but capped overall at €1.5 million payout, depending on the achievement of results (subject to the achievement of the financial stretch target(s) set above the budget).

In 2023, the General Meeting of Shareholders approved the award of a profit-sharing scheme resulting in an amount of €318.55 gross per employee (including members of the Executive Management), paid in June 2023.

### 3) Other benefits

The members of the Executive Management benefit from other advantages, in accordance with market practices within the sector and their level of function, such as hospital insurance, company car, meal vouchers, mobile phone with subscription.

## 2. Share-based remuneration

In 2023, the Board of Directors of Orange S.A. decided to implement a share award for the 3 year period 2023-2025 approved pursuant to the provisions of the twenty seventh resolution of the General Meeting of Shareholders of 23 May 2023.

The aim of the Orange S.A. Long Term Incentive Plan is to develop corporate loyalty amongst employees who occupy senior positions in the Group and to align the interests of beneficiaries, the Group and shareholders.

As part of the implementation of the "Lead the future" strategic plan, the Board of Directors of Orange S.A. decided on 25 July 2023 to award rights over Orange S.A shares to eligible executive members of the company and certain other key employees according to the terms and conditions of the 2023-2025 award. Shares will only vest at the end of the vesting period for the award on or after 31 March 2026, subject to the presence conditions and achievement of the performance conditions as assessed by the Board of Directors of Orange S.A.

## 3. Severance payments

All members of the Executive Management have an employment contract. The Chief Consumer Business Officer who joined the company in January 2020 and the Chief Executive Officer who joined the company in September 2020, benefit from a 12-month exit guarantee. For the other members of the Executive Management, labour law applies and no specific severance clauses have been agreed.

No severance indemnity was paid during 2023.

## 4. Use of the right to reclaim

No circumstances justified any reclaim in 2023.

## 5. Derogations and deviations from the remuneration policy

In 2023, the Chief Financial Officer benefited from an exceptional one-off payment for his personal commitment to a critical strategic project and the Chief Executive Officer benefited from a one-off incentive bonus stated net of the Flex Income Plan multiplier for his personal commitment to a critical strategic project. The incentive amounts are included in the figures in table 2.

### 6. Comparative information - evolution of remuneration and performance

| | 20.02 | 26.05 | 17.07 | 24.08 | 13.12 |
|---|---|---|---|---|---|
| Directors/Executive Remuneration | | | | | |
| CEO total remuneration (in €) | 740 319 | 926 007 | 810 523 | 1 069 046 | 1 175 449 |
| Executive committee (excluding CEO) total remuneration (in €) | 3 574 649 | 3 238 080 | 4 003 050 | 3 890 280 | 4 431 239 |
| Orange Belgium Group performance | | | | | |
| Net Profit (in m€) | 33.3 | 54 | 39.7 | 58.2 | -10.8 |
| Total Revenues (in m€) | 1 340.80 | 1 314.87 | 1 363.50 | 1 391.2 | 1749.5 |
| EBITDAal (in m€) | 300.1 | 323.5 | 353.0 | 373.7 | 451.34 |
| Organic Cash Flow (Social View) (in m€) from Telecom activities | 112.2 | 122.4 | 126.6 | 105.3 | 19.3 |
| Organic Cash Flow (Social View) (in m€) | 112.2 | 122.4 | 104.8 | -115.2 | -182.1 |
| Brand NPS (*) | 117.5% vs target | 97.6% vs target | 121.3% vs target | 113.6% vs target | 100.9% vs target |
| eNPS (*) | 110% vs target | 137.5% vs target | 113.2% vs target | 112.5% vs target | 115% vs target |
| Average remuneration on a full-time basis of employees | | | | | |
| Average remuneration per employee (in €) | 68 627 | 69 157 | 71 304 | 73 357 | 79 805 |

* for Brand NPS (meanwhile C-Sat Cocktail) and eNPS, the table shows the achievement vs target at the end of the 1st semester of the relevant year to be consistent with payment dates of the performance bonus. The performance bonus paid in 2023 relates to semester 2 of 2022 and semester 1 of 2023.

The methodology used to calculate the average remuneration on a full-time equivalent basis of employees takes into account: sum of the yearly base pay (monthly base salary * 13.92) and sum of the actual variable remuneration for all employees of Orange Belgium excluding CEO and Executive Management divided by the sum of the Full Time Equivalent based on the contractual work schedule. All the elements that have been considered to calculate the CEO and Exco remuneration on a yearly basis have been included in the calculation: employer contribution in the meal vouchers, profit sharing, employer contribution in the group insurance, employer contribution in the hospitalization insurance, company car (benefit in kind), car allowance, benefit in kind for mobile phone and consumption vouchers if applicable. The reference period taken was the month of December of the year in question.

**Ratio between the highest remuneration and the lowest remuneration**

The ratio between the total remuneration of Orange Belgium's CEO and the total remuneration of the lowest paid employee is equivalent to 28.36.

### 7. Information on shareholder vote

The previous remuneration report was approved by 99.11% of the votes cast at the General Meeting of Shareholders on Wednesday 3 May 2023. In view of the broad support of the General Meeting, there were few (if any) reservations (on the previous remuneration report) to be taken into account in the preparation of this year's remuneration report. Orange Belgium's Remuneration and Nomination Committee and the Board of Directors as a whole will nevertheless continue to listen to the views of shareholders to ensure that Orange Belgium's approach to remuneration remains aligned with the interests of all stakeholders and evolves in line with market expectations.

## 9. Contractual relations with directors, managers and companies of the Orange Group

Every contract and every transaction between a director or a member of the Executive Management and the company requires prior approval from the Board of Directors, after informing and consulting with the Audit Committee in that respect. Such contracts or transactions should be concluded at commercial conditions, in accordance with the prevailing market circumstances. The prior approval of the Board of Directors is required, even if articles 7:96 and 7:97 of the Code of Companies and Associations are not applicable to the said transaction or the said contract. However, services delivered by the company in its normal course of business and at normal market conditions (i.e. a normal "customer relationship") are not subject to such prior approval.

There are agreements and/or invoices regarding the performances of the staff members and/or delivery of services or goods between the company and several companies of the Orange Group. These contracts and invoices are reviewed by the Audit Committee.

## 10. Application of article 7:97 of the Code of Companies and Associations during the 2023 financial year

The procedure foreseen in article 7:97 of the Code of Companies and Associations has been launched during the 2023 financial year and is anticipated to be finalised and formalised during 2024, in the framework of the proposal of contribution in kind by Nethys of its VOO Holding shares (representing 25% of the share capital + 1share) in the Company (as provided for in the shareholders' agreement relating to VOO Holding entered into between the Company, Atlas Services Belgium and Nethys on 2 June 2023).

## 11. Information concerning the tasks entrusted to the auditors

The audit of Orange Belgium's consolidated and statutory financial statements is entrusted to Deloitte Bedrijfsrevisoren BV / Réviseurs d'Entreprises SRL.

During 2023, the statutory auditor and linked companies provided services for which the fees were as follows:

- Audit services €[960,800], of which 652,750 for the parent company.
- Audit-related services €[13,625] (none of which were rendered to the parent company).
- Non-audit services €92,043 in relation to tax advisory services to subsidiaries of the group.

# Consolidated financial statements 2023



In this document, unless otherwise indicated, the terms "the company" and "Orange" refer to Orange Belgium company together with its consolidated subsidiaries.

# 1. Consolidated financial statements

## 1.1 Consolidated statement of comprehensive income

in thousand EUR

| Ref. | | 31.12.2023 | 31.12.2022 |
|---|---|---|---|
| 3 | **Retail service revenues** | **1 355 136** | **1 009 493** |
| 3 | Convergent service revenues | 455 979 | 288 030 |
| 3 | Mobile only services revenues | 622 309 | 596 861 |
| 3 | Fixed only service revenues | 233 137 | 81 136 |
| 3 | IT & Integration Service | 43 711 | 43 466 |
| 3 | Equipment sales | 176 510 | 147 745 |
| 3 | Wholesale revenues | 190 875 | 210 178 |
| 3 | Other revenues | 26 959 | 23 798 |
| 3 | **Revenues** | **1 749 480** | **1 391 214** |
| 4 | Purchase of material | -213 942 | -185 867 |
| 4 | Other direct costs | -427 727 | -381 269 |
| 4 | Impairment loss on trade and other receivables, including contract assets | 2 164 | -6 910 |
| 4 | **Direct costs** | **-639 505** | **-574 046** |
| 4 | **Labour costs** | **-215 587** | **-157 022** |
| 4 | Commercial expenses | -50 495 | -28 521 |
| 4 | Other IT & Network expenses | -174 080 | -103 872 |
| 4 | Property expenses | -18 434 | -11 055 |
| 4 | General expenses | -110 267 | -62 782 |
| 4 | Other indirect income | 45 675 | 33 177 |
| 4 | Other indirect costs | -70 390 | -56 948 |
| 4/15 | Depreciation of right-of-use of leased assets | -59 495 | -53 712 |
| 4 | **Indirect costs** | **-437 484** | **-283 713** |
| 4 | Other restructuring costs (*) | -43 803 | -11 032 |
| 6 | Depreciation and amortization of other intangible assets and property, plant and equipment | -333 285 | -246 549 |
| 5 | Impairment of goodwill | 0 | -22 433 |
| 6 | Impairment of fixed assets | -1 420 | -1 066 |
| 8 | Share of profits (losses) of associates | 406 | 390 |
| | **Operating Profit (EBIT)** | **78 802** | **95 745** |
| 9 | **Financial result** | **-80 966** | **-14 132** |
| 9 | Financial costs | -80 966 | -14 132 |
| 9 | Financial income | 0 | 0 |
| | **Profit (loss) before taxation (PBT)** | **-2 163** | **81 613** |
| 7 | Tax expense | -8 622 | -23 454 |
| | **Net profit (loss) for the period** | **-10 785** | **58 159** |
| | Profit (loss) attributable to owners of the parent | 44 | 58 159 |
| | Profit (loss) attributable to non-controlling interests | -10 829 | 0 |
| | **Consolidated Statement of Comprehensive Income** | | |
| | Net profit (loss) for the period | -10 785 | 58 159 |
| | Other comprehensive income (cash flow hedging net of tax) | -15 754 | 6 595 |
| | Total comprehensive income for the period | -26 539 | 64 754 |
| | **Comprehensive income for the period attributable to owners of the parent company** | **-15 390** | **64 754** |
| | **Comprehensive income for the period attributable to non-controlling interests** | **-11 149** | **0** |
| | **Basic earnings per share (in EUR)** | **0,00** | **0,97** |
| | Weighted average number of ordinary shares (excl. treasury shares) | 59 944 757 | 59 944 757 |
| | **Diluted earnings per share (in EUR)** | **0,00** | **0,97** |
| | Diluted weighted average number of ordinary shares (excl. treasury shares) | 59 944 757 | 59 944 757 |

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

## 1.2 Consolidated statement of financial position

in thousand EUR

| Ref. | | 31.12.2023 | 31.12.2022 |
|---|---|---|---|
| | **ASSETS** | | |
| 5 | Goodwill | 751 179 | 67 041 |
| 6 | Other intangible assets | 907 208 | 784 626 |
| 6 | Property, plant and equipment | 1 787 469 | 644 600 |
| 15 | Rights-of-use of leased assets | 200 811 | 260 331 |
| 8 | Interests in associates and joint ventures | 6 556 | 6 151 |
| 9 | Non-current financial assets | 1 371 | 1 370 |
| 3 | Non-current derivatives assets | 0 | 9 926 |
| 3 | Other non-current assets | 1 217 | 720 |
| 7 | Deferred tax assets | 6 801 | 1 604 |
| | **Total non-current assets** | **3 662 612** | **1 776 369** |
| 4 | Inventories | 51 424 | 25 493 |
| 3 | Trade receivables | 217 937 | 166 445 |
| 14 | Other Assets related to contracts with customers | 100 653 | 71 514 |
| | Current financial assets | 3 | 0 |
| 9 | Current derivatives assets | 511 | 463 |
| 3 | Other current assets | 14 961 | 8 447 |
| | Operating taxes and levies receivables | 674 | 3 720 |
| 7 | Current tax assets | 4 667 | 277 |
| 4 | Prepaid expenses | 24 257 | 2 927 |
| 9 | Cash and cash equivalents | 47 717 | 35 896 |
| | **Total current assets** | **462 803** | **315 181** |
| | **Total Assets** | **4 125 414** | **2 091 549** |
| | **EQUITY AND LIABILITIES** | | |
| 10 | Share capital | 131 721 | 131 721 |
| | Legal reserve | 13 172 | 13 172 |
| | Retained earnings (excl. legal reserve) | 519 583 | 544 089 |
| | **Equity attributable to the owners of the parent** | **664 476** | **688 982** |
| | **Total equity** | **664 476** | **688 982** |
| 9 | Non-current financial liabilities | 1 924 737 | 120 794 |
| 15 | Non-current lease liabilities | 155 164 | 217 517 |
| 9 | Non-current derivatives liabilities | 9 375 | 0 |
| 6 | Non-current fixed assets payable | 144 814 | 150 348 |
| | Non-current employee benefits | 3 170 | 28 |
| 6/12 | Non-current provisions for dismantling | 54 486 | 58 103 |
| | Other non-current liabilities | 36 168 | 1 899 |
| 7 | Deferred tax liabilities | 65 524 | 8 413 |
| | **Total non-current liabilities** | **2 393 438** | **557 102** |
| 6 | Current fixed assets payable | 77 360 | 256 520 |
| 4/9 | Trade payables | 283 236 | 223 860 |
| 9 | Current financial liabilities | 347 013 | 105 797 |
| 15 | Current lease liabilities | 49 605 | 44 553 |
| 9 | Current derivatives liabilities | 511 | 463 |
| 4 | Current employee benefits | 58 497 | 37 041 |
| 6 | Current provisions for dismantling | 7 465 | 6 787 |
| 4 | Current restructuring provisions | 3 381 | 2 105 |
| 4 | Other current liabilities | 18 076 | 7 096 |
| 7 | Operating taxes and levies payables | 133 588 | 85 843 |
| 7 | Current tax payables | 20 858 | 13 322 |
| 14 | Liabilities related to contracts with customers | 67 571 | 61 085 |
| | Deferred income | 339 | 995 |
| | **Total current liabilities** | **1 067 500** | **845 465** |
| | **Total Equity and Liabilities** | **4 125 414** | **2 091 549** |

## 1.3 Consolidated cash flow statement

in thousand EUR

| Ref. | | 31.12.2023 | 31.12.2022 |
|---|---|---|---|
| | **Operating Activities** | | |
| | **Consolidated net profit** | **-10 785** | **58 159** |
| | **Adjustments to reconcile net profit (loss) to cash generated from operations** | | |
| 4 | Operating taxes and levies | 26 868 | 27 301 |
| 6 | Depreciation and amortization of other intangible assets and property, plant and equipment | 333 285 | 246 549 |
| 4/15 | Depreciation of right-of-use assets | 59 495 | 53 712 |
| 5 | Impairment of goodwill | 0 | 22 433 |
| 6 | Impairment of non-current assets | 1 420 | 1 066 |
| | Gains (losses) on disposal | -996 | -1 085 |
| | Changes in other provisions | -9 744 | -1 850 |
| 8 | Share of profits (losses) of associates and joint ventures | -406 | -390 |
| 7 | Income tax expense | 8 622 | 23 454 |
| 9 | Finance costs, net | 80 966 | 14 132 |
| | Operational net foreign exchange and derivatives | 145 | 175 |
| | Share-based compensation | 149 | 98 |
| 3 | Impairment loss on trade and other receivables, including contract assets | -2 164 | 6 910 |
| | **Changes in working capital requirements** | | |
| 4 | Decrease (increase) in inventories, gross | -2 648 | -2 195 |
| | Decrease (increase) in trade receivables, gross | 38 833 | 14 778 |
| 4 | Increase (decrease) in trade payables | -39 604 | -35 088 |
| 14 | Change in other assets related to contracts with customers | -15 161 | -9 953 |
| 14 | Change in liabilities related to contracts with customers | 3 249 | 5 063 |
| | Changes in other assets and liabilities | 2 415 | 2 054 |
| | **Other net cash out** | | |
| | Operating taxes and levies paid | -6 744 | -11 503 |
| | Interest paid and interest rates effects on derivatives, net | -78 192 | -5 106 |
| 7 | Income tax paid | -11 724 | -19 211 |
| | **Net cash provided by operating activities** | **377 279** | **389 503** |
| | **Investing Activities** | | |
| | **Purchases of property, plant and equipment and intangible assets** | | |
| 6 | Purchases of property, plant and equipment and intangible assets | -304 094 | -776 917 |
| | Increase (decrease) in fixed assets payables | -198 773 | 323 852 |
| 5 | Cash paid for investments securities and acquired businesses, net of cash acquired | -1 373 413 | 0 |
| | Proceeds from sale of investment securities and businesses, net of cash sold | 1 504 | 0 |
| | Decrease (increase) in securities and other financial assets | -36 | 429 |
| | **Net cash used in investing activities** | **-1 874 811** | **-452 636** |
| | **Financing Activities** | | |
| | Issuance of long-term debt | 2 231 592 | 480 052 |
| 9 | Long-term debt redemptions and repayments | -494 681 | -481 514 |
| 15 | Repayment of lease liabilities | -56 520 | -51 645 |
| 9 | Increase (decrease) of bank overdrafts and short-term borrowings | -170 636 | 98 402 |
| | Purchase of treasury shares | 0 | 0 |
| 10 | Dividends paid to owners of the parent company | -403 | -1 |
| | **Net cash from financing activities** | **1 509 353** | **45 295** |
| | **Net change in cash and cash equivalents** | **11 821** | **-17 839** |
| 9 | **Cash and cash equivalents -opening balance** | **35 896** | **53 735** |
| | o/w cash | 35 896 | 23 957 |
| | o/w cash equivalents | 0 | 29 778 |
| | Cash change in cash and cash equivalents | 11 821 | -17 839 |
| 9 | **Cash and cash equivalents -closing balance** | **47 717** | **35 896** |
| | o/w cash | 47 680 | 35 896 |
| | o/w cash equivalents | 37 | 0 |

## 1.4 Consolidated statement of changes in equity

in thousand EUR

| Ref. | | Share capital | Legal reserve | Retained earnings | Total equity |
|---|---|---|---|---|---|
| | **Balance at 31 December 2022** | **131 721** | **13 172** | **544 089** | **688 982** |
| | Net profit for the period | 0 | 0 | -10 785 | -10 785 |
| | Other comprehensive income | 0 | 0 | -15 754 | -15 754 |
| | **Total comprehensive income for the period** | **0** | **0** | **-26 539** | **-26 539** |
| | **Other** | **0** | **0** | **1 884** | **1 884** |
| | Employee - Share-based compensation | 0 | 0 | 149 | 149 |
| | **Balance as at 31 December 2023** | **131 721** | **13 172** | **519 583** | **664 476** |

in thousand EUR

| Ref. | | Share capital | Legal reserve | Retained earnings | Total equity |
|---|---|---|---|---|---|
| | **Balance at 31 December 2021** | **131 721** | **13 172** | **479 263** | **624 156** |
| | Net profit for the period | 0 | 0 | 58 159 | 58 159 |
| | Other comprehensive income | 0 | 0 | 6 595 | 6 595 |
| | **Total comprehensive income for the period** | **0** | **0** | **64 754** | **64 754** |
| | **Other** | **0** | **0** | **-26** | **-26** |
| | Employee - Share-based compensation | 0 | 0 | 98 | 98 |
| | **Balance as at 31 December 2022** | **131 721** | **13 172** | **544 089** | **688 982** |

# 2. Notes to the consolidated financial statements

## Note 1: Segment Information

### Consolidated statement of comprehensive income for the year ended 31 December 2023

in thousand EUR

| 31.12.2023 | Belgium | Luxembourg | Interco elimination | Orange Belgium Group |
|---|---|---|---|---|
| **Retail service revenues** | **1 307 665** | **47 471** | | **1 355 136** |
| Convergent service revenues | 455 979 | 0 | | 455 979 |
| Mobile only service revenues | 583 426 | 38 883 | | 622 309 |
| Fixed only service revenues | 224 846 | 8 291 | | 233 137 |
| IT & Integration service revenues | 43 414 | 297 | | 43 711 |
| Equipment sales | 161 886 | 14 624 | | 176 510 |
| Wholesale revenues | 181 360 | 14 688 | - 5 173 | 190 875 |
| Other revenues | 40 359 | 0 | -13 400 | 26 959 |
| **Total revenues** | **1 691 270** | **76 783** | **-18 573** | **1 749 480** |
| | | | | |
| **Direct costs** | **-624 060** | **-34 018** | **18 573** | **-639 505** |
| **Labour costs** | **-207 083** | **-8 504** | | **-215 587** |
| **Indirect costs, of which** | **-418 577** | **-18 907** | | **-437 484** |
| Operational taxes and fees | -25 025 | -1 843 | | -26 868 |
| Depreciation of right-of-use of leased assets | -55 305 | -4 190 | | -59 495 |
| Restructuring, integration & acquisition costs | -43 792 | -11 | | -43 803 |
| Depreciation, amortization of other intangible assets and property, plant and equipment | -323 254 | -10 031 | | -333 285 |
| Impairment of goodwill | | | | |
| Impairment of fixed assets | -1 420 | | | -1 420 |
| Share of profits (losses) of associates | 406 | | | 406 |
| **Operating Profit (EBIT)** | **73 490** | **5 312** | | **78 802** |
| | | | | |
| Net financial income (expense) | -80 467 | -499 | | -80 966 |
| **Profit (loss) before taxation (PBT)** | **-6 976** | **4 813** | | **-2 163** |
| | | | | |
| Tax expense | -7 059 | -1 563 | | -8 622 |
| **Net profit (loss) of the period** | **-14 035** | **3 250** | | **-10 785** |

### Reconciliation from EBITDAaL to net profit (loss) for the period for the year ended 31 December 2023

in thousand EUR

| 31.12.2023 | Belgium | Luxembourg | Interco elimination | Orange Belgium Group |
|---|---|---|---|---|
| EBITDAaL | 435 987 | 15 354 | | 451 341 |
| Share of profits (losses) of associates | 406 | | | 406 |
| Impairment of goodwill | 0 | | | 0 |
| Impairment of fixed assets | -1 420 | | | -1 420 |
| Depreciation, amortization of other intangible assets and property, plant and equipment | -323 254 | -10 031 | | -333 285 |
| Restructuring, integration & acquisition costs | -43 792 | -11 | | -43 803 |
| Finance lease costs | 5 564 | | | 5 564 |
| Operating profit (EBIT) | 73 490 | 5 312 | | 78 802 |
| Financial result | -80 467 | -499 | | -80 966 |
| Profit (loss) before taxation (PBT) | -6 976 | 4 813 | | -2 163 |
| Tax expense | -7 059 | -1 563 | | -8 622 |
| Net profit (loss) for the period | -14 035 | 3 250 | | -10 785 |

## Consolidated statement of comprehensive income for the year ended 31 December 2022

in thousand EUR

| 31.12.2022 | Belgium | Luxembourg | Interco elimination | Orange Belgium Group |
|---|---|---|---|---|
| **Retail service revenues** | **963 378** | **46 115** | | **1 009 493** |
| Convergent service revenues | 288 030 | | | 288 030 |
| Mobile only service revenues | 558 314 | 38 547 | | 596 861 |
| Fixed only service revenues | 73 568 | 7 568 | | 81 136 |
| IT & Integration service revenues | 43 466 | | | 43 466 |
| Equipment sales | 134 742 | 13 003 | | 147 745 |
| Wholesale revenues | 199 313 | 16 778 | -5 913 | 210 178 |
| Other revenues | 35 756 | 62 | -12 020 | 23 798 |
| **Total revenues** | **1 333 189** | **75 958** | **-17 933** | **1 391 214** |
| | | | | |
| **Direct costs** | **-557 079** | **-34 899** | **17 932** | **-574 046** |
| | | | | |
| **Labour costs** | **-149 793** | **-7 229** | | **-157 022** |
| | | | | |
| **Indirect costs, of which** | **-266 035** | **-17 679** | **1** | **-283 713** |
| Operational taxes and fees | -26 452 | -849 | | -27 301 |
| Depreciation of right-of-use of leased assets | -49 522 | -4 190 | | -53 712 |
| Other restructuring costs | -11 015 | -17 | | -11 032 |
| Depreciation, amortization of other intangible assets and property, plant and equipment | -237 005 | -9 544 | | -246 549 |
| Impairment of goodwill | -22 433 | | | -22 433 |
| Impairment of fixed assets | -1 066 | | | -1 066 |
| Share of profits (losses) of associates | 390 | | | 390 |
| **Operating Profit (EBIT)** | **89 155** | **6 590** | | **95 745** |
| | | | | |
| Net financial income (expense) | -13 862 | -270 | | -14 132 |
| **Profit (loss) before taxation (PBT)** | **75 293** | **6 320** | | **81 613** |
| | | | | |
| Tax expense | -23 101 | -353 | | -23 454 |
| **Net profit (loss) for the period** | **52 192** | **5 967** | | **58 159** |

## Reconciliation from EBITDAaL to net profit (loss) for the period for the year ended 31 December 2022

in thousand EUR

| 31.12.2022 | Belgium | Luxembourg | Interco elimination | Orange Belgium Group |
|---|---|---|---|---|
| EBITDAaL | 357 566 | 16 151 | | 373 717 |
| Share of profits (losses) of associates | 390 | | | 390 |
| Impairment of goodwill | -22 433 | | | -22 433 |
| Impairment of fixed assets | -1 066 | | | -1 066 |
| Depreciation, amortization of other intangible assets and property, plant and equipment | -237 005 | -9 544 | | -246 549 |
| Other restructuring costs | -11 015 | -17 | | -11 032 |
| Finance lease costs | 2 718 | | | 2 718 |
| **Operating profit (EBIT)** | **89 155** | **6 590** | | **95 745** |
| Financial result | -13 862 | -270 | | -14 132 |
| **Profit (loss) before taxation (PBT)** | **75 293** | **6 320** | | **81 613** |
| Tax expense | -23 101 | -353 | | -23 454 |
| **Net profit (loss) for the period** | **52 192** | **5 967** | | **58 159** |

## Consolidated statement of financial position for the year ended 31 December 2023

in thousand EUR

| 31.12.2023 | Belgium | Luxembourg | Interco elimination | Orange Belgium Group |
|---|---|---|---|---|
| Goodwill | 700 315 | 50 864 | | 751 179 |
| Other intangible assets | 879 222 | 27 986 | | 907 208 |
| Property, plant and equipment | 1 772 219 | 15 250 | | 1 787 469 |
| Rights-of-use of leased assets | 193 170 | 7 641 | | 200 811 |
| Interests in associates and joint ventures | 6 556 | | | 6 556 |
| Non-current assets included in the calculation of the net financial debt | 1 371 | | | 1 371 |
| Other non-current assets | 476 | 225 | | 701 |
| Other | 7 659 | 359 | | 8 018 |
| **Total non-current assets** | **3 560 512** | **102 100** | | **3 662 612** |
| Inventories | 50 091 | 1 333 | | 51 424 |
| Trade receivables | 193 080 | 26 561 | -1 704 | 217 937 |
| Prepaid expenses | 23 688 | 569 | | 24 257 |
| Current assets included in the calculation of the net financial debt | 35 929 | 12 299 | | 48 228 |
| Other | 126 956 | 1 979 | -7 977 | 120 958 |
| **Total current assets** | **429 743** | **42 741** | **-9 681** | **462 803** |
| **Total assets** | **3 990 255** | **144 841** | **-9 681** | **4 125 414** |
| **Total equity** | | | **664 476** | **664 476** |
| Non-current employee benefits | 3 170 | | | 3 170 |
| Non-current fixed assets payable | 135 769 | 9 045 | | 144 814 |
| Non-current liabilities included in the calculation of the net financial debt | 2 082 935 | 6 341 | | 2 089 276 |
| Other | 151 342 | 4 836 | | 156 178 |
| **Total non-current liabilities** | **2 373 216** | **20 222** | | **2 393 438** |
| Current fixed assets payable | 71 173 | 6 187 | | 77 360 |
| Trade payables | 264 193 | 20 747 | -1 704 | 283 236 |
| Current employee benefits | 57 098 | 1 399 | | 58 497 |
| Deferred income | 339 | | | 339 |
| Current lease liabilities | 48 306 | 1 299 | | 49 605 |
| Current liabilities included in the calculation of the net financial debt | 395 839 | 8 147 | -6 857 | 397 129 |
| Others | 247 977 | 4 082 | -1 120 | 250 939 |
| **Total current liabilities** | **1 036 619** | **40 562** | **-9 681** | **1 067 500** |
| **Total equities and liabilities** | **3 409 835** | **60 784** | **654 795** | **4 125 414** |

## Consolidated statement of financial position for the year ended 31 December 2022

in thousand EUR

| 31.12.2022 | Belgium | Luxembourg | Interco elimination | Orange Belgium Group |
|---|---|---|---|---|
| Goodwill | 16 177 | 50 864 | | 67 041 |
| Other intangible assets | 760 158 | 24 468 | | 784 626 |
| Property, plant and equipment | 626 554 | 18 046 | | 644 600 |
| Rights-of-use assets | 248 500 | 11 831 | | 260 331 |
| Interests in associates and joint ventures | 6 151 | | | 6 151 |
| Non-current assets included in the calculation of the net financial debt | 1 370 | | | 1 370 |
| Non-current derivatives assets | 9 926 | | | 9 926 |
| Other | 478 | 1 846 | | 2 324 |
| **Total non-current assets** | **1 669 314** | **107 055** | | **1 776 369** |
| | | | | |
| Inventories | 24 384 | 1 109 | | 25 493 |
| Trade receivables | 141 486 | 26 799 | -1 840 | 166 445 |
| Prepaid expenses | 1 935 | 992 | | 2 927 |
| Current assets included in the calculation of the net financial debt | 23 650 | 12 709 | | 36 359 |
| Other | 84 667 | 6 258 | -6 966 | 83 959 |
| **Total current assets** | **276 121** | **47 867** | **-8 806** | **315 182** |
| | | | | |
| **Total assets** | **1 945 435** | **154 922** | **-8 806** | **2 091 551** |
| | | | | |
| **Total equity** | | | **688 982** | **688 982** |
| Non-current employee benefits | 28 | | | 28 |
| Non-current liabilities included in the calculation of the net financial debt | 141 088 | 9 260 | | 150 348 |
| Non-current financial liabilities | 120 794 | | | 120 794 |
| Non-current lease liabilities | 207 817 | 9 700 | | 217 517 |
| Other | 64 262 | 4 153 | | 68 415 |
| **Total non-current liabilities** | **533 989** | **23 113** | | **557 102** |
| | | | | |
| Current fixed assets payable | 251 058 | 5 462 | | 256 520 |
| Trade payables | 202 917 | 22 783 | -1 840 | 223 860 |
| Current employee benefits | 35 972 | 1 069 | | 37 041 |
| Deferred income | 996 | | | 996 |
| Current financial liabilities | 105 771 | 6 992 | -6 966 | 105 797 |
| Current liabilities included in the calculation of the net financial debt | 42 423 | 2 130 | | 44 553 |
| Current derivatives, liability | 463 | | 0 | 463 |
| Other | 169 084 | 7 154 | | 176 238 |
| **Total current liabilities** | **808 682** | **45 590** | **-8 806** | **845 466** |
| | | | | |
| **Total equity and liabilities** | **1 342 671** | **68 703** | **680 176** | **2 091 551** |

# Note 2: Description of business and basis of preparation of the consolidated financial statements

## 1. Description of business

**Orange Belgium S.A**. is a public limited company (the company's ultimate majority shareholder is Orange S.A.) and one of the main actors on the telecommunications market in Belgium and Luxembourg. Orange Belgium is listed on the Brussels Stock Exchange (OBEL). As a convergent actor, the company provides mobile telecommunication, internet and TV services to residential clients, as well as innovative mobile and fixed line services to businesses and large corporates. Orange Belgium also acts as a wholesale operator, providing its partners with access to its infrastructure and service capacities. Orange Belgium's high-performance mobile network supports 2G, 3G, 4G, 4G+ and 5G technology and is the subject of on-going investments.

**Orange Communications Luxembourg S.A.**, incorporated under the laws of Luxembourg, was acquired as of 2 July 2007 by Orange Belgium S.A. The purchase concerned 90% of the shares of Orange Communications Luxembourg S.A. The remaining 10% of shares were acquired on 12 November 2008. The results of Orange Communications Luxembourg S.A. are fully consolidated by the company since 2 July 2007.

**Smart Services Network S.A**. (SSN) is a Belgian company that distributes telecommunication and energy services including those of Orange Belgium and Luminus. SSN's route to market is based on the principle of multi-level marketing. SSN's network consists of more than 1,000 independent consultants.

**Smart Services Network S.A.**, incorporated under the laws of Belgium, was created as of 30 September 2014. Orange Belgium S.A. contributed in cash for 999,900 euros equivalent to 9,999 shares out of the 10,000 shares issued by the company. Atlas Services Belgium S.A. contributed in cash for 100 euros equivalent to 1 share. This one share has been sold by Atlas Services Belgium S.A. to Orange Belgium S.A. during the accounting year 2020.
In 2016, Orange Belgium S.A. contributed in cash to the capital increase of Smart Services Network S.A. for 700,000 euros, equivalent to 7,000 shares.
On 25 March 2022, the carried forwarded losses have been integrated in the capital of the company for an amount of 1,041,610.41 euros and a capital increase of 341,610.41 euros has been funded. After these transactions, the capital of the company amounts to 1,000,000.00 euros.

**IRISnet S.C.R.L**. is a company constituted in July 2012 in collaboration with the Brussels authorities in order to take over the activities performed by the temporary association Irisnet and is responsible for the operation of the Irisnet 2 optical fiber network and for the provision of fixed telephony, data transmission services (internet, e-mail) and other network-related services (video-conferencing, video surveillance, etc.).
The take-over of the activities took place on 1 November 2012. In this new legal structure, Orange Belgium S.A. contributed in cash for 3,450,000 euros equivalent to 345,000 shares out of the 1,225,000 shares issued by the company.

**Walcom Business Solutions S.A.**, incorporated under the laws of Belgium, was created as of 13 July 2017. Walcom Business Solutions S.A. specializes in the sales of telecommunication products and services for the professional market. Orange Belgium S.A. contributed in cash for 60,885 euros equivalent to 99 shares of the 100 shares issued by Walcom Business Solutions S.A.
Walcom S.A. contributed in cash for 615 euros equivalent to 1 share. The results of Walcom Business Solutions S.A. are fully consolidated by the company since 13 July 2017. As a result of the dissolution and liquidation of Walcom S.A. during the accounting year 2020 all shares are held now by Orange Belgium S.A.

**A3Com S.A.** was already an exclusive Orange Belgium agent, specialized in telecommunications product sales and services for residential customers through a network of 12 Orange shops located in the Brussels region. A3Com S.A., incorporated under the laws of Belgium, was acquired as of 30 September 2017 by Orange Belgium S.A. The purchase concerned 100% of the 630 shares of A3Com S.A. The results of A3Com S.A. are fully consolidated by the company since 1 October 2017. On 2 October 2023, A3COM S.A. merged into Orange Belgium S.A. with legal effect as of 1 July 2023.

**A&S Partners S.A.,** also an existing Orange Belgium agent, provides telecommunications services to B2B customers within the Brussels region via a dedicated sales team of 35 professionals under the name of AS Mobility. A&S Partners S.A., incorporated under the laws of Belgium, was acquired as of 30 September 2017 by Orange Belgium S.A. The purchase concerned 100% of the 620 shares of A&S Partners S.A. The results of A&S Partners S.A. are fully consolidated by the company since 1 October 2017.

**Upsize N.V**. was a holding company that was acquired on 31 July 2019 for an enterprise value of €52.4 million. Upsize N.V. was 100% shareholder of BKM N.V. On 1 July 2022, Upsize N.V. has been merged with Orange Belgium S.A. Due to this transaction, Orange Belgium S.A. became 100% shareholder of BKM N.V. The results of Upsize N.V. have been fully consolidated by the company since 1 August 2019 till 30 June 2022.

**BKM N.V.** is a nationwide ICT integrator and a pioneer in cloud UCC solutions. It has a solid track-record in the SME and CMA markets in Belgium. BKM N.V. has 220 specialist staff who work in four areas of expertise: Unified Communications & Collaboration (UCC) solutions; IT & security solutions; Document & Visual solutions; and Connectivity solutions. BKM N.V. is 100% shareholder of CC@PS B.V. BKM merged with Orange Belgium S.A. on 1 March 2024, with legal effect as of 1 January 2024.

**CC@PS B.V**. provides document and visual solutions to low SME customers via a team of 13 professionals, mainly in West Flanders. CC@PS BV has left the consolidation scope with the sale of the company on 31 October 2023.

**MWingz S.R.L**. is a joint operation between Orange Belgium S.A. and Proximus S.A., each owning 50% of the company that will manage the unilateral and shared mobile radio access network of both sharehoslders. In 2019 both companies decided to build a shared mobile radio access network with the objective to meet customers' increasing demand for mobile network quality and deeper indoor coverage. The agreement will also allow a faster and more comprehensive 5G roll-out in Belgium. While sharing the common part of their mobile radio access networks, both companies will continue to have full control over their own core network and spectrum assets ensuring differentiated services. MWingz S.R.L. is incorporated under the laws of Belgium and was created on 6 December 2019. Orange Belgium S.A. contributed in cash for 1 euro equivalent to 1 share out of the 2 shares issued by the Company. Proximus S.A. contributed in cash for 1 euro equivalent to 1 share. In April 2020, Orange Belgium participated in the capital increase of MWingz S.R.L. for 1,599,999 million euros. Orange Belgium holds 50% of the shares of MWingz S.R.L. This company started operational activities as from 1 April 2020.

On 29 June 2016, Orange Belgium S.A. subscribed in the capital of **Belgian Mobile ID S.A**. (for 6.28% or 1,745,853.92 euros), with four banks and the two other mobile telecom operators of the country, to collaborate on the establishment of a mobile identification system for both private and professional users. With this mobile solution, Belgian Mobile ID S.A. wants to make it easier for anyone with a mobile phone and a bank account or an eID to digitally log in, confirm transactions and even sign documents. In April 2018, Orange Belgium S.A. further contributed in cash to the capital increase of Belgian Mobile ID S.A. for 1,846,294.43 euros (or 6.28% of the total shares).

In April 2019, Orange Belgium S.A. led the series B funding of **CommuniThings S.A**. through a €1.3m investment (for a stake of 10.45%). Orange Belgium S.A. invested directly into one of its Orange-Fab scale-ups, CommuniThings, and embarks on a commercial partnership to market state-of-the-art smart parking solutions. Orange Belgium S.A., Finance.Brussels S.A. and Essex Innovation invested in total €3 million. In line with Orange's support of IoT solutions over its IoT networks, the investment will be combined with a long-term partnership to commercialize CommuniThings' smart parking solutions across Belgium. In addition, the investment will serve CommuniThings' global expansion efforts as it spearheads the roll-out of its platform over IoT networks. In 2020, Orange Belgium participated in an additional capital increase of CommuniThings through a 0.35 million euros investment. In April 2021, Orange Belgium participated again in the capital increase of CommuniThings through a 0.35 million euros investment.
Orange Belgium S.A. holds, directly or indirectly (e.g. through other subsidiaries), less than 20% of the voting power of Belgian Mobile ID S.A. and CommuniThings S.A. and as such, it is presumed that Orange Belgium S.A. does not have significant influence. Moreover, generating surplus value is not the main purpose of the investment in Belgian Mobile ID S.A. and CommuniThings S.A.

**VOO Holding S.A.** is a holding company set up on 22 May 2023, owned by Orange Belgium S.A. (75% minus 1 share) and Nethys S.A. (25% plus 1 share). The company is organized and created under the laws of Belgium. The purpose of VOO Holding is the acquisition of participations or interests, by way of subscription, merger, … in other commercial or financial companies or real estate companies, including in companies active in the field of telecommunications. The minority shareholder Nethys holds a put option on its shares and has communicated its intention to convert its stake into shares of Orange Belgium S.A. An independent expert is currently evaluating the conversion ratio. This transaction is planned to be approved by the General Assembly Meeting on 2 May 2024.

**VOO S.A.** is a telecommunication operator organized and created under the laws of Belgium, with the following purposes: development and maintenance of optical fiber network, provision of all services to customers, design-creation and production of any audiovisual goods or services. On 2 June 2023, VOO Holding S.A. acquired VOO S.A and its 100% subsidiaries.

**WBCC S.A.** is VOO's subsidiary, organized and created under the laws of Belgium. Main purposes: providing customers several telephone services, as assistance or help; providing also marketing and telemarketing services. The company was acquired by the Orange Group on 2 June 2023 through the VOO acquisition.

**BeTV S.A.** is VOO's subsidiary organized and created under the laws of Belgium, with the following purposes: television broadcast service intended for the public, by ensuring the programming, production, promotion, exploitation of these broadcasts. The exploitation concerns both the direct or indirect exploitation of the right to access the service, the marketing, publication or other, of the broadcast time, the exploitation of all derived rights or even any production or publishing operation. The company was acquired by the Orange Belgium Group on 2 June 2023 through the VOO acquisition.

**ACM S.A.** was organized and created under the laws of Belgium, owned by VOO and Brutélé. The purpose of ACM was the management of infrastructure and equipment relating to the interconnection and interoperability of cable distribution networks, and the establishment and management of technical equipment necessary for interconnection. The Company joined the Orange Belgium Group through the VOO acquisition as of 2 June 2023. As of 1 January 2024, ACM S.A. merged with VOO S.A. and seizes to exist legally.

## 2. Scope of consolidation

The parent company and the subsidiaries listed below are included in the scope of consolidation as at 31.12.2023:

**Orange Belgium S.A.**
Parent company, incorporated under Belgian law
Limited company with publicly traded shares Avenue du Bourget 3
B - 1140 Brussels
Belgium
Company identification number: BE 0456 810 810

**Orange Communications Luxembourg S.A.**
100% of the shares held by Orange Belgium S.A.
8, rue des Mérovingiens
L - 8070 Bertrange
Luxembourg
Company identification number: LU 19749504

**IRISnet S.C.R.L.**
28.16% of the shares held by Orange Belgium S.A.
Accounted for by equity method
Avenue des Arts 21
B - 1000 Brussels
Belgium
Company identification number: BE 0847 220 467

**Smart Services Network S.A.**
100% of the shares held by Orange Belgium S.A.
Avenue du Bourget 3
B - 1140 Brussels
Belgium
Company identification number: BE 0563 470 723

**Walcom Business Solutions S.A.**
100% of the shares held by Orange Belgium S.A.
Avenue du Bourget 3
B - 1140 Brussels
Belgium
Company identification number: BE 0678 686 036

**A3Com S.A. (till 30 June 2023)**
100% of the shares held by Orange Belgium S.A.
Rue Américaine 61-65
1050 Ixelles
Belgium
Company identification number: BE 0471 336 856

**A&S Partners S.A.**
100% of the shares held by Orange Belgium S.A.
Rue Américaine 61-65
1050 Ixelles
Belgium
Company identification number: BE 0885 920 794

**Upsize N.V. (till 30 June 2022)**
100% of the shares held by Orange Belgium S.A.
Herkenrodesingel 37 A
B - 3500 Hasselt
Belgium
Company identification number: BE 0827 982 892

**BKM N.V.**
100% of the shares held by Orange Belgium S.A.
(since 1 July 2022)
Herkenrodesingel 37 A
B - 3500 Hasselt Belgium
Company identification number: BE 0453 298 222

**CC@PS B.V. (till 31 October 2023)**
100% of the shares held by BKM N.V.
Ommegang Zuid 20
B – 8840 Westrozebeke
Belgium
Company identification number: BE 0867 295 509

**MWINGZ S.R.L.**
50% of the shares held by Orange Belgium S.A.
Simon Bolivarlaan 34
B - 1000 Brussel
Belgium
Company identification number: BE 0738 987 372

**VOO Holding S.A. (as of 22 May 2023)**
75% of the shares minus 1 share held by Orange Belgium S.A. (full consolidation)
Rue Louvrex 95
B – 4000 Liège
Belgium
Company identification number: BE 0801 965 613

**VOO S.A. (as of 2 June 2023)**
100% of the shares held by VOO Holding S.A.
Rue Louvrex 95
B – 4000 Liège
Belgium
Company identification number: BE 0696 668 549

**BeTV S.A. (as of 2 June 2023)**
100% of the shares held by VOO S.A.
Avenue du Bourget 3
B - 1140 Brussels
Belgium
Company identification number: BE 0435 115 967

**Applications Cable Multimedia (A.C.M.) S.A. (as of 2 June 2023)**
100% of the shares held by VOO S.A.
Rue Louvrex 95
B – 4000 Liège
Belgium
Company identification number: BE 0460 608 557

**WALLONIE BRUXELLES CONTACT CENTER (as of 2 June 2023)**
100% of the shares held by VOO S.A.
Rue Louvrex 95
B – 4000 Liège
Belgium
Company identification number: BE 0807 319 518

There are no significant restrictions on the assets and liabilities of the subsidiaries and associates included in the scope of consolidation.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date such control ceases.

### Date of authorization for issue of the financial statements

On 20 March 2024, the Board of Directors of Orange Belgium S.A. reviewed the 2023 consolidated financial statements and authorized them for issue.

## 3. Basis of preparation

The consolidated financial statements are presented in thousands of euros except when otherwise indicated. The Group's functional and presentation currency is the Euro. Each entity within the Group applies this functional currency for its financial statements.

All amounts have been rounded to the nearest thousand, unless otherwise indicated.

## Statement of compliance

The consolidated financial statements of Orange Belgium S.A. and all its subsidiaries have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium.

The principles applied to prepare financial data relating to the 2023 financial year are based on:
- all the standards and interpretations endorsed by the European Union compulsory as of 1 January 2023;
- the recognition and measurement alternatives allowed by the IFRS:

| Standard | | Alternative used |
|---|---|---|
| IAS 1 | Accretion expense on operating liabilities (employee benefits, environmental liabilities) | Classification as financial expenses |
| IAS 2 | Inventories | Measurement of inventories determined by the weighted average unit cost method |
| IAS 7 | Interest paid and received dividends | Classification as net operating cash flows |
| IAS 16 | Property, Plant and Equipment | Measurement at amortized historical cost |
| IAS 38 | Intangible Assets | Measurement at amortized historical cost |
| IFRS 3 | Non-controlling interests | At the acquisition date, measurement either at fair value or according to the portion of the identifiable net assets of the acquired entity |

In the absence of any accounting standard or interpretation, management uses its judgment to define and apply an accounting policy that will result in relevant and reliable information, such that the financial statements:
- fairly present the Group's financial position, financial performance and cash flows;
- reflect the economic substance of transactions;
- are neutral;
- are prepared on a prudent basis; and
- are complete in all material respects.

Changes to accounting policies are described below and in note 16 "Significant accounting policies".

## Changes in accounting policy and disclosures

The accounting policies and methods of computation adopted in the preparation of the consolidated financial statements have remained unchanged compared to those followed in the preparation of the consolidated financial statements for the year ended 31 December 2022.

EBITDAaL and eCapex remained the key performance indicators.

These operating performance indicators are used by the Group:
- to manage and assess its operating and segment results; and
- to implement its investment and resource allocation strategy.

The Group's management believes that the presentation of these indicators is relevant as it provides readers with the same management indicators as those used internally.

**EBITDAaL** corresponds to operating income before depreciation and amortization of fixed assets, effects resulting from business combinations, reclassification of cumulative translation adjustment from liquidated entities, impairment of goodwill and fixed assets, share of profits (losses) of associates and joint ventures, and after interests on debts related to financed assets and on lease liabilities, adjusted for:
- significant litigation;
- specific labour expenses;
- fixed assets, investments, and businesses portfolio review;
- restructuring program costs;
- acquisition and integration costs;
- and, where appropriate, other specific elements.

The measurement indicator allows for the effects of certain specific factors to be isolated, irrespective of their recurrence and the type of income and expense, when they are linked to:

- **significant litigation:**

Significant litigation expenses correspond to risk reassessments regarding various litigations. Associated procedures are based on third-party decisions (regulatory authority, court, etc.) and occurring over a different period to the activities at the source of the litigation. By their very nature, costs are difficult to predict in terms of their source, amount and period;

- **fixed assets, investments and businesses portfolio review:**

The Group constantly reviews its fixed assets, investments, and businesses portfolio: as part of this review, decisions to dispose of or to sell assets are implemented, which by their very nature have an impact on the period during which they occur;

- **restructuring program costs:**

The adjustment of Group activities in line with changes in the business environment may also incur other types of transformation costs. They include restructuring costs. These actions may have a negative effect on the period during which they are announced and implemented. For illustrative purposes, and not limited to, this could include some of the transformation plans approved by the internal governance bodies;

- **acquisition and integration costs:**

The Group also incurs costs which are directly linked to the acquisition and integration of entities. These are primarily legal and advisory fees, registration fees and earn-outs;

- **where applicable, other specific elements that are systematically specified in relation to income and/or expenses**.

EBITDAaL is not a financial aggregate as defined by IFRS and is not comparable to similarly titled indicators used by other groups. It is provided as additional information only and should not be considered as a substitute for operating income or cash flow provided by operating activities.

**eCapex** relate to acquisitions of property, plant and equipment and intangible assets excluding telecommunications licenses and financed assets minus the price of disposal of fixed assets. They are used internally as an indicator to allocate resources. eCapex are not a financial aggregate defined by IFRS and may not be comparable to similarly-titled indicators used by other companies.

The Group uses organic cash flow from telecom activities as an operating performance measure for telecom activities as a whole. Organic cash flow from telecom activities corresponds to net cash provided by operating activities minus (i) lease liabilities repayments and debts related to financed assets repayments, (ii) purchases and sales of property, plant and equipment and intangible assets net of the change in fixed assets payables, (iii) excluding effect of telecommunications licenses paid and excluding effect of significant litigations paid (and received). Organic cash-flow from telecom activities is not a financial aggregate defined by IFRS and may not be comparable to similarly-titled indicators used by other companies.

## New standards and interpretations applicable for the annual period beginning or after 1 January 2023

Despite their limited impact on Group operations, the following new amendments to IFRS have also been considered in the preparation of the annual consolidated financial statements:

- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules (effective immediately but not yet endorsed in the EU – disclosures are required for annual periods beginning on or after 1 January 2023)
- Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information

These amendments did not have any impact on the Consolidated Financial Statements of Orange Belgium Group on 31 December 2023.

## Consideration of climate change risks

- Natural disasters but also other accidental events related to climate change such as fires could lead to significant destruction of the Orange Belgium's facilities, resulting in both service interruptions and high repair costs. The frequency and intensity of weather events related to the current climate change (floods, storms, heat waves) continue to increase, which aggravates losses and increases the related damages. In the medium term, rising sea levels could affect sites and facilities close to the coast more often. While insurers' coverage of claims could further decrease, damage caused by large-scale disasters is likely to result in significant costs, some of which could remain with the Orange Belgium and thus affect its financial position and outlook.

- At the level of Orange S.A., climate change risks are therefore more systematically integrated into its activities. This can be seen in the assessment of these risks on the value of some of its assets through their depreciation schedule or as an event that could lead to the identification of an impairment loss indicator or on the future prospects of obtaining financing. Consideration of climate risks is also reflected in Orange Belgium's commitment to be Net Zero Carbon by 2040. This commitment has led to changes in certain investment choices related to its activity.

- Numerous projects have been initiated within the Group in order to understand the impacts of climate change on its operations. The implementation of actions to limit these effects of the Group's activities on climate change is also underway. The outcome of these projects could lead the Group to review certain accounting treatments, judgements or estimates of financial risks, the impact of which is still difficult to assess reliably. Climate resilience and adaptation are fast-growing topics and will require the Group to better assess the risks to which it is exposed. At December 31, 2023, the Group has not identified any reliably estimated material impact on its financial statements at the stage of completion of the projects in progress.

## Standards, amendments to standards and interpretations with mandatory application after 31 December 2023 and not applied early.

- IAS 1 Amendment: Classification of liabilities as current or non-current

  The amendment to the standard clarifies the current requirements of IAS 1 on the classification of liabilities in an entity's balance sheet. This amendment is not expected to have a material effect on the Group's statement of financial position. However, the implementation of this amendment could lead to the reclassification of certain liabilities from current to non-current and vice versa. The effective date of this amendment is 1 January 2024.

- IFRS 16 Amendment: Leases - Leaseback liability
  The amendment introduces a conceptual novelty that requires variable rents to be taken into account when determining the lease liability arising from a sale and leaseback transaction. Subsequent changes in variable rents will not lead to the recognition of a gain or loss on the right of use, as the changes will only impact the lease liability and the income statement for the difference between the reduction in lease liability and the actual lease payments to be made. The number of transactions resulting in a sale and leaseback remains limited in the Group and generally do not include a significant variable rent component. The Group is finalizing its analysis before confirming that the implementation of this amendment should not have a material impact on its financial position. The provisions of this amendment are applicable from 1 January 2024.

- Amendments to IAS 7 and IFRS 7: Supplier finance
  These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis. The effective date of this amendment is 1 January 2024.

- Amendments to IAS 21: Lack of Exchangeability
  An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. The effective date of this amendment is 1 January 2025 (early adoption is available).

## Basis of preparation

In order to avoid differences in the information published by the Orange Belgium Group and its majority shareholder Orange S.A., the Orange Belgium Group applies a reporting format and reporting standards that are similar to the ones used by Orange S.A.

## 4. Uses of estimates and judgments

The preparation of the Group's financial statements in compliance with IFRS requires management to make certain judgments, estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes.

### Judgments in applying accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

**Significant judgments with regard to the application of IFRS 15 – Revenue from contracts with customers**

Significant judgment is required in the following areas:

**a) Determination of the transaction price – more specifically the handset price in bundled offers:**
The issue of the handset sales price at Orange Belgium S.A. is only applicable for bundled offers (equipment + service). For all other offers, the performance obligation is directly related to the specific sale price. Orange Belgium S.A. excluded the evaluation method based on market prices (IFRS 15.77) for the determination of the sales price of equipment in subsidized offers and more specifically the standalone selling price. The standalone selling price could indeed –according to IFRS 15- be considered as "the market price". However, for Orange Belgium S.A. the standalone selling prices are impossible to identify as

- Extremely varying: at any given time, the same standalone equipment can be sold at different prices. The sales strategy of our shops, the type of distribution channel, … are examples of circumstances that vary the sale price from one shop to another at a certain time.
- Volatility: Orange observes that the prices of certain handsets equipment do vary quickly, even within one month.

Therefore, Orange Belgium S.A. decided that the expected cost plus a margin approach method is the most pertinent calculation for the price per specific equipment, as also used to determine the price of the offers. The starting point for calculating the upfront amount of equipment at Orange Belgium S.A. is the cost of the equipment however this is not simply equal to the purchase price, other elements have to be taken into consideration and are part of the "margin". These elements are mainly logistic costs, customs tariffs, taxes or supplier's rebates.

**b) Determination of the duration of the contract in order to allocate the transaction price to the different performance obligations:**
The definition of the duration of a contract is only relevant for the subsidized bundled offers, the only contracts for which a revenue relocation between the performance obligations is necessary. The period of which both parties' rights and obligations are enforceable never exceeds the nominal period in the contract. This is because, excluding modifications in the contract, enforceability of rights and obligations is a matter of law. Hence, the enforceable period cannot extend beyond the nominal period. On the other hand, enforceability of rights and obligations shall take into consideration business practices according to which one of the parties dismisses the other party of its obligation. For Orange, this is typically the case when the Group authorizes or encourages early renewals.

Early renewals are renewals before the end of the contract (contract duration mainly 24 months). Orange Belgium's strategy is no longer to encourage or give the possibility to customers to renew their contract without penalty before the end of the contractual period which is mainly 24 months. The enforceable deadline was set at 24 months. Consequently, if a customer terminates or renews their contract before the 24 months, except for rare exceptions, they will receive an invoice for prematurely ending the contract.

**c) Identification of performance obligations:**
A contract as per IFRS15 is made of rights and obligations between the parties. The rights take the form of promises for Orange Belgium to transfer goods and/or services to a customer.

A contract generally explicitly states the promises to be transferred to a customer. However they may not be limited to the goods and services that are explicitly stated in that contract, some may also be implied by business practices which create valid customer expectations.

Access services and mobile equipment qualify as promised services and goods. The following services are however considered immaterial:

- hotline
- right for non-invoiced incoming calls
- access to customer care
- non-invoiced reserved numbers

Sim-cards do not have a stand-alone value and have as such no impact on the determination of the performance obligation.
In addition, Orange Belgium might offer some additional services or goods, in line with specific commercial practices. We identify all rights granted to the customer in the terms of the contract and identify those that are material for the customer in the context of the contract.

*Distinct goods and services*

There are two criteria to determine whether goods and/or services are distinct:

- The customer can benefit from the goods or services on its own or together with resources that are readily available.
- The entity's promise to transfer the good or service is separately identifiable from other promises in the contract.

It is clear that the mobile equipment (handset) is distinct from the access service. Those two elements therefore qualify as distinct performance obligations within the contract.

The access service, which is made of voice, data and sms also includes distinct performance obligations. However, given that those promises are over the same period of time (right) and paid together (obligation), there is no need to consider that they are distinct.

**Significant judgments with regard to the application of IFRS 16 – Leases**

Significant judgment is required in the determination of non-cancellable lease term and the assessment of the exercise or not of termination, extension and purchase options.

### Critical estimates and assumptions

Estimates made at each reporting date reflect conditions that existed at those dates (e.g. market prices, interest rates and foreign exchange rates). Although these estimates are based on management's best knowledge of current events and actions that Orange Belgium may undertake, actual results may differ from those estimates.

**Impairment of non-financial assets**

The impairment test for the goodwill in relation to Orange Communications Luxembourg S.A. and the VOO Group is based on value in use calculations based on a discounted cash flow model. The cash flows are derived from the financial projections for the next five years for Orange Communications Luxembourg S.A. and 10 years (due to the level of committed investments in the first years for the network upgrade, we extended the business plan to 10years) for VOO Group and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset base of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

The key assumptions used to determine the recoverable amount for the different cash generating units are further explained in Note 5.

## Note 3: Sales, trade receivables, other current and non-current assets

in thousand EUR

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| **Belgium** | **1 691 270** | **1 333 189** |
| Retail service revenues | 1 307 665 | 963 378 |
| Convergent service revenues | 455 979 | 288 030 |
| Mobile only service revenues | 583 426 | 558 314 |
| Fixed only service revenues | 224 846 | 73 568 |
| IT & Integration service revenues | 43 414 | 43 466 |
| Equipment sales | 161 886 | 134 742 |
| Wholesale revenues | 181 360 | 199 313 |
| Other revenues | 40 359 | 35 756 |
| **Luxembourg** | **76 783** | **75 958** |
| Retail service revenues | 47 471 | 46 115 |
| Convergent service revenues | 0 | 0 |
| Mobile only service revenues | 38 883 | 38 547 |
| Fixed only service revenues | 8 291 | 7 568 |
| IT & Integration service revenues | 297 | 0 |
| Equipment sales | 14 624 | 13 003 |
| Wholesale revenues | 14 688 | 16 778 |
| Other revenues | 0 | 62 |
| **Inter-segment eliminations** | **-18 573** | **-17 933** |
| **Total** | **1 749 480** | **1 391 214** |

Orange Belgium's total consolidated turnover amounted to 1,749.5 million euros in 2023, compared to 1,391.2 million euros in 2022, an increase of 25.8% year-on-year.

The total retail service revenues (i.e. mobile-only services, fixed-only services, convergent services and IT & Integration services) increased 34.2% year-on-year: from 1,009.5 million euros in 2022 to 1,355.1 million euros in 2023. This is the result of a solid commercial performance over the year supported by a convergent strategy, the success of the "Special Edition" promotion and device deals, reaching 3.3m subscribers (+4% yoy) in combination of the additional revenue due to the VOO acquisition with a contribution of +273.9 million euros. This increase has mainly been driven by higher convergent service revenues (10.8%) and higher fixed only service revenues (7.7%) as a result of higher cable revenues due to an increasing customer base. The wholesale revenues have also been impacted by the end of contract of Mobile Viking MVNO (-4.7 million euros), the effect of the regulation on 'voice' and a decrease in SMS volume (-11.2 million euros).

Equipment sales increased 20.1% year-on-year and the increase in other revenues can be explained by higher handset sales through agents.

## Trade receivables

in thousand EUR

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| Trade receivables - Gross value | 365 708 | 199 651 |
| Allowance for doubtful debtors | -147 771 | -33 206 |
| **Total trade receivables** | **217 937** | **166 445** |

## Ageing Balance

in thousand EUR

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| Not past due | 174 657 | 143 392 |
| Less than 180 days | 33 968 | 6 349 |
| Between 180 days and 360 days | 7 856 | 6 346 |
| More than 360 days | 1 456 | 10 358 |
| **Total trade receivables** | **217 937** | **166 445** |

in thousand EUR

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| Net trade receivables, depreciated according to their age | 43 239 | 23 053 |
| Net trade receivables, depreciated according to other criteria | 0 | 0 |
| **Net trade receivables past due** | **43 239** | **23 053** |
| **Net trade receivables not past due** | **174 698** | **143 392** |
| **Net trade receivables** | **217 937** | **166 445** |
| o/w short-term trade receivables | 217 937 | 166 441 |
| o/w long-term trade receivables | 0 | 3 |

## Change in Provision for Trade receivables

in thousand EUR

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| **Allowances on trade receivables - Opening balance** | **-33 206** | **-34 139** |
| Net addition with impact on income statement | 2 164 | -6 910 |
| Losses on trade receivables | 7 242 | 7 843 |
| Change in scope of consolidation | -123 971 | 0 |
| **Allowances on trade receivables - Closing balance** | **-147 771** | **-33 206** |

For terms and conditions relating to related parties receivables, refer to Note 12.

Trade receivables are non-interest bearing and are generally paid via direct debits (62% of service revenues are collected by direct debit in Orange Belgium S.A. / 50.6% at VOO S.A.). Trade receivables which are not paid via direct debits bear mainly a payment term of 10 days after invoice receipt for consumers and 30 days for companies.

The Group is not dependent on any major customers, none representing more than 10% of the company's consolidated revenues. The customer risk is spread over more than 3.6 million customers.

Total Trade receivables amounted to 217.9 million euros at the end of 2023, compared with 166.4 million euros at the end of 2022. The increase in trade receivables – gross value can essentially be explained by the VOO acquisition.

Allowance for doubtful debtors – closing balance at year end 2023 – increased to 147.8 million euros from 33.2 million euros. This increase is entirely driven by the bad debt of VOO (114.9 million euros).
Impairment of trade receivables is based on three methods:

- A collective statistical method: this is based on historical losses and leads to a separate impairment rate for each aging balance category. This analysis is performed over a homogenous group of receivables with similar credit characteristics because they belong to a customer category (mass-market, small offices and home offices);
- A stand-alone method: the assessment of impairment probability and its amount are based on a set of relevant qualitative factors (ageing of late payment, other balances with the counterparty, rating from independent agencies, …). This method is used for carriers and operators (national and international), local, regional and national authorities; and
- A provisioning method based on anticipated loss: IFRS 9 requires recognition of expected losses on receivables immediately upon recognition of the financial instruments. In addition to the pre-existing provisioning system, the Group applies a simplified approach of anticipated impairment at the time the asset is recognized. The percentage applied depends on the maximum revenue non-recoverability rate.

The costs related to bad debts decreased to a gain of 2.2 million euros in 2023 (compared to a loss of 6.9 million euros in 2022).

Since 2017, Orange Belgium S.A. entered into a factoring program with Belfius Commercial Finance. The eligible trade receivables were related to the top 400 B2B Airtime debtors (factored receivables around 1.4 million euros as at 31 December 2023).

## Other assets

in thousand EUR

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| Advances and downpayments | 5 602 | 2 694 |
| Security deposits paid | 1 217 | 720 |
| Other | 9 359 | 5 753 |
| **Total other assets** | **16 178** | **9 167** |
| **o/w other non-current assets** | **1 217** | **720** |
| **o/w other current assets** | **14 961** | **8 447** |

Other assets contains essentially receivable for recharged costs & other amounts receivable. The increase is related to the VOO acquisition.

# Note 4: Expenses, payables, prepaid and inventory

## Direct costs

in thousand EUR

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| Purchase of material | -213 942 | -185 867 |
| Other direct costs | -427 727 | -381 269 |
| Impairment gain (loss) on trade and other receivables, including contract assets | 2 164 | -6 910 |
| **Total direct costs** | **-639 505** | **-574 046** |

The direct costs in 2023 increased by 11.4% year-on-year explained by the VOO acquisition.

### Purchase of material

The costs related to the purchase of material increased by 15.1% year-on-year and amount to 213.9 million euros in 2023 mainly explained by the VOO acquisition and by higher equipment unit costs (high end handsets).

### Other direct costs

The other direct costs mainly consisting of interconnection costs, commissions, content and connectivity costs increased by 12.19% year-on-year explained by the VOO acquisition.

**Interconnection costs**
Interconnect expense decreased by 2.5million euros to 186.8 million euros mainly explained by VOO acquisition impacting for 18.5m. Roaming cost increased by 9.5 million euros mainly due to more data traffic done by our travelling customer. SMS interconnect costs decreased by 23 million euros due to less traffic. Voice interconnect costs decreased by 5.8 million euros largely due to the continued effect of new regulation applicable since July 2021 (decrease in Mobile and Fixed Termination Rate).

**Commissions**
Commission expenses increased by 2.0 million euros in 2023 to 29.8 million euros, mainly due to VOO acquisition.

**Content costs**
Orange Belgium's television content strategy is primarily based on developing partnerships with rights holders and service publishers. Orange Belgium is mainly focused on its role of aggregating and distributing content to offer improved services to its customers. The costs regarding television content amount to 80.6 million euros in 2023 compared to 33.4 million euros in 2022, resulting from the customer base increase and following the VOO acquisition.

**Connectivity**
Connectivity costs decreased by 0.9 million euros in 2023 to 115.2 million euros. This is the result of VOO acquisition fully offset by the increase in wholesale access fees related to the convergent Love offer and the continuous growth of our customer base.

**Others**
Other direct costs decreased by 8.4 million euros in 2023 to 14.1m million euros, mainly explained by bad debts amount decreased by 9.4 million euros to 4.4 million euros in 2023 explained by positive wholesales settlement following VOO acquisition.

## Prepaid expenses

in thousand EUR

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| Prepaid supplies and services | 23 897 | 2 927 |
| Prepaid spectrum fees | 360 | 0 |
| **Total Prepaid expenses** | **24 257** | **2 927** |

The prepaid supplies and services increased by 21.3 million euros compared to 2022, mainly related to the prepaid expenses of VOO (20.6 million euros). For the most part - 18.1 million euros – this balance represents prepaid broadcasting.

## Inventories

in thousand EUR

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| Gross inventories | 56 745 | 27 870 |
| Depreciation | -5 321 | -2 377 |
| Total Inventories | 51 424 | 25 493 |
| **Inventories - Cost recognized as an expense during the period** | **-210 801** | **-183 961** |

The increase in Gross inventories is mainly explained by inventory of the acquired entities VOO (23.6 million euros) and BeTV (5.0 million euros) as at 31 December 2023. The inventory of VOO consists essentially of network material and handsets.

The reserve for obsolete and slow-moving items (5.3 million euros) increased due to the addition of the VOO S.A. allowance (3.0 million euros as at 31 December 2023).

## Trade payables and other current liabilities

in thousand EUR

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| **Trade payables** | **283 236** | **223 860** |
| Salaries and termination pay | 3 477 | 2 825 |
| Performance and profit sharing bonus, pensions | 18 786 | 9 569 |
| Social security contributions | 6 098 | 5 876 |
| Holiday pay | 29 858 | 18 527 |
| Other | 279 | 244 |
| **Current employee benefits** | **58 497** | **37 041** |
| **Current restructuring provisions** | **3 381** | **2 105** |
| **Other current liabilities** | **18 076** | **7 096** |
| **Current tax payables** | **20 858** | **13 322** |
| **Deferred income** | **339** | **996** |

**Trade payables** are non-interest bearing and are generally settled on 30 to 60-day terms. The trade payables increased by 59.3 million euros compared to 2022, mainly related to the trade payable of VOO (74.7 million euros) and BeTV (8.6 million euros), partially set off by a decrease in the trade payable of Orange Belgium S.A. (-24.4 million euros) due to more payment runs around year-end.

**Current employee benefits** increased by 21.5 million euros in 2023 and is mainly due to the VOO acquisition (+ 18.6 million euros).

**Other current liabilities** are made of provisions for litigation, down payments received from customer and operating subsidies received but not used yet at year end. The increase versus previous year-end (11.0 million euros) is due to the VOO acquisition and relates for the most part to subsidies received but not completely earned (8.4 million euros).

As a consequence of the law of 18 December 2015, minimum returns are guaranteed by the employer as follows (Orange Belgium S.A. and subsidiaries):

- for the contributions paid as from 1 January 2016, a new variable minimum return based on OLO rates, with a minimum of 1.75% and a maximum of 3.75%. In view of the low rates of the OLO in the last years, the return has been initially set to 1.75%;
- for the contributions paid until end December 2015, the previously applicable legal returns (3.25% and 3.75% respectively on the employer and employee contributions) continue to apply until retirement date of the participants.

In view of the minimum returns guarantees, those plans qualify as Defined Benefit plans.

To ensure that the defined contribution pension plan in force guarantees its participants the minimum return required by law at the date of departure regarding the access, Orange Belgium ordered a complete actuarial computation under the PUC method without projection of future contributions. The actuarial computation covers 3 plans insured at Baloise and another one insured at Vivium. The actuary performed projections according to a pre-defined methodology and with certain assumptions. The results have been reflected in the below table.

Please find below a reconciliation of the opening to the closing balance of the net defined benefit asset:

### Movement in net defined benefit (asset) liability

in thousand EUR

| | Defined benefit obligation | Fair value of plan assets | Effect of asset ceiling | Net defined (asset) liability |
|---|---|---|---|---|
| **Balance at 1 January 2023 Orange Belgium** | **129 939** | **-133 428** | **0** | **-3 489** |
| **Balance at 1 June 2023 VOO & affiliates** | **17 519** | **-16 994** | | **525** |
| Remeasurements at 1 June 2023 VOO : Changes in asset ceiling/onerous liability (excluding interest income) | | | 2 017 | 2 017 |
| | | | | |
| **Included in profit or loss** | | | | |
| Current service cost | 491 | | | 491 |
| Past Service credit | | | | |
| Interest cost (income) | 5 751 | -6 010 | 83 | -176 |
| **Total** | | | | |
| | | | | |
| **Included in OCI** | | | | |
| Actuarial loss (gain) | | | | |
| Return on plan assets excluding interest income | | -5 586 | | -5 586 |
| Effect of changes in financial assumptions and experience adjustments | 5 832 | | | 5 832 |
| Remeasurements : Changes in asset ceiling/onerous liability (excluding interest income) | | | 2 736 | 2 736 |
| **Total** | | | | |
| | | | | |
| **Other** | | | | |
| Contributions paid by the employer | 6 305 | -6 305 | | 0 |
| Benefits paid | -3 429 | 4 064 | | 635 |
| **Total** | | | | |
| | | | | |
| **Balance at 31 December 2023** | **162 408** | **-164 259** | **4 836** | **2 985** |

in thousand EUR

| | Defined benefit obligation | Fair value of plan assets | Effect of asset ceiling | Net defined (asset) liability |
|---|---|---|---|---|
| **Balance at 1 January 2022** | **170 419** | **-173 160** | **-2 741** | **0** |
| | | | | |
| **Included in profit or loss** | | | | |
| Current service cost | 1 089 | | | |
| Past Service credit | | | | |
| Interest cost (income) | 2 118 | -2 187 | | |
| **Total** | | | | |
| | | | | |
| **Included in OCI** | | | | |
| Actuarial loss (gain) | | | | |
| Return on plan assets excluding interest income | | 50 394 | | |
| Increase (decrease) due to effect of any business combinations / divestitures / transfers | 6 351 | -6 184 | | |
| Effect of changes in financial assumptions and experience adjustments | -52 479 | | | |
| **Total** | | | | |
| | | | | |
| **Other** | | | | |
| Contributions paid by the employer | 4 254 | -4 254 | | |
| Benefits paid | -1 813 | 1 963 | | |
| **Total** | | | | |
| **Balance at 31 December 2022** | **129 939** | **-133 428** | **-3 489** | **0** |

The contributions paid during 2023 for those plans amounted to 6.3 million euros paid by the employer and 1.1 million euros paid by the employees.

Orange Belgium S.A.:
The plan assets at 31 December 2023 consisted of 159 million euros individual insurance reserves, which benefit from a weighted average guaranteed interest rate of 3,24 %, and 5.0 million euros reserves in collective financing funds.

VOO and subsidiaries:
The plan assets at 31 December 2023 consisted of 23.8 million euros (including 17.1 million euros on individual insurance reserves).

The current restructuring provisions slightly increased to 3.4 million euros in 2023.

**The current tax payables** are related to the tax calculation of the current year. The increase is a combination of the additional tax payable for VOO (17.9 million euros), partially set off by a decrease in Orange Belgium (-10.3 million euros) following the decrease in pretax result (see also Note 6 – Operational taxes and levies).

## Labour costs (excluding termination benefits)

Labour costs increased by 37.3% to 215.6 million euros in 2023, compared to 157.0 million euros a year ago. This increase has been mainly driven by VOO acquisition and by inflation.

## Indirect costs

in thousand EUR

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| Commercial expenses | -50 495 | -28 521 |
| Other IT and network expenses | -174 080 | -103 872 |
| Property expenses | -18 434 | -11 055 |
| General expenses | -110 267 | -62 782 |
| Other indirect income | 45 675 | 33 177 |
| Other indirect costs | -70 390 | -56 948 |
| Depreciation of right-of-use of leased assets | -59 495 | -53 712 |
| **Total indirect costs** | **-437 484** | **-283 713** |
| of which operational taxes and fees | -26 868 | -27 301 |

The indirect costs increased 54.2% year-on-year to 437.5 million euros in 2023 compared to 283.7 million euros in 2022 mainly explained by VOO acquisition and by inflation.

The commercial expenses increase by 22.0 million euros in 2023 mainly due to VOO acquisition and by more media campaigns.
Other IT and network expenses increased by 70.2m year-on-year following VOO acquisition and by inflation on costs mainly on energy.

Property expenses increased by 7.4m year-on-year following VOO acquisition, by inflation impact partially offset by efficiencies costs.

General expenses which includes, amongst others, (i) outsourced labor and professional services, (ii) outsourced call center costs and (iii) facility-related expenses, increased by 47.5m year-on-year mainly explained by VOO acquisition.

Other indirect income and costs increased by 0.9m year-on-year.

Depreciation of right-of-use-assets increased by 5.8m year-on-year mainly explained by inflation and by more dismantled sites.
Other restructuring costs

In 2023 Orange Belgium booked restructuring, integration & acquisition costs for 43.8 million euros out of which 37.1 million euros are costs related to acquisition and integration of VOO S.A. and its subsidiaries.

In 2022 Orange Belgium booked restructuring costs for 11.0 million euros out of which 2.8 million euros are costs related to acquisition and integration.

# Note 5: Goodwill

## Goodwill

in thousand EUR

| | 31.12.2023 | | | 31.12.2022 | | |
|---|---|---|---|---|---|---|
| | Acquisition Value | Accumulated impairment losses | Net carrying amount | Acquisition Value | Accumulated impairment losses | Net carrying amount |
| Orange Communications Luxembourg S.A. | 68 729 | -17 865 | 50 864 | 68 729 | -17 865 | 50 864 |
| VOO Holding | 684 138 | | 684 138 | | | |
| Others goodwill | 53 547 | -37 370 | 16 177 | 53 547 | -37 370 | 16 177 |
| **Total goodwill** | **806 414** | **-55 235** | **751 179** | **122 276** | **-55 235** | **67 041** |

Impairment test on goodwill is performed at least at the end of each financial year to assess whether its carrying amount does or does not exceed its recoverable amount.
For VOO S.A. we used the10-year business plan (2023 to 2033) approved by the Orange Belgium board to perform impairment test.

The key operating assumptions used to determine the value in use are common across the Group's business segments.

assumptions include:

- key revenue assumptions, which reflect market level, penetration rate of the offerings and market share, positioning of the competition's offerings and their potential impact on market price levels and their transposition to the Group's offerings bases, regulatory authority decisions on pricing of services to customers and on access and pricing of inter-operator services, technology migration of networks, competition authorities' decisions in terms of concentration or regulation of adjacent sectors such as cable;
- key cost assumptions, on the level of marketing expenses required to renew product lines and keep up with competition, the ability to adjust costs to potential changes in revenues or the effects of natural attrition and committed employee departure plans;
- key assumptions on the level of capital expenditure, which may be affected by the roll-out of new technologies, by decisions of regulatory authorities relating to licenses and spectrum allocation, mobile network coverage, sharing of network elements or obligations to open up networks to competitors.

## VOO

The acquisition of 75% of VOO S.A and its 100% subsidiaries was completed in June 2023.

For VOO S.A. cash flows have been estimated on a 10-year business plan (2023 to 2033) approved by the Orange Belgium board. The VOO business plan foresees a progressive increase of adjusted EBITDA over the period as the result of (i) a continuous top line growth coming mainly from B2B and fixed wholesales from Orange Belgium and Telenet as of 2024 (ii) costs increase to follow inflation only as new wholesale customers have an incremental impacts on the costs structure (iii) increase of eCapex for network upgrade and new FTTH deployments. More precisely, the management ambitions a turnaround over this 10-year period with a 3.80% and 11.6 % compounded annual growth rate (CAGR) of revenues and adjusted EBITDA respectively, while capital expenses are expected to increase by 2.2%.

Considering a perpetuity growth rate of 0.5% and a WACC of 7.1%, those assumptions would result in a positive amount.

Sensitivity of recoverable amounts
A sensitivity analysis on those parameters was performed, using a growth rate varying from -0.5% to 1.5% and a discount rate varying from 6.1% to 8.1%.

Because of the correlation between operating cash flow and investment capacity, sensitivity of net cash flow is used. Cash flow for the terminal year representing a significant portion of the recoverable amount, a change of plus or minus 10% of this cash flow is is considered in this sensitivity analysis.

The directors believe that such reasonably possible change in these key assumptions on which the recoverable amount of 'VOO' is based would not cause the carrying amount of the related net assets to exceed the aggregate recoverable amount of this CGU.

## Orange Communications Luxembourg S.A.

The acquisition of Orange Communications Luxembourg S.A. was completed in two phases. 90% of the shares were acquired on 2 July 2007. The remaining 10% were acquired on 12 November 2008. The reported goodwill is fully allocated to the segment "Luxembourg".

Impairment test on this goodwill is performed at least at the end of each financial year to assess whether its carrying amount does or does not exceed its recoverable amount.

The key operating assumptions used to determine the value in use are common across the Group's business segments. These assumptions include:

- key revenue assumptions, which reflect market level, penetration rate of the offerings and market share, positioning of the competition's offerings and their potential impact on market price levels and their transposition to the Group's offerings bases, regulatory authority decisions on pricing of services to customers and on access and pricing of inter-operator services, technology migration of networks, competition authorities' decisions in terms of concentration or regulation of adjacent sectors such as cable;
- key cost assumptions, on the level of marketing expenses required to renew product lines and keep up with competition, the ability to adjust costs to potential changes in revenues or the effects of natural attrition and committed employee departure plans;
- key assumptions on the level of capital expenditure, which may be affected by the roll-out of new technologies, by decisions of regulatory authorities relating to licenses and spectrum allocation, mobile network coverage, sharing of network elements or obligations to open up networks to competitors.

For Orange Communications Luxembourg S.A. cash flows have been estimated on a five-year business plan (2023 to 2027) approved by the Strategic Committee. The management of Orange Communications Luxembourg foresees a progressive increase of adjusted EBITDA over the period as the result of (i) a continuous top line growth coming both from an increase in market share and churn reduction, and (ii) the increase in the direct margin mainly linked to the terminal sales activities which overcompensate the increase of indirect costs related to salaries and energy costs. More precisely, the management ambitions a turnaround over this 5-year period with a 1.80% (compared to 3.90 % last year) and 1.5 % (compared to 6.98 % last year) compounded annual growth rate (CAGR) of revenues and adjusted EBITDA respectively, while capital expenses are expected to increase by 1.2% (compared to a decrease of 0.48% last year).

Considering a perpetuity growth rate of 1.25% (compared to 1.0% in 2021) and a WACC of 6.25% (identical to 2021), those assumptions would result in a positive amount.

Sensitivity of recoverable amounts
A sensitivity analysis on those parameters was performed, using a growth rate varying from 0.25% to 2.25% and a discount rate varying from 5.25% to 7.25%.

Because of the correlation between operating cash flow and investment capacity, sensitivity of net cash flow is used. Cash flow for the terminal year representing a significant portion of the recoverable amount, a change of plus or minus 10% of this cash flow is considered in this sensitivity analysis.

The directors believe that such reasonably possible change in these key assumptions on which the recoverable amount of 'VOO' is based would not cause the carrying amount of the related net assets to exceed the aggregate recoverable amount of this CGU.

## Other goodwill

This corresponds to:

### Mobistar Affiliate S.A.

The acquisition of Mobistar Affiliate S.A. was completed in two phases: initial purchase of 20% shares in April 1999 and purchase of the remaining 80% shares in May 2001. The goodwill resulting from the acquisition amounts to 10.6 million euros.

The reported goodwill is fully allocated to the segment "Belgium" (see Segment information).

### Mobistar Enterprise Services S.A.

The goodwill of Mobistar Enterprise Services S.A. resulting on the acquisition on 1 April 2010 and adjusted on 31 March 2011 amounts to 793 thousand euros.

The reported goodwill is fully allocated to the segment "Belgium" (see Segment information).

### A&S Partners S.A.

A&S Partners S.A. was acquired as of 30 September 2017 by Orange Belgium S.A for a total consideration of 5.0 million euros. The purchase concerned 100% of the shares. A total amount of 4.8 million euros has been allocated to goodwill for the segment "Belgium" (see Segment information).

### Upsize N.V. – BKM N.V.

Upsize N.V. was a holding company that was acquired on 31 July 2019. The purchase concerned 100% of the 60,000 shares of Upsize N.V. Upsize N.V. included BKM N.V. (100% owned) and CC@PS BV (100% owned by BKM N.V.) and is a nationwide ICT integrator and a pioneer in cloud UCC solutions. It has a solid track-record in the SME and CMA markets in Belgium and works in four areas of expertise: Unified Communications & Collaboration (UCC) solutions; IT & security solutions; Document & Visual solutions; and Connectivity solutions. Upsize N.V. was merged into Orange Belgium S.A. on 1 July 2022. The Goodwill related to BKM N.V. was impaired during 2022 (22.4 million euros was booked in 2022 – remaining net book value was zero as at 31 December 2022).

## Annual impairment test segment “Belgium”

Impairment test on the goodwill allocated to the segment “Belgium” (including VOO) is performed at least at the end of each financial year to assess whether its carrying amount does not exceed its recoverable amount. Estimating the fair value less costs to sell will take into account Orange Belgium’s share price as quoted on the stock exchange.

Concerning the goodwill of the segment “Belgium” (including VOO), when considering the relationship between the market capitalization and the net assets of the Group as at 31 December 2023, the market capitalization was higher than the net book value. For the purpose of this impairment test, we only considered the net assets of Orange Belgium and the Belgian subsidiaries and corrected the market capitalization of Orange Belgium S.A. with the calculated VIU value of Orange Communications Luxembourg S.A.

# Note 6: Other intangible assets and property, plant and equipment

## Depreciation and amortization

The depreciation and amortization charge (including impairment of fixed assets) for the year was 333.3 million euros, up by 86.7 million euros compared to 2022. The increase versus prior year-end can mainly be attributed to the VOO acquisition.

## Accelerated depreciations of fixed assets

The changes in useful life on intangible assets and property, plant and equipment recognized during the year were determined on an asset-by-asset basis in order to consider technology and IT evolution. Obsolescence, dismantling or losses are also considered in this exercise.

During 2023, the change in useful life and/or recognized impairment charges on property, plant and equipment totals 11.2 million euros (compared with 18.9 million euros in 2022) and shown as expense on the line "Depreciation and amortization" and "impairment of fixed assets" in the statement of comprehensive income.
Impact can be split as such:

- 5.3 million euros for the project RAN sharing with Proximus including Sites dismantling & RAN material radio swapped from Huawei to Nokia
- 1.2 million euros of old CIP scrapped
- 0.8 million euros Cable for churn customer (installation cost & material)
- 1.7 million euros IT Software
- 0.8 million euros SOX Inventory MES
- 0.5 million euros Sleeping stock concerning our Network material in our DHL warehouse
- 0.9 million euros Other type of retirement

## Other intangible assets

in thousand EUR

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| **Net book value of other intangible assets in the opening balance** | **784 626** | **247 439** |
| Acquisitions of other intangible assets | 63 852 | 615 027 |
| Additions through business combinations | 166 419 | 0 |
| Depreciation and amortization | -107 467 | -92 494 |
| Impairment | -29 | -82 |
| Reclassifications and other items | -193 | 14 736 |
| **Net book value of other intangible assets in the closing balance** | **907 208** | **784 626** |

* Since 2022 and due to a change in telecom licenses fee structure, the net present value of the yearly fixed amounts of spectrum fees to be paid over the license period is included in the acquisition cost of the licenses. A corresponding liability has been recorded in current and non-current fixed assets payable.

Acquisition of other intangible assets are mainly software (54.8 million euros) and internally generated software development costs (9.1 million euros). The additions via the VOO acquisition relate for the most part to acquired customer relationships (110 million euros), brand name (14 million euros) and licenses for the remainder.

in thousand EUR

| 31.12.2023 | Gross value | Accumulated depreciation and amortization | Accumulated impairment | Net book value |
|---|---|---|---|---|
| Telecommunication licences | 696 393 | -110 929 | 0 | 585 464 |
| Brand | 20 072 | -1 864 | -4 172 | 14 036 |
| Subscriber bases | 143 539 | -23 020 | 0 | 120 519 |
| Software | 739 976 | -710 904 | 0 | 29 072 |
| Other intangible assets | 297 328 | -139 211 | 0 | 158 117 |
| **Total** | **1 897 308** | **-985 928** | **-4 172** | **907 208** |

in thousand EUR

| 31.12.2022 | Gross value | Accumulated depreciation and amortization | Accumulated impairment | Net book value |
|---|---|---|---|---|
| Telecommunication licences | 702 735 | -81 779 | 0 | 620 956 |
| Brand | 4 172 | 0 | -4 172 | 0 |
| Subscriber bases | 29 139 | -17 316 | 0 | 11 823 |
| Software | 658 124 | -529 130 | 0 | 128 995 |
| Other intangible assets | 153 724 | -130 871 | 0 | 22 853 |
| **Total** | **1 547 894** | **-759 096** | **-4 172** | **784 626** |

**Telecommunication and other licenses held by Orange Belgium Group :**

| Type of licence | Acquisition cost | Net book value end 2023 | Net book value end 2022 | Useful life in months | Remaining months | Start depreciation period |
|---|---|---|---|---|---|---|
| 4G | 20 020 | 6 196 | 8 020 | Ended Jun-2027 | 41 | Jun-16 |
| 800 MHz | 120 000 | 59 977 | 66 035 | 238 | 119 | Feb-14 |
| IBPT autorisation 3 G | 2 158 | | | 4 | | Sep-22 |
| IBPT autorisation 2 G | 4 193 | | | 4 | | Sep-22 |
| IBPT autorisation 5 G 3600 Mhz | 55 308 | 51 131 | 54 261 | 212 | 196 | Sep-22 |
| IBPT autorisation 5 G 700 Mhz | 122 860 | 114 664 | 120 807 | 240 | 224 | Sep-22 |
| Spectrum RD 800 Mhz | 17 542 | 14 619 | 16 070 | 144 | 120 | Sep-22 |
| Spectrum RD 2600 Mhz | 5 897 | 3 753 | 4 825 | 78 | 42 | Sep-22 |
| Spectrum RD 700 Mhz | 23 398 | 21 836 | 23 007 | 240 | 224 | Sep-22 |
| Spectrum RD 3600 Mhz | 11 386 | 10 526 | 11 171 | 212 | 196 | Sep-22 |
| License 900/1800/2100 Mhz | 214 187 | 203 488 | 214 187 | 240 | 228 | Jan-23 |
| License 1400 Mhz | 89 135 | 86 888 | 89 135 | 240 | 234 | Jul-23 |
| OLU UMTS 2100 Mhz ( 4 G) | 1 735 | 0 | 1 121 | 192 | 112 | May-17 |
| OLU 5G 700 Mhz + 3600 Mhz | 13 504 | 11 515 | 11 403 | 180 | 139 | Aug-20 |
| BKM PPA - unused perpetual licences Voxx - Telepo | 1 058 | 872 | 913 | 300 | 247 | Aug-19 |
| **Total** | **702 381** | **585 466** | **620 955** | | | |

**Telecommunication licenses** acquired by Orange Belgium S.A. during 2022 (no acquisitions in 2023):
The two extensions of the licenses for short periods of respectively 6 and 4 months were intended to bridge the gap until the final spectrum auction took effect. These auctions took place during 2022 as follows:

- On 14 January 2022, the BIPT published the call for candidates for the auction on the allocation of new 5G spectrum (700 MHz, 1400 MHz, 3600 MHz) and the renewal of the existing 2G and 3G spectrum (900MHz, 1800 MHz, 2100MHz).

- New spectrum allocations: 700, 3600 and 1400 MHz.

  The auctions for the core 5G frequency bands ended on 20 June 2022. Orange obtained 2x10 MHz in the 700 MHz frequency band and 100 MHz in the 3.6 GHz frequency band, for a total of 178 million euros. The commencement date was 1 September 2022 for a period of 20 years for 700 MHz and until May 2040 for the 3.6 GHz band.
  On 20 July 2022 the supplemental auction to allocate 90 MHz of spectrum in the 1400 MHz frequency band for a 20-year term ended. Orange obtained 30Mhz for a price of 70 million euros. The spectrum was finally allocated on 16 November 2022 with a commencement date on 1 July 2023. The Company determined that the rights acquired under the 2022 auction procedures, that became available for use as of 1 July 2023, meet the definition and recognition criteria of intangible assets under IAS 38 Intangible Assets as per 31 December 2022. Amortization started accordingly to the availability for use as of 1 July 2023.

- Renewal of existing spectrum attributions: 900, 1800 and 2100 MHz.

  Concerning the licenses in the 900 MHz, 1800 MHz and 2100 MHz bands, which expired in March 2021, the BIPT granted successive temporary rights of use in these bands for a period of six months. The last decision of 13 September 2022 granted temporary rights until the end of 2022.
  In the auction, that ended June 20, 2022, Orange Belgium obtained 2 X 10 MHz in the 900 MHz band, 2 X 15 MHz in the 1800 MHz band, and 2 X 15 MHz in the 2100 MHz band.
  The spectrum was finally allocated on 16 November 2022 with a commencement date on 1 January 2023. The Company determined that the rights acquired under the 2022 auction procedures, that only became available for use as of 1 July 2023, meet the definition and recognition criteria of intangible assets under IAS 38 Intangible Assets as per 31 December 2022. Amortization has started accordingly to the availability for use on 1 January 2023.

Licenses acquired or granted have been capitalized as such:

(2) One off amount paid or to pay at commencement

(3) Net present value of the yearly fixed amounts of spectrum fees to be paid over the license period. A corresponding liability has been recorded in current and non-current fixed assets payable. The net present value corresponds to the discounted value of the fixed amounts of spectrum fee payable over the license period at the discount rate prevailing at the moment of the calculation for the maturity of the debt. As from the booking of the debt, unwinding based on the original discount rate is recorded in financial expenses and annual payments are applied against the debt itself.

**Internally generated intangible assets** include software development costs generated by the Group staff.

**Other intangible assets** mainly relate to software acquired or developed by external suppliers. They are mainly used for the network applications or for administrative purposes.

The useful lives of intangible assets applied in 2023 remain comparable to those used in 2022.

Investments related to original software acquisition may be fully amortized as well but upgrades of these software, still in use, are not fully amortized. The same applies to the original site's research costs.
Intangible assets are not subject to title restriction or pledges as security for liabilities.

## Property, plant and equipment

in thousand EUR

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| **Net book value of property, plant and equipment in the opening balance** | **644 600** | **662 770** |
| Acquisitions of property, plant and equipment | 240 243 | 161 890 |
| Additions through business combinations | 1 132 132 | 0 |
| Disposals and retirements | 0 | 0 |
| Depreciation and amortization | -225 818 | -154 055 |
| Impairment | -1 391 | -984 |
| Reclassifications and other items | -2 297 | -25 021 |
| **Net book value of property, plant and equipment in the closing balance** | **1 787 469** | **644 600** |

The acquisitions through the VOO acquisition essentially relate to the VOO network. The amount of reclassifications and other items for the financial year 2022 is mainly related to the variation of the dismantling provision as at 31 December 2022 mainly as a result of the combined effect of the decreased dismantling cost per site, and the increase of the discount rate. In 2023, the discount rate did not refer also to the key assumptions used in the section 'Provision for dismantling'.

in thousand EUR

| 31.12.2023 | Gross value | Accumulated depreciation and amortization | Net book value |
|---|---|---|---|
| Land and buildings | 204 693 | -128 319 | 76 374 |
| Networks and terminals | 4 631 389 | -2 961 088 | 1 670 301 |
| IT equipment | 236 064 | -202 906 | 33 159 |
| Other property, plant and equipment | 48 558 | -40 923 | 7 636 |
| **Total** | **5 120 704** | **-3 333 235** | **1 787 469** |

in thousand EUR

| 31.12.2022 | Gross value | Accumulated depreciation and amortization | Net book value |
|---|---|---|---|
| Land and buildings | 106 671 | -69 980 | 36 691 |
| Networks and terminals | 2 114 842 | -1 530 907 | 583 935 |
| IT equipment | 207 180 | -189 329 | 17 851 |
| Other property, plant and equipment | 31 606 | -25 483 | 6 123 |
| **Total** | **2 460 299** | **-1 815 699** | **644 600** |

## Provision for dismantling

in thousand EUR

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| **Provisions for dismantling in the opening balance** | **64 890** | **89 721** |
| Discounting with impact on income statement | 2 434 | 2 667 |
| Utilizations without impact on income statement | -4 805 | -2 672 |
| Changes in provision with impact on assets | -2 418 | -24 826 |
| **Provisions for dismantling in the closing balance** | **61 951** | **64 890** |
| o/w non-current provisions | 54 486 | 58 103 |
| o/w current provisions | 7 465 | 6 787 |

The key assumptions used to measure the network sites dismantling provision are as follows:

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| Number of network sites, Orange Communications Luxembourg S.A. incl. (in units) | 3 990 | 4 363 |
| Average dismantling cost per network site | 10.7 till 2025 and 16.4 from 2026 | 9.9 till 2025 and 14.7 from 2026 |
| Inflation rate | 6.4% for 2024, 2.7% from 2025 | 9.5% for 2023, 4.9% for 2024, 2.7% from 2025 |
| Discount rate | 3.693 % | 3.099 % |

Although size and installation on site may slightly vary from site to site, the provision was calculated on an average dismantling cost based on the actual costs incurred in the past for similar activities till 2023. For 2022 those costs were estimated at 9,893 till end of 2025 and 14,731 as from 2026. During 2023 a refined typology of sites has been implemented refining the expected dismantling costs per site's type leading to an average of 10.679 euros per sites for the sites dismantled till end of 2025. The value per site amounts to 16,364 euros per site as from 2026. The increase of dismantling costs starting in 2026 is due to the cumulative inflation over the year 2023 to 2025 and the mix of sites typologies that results into a higher average cost of dismantling.
For bigger sites, like MSC's (Mobile Switching Centre), the provision is calculated on the surface area of the sites rented and an average dismantling cost per m² based on past similar experience.

Although it is not feasible to estimate the timing of the cash outflows, all network sites are assumed to be dismantled in the future. Since 2011, the duration of the rental contracts is capped at 15 years. The approach was maintained to evaluate the provision in 2023.

The dismantling provision decreased by 2.9 million euros. This is linked to the dismantling of network sites for 4.8 million euros (reversal), offset by the VOO integration for 1.9 million euros, and to a combined effect of changes in average dismantling cost per site, an increase of expected inflation and an increase of discount rate.
Network sites dismantling provision is adjusted when there is sufficient objective evidence that future change in technology or in legislation will have an impact on the amount of the provision.

Besides network, the dismantling provision also includes 7.1 million euros of accruals related to buildings, Mobile Switching Centers (MSC's) and Point-of-Presence (POP's).

## Current fixed assets payable

Current fixed assets payable are non-interest bearing that are generally settled on 30 to 60 days term and are related to Property, Plant and Equipment investments and, for December 2022, the amounts due for spectrum licenses acquired in 2022. The balance decreased compared to last year (77.4 million euros in 2023, compared to 256.5 million euros a year ago), which is explained by the amounts payable in 2022 for the spectrum licenses (194.0 million euros), partially set-off by the addition of VOO S.A. (7.8 million euros) and an increase in Orange Belgium (6.1 million euros) following increased expenditures around year-end 2023.

## Non-Current fixed assets payable

Non-current fixed assets payable correspond to the discounted value of the fixed amount to be paid over the lifetime of the telecommunication license.

# Note 7: Taxes and levies

## Income tax in profit and loss statement

in thousand EUR

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| Current income tax | -797 | -21 885 |
| Deferred tax expense arising to the origination and reversal of temporary differences | -7 825 | -1 569 |
| **Total tax expenses** | **-8 622** | **-23 454** |

### Relationship between tax expense and accounting profit

in thousand EUR

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| Earnings (Loss) before income tax | -2 163 | 81 613 |
| Group income tax rate | 25,00 | 25,00 |
| **Theoretical income tax** | **541** | **-20 403** |
| Effect of difference between local standard rate and Group rate (*) | -105 | -63 |
| Effect of permanent differences and other reconciling items (**) | -7 396 | -7 406 |
| Effect of tax (without base) affecting current tax (***) | 7 303 | 3 570 |
| Effect of tax (without base) affecting deferred tax | -8 964 | 848 |
| **Income tax** | **-8 622** | **-23 454** |
| **Effective tax rate** | **-398,6%** | **28,7%** |

* local rate (Orange Communications Luxembourg S.A.= 27.19%) and Group rate (25.00%)
** consisting of non-deductible expenses, effect of application of patent income deduction and permanent differences
*** adjustment on prior years

Tax expenses amounted to 8.6 million euros in 2023 compared to 23.5 million euros in 2022. The effective tax rate came out at -398.6%, which is a decrease compared to the effective tax rate of 28.7% in 2022.

The theoretical amount of tax expenses decreased by 20.9 million euros in 2023, given the loss before income tax due to high interest expense on the financing of the VOO acquisition. In 2023, the non-deductible financial expenses and the other non-deductible tax expenses had a negative impact, partly offset by other permanent differences resulting in a net impact of 7.4 million euros (see **). Permanent differences result when an item of income and/or expense is treated differently for book and tax purposes and the different treatment does not reverse in a subsequent year or result in a basis difference (for example: disallowed expenses, effect on tax gain/loss on disposal of investments, asset retirement obligation, amongst others). The effect of permanent differences and other reconciling items equal to -7.4 million euros consists of the effect of non-deductible financial expenses (-6.1 million euros), disallowed expenses (-3.0 million euros), Asset Retirement Obligation (0.8 million euros and other permanent differences (0.9 million euros). Effect of tax (without base) affecting the deferred tax amounted to -9.0 million euros in 2023.This amount mainly includes a prior year adjustment related to the Asset Retirement Obligation (-8.3 million euros), recognition / (non-recognition) of DTA over the year (0.4 million euros) and other effects on deferred tax (0.3 million euros).

A positive impact on the taxable years 2021 and 2022 was recorded in 2023 for an amount of 9.4 million euros for Innovation Income Deductions, Patent Income Deductions and Investment Deductions (these deductions are considered in the tax expense at the moment they are definitely granted by the tax administration, which happens in most cases in the following year), partly offset by an adjustment related to the FY 2020 merge of Walcom and Walcom Liège (-2.8 million euros) (see ***). The provision for income tax of 1.2 million euros that had been set up for that purpose in 2022 has been reversed in 2023.

## Tax position in the statement of financial position

### Movements in current tax balances

in thousand EUR

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| **Net current tax payable - opening balance** | **13 045** | **10 371** |
| Cash tax payments | -11 724 | -19 211 |
| Current income tax expense | 797 | 21 885 |
| Changes in consolidation scope | 14 073 | 0 |
| **Net current tax payable -closing balance** | **16 191** | **13 045** |

Cash tax payments in 2023 consist mainly of 5.0 million euros of prepayments for 2023 and corporate income tax paid for 2021 3.5 million euros. The change in scope relates to the VOO acquisition.

## Movements in deferred tax balances

Deferred taxes are calculated on temporary differences between the carrying amount of assets and liabilities in the consolidated financial statements and their tax basis.

| | | in thousand EUR |
|---|---|---|
| | **31.12.2023** | **31.12.2022** |
| **Net deferred taxes - opening balance** | **-6 810** | **-2 759** |
| Change in income statement | -7 825 | -1 569 |
| Change in other comprehensive income | 4 825 | -2 482 |
| Changes in consolidation scope | -48 914 | 0 |
| **Net deferred taxes - closing balance** | **-58 723** | **-6 810** |

## The deferred taxes can be broken down as follows:

in thousand EUR

| | **31.12.2023** | | | **31.12.2022** | | |
|---|---|---|---|---|---|---|
| | **Assets** | **Liabilities** | **Income statement** | **Assets** | **Liabilities** | **Income statement** |
| Fixed assets | 0 | 87 675 | 6 326 | 0 | 2 935 | 1 211 |
| Tax losses carryforward | 23 800 | 0 | -1 713 | 5 061 | 0 | -649 |
| Other temporary differences | 84 713 | 78 422 | -12 438 | 78 282 | 86 079 | -992 |
| **Deferred taxes** | **108 513** | **166 097** | **-7 825** | **83 343** | **89 014** | **-430** |
| Unrecognized deferred taxes assets | -1 139 | 0 | 0 | -1 139 | 0 | -1 139 |
| Netting | -100 573 | -100 573 | 0 | -80 601 | -80 601 | 0 |
| **Total** | **6 801** | **65 524** | **-7 825** | **1 604** | **8 413** | **-1 569** |

Deferred taxes essentially relate to PPA adjustments on tangible and intangible fixed assets, tax losses carried forward, IFRS 15 (in other net liability of 23.7 million euros), IFRS 16 (in other for 49.6 million euros in assets and 48.6 million euros in liabilities), receivables (in other for 13.2 million euros in assets) and asset retirement obligations (in other for 2.9 million euros in assets and 0.4 million in labilities). Apart from the impact of the VOO acquisition, the main fluctuation relates to the changes in ending dates of the IFRS 16 leases (21.0 million euros on assets and 21.3 million euros on liabilities) and a correction posted on the calculation of the deferred taxes on Asset Retirement Obligations (8.3 million euros).

## Current operating taxes and levies payables

The operating taxes and levies payables amounted to 133.6 million euros in 2023 and consist of VAT payables 39.7 million euros, 84.0 million euros taxes charged to pylons and masts - plus default interests calculated at the legal rate, 9.5 million euros of provisions for contingencies and 0.3 million other taxes payable. The increase versus year-end 2022 of 47.8 million euros is caused by a combination of the VOO acquisition (28.2 million euros), increased VAT payable at Orange Belgium (10.0 million euros) and increased pylon taxes payable (12.2 million euros).

## Operational taxes: pylon

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 tax assessment notices received concerning these local taxes on pylons, masts or antennas. These taxes are currently being contested before the Civil Courts (Courts of First Instance - Tax Chamber and Courts of Appeal).

On 22 December 2016 the three mobile operators and the Walloon government have concluded an agreement in principle on the issue of taxing mobile infrastructure in the Walloon region for the period 2016-2019 and agreed to settle the dispute on the Walloon regional taxes for 2014.

Orange Belgium engages itself to pay an amount of 16.1 million euros over 4 years (i.e. 2016-2019) and to invest an incremental amount of 20 million euros in telecom infrastructure in the Walloon region in the period 2016-2019.
In turn, the Walloon Region undertakes to no longer levy taxes on telecom infrastructure and to implement a legislative, regulatory and administrative framework designed to facilitate the deployment of this infrastructure. Also the Walloon Region will discourage taxation by municipalities and provinces on telecom infrastructure.
In 2018 and 2019 several Walloon municipalities and provinces have levied taxes on telecom infrastructure.
The operators are entitled to deduct such local taxes levied in 2016-2019 by Walloon municipalities or provinces from the 2019 settlement and investment amounts.
The last instalment of the amount due by Orange Belgium on the basis of the 2016-2019 protocol agreement (4.5 million euros), from which local taxes levied in 2016-2019 may be deducted, has not yet been paid.
In December 2022 Orange Belgium has been contacted by the Walloon Region about the outstanding amount to be paid. Orange Belgium has informed the Walloon Region that, after deduction of the local taxes levied in 2016-2019 on Orange Belgium, the outstanding amount still to be paid is 0.4 million euros. Orange Belgium has not received an answer from the Walloon Region.

The mobile operators have concluded a protocol agreement with the Walloon government for the period 2021-2022. This agreement stipulates that the mobile operators will pay a contribution to a governmental budget fund to be set up by the Walloon government to support the digitalization of the Walloon region, and more specifically local initiatives of Walloon municipalities or provinces. Amount

of the operator's contribution: 5 million euros (35,73% to be paid by Orange Belgium). The mobile operators will also do additional network investments for a total amount of 11 million euros (35,73% for Orange Belgium). This agreement will ensure a financially stable environment by reducing the proliferation of local taxes.
For any period after 2022, no agreement has been reached with the Walloon Government as of the date of this report.

An amount of 0.5 million euros has been paid in December 2021 to the Walloon region. This is the first tranche of 0.9 million euros from which the taxes received from local authorities for 2021 have been deducted.

After deduction of the local taxes levied for 2021 and 2022 to the second tranche of 0.4 million euros of the protocol agreement, no contribution was due any more to the Walloon region in December 2022.
The contribution to be paid to the Walloon region in February 2023 has been determined by the end of January 2023, considering all local taxes 2021 and 2022 levied and/or known by that date.
According to this analysis, the amount of local taxes exceeded the amount due to the Walloon Region on 15 February 2023 and could be deducted. Consequently, there was no contribution to be paid to the Walloon Region by 15 February 2023.

Given the uncertainties surrounding the lawfulness and amount of the pylon taxes and considering inter alia that this tax is not fully payable at the beginning of each fiscal year and actually not paid, the Groupe continues to account for this as a risk in accordance with IAS 37 (Provisions & contingent liabilities). However, the full year risk is estimated and recognized both as a liability and charge at the beginning of each year. Interest charges related to the non-payment of this tax continue being recorded monthly.

The provision for pylon tax is reassessed every quarter using prudent best estimate assumptions based on the evolution of the regional tax framework, of the different court cases and of the new tax bills received. The management revises these estimates if the underlying circumstances evolve or in light of new information or experience. Consequently, estimates made at 31 December 2023, may subsequently be changed.

## Note 8: Interests in associates

In July 2012, the Group participated in the constitution of IRISnet S.C.R.L. The activity of IRISnet S.C.R.L. started on 1 November 2012. The Group owns 28.16% of IRISnet S.C.R.L. equity. The Group is represented on the Board of Directors by 2 out of 7 seats. This company is consolidated using the equity method. The net result of the year amounts to 406 thousand euros, resulting in a net carrying amount as at 31 December 2023 of 6,556 thousand euros.

# Note 9: Financial assets, liabilities and financial result

## Financial result

in thousand EUR

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| Financial Costs | -80 966 | -14 132 |
| Financial Income | 0 | 0 |
| **Total Net Financial Costs** | **-80 966** | **-14 132** |

Net financial result decreased by 66.8 million euros to -81.0 million euros in 2023 essentially due to the intragroup financing of the VOO acquisition which led to higher interest expenses.

## Cash and cash equivalents, financial liabilities

in thousand EUR

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| **Cash and cash equivalents** | | |
| Cash equivalents | -37 | 0 |
| Cash | -47 680 | -35 896 |
| **Total cash and cash equivalents** | **-47 717** | **-35 896** |
| **Financial liabilities** | | |
| Intercompany short-term borrowing | 10 373 | 104 668 |
| Third parties short-term borrowing | 57 669 | 1 116 |
| Put option Nethys SA | 278 971 | 0 |
| Third parties loans long term | 81 048 | 0 |
| Intercompany long-term borrowing | 1 843 689 | 120 794 |
| **Total borrowings** | **2 271 750** | **226 578** |
| **Net debt (Financial liabilities - Cash and cash equivalents)** | **2 224 034** | **190 682** |

The net financial debt at the end of 2023 amounted to 2,224.0 million euros, an increase of Orange Belgium's net financial debt position by 2,033.3 million euros compared to 190.7 million euros of net financial debt at the end of December 2022. The increase versus prior year-end is due to: intragroup financing of the VOO acquisition 1,723.6 million euros, the put option of Nethys on its minority share 279.0 million euros and external financing of VOO 138.8 million euros. Intercompany short-term borrowing decreased to 10.4 million euros.

On top of the credit facility agreement with Orange SA for an amount of 60 million euros ensured till March 2024 (after which 60 million euros ensured until March 2025) and the refinanced loan with Atlas Services Belgium S.A. for an amount of 120 million euros (maturity date June 2026), in 2023 Orange Belgium entered new financing agreements for an amount of 1,751.6 million euros in the context of the VOO acquisition (1731.6 million euros with Atlas Services Belgium S.A. maturing in 2028 and 20 million euros with Nethys maturing in 2030).

Changes in financial liabilities whose cash flows are disclosed in financing activities in the cash flow statement (see 1.3) are presented below:

in thousand EUR

| Other changes with no impact on cash flows from financing activities | 31.12.2022 | Cash Flows | Acquisition | 31.12.2023 |
|---|---|---|---|---|
| Intercompany short-term borrowing * | 104 668 | -94 295 | 0 | 10 373 |
| Intercompany long-term borrowing ** | 120 794 | 1 722 895 | 0 | 1 843 689 |
| Put option Nethys SA | 0 | 0 | 278 971 | 278 971 |
| Third party borrowing *** | 1 116 | -67 003 | 204 604 | 138 717 |

*In the cash flow statement, the 94.3 million euros are included in the headers "Increase (decrease) of bank overdrafts and short-term borrowings" for an amount of 170.6 million euros related to cash pool variation.
**As per Consolidated Cash flow statement the 1,722.9 million euros is included in the Long-term debt issuances (2,231.6 million euros).
*** Third party borrowings in the amount of 67.0 million euros is included for +20 million euros in Long-term debt issuances (2,231.6 million euros) offset by – 14.8 million euros in Repayment of lease liabilities and -72.9 million euros in Increase / decrease in bank overdrafts and short-term borrowings.

## Financial risks

### Liquidity risk

**Orange Belgium's results and outlook could be affected if the terms of access to funding becomes difficult**
Orange Belgium is mainly financed through long-term credit facilities granted by Orange Group entities and is thus not directly exposed to adverse changes in market conditions. On top of the credit facility agreement with Orange SA for an amount of 60 million euros ensured till March 2024 (after which 60 million euros ensured until March 2025) and the refinanced loan with Atlas Services Belgium S.A. for an amount of 120 million euros (maturity date June 2026), in 2023 Orange Belgium entered new financing agreements for an amount of 1751.6 million euros in the context of the VOO acquisition and spectrum purchase (1671.2 million euros with Atlas Services Belgium S.A. maturing in 2028 and 20 million euros with Nethys maturing in 2030). In addition, Orange Belgium could evoke other sources of funding such as bank loans or bonds should financing limitations be imposed by the Orange Group. A large part of these facilities has been used at the end of December 2023 to finance the VOO acquisition and the remaining payment of the spectrum licenses.

In 2022, Orange Belgium was financed similarly through long-term credit facilities granted by Orange Group entities and was thus not directly exposed to adverse changes in market conditions. Combined with the credit facility agreement with Orange SA for an amount of 180 million euros ensured till March 2023 (after which 60 million euros ensured until March 2024) and the refinanced loan with Atlas Services Belgium S.A. for an amount of 120 million euros current funding is ensured until mid-June 2026. In addition, Orange Belgium could evoke other sources of funding such as bank loans or bonds should financing limitations be imposed by the Orange Group. A large part of these facilities had been used at the end of December 2022 to finance the payment of the spectrum licenses resulting in a shift from assets to short term financial liability.

As of 31 December 2023, the Group had unused credit lines under the credit facility agreement with Orange SA for an amount of 59.8 million euros (81.6 million euros as of 31 December 2022).

### Interest rate risk

**Orange Belgium's business activities could be adversely affected by interest rate fluctuations**
Although Orange Belgium's long-term credit facilities bear interest at variable rates, the exposure to interest rate risk was considered low till end of 2022.
However, in the framework of the provision of funding by Atlas Services Belgium SA for the acquisition of VOO and for the purposes of spectrum purchase, Orange Belgium concluded in 2022 a financing agreement, to be used at VOO closing date, based on floating interest rate. In view of the amount borrowed and the variability of the interest rate, Orange Belgium decided to deploy a hedge strategy. To operationalize this strategy, Orange Belgium entered a framework agreement intended to allow for interest rates hedges related to the credit facility agreement referred to above.
Orange Belgium proposed to use a hedging instrument to fix all or part of the effect of the variability of the 6-month rate. The instrument chosen is the IRS (Interest Rate Swap). The main conditions of this IRS are interest to be received by Orange Belgium on the basis of the 6-month EURIBOR rate and interest to be paid by Orange Belgium on the basis of the 5-year fixed rate. The combination of the floating rate loan (paid by Orange Belgium), the floating rate IRS (received by Orange Belgium) and the fixed rate IRS (paid by Orange Belgium), transforms the hedged portion of the floating 6-month rate loan into a 5-year fixed rate loan.

### Credit rating risk

**Downgrades of Orange Belgium's credit rating or rating outlook could increase its borrowing costs and/or limit its financing capacity**
Orange Belgium is mainly financed through long-term credit facilities granted by Orange Group entities until August 2028. The current funding agreements do not foresee rating-based funding adjustments. However, rating downgrades could negatively impact the trading terms that Orange Belgium receives from its suppliers, thus increasing the operational financing needs and overall funding costs.

### Counterparty risk on financial transactions

**The insolvency or deterioration in the financial position of a bank or other institution with which Orange Belgium has a financial agreement may have a material adverse effect on the company and its financial position**
Orange Belgium does not have any derivative exposure with financial institutions nor term deposits. In addition, the credit balances on its bank accounts are very limited given that it is operating a cash pooling structure with automatic sweeping of excess funds to Orange S.A.

However, a default of one of its main banking partners would have a negative impact on its cash management operations. This risk is mitigated by the fact that Orange Belgium's Treasury policy foresees working with at least three different banking partners with an investment-grade rating.

### Credit risk

**Customer payment defaults could adversely affect Orange Belgium's financial results and liquidity position**
Orange Belgium's credit policy foresees that all customers who wish to trade on credit terms are subject to credit verification procedures. If the risk is deemed not acceptable, payment terms are defined as prepayment or cash on delivery.

Orange considers that it has limited concentration in credit risk with respect to trade receivables due to its large and diverse customer base (residential, professional, and large business customers) operating in numerous industries. In addition, the maximum value of the counterparty risk on these financial assets is equal to their recognized net carrying value. An analysis of net trade receivables past due is provided in Note 2.

The following percentages are used to cover the exposure on overdue: not overdue 1%, less than 60 days overdue 6.5%, between 60 & 90 days overdue 12.5%, between 90 & 120 days overdue 25%, between 120 & 360 days overdue 40%, between 360 days and 540 days overdue 75% and more than 540 days 100%.

For loans and other receivables, amounts past due but not provisioned are not material.

### Foreign exchange risk

**Exchange rate fluctuations could adversely affect Orange Belgium's financial results and liquidity position**
Given the mainly local nature of its business Orange Belgium is not exposed to significant foreign currency risk.

## General risk management framework

A comprehensive, consistent and integrated risk management approach is in place to capitalize on synergies between Audit, Control and Risk functions at all levels of the organization. This approach is intended to provide reasonable assurance that operating and strategic targets are met, that current laws and regulations are complied with, and that the financial information is reliable.

The most important components of the risk management framework are discussed in detail in section 2 of the Corporate Governance Statement.

## Interest-bearing loans and borrowings

in thousand EUR

| | Nominal amount end 2023 | Nominal amount end 2022 | Interest rate | Maturity | 31.12.2023 | 31.12.2022 |
|---|---|---|---|---|---|---|
| Atlas Services Belgium RCF (revolving credit facility) | 120 000 | 120 000 | EURIBOR 3M + 0.69 | 10.03.2026 | 120 000 | 120 000 |
| Atlas Services Belgium CFA (credit facility agreement) | 1 671 190 | | EURIBOR 6M + 1.90 | 23.05.2028 | 1 671 190 | |
| Atlas Services Belgium CFA (credit facility agreement) | 60 402 | | EURIBOR 6M + 1.90 | 02.08.2028 | 60 402 | |
| Nethys CFA (credit facility agreement) | 20 000 | | EURIBOR 12M + 3.25 | 04.11.2030 | 20 000 | |
| Transactions costs on long-term loan | | | | | -7 949 | |
| Long-term loans BKM | 7 738 | 7 738 | 1.70% - 5.48% | 31.03.2024 - 01.08.2036 | 46 | 794 |
| Long-term loans VOO | 167 254 | 0 | 1.06% - 9.5% | 31.07.2026 - 31.12.2029 | 61 048 | |
| **Total long-term loans and borrowings** | | | | | **1 924 737** | **120 794** |
| | | | | | | |
| Cash-pool related credit facility with Orange | 60 000 | 180 000 | ESTER + 0.11 | on demand | 583 | 98 405 |
| Uncommitted credit lines with various banks | 20 900 | 20 900 | determined upon withdrawal | on demand | | |
| Short-term loans BKM | | | ST within 1 year related to LT loan | 30.06.2024 | 507 | 1 116 |
| Short-term loans VOO | | | ST within 1 year related to LT loan | 31.07.2024 - 31.12.2024 | 57 162 | |
| Put option Nethys S.A. | 278.971 | 0 | Annual yield rate of 0.7% | on demand | 278 971 | |
| Transactions costs on short-term loan | | | | | 9 790 | 6 276 |
| **Total short-term loans and borrowings** | | | | | **347 013** | **105 797** |

As at 31 December 2023, the Group held hedging derivative financial instruments qualifying for hedge accounting.

However, in the framework of the provision of funding by Atlas Services Belgium SA for the acquisition of VOO and for the purposes of spectrum purchase, Orange Belgium concluded in 2022 a financing agreement, to be used at VOO closing date, based on floating interest rate. In view of the amount borrowed and the variability of the interest rate, Orange Belgium decided to deploy a hedge strategy. To operationalize this strategy, Orange Belgium entered a framework agreement intended to allow for interest rates hedges related to the credit facility agreement referred to above.

Orange Belgium proposed to use a hedging instrument to fix all or part of the effect of the variability of the 6-month rate. The instrument chosen is the IRS (Interest Rate Swap). The main conditions of this IRS are interest to be received by Orange Belgium on the basis of the 6-month EURIBOR rate and interest to be paid by Orange Belgium on the basis of the 5-year fixed rate. The combination of the floating rate loan (paid by Orange Belgium), the floating rate IRS (received by Orange Belgium) and the fixed rate IRS (paid by Orange Belgium), transforms the hedged portion of the floating 6-month rate loan into a 5-year fixed rate loan.

The combination of the floating rate loan (paid by Orange Belgium), the floating rate IRS (received by Orange Belgium) and the fixed rate IRS (paid by Orange Belgium), transforms the floating rate loan into a 5-year fixed rate loan.

No major sources of hedge ineffectiveness have been identified.

Hedge derivative instruments open at the end of the year 2023 are:

| Start Date | End date | Option | Exercise price | Floating rate | Notional Amount |
|---|---|---|---|---|---|
| 24/05/2023 | 24/05/2028 | IRS | 2.7778% | EURIBOR 6M | 350 000 000 |
| 24/05/2023 | 24/05/2028 | IRS | 2.8640% | EURIBOR 6M | 175 000 000 |
| 24/05/2023 | 24/05/2028 | IRS | 2.7660% | EURIBOR 6M | 175 000 000 |
| 24/05/2023 | 24/05/2028 | IRS | 2.7010% | EURIBOR 6M | 175 000 000 |

Hedge derivative instruments open at the end of the year 2022 are:

| Start Date | End date | Option | Exercise price | Floating rate | Notional Amount |
|---|---|---|---|---|---|
| 15/05/2023 | 15/05/2028 | IRS | 2,7740% | EURIBOR 6 m | 350 000 000 |
| 15/05/2023 | 15/05/2028 | IRS | 2,8600% | EURIBOR 6 m | 175 000 000 |

The carrying amount of cash and cash equivalents, trade receivables and other assets, trade payables and other payables is deemed to represent their fair value considering the associated short-term maturity. Other non-current financial assets are measured at amortized costs which are deemed to represent their fair value.

| **Interest rate risk** | | **in thousand EUR** |
|---|---|---|
| | **31.12.2023** | **31.12.2022** |
| **Balance at 1 January - Cash flow hedge reserve** | **7 818** | **374** |
| **Change in cash flow hedge reserve** | | |
| **Gain/loss recognized in other comprehensive income** | **-19 301** | **9 926** |
| of which gain/(loss) arising on changes in fair value of hedging instruments during the period | -23 490 | |
| of which (gain)/loss reclassified to profit or loss - hedged item has affected profit or loss | 4 189 | |
| **Income tax related to gain/(loss) recognised in other comprehensive income** | **4 825** | **-2 482** |
| of which income gain/(losses) recognised in other comprehensive income during the period | 5 872 | |
| of which income tax related to amounts reclassified to profit or loss | -1 047 | |
| **Balance at 31 December - Cash flow hedge reserve** | **-6 658** | **7 818** |

## Maturity

The following are the remaining contractual maturities of financial assets and liabilities at the reporting date. The amounts are gross and undiscounted and exclude contractual interest payments and as well as the impact of netting agreements.

Interests are not included for the non-current financial liabilities due to the revolving nature of the credit facility and variable interest conditions. Borrowings and repayments fluctuate over time, depending on working capital requirements.

in thousand EUR

| Year ended December 2023 | Amount | Within 1 year | Within 2-5 years | More than 5 years |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Non-current financial assets | 1 371 | | | 1 371 |
| Non-current derivatives assets | | | | |
| Trade receivables | 217 937 | 217 937 | | |
| Current financial assets | 3 | 3 | | |
| Current derivatives assets | 511 | 511 | | |
| Cash and cash equivalents | 47 717 | 47 717 | | |
| | | | | |
| **Financial liabilities** | | | | |
| Non-current financial liabilities | 1 924 737 | | 1 904 737 | 20 000 |
| Non-current derivatives liabilities | 9 375 | | 9 375 | |
| Current financial liabilities | 347 013 | 347 013 | | |
| Current derivatives liabilities | 511 | 511 | | |
| Trade payables | 283 236 | 283 236 | | |

in thousand EUR

| Year ended December 2022 | Amount | Within 1 year | Within 2-5 years | More than 5 years |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Non-current financial assets | 1 370 | 0 | 0 | 1 370 |
| Non-current derivatives assets | 9 926 | | 9 926 | |
| Trade receivables | 166 445 | 166 445 | | |
| Current financial assets | 0 | 0 | | |
| Current derivatives assets | 463 | 463 | | |
| Cash and cash equivalents | 35 896 | 35 896 | | |
| | | | | |
| **Financial liabilities** | | | | |
| Non-current financial liabilities | 120 794 | | 120 794 | 0 |
| Non-current derivatives liabilities | 0 | | 0 | |
| Current financial liabilities | 105 797 | 105 797 | | |
| Current derivatives liabilities | 463 | 463 | | |
| Trade payables | 223 860 | 223 860 | | |

## Sensitivity

As indicated above, the main risk area related to external variable elements is the cost of borrowing. Considering an average long-term debt of 1,871.6 million euros in 2023 (of which 875 million euros is covered by the IRS described above), a 1% variation of the floating rate would have 10.1 million euros impact on the financing costs of the non-hedged portion of the long-term debt. Considering an average long-term debt of 120 million euros in 2022, a 1% variation of the floating rate would have a 1.2 million euros impact on financing costs.

## Non-current derivatives liabilities

Non-current derivatives liabilities amount to 9.4 million euros and correspond to the fair value of financial derivatives instruments set in place in the context of the interests hedging strategy.

## Fair value of financial assets and liabilities

The table below is presented according to IFRS 9:

in thousand EUR

| 31.12.2023 | Classification under IFRS 9 [(1)] | Book value | Estimated fair value | Level 1 and cash | Level 2 | Level 3 |
|---|---|---|---|---|---|---|
| **Trade receivables** | **AC** | **217 937** | **217 937** | | | **217 937** |
| **Financial assets** | | | | | | |
| Equity securities | FVR | 1 371 | 1 371 | | | 1 371 |
| Financial assets at amortized cost | AC | 3 | 3 | | | 3 |
| **Cash and cash equivalents** | | | | | | |
| Cash | AC | 47 680 | 47 680 | | 47 680 | |
| Cash equivalents | AC | 37 | 37 | | 37 | |
| **Trade payables** | **AC** | **283 236** | **283 236** | | | **283 236** |
| **Financial debts** | **AC** | **2 271 750** | **2 202 095** | | **2 202 095** | |
| **Derivatives (net amount) [(2)]** | | 9 375 | 9 002 | | | 9 002 |

1. AC" stands for "amortized cost", "FVR" stands for "fair value through profit or loss"
2. IFRS 9 classification for derivatives instruments depends on their hedging qualification (the derivatives qualified as cash flow hedging instruments)

in thousand EUR

| 31.12.2022 | Classification under IFRS 9 [(1)] | Book value | Estimated fair value | Level 1 and cash | Level 2 | Level 3 |
|---|---|---|---|---|---|---|
| **Trade receivables** | **AC** | **166 445** | **166 445** | | | **166 445** |
| **Financial assets** | | **1 370** | **1 370** | | | **1 370** |
| Equity securities | FVR | 1 370 | 1 370 | | | 1 370 |
| Financial assets at amortized cost | AC | | | | | |
| **Cash and cash equivalents** | | **35 896** | **35 896** | | **35 896** | |
| Cash | AC | 35 896 | 35 896 | | 35 896 | |
| Cash equivalents | AC | | | | | |
| **Trade payables** | **AC** | **223 860** | **223 860** | | | **223 860** |
| **Financial debts** | **AC** | **226 591** | **220 161** | | | **220 161** |
| **Derivatives (net amount) [(2)]** | | **-9 926** | **-9 926** | | | **-9 926** |

1. "AC" stands for "amortized cost", "FVR" stands for "fair value through profit or loss"
2. IFRS 9 classification for derivatives instruments depends on their hedging qualification (the derivatives qualified as cash flow hedging instruments)

The financial assets and liabilities measured at fair value in the statement of financial position have been classified based on three hierarchy levels:

- level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- level 2: inputs that are observable for the asset or liability, either directly or indirectly;
- level 3: unobservable inputs for the asset or liability.

The fair value of investment securities uses a valuation technique determined according to the most appropriate financial criteria in each case (comparable transactions, multiples for comparable companies, shareholders' agreement, discounted present value of future cash flows).
For financial assets at amortized cost, the Group considers that the carrying amount of cash and trade receivables provide a reasonable approximation of fair value, due to the high liquidity of these elements.

For financial liabilities at amortized cost, the fair value of financial liabilities is determined using the present value of estimated future cash flows, discounted using rates observed by the Group at the end of the period.
The Group considers the carrying value of trade payables to be a reasonable approximation of fair value, due to the high liquidity. The fair value of derivatives is determined using the present value of estimated future cash flows, discounted using the interest rates observed by the Group at the end of the period.

# Note 10: Shareholders' equity

## Share capital

No changes have taken place during 2023.

| | Share capital (in million EUR) | Number of ordinary shares (in units) |
|---|---|---|
| As at 1 January 2023 | 131 721 | 59 944 757 |
| As at 31 December 2023 | 131 721 | 59 944 757 |

All ordinary shares are fully paid and have a par value of 2.197 euros.

## Dividends

The Orange Belgium Group policy is to balance the appropriate cash returns to equity holders with the requirement of maintaining a balanced and sound financial position, while leaving sufficient leeway to continue to invest in its convergent strategy and the build-out of its network. Management monitors the return on capital, as well as the level of dividends to ordinary shareholders.

Considering the impact of the acquisition of VOO, the Board of Directors will not propose to the Annual General Meeting of Shareholders on 2 May 2024 to distribute in 2024 a gross ordinary dividend regarding the financial year 2023.

## Treasury shares

No Treasury shares were held at 31 December 2023 and at 31 December 2022.

# Note 11: Commitments and contingencies

## Operational activities commitments

in thousand EUR

| | Total | Less than one year | From one to five years | More than five years |
|---|---|---|---|---|
| Handsets purchases | 164 272 | 164 272 | 0 | 0 |
| Other goods and services purchases | 53 459 | 13 346 | 13 915 | 26 198 |
| Investment commitments | 60 907 | 59 449 | 1 458 | 0 |
| **Operational activities commitments** | **278 638** | **237 067** | **15 373** | **26 198** |

## Guarantees granted

in thousand EUR

| | Total | Less than one year | From one to five years | More than five years |
|---|---|---|---|---|
| **Guarantees granted** | **31 517** | **1 322** | **4 136** | **26 059** |

In 2023, the guarantees granted consist of a pledge on business premises of BKM (20.8 million euros) and bank guarantees (10.7 million euros).

# Note 12: (Non)-current provisions

in thousand EUR

| | 31.12.2022 | Additions | Utilisations | Reversal | Consolidation scope | Other effect | 31.12.2023 |
|---|---|---|---|---|---|---|---|
| Provisions for dismantling | 64 890 | 0 | -4 805 | 0 | 1 850 | 16 | 61 951 |
| Provisions for litigations | 2 562 | 2 228 | -1 535 | -1 091 | 987 | -100 | 3 051 |
| **Total provisions** | **67 452** | **2 228** | **-6 340** | **-1 091** | **2 837** | **16** | **65 102** |

in thousand EUR

| | 31.12.2021 | Additions | Utilisations | Reversal | Other effect | 31.12.2022 |
|---|---|---|---|---|---|---|
| Provisions for dismantling | 89 721 | 0 | -2 672 | 0 | -22 159 | 64 890 |
| Provisions for litigations | 3 529 | 1 214 | -236 | -1 945 | 0 | 2 562 |
| **Total provisions** | **93 250** | **1 214** | **-2 908** | **-1 945** | **-22 159** | **67 452** |

Provisions for dismantling consist of current (7.5 million euros) and non-current provisions (54.5 million euros) (see also Note 5 – Other intangible assets).

Provisions for litigations are recorded in other (non)-current liabilities.

## Outstanding litigation

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

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

## Network sites dismantling provision

See Note 5 – Other intangible assets and property, plant and equipment.

## Waste Electrical and Electronic Equipment

According to the European Directive issued on that subject and to the IFRIC 6 interpretation, Orange Belgium is responsible for the treatment and disposal of any waste electrical and electronic equipment (i.e. network equipment, IT hardware...) acquired on or before 13 August 2005.

Orange Belgium is currently selling its electrical and electronic equipment waste to a WEEE certified third-party supplier at a net selling price which meets all European Directive obligations. The agreement with this supplier also includes Orange Belgium's obligations for the period prior to 13 August 2005. No provision has to be recognized in this respect in Orange Belgium's financial statements.

# Note 13: Related parties

## Relationships with affiliated enterprises

Balance sheet and income statement

in thousand EUR

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| **ASSETS** | | |
| Current receivables | -34 316 | -51 663 |
| | | |
| **LIABILITIES** | | |
| Current interest-bearing loan | 1 660 | 104 549 |
| Non-current interest-bearing loan | 1 851 592 | 120 000 |
| Current trade payables | 31 408 | 20 966 |
| | | |
| **INCOME AND CHARGES** | | |
| Sales | 45 209 | 53 859 |
| Purchases | -85 510 | -83 626 |
| Interests | -70 498 | -7 434 |

The ultimate parent entity of Orange Belgium S.A. is Orange S.A., 111 quai du Président Roosevelt, CS 70222, 92449 Issy les Moulineaux Cedex, France.

### Related party transactions

in thousand EUR

| 31.12.2023 | Sales to related parties | Purchases from related parties | Amounts owed by related parties | Amounts owed to related parties |
|---|---|---|---|---|
| Orange Group* - Traffic and services | 30 545 | -41 348 | 0 | 0 |
| Orange S.A. - Cash pool | 0 | -4 429 | -35 714 | 23 604 |
| Orange Group *- Traffic and services | 14 060 | -24 771 | 1 398 | 19 775 |
| Atlas Services Belgium - Loan | 15 | -66 033 | 0 | 1 841 282 |
| Brand fees to Orange S.A. | 589 | -19 427 | 0 | 0 |
| **Total** | **45 209** | **-156 008** | **-34 316** | **1 884 660** |

* Any entity within the Groupe Orange S.A.

in thousand EUR

| 31.12.2022 | Sales to related parties | Purchases from related parties | Amounts owed by related parties | Amounts owed to related parties |
|---|---|---|---|---|
| Orange Group * - Traffic and services | 36 781 | -44 288 | 0 | 0 |
| Orange S.A. - Cash pool | 215 | -6 289 | -52 856 | 117 350 |
| Orange Group *- Traffic and services | 15 659 | -22 347 | 493 | 8 347 |
| Atlas Services Belgium - Loan | 16 | -870 | 13 | 119 818 |
| Brand fees to Orange S.A. | 1 188 | -17 266 | 688 | 0 |
| **Total** | **53 859** | **-91 060** | **-51 663** | **245 515** |

* Any entity within the Groupe Orange S.A.

### Terms and conditions of transactions with related parties

Terms and conditions for the sale and purchase of traffic and services, to the centralized treasury management agreement and to the revolving credit facility agreement are determined on an arm's length basis according to the normal market prices and conditions.

Following the rebranding exercise in 2016, Orange Belgium benefited from a three-year grace period. As from May 2019, a brand fee is charged on a yearly basis by the ultimate parent Orange S.A. which is mainly calculated as a percentage of retail service revenues. In the context of VOO acquisition, the parent company had issued a guarantee of payment in 2022 in favour of the seller corresponding to the amount of the transaction. No allowance for doubtful debtors on amounts owed by related parties is outstanding at the balance sheet date.

## Relationships with Board of Directors members and senior management

| in thousand EUR | 31.12.2023 | 31.12.2022 |
|---|---|---|
| Short-term employees benefits | 4 709 | 3 862 |
| Post-employment benefits | 516 | 424 |
| Other long-term benefits | 640 | 673 |
| Termination benefits | 0 | 0 |
| **Total** | **5 865** | **4 959** |

The total remuneration attributed to the Board of Directors (excluding the normal compensation of the CEO which is included in the table above) is as follows:

| in thousand EUR | 31.12.2023 | 31.12.2022 |
|---|---|---|
| **Total Remuneration** | **360** | **259** |

# Note 14: Liabilities related to contracts with customers and other assets related to contracts with customers

### Customer contract net assets and liabilities

| in thousand EUR | 31.12.2023 | 31.12.2022 |
|---|---|---|
| Customer contract net assets (1) | 88 653 | 59 918 |
| Costs of obtaining a contract | 11 969 | 11 596 |
| Costs to fulfill a contract | 31 | |
| **Total customer contract net assets** | **100 653** | **71 514** |
| Prepaid telephone cards | -12 579 | -14 383 |
| Connection fees | -744 | -584 |
| Other deferred revenue (2) | -53 285 | -45 321 |
| Other customer contract liabilities | -963 | -797 |
| **Total deferred revenue related to customer contracts** | **-67 571** | **-61 085** |
| **Total customer contract net assets and liabilities** | **33 082** | **10 429** |

(1) Assets net of remaining performance
(2) Includes subscription fees

The amount of contract related liabilities, in the balance sheet as at 31 December 2022 and taken into profit & loss during 2023, amounts to 45.0 million euros (37.1 million euros in profit & loss of 2022, on balance sheet as at 31 December 2021).

The following tables give an analysis of the balances of customer contract net assets:

| in thousand EUR | 2023 | 2022 |
|---|---|---|
| Customer contract net assets - in the opening balance [(1)] | 59 918 | 50 715 |
| Business related variations | 14 769 | 9 203 |
| Changes in the scope of consolidation | 13 966 | |
| Reclassifications and other items | | |
| Reclassification to assets held for sale | | |
| **Customer contract net assets - in the closing balance** | **88 653** | **59 918** |

(1) Mainly includes the new customer contract assets net of related liabilities, the transfer of the net contract assets directly to trade receivables and impairment of the period.

The change in deferred income on customer contracts (prepaid telephone cards, service access fees and other unearned income) in the statement of financial position is presented below.

| in thousand EUR | 2023 | 2022 |
|---|---|---|
| **Deferred revenue related to customer contracts - in the opening balance** | **61 085** | **56 022** |
| Business related variations | 3 249 | 5 063 |
| Changes in the scope of consolidation | | |
| Reclassifications and other items | | |
| Reclassification to assets held for sale | | |
| **Deferred revenue related to customer contracts - in the closing balance** | **64 334** | **61 085** |

Trade receivables presented in the consolidated statement of financial position represent an unconditional right to receive consideration (primarily cash), i.e. the services and goods promised to the customer have been transferred.

By contrast, contract assets mainly refer to amounts allocated per IFRS 15 as compensation for goods or services provided to customers for which the right to collect payment is subject to providing other services or goods under that same contract (or group of contracts). This is the case in a bundled offer combining the sale of a mobile phone and mobile communication services for a fixed period, where the mobile phone is invoiced at a reduced price leading to the reallocation of a portion of amounts invoiced for telephone communication services to the supply of the mobile phone. The excess of the amount allocated to the mobile phone over the price invoiced is recognized as a contract asset and transferred to trade receivables as the service is invoiced.

Contract assets, like trade receivables, are subject to impairment for credit risk. The recoverability of contract assets is also verified, especially to cover the risk of impairment should the contract be interrupted. Recoverability may also be impacted by a change in the legal environment governing offers.

Contract liabilities represent amounts paid by customers to Orange before receiving the goods and/or services promised in the contract. This is typically the case for advances received from customers or amounts invoiced and paid for goods or services not yet transferred, such as contracts payable in advance or prepaid packages.

Customer contract assets and liabilities are presented, respectively, in current assets and current liabilities since they are normal part of the Group's operations.

**in thousand EUR**

| | **2023** | **2022** |
|---|---|---|
| Costs of obtaining a contract - in the opening balance | 11 596 | 10 938 |
| Business related variations | 404 | 658 |
| Changes in the scope of consolidation | | |
| Reclassifications and other items | | |
| Reclassification to assets held for sale | | |
| **Costs of obtaining a contract - in the closing balance** | **12 000** | **11 596** |

Where a telecommunications service contract is signed via a third-party distributor, this distributor may receive business provider remuneration, generally paid in the form of a commission for each contract or invoice-indexed commission. Where the commission is incremental and would not have been paid in the absence of the contract, the commission cost is estimated and capitalized in the balance sheet. It should be noted that the Group has adopted the simplification measure authorized by IFRS 15 to recognize the costs of obtaining contracts as an expense when they are incurred if the amortization period of the asset, it would have recognized in respect of them, would not have exceeded a year.

The costs of obtaining fixed-period mobile service contracts are capitalized and released to profit or loss on a straight-line over the enforceable contract term, as these costs are generally incurred each time the customer renews the fixed-period.

There are no costs to fulfil a contract in Orange Belgium S.A.

The following table presents the transaction price assigned to unfulfilled performance obligations as at 31 December 2023. Unfulfilled performance obligations are the services that the Group is obliged to provide to customers during the remaining fixed term of the contract. As allowed by the simplification method procedure in IFRS 15, these disclosures are only related to performance obligations with an internal term greater than one year.

**in thousand EUR**

| | | **31.12.2023** | **31.12.2022** |
|---|---|---|---|
| Less than one year | Y01 | 95 570 | 66 542 |
| Between 1 and 2 years | Y02 | 44 374 | 21 027 |
| Between 2 and 3 years | Y03 | 233 | 312 |
| Between 3 and 4 years | Y04 | 35 | 63 |
| Between 4 and 5 years | Y05 | | |
| More than 5 years | Y99 | | |
| **Total** | | **140 212** | **87 944** |

On the allocation of the total contract transaction price to identified performance obligations, a portion of the total transaction price can be allocated to performance obligations that are unsatisfied or partially satisfied at the end of the reporting period. We have elected to apply certain available practical expedients when disclosing unfulfilled performance obligations, including the option to exclude expected revenues from unsatisfied obligations of contracts with an original expected duration of one year or less. These contracts are primarily monthly service contracts.

In addition, certain contracts offer customers the ability to purchase additional services. These additional services are not included in the transaction price and are recognized when the customer exercises the option (generally on a monthly basis). They are not therefore included in unfulfilled performance obligations.

# Note 15: Lease agreements

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

- Land and buildings
- Network and terminals
- Other

### Lease liabilities

As of 31 December 2023, lease liabilities amount to 204.8 million euros, including non-current lease liabilities of 155.2 million euros and current lease liabilities of 49.6 million euros.

in thousand EUR

| | 2023 | 2022 |
|---|---|---|
| **Lease liabilities – in the opening balance** | **262 069** | **299 919** |
| Increase with counterpart in right-of-use | 23 635 | 13 517 |
| Changes in the scope of consolidation | 29 385 | 0 |
| Decrease in liabilities following rental payments | -56 520 | -51 645 |
| Impact of changes in assessments | -53 800 | -21 |
| Translation adjustment | 0 | 299 |
| **Lease liabilities – in the closing balance** | **204 769** | **262 069** |
| O/w non-current lease liabilities | 155 164 | 217 517 |
| O/w current lease liabilities | 49 605 | 44 553 |

The decrease in the lease liability and in the right of use assets balances comes is the result of the combined effect of the VOO acquisition, the re-assessment of the ending dates of the contracts and the normal additions and payments following new contracts.

The following table details the undiscounted future cash flows of lease liabilities:

in thousand EUR

| | 31 December 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 and beyond |
|---|---|---|---|---|---|---|---|
| Undiscounted lease liabilities | 222 547 | 54 186 | 41 553 | 31 865 | 25 373 | 19 755 | 49 815 |

### Right-of-use assets

in thousand EUR

| 31.12.2023 | Gross value | Accumulated depreciation | Accumulated impairment | Net book value |
|---|---|---|---|---|
| Land and buildings | 346 321 | -166 149 | | 180 172 |
| Networks and terminals | 7 008 | -5 640 | | 1 368 |
| IT equipment | 3 | 0 | -3 | |
| Other right-of-use | 35 841 | -16 551 | -19 | 19 271 |
| **Total right-of-use assets** | **389 173** | **-188 340** | **-22** | **200 811** |

in thousand EUR

| 31.12.2022 | Gross value | Accumulated depreciation | Accumulated impairment | Net book value |
|---|---|---|---|---|
| Land and buildings | 387 341 | -139 285 | | 248 056 |
| Networks and terminals | 5 688 | -4 725 | | 963 |
| IT equipment | 3 | | -3 | |
| Other right-of-use | 24 301 | -12 970 | -19 | 11 312 |
| **Total right-of-use assets** | **417 333** | **-156 980** | **-22** | **260 331** |

in thousand EUR

| | 2023 | 2022 |
|---|---|---|
| **Net book value of right-of-use assets -in the opening balance** | **260 331** | **299 164** |
| Increase (new right-of-use assets) | 24 418 | 13 949 |
| Impact of changes in the scope of consolidation | 29 357 | 0 |
| Depreciation | -58 780 | -52 942 |
| Impact of changes in the assessments | -54 515 | -139 |
| Reclassifications and other items | 0 | 299 |
| **Net book value of right-of-use assets -in the closing balance** | **200 811** | **260 331** |

The total expenses relating to short-term leases for which the recognition exemption is applied is very limited.

# Note 16: Significant changes to the consolidation scope

On December 24, 2021, Orange Belgium S.A. announced it has reached a final agreement with Nethys to acquire 75% less one share of VOO. The European Commission approved Orange's bid for a majority stake in cable operator VOO on March 20, 2023. The closing of the acquisition on June 2, 2023 gives Orange Belgium S.A. its own fixed network in the Wallonia region and part of Brussels. The purchase price amounted to 1 369 million euros. This transaction was financed through an Intra-Group loan.

| | |
|---|---|
| Acquisition cost, net of transactions costs: | 1,369 |
| Transaction costs | 24 |
| Cash acquired | (19) |
| **Cash paid for investment securities, net of cash acquired** | **1,373** |

VOO is a cable wholesale provider for Orange Belgium. Orange Belgium provides leased lines and dark fiber capacities to VOO. All pre-closing litigations between the entities were settled and paid during the course of June 2023.

At the date of the closing of the VOO acquisition, Nethys has 25% plus one share in the newly created VOO Holding SA. In addition, Nethys has a put option to convert its stake into cash or Orange Belgium S.A. shares during the two years following the acquisition. In November 2023, the Board of Directors of Nethys announced its intention to convert its stake into Orange Belgium S.A. shares. This transaction falls within the scope of the procedure provided for in Article 7:97 of the Companies and Associations Code, it is currently being analysed by a committee of independent Orange Belgium directors, with the support of an independent expert. ,After the issuance of the report of the independent expert to the Board of Directors, the transaction is planned to be approved by the General Assembly of Orange Belgium on May 2, 2024.

The put option granted to Nethys has been valued on December 31, 2023 at 279 million euros, which is the value of Nethys equity in VOO at the closing date, and is impacting the current financial liabilities and was compensated on non-controlling interest. The fair value of this put option will be reassessed at each closing (level 3 valuation).

Total acquisition-related costs incurred for the VOO acquisition during 2023 amount to 37.1 million euros. VOO's contribution to revenues since closing date is 300.2 million euros. The impact of VOO on net result of the group amounts to a loss of 21.7 million euros for the period since acquisition. If the acquisition would have occurred on January 1, 2023, the impact on revenues and net result of the VOO acquisition would have been respectively 520.4 million euros and a loss of 49.6 million euros.

The provisional goodwill before allocation amounts to 887.6 million euros. The fair value adjustment on the intangible assets relates to the acquired customer relationships (115 million euros), the brand name (16 million euros) combined with a decrease of capitalized expenses (-11 million euros). The allocation to the tangible fixed assets amounts to 152 million euros and relates essentially to the network. Together with the deferred tax impact of the above-mentioned adjustments (68 million euros), goodwill was reduced by 204 million euros. In accordance with IFRS 3, the Company has one year since acquisition date to determine the final goodwill allocation. Synergies are from the transfer of the MVNO to Orange completed in 2023 and from operational synergies combining the expertise of 2 Telecom operators. We can expect 85m€ yearly synergies in run rate.

The amount of goodwill and the allocation to identifiable assets and liabilities can be changed up to a year following acquisition. As at December 31, 2023, the provisional identifiable assets and liabilities at the date of acquisition is presented below:

| in €m | Provisional Fair value of identifiable net assets |
|---|---|
| **ASSETS** | |
| Goodwill | 684.1 |
| Other intangible assets | 166.4 |
| Property, plant and equipment | 1 132.1 |
| Right-of-use assets | 29.7 |
| Other non-current assets | 7.6 |
| **Total non-current assets** | **2 019.9** |
| Inventories | 24.3 |
| Trade Receivable | 85.7 |
| Cash and cash equivalents | 19.5 |
| Current assets other than cash | 57.7 |
| **Total current assets** | **187.2** |
| **Total Assets** | **2 207.1** |
| **Total Equity** | **1 647.8** |
| Non-current financial liabilities | 85.7 |
| Non-current lease liabilities | 29.7 |
| Deferred tax liabilities | 55.6 |
| Other non-current liabilities | 43.5 |
| **Total non-current liabilities** | **214.5** |
| Current financial liabilities | 118.9 |
| Trade payables | 144.9 |
| Operating taxes and levies payables | 30.6 |
| Current taxes payables | 17.9 |
| Other current liabilities | 32.5 |
| **Total current liabilities** | **344.8** |
| **Total equity and liabilities** | **2 207.1** |

# Note 17: Significant accounting policies

## 1. Summary of significant accounting policies

### 1.1. Transactions in foreign currencies

On initial recognition in the functional currency, a foreign currency transaction is recorded by applying the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. At each balance sheet date, foreign monetary assets and liabilities are translated using the closing rate.

Exchange gains and losses are recognized as operational income and expenses when they are related to the operational activities. Exchange gains and losses are recognized as financial income and expenses only when they are related to the financing activities.

### 1.2. Business combinations, goodwill and goodwill impairment

Business combinations are accounted for applying the acquisition method:

- the acquisition cost is measured at the acquisition date at the fair value of the consideration transferred, including all contingent consideration. Subsequent changes in contingent consideration are accounted for either through profit or loss or through other comprehensive income in accordance with the applicable standards;
- if the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date;
- Goodwill is the difference between the consideration transferred and the fair value of the identifiable assets and liabilities assumed at the acquisition date and is recognized as an asset in the statement of financial position.

For each business combination with ownership interest below 100%, non-controlling interests are measured:

- either at fair value: in this case, goodwill relating to non-controlling interests is recognized; or
- at the non-controlling interest’s proportionate share of the acquiree’s identifiable net assets: in this case, goodwill is only recognized for the share acquired.

Acquisition related costs are directly recognized in the income statement during the period in which they are incurred.
When a business combination is achieved in stages, the previously held equity interest is re-measured at fair value at the acquisition date through profit or loss. The attributable other comprehensive income, if any, is recognized on the same basis as would be required if the previously held equity interests would have been disposed.

Goodwill is not amortized but tested for impairment at least annually or more frequently when there is an indication that it may be impaired. Therefore, the evolution of general economic and financial trends, the different levels of resilience of the telecommunication operators with respect to the decline of local economic environments, the changes in the market capitalization values of telecommunication companies, as well as actual economic performance compared to market expectations represent external indicators that are analyzed by the Group, together with internal performance indicators, in order to assess whether an impairment test should be performed more than once a year.
IAS 36 requires these tests to be performed at the level of each Cash Generating Unit (CGU) or groups of CGUs likely to benefit from acquisition-related synergies. To determine whether an impairment loss should be recognized, the carrying value of the assets and liabilities of the CGUs or groups of CGUs is compared to the recoverable amount. The recoverable amount of a CGU is its value in use.

Value in use is the present value of the future cash flows expected to be derived from the CGUs. Cash flow projections are based on economic and regulatory assumptions, license renewal assumptions and forecast trading conditions drawn up by the Group’s management, as follows:

- cash flow projections are based on five-year business plans;
- cash flow projections beyond that timeframe may be extrapolated by applying a declining or flat growth rate over the next two years (for some CGUs), followed by a growth rate to perpetuity reflecting the expected long-term growth in the market;
- the cash flows obtained are discounted using appropriate rates for the type of business and the countries concerned.

Carrying values of CGUs tested include goodwill, intangible assets with indefinite useful life arising from business combinations and assets with finite useful life (property, plant and equipment, intangible assets and net working capital, including intragroup balances). Net book values are disclosed at the level of the CGUs and groups of CGUs, i.e. including accounting items related to transactions with other CGUs and groups of CGUs.

For a CGU partially owned by the Group, when it includes a portion relating to non-controlling interests, the impairment loss is allocated between the owners of the parent and the non-controlling interests on the same basis as that on which profit or loss is allocated (i.e. ownership interest).

Impairment loss for goodwill is accounted for in the income statement and is never subsequently reversed.

The values in use of the businesses, which are most of the recoverable amounts and which support the book values of long-term assets, are sensitive to the valuation method and the assumptions used in the models. They are also sensitive to any change in the business environment that is different from the assumptions used. The Company recognizes assets as impaired if events or circumstances occur that involve material adverse changes of a permanent nature affecting the economic climate or the assumptions and targets used at the time of the acquisition. New events or adverse circumstances could conduct the Company to review the present value of its assets and to recognize further substantial impairment losses that could have an adverse effect on its results.

Impairment test on the goodwill allocated to the segment "Belgium" is performed at least at the end of each financial year to assess whether its carrying amount does not exceed its recoverable amount. Estimating the fair value less costs to sell will take into account the Company's share price as quoted on the stock exchange.

### 1.3. Intangible assets

This asset category includes intangible assets with a finite useful life such as the cost of the telecommunication licenses, the cost of network design and development, the cost of purchased and internally generated software.

Intangible assets are measured on initial recognition at cost. The cost includes the purchase price, import duties, non-refundable purchase taxes, after deduction of trade discounts and rebates, and any directly attributable costs of preparing the asset for its intended use, i.e. costs of employee benefits, professional fees and testing costs.

When an acquisition of intangible assets includes a long-term payment plan of fixed amounts (meaning, predictable based on calculation criteria which are not under the control of the entity (no variability depending on the activity) with a certain obligation of payment (expected future minimum payment), the discounted value of the fix amounts over the plan are included in the acquisition costs. This has been the case for the licenses acquired in 2022 for which the structure of the license fees payable over the lifetime of the licenses includes amounts that are eligible to such a qualification. Consequently, licenses acquired in 2022 have been capitalized as such:

- One off amount paid at the time the license becomes available for use
- Net present value of the yearly fixed amounts of spectrum fees to be paid over the license period. A corresponding liability has been recorded in current and non-current fixed assets payable. This net present value corresponds to the discounted value of the fixed amounts of spectrum fee payable over the license period at the discount rate prevailing at the moment of the calculation over the maturity of the debt. As from the booking of the debt, unwinding based on the original discount rate will be recorded in financial expenses and annual payments will be applied against the debt itself.

After initial recognition, intangible assets are carried at cost less any accumulated amortization and impairment losses. The residual value of intangible assets is assumed to be zero unless the conditions provided for by IAS 38 are met.
Intangible assets are amortized over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The depreciable amount of an intangible asset with a finite useful life is allocated on a linear basis over its useful life. The amortization of the mobile licenses starts when they are ready to operate.
Amortization of the licenses should start when the asset is available for use, i.e. when it is in the location and technical condition necessary for it to be capable of operating in the manner intended by the management, even if the asset is actually not being used. The license will be available for use when the first geographical zone will be declared "ready to launch" by the technical team. The full amount will be amortized on a straight-line basis over its remaining useful life of that date.

The GSM and UMTS licenses have been granted for a period of 15 years (originally) and 20 years respectively. The GSM license renewal for 5 years was terminated in 2021 and replaced twice by short term license renewal for 6 months. These have been extended twice during 2022. The last extension expired on 31 December 2022.

In 2011, the 4G license has been granted for a period of 15 years, till the 1 of July 2027. The 800 MHz license was acquired in November 2013 and is valid for a period of 20 years.

In the auction launched in 2022 on the primary phase, Orange Belgium won a total of 200 MHz of frequencies on the 700 MHz, 900 MHz, 1800 MHz, 2100 MHz and 3600 MHz bands. In the secondary phase of the auction, Orange Belgium won 30 MHz of frequencies in the 1400 MHz band. The rights to use the 700 MHz and 3600 MHz bands started on 1 September 2022 for respectively 20 years and 17 years and 8 months.) The rights of use for the 900, 1800, 2100 MHz bands will begin on 1 January 2023 for a period of 20 years. For 1400 MHz, the availability for use will start on 1 July 2023 for a period of 20 years.

The useful life of acquired and internally generated software is 5 years (network software) or 4 years (non-network software) and their amortization starts when the software is ready for use.

The fair value of the customer relationships acquired in a business combination is determined using the multi-period excess earnings method and is amortised over a useful life ranging from 10 till 20 years.

The amortization period and amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Any change in the useful life or in the expected pattern of consumption of the future economic benefits embodied in the asset, is accounted for prospectively as a change in an accounting estimate. The changes in useful life on intangible assets recognized during the year are determined on individual asset basis. Obsolescence, dismantling or losses are also considered in the exercise.

Amortization costs are recorded in the income statement under the heading "Depreciation and amortization of other intangible assets and property, plant and equipment".

Research costs are expensed as incurred. Development expenditure on an individual project is recognized as an intangible asset when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

### 1.4. Property, plant and equipment

The following items of property, plant and equipment are classified under the tangible assets category: building, network infrastructure and equipment, IT servers and personal computers, office furniture, leasehold improvements, equipment leased to customers.

Upon recognition, tangible assets are measured at cost. The cost includes the purchase price, import duties and non-refundable purchase taxes, after deduction of trade discounts and rebates, and any costs directly attributable to bringing the asset to the location and condition for it to be capable of operating in the expected manner. The cost of replacing part of an item of property, plant and equipment is recognized as an asset when incurred and if the recognition criteria are met. All other repair and maintenance costs are recognized in profit or loss as incurred. The cost also includes the estimated cost to dismantle the network sites and to refurbish the rented premises when such obligation exists.
The costs related to the installation & activation of the cable and that are directly attributable to bring the asset into working condition for its intended use, are recognized as an asset.
After initial recognition, tangible assets are measured at cost less any accumulated depreciation and impairment losses.
The depreciable amount of a tangible asset is allocated on a systematic and linear basis over its useful life. The depreciation of a tangible asset starts when it is ready to operate as intended.
The useful life of each category of tangible assets has been determined as follows:

| | |
|---|---|
| - Building | 20 years |
| - Pylons and network constructions | 20 years |
| - Optical fiber | 15 years |
| - Network equipment | 5-10 years |
| - Messaging equipment | 5 years |
| - IT servers | 5 years |
| - Personal computers | 4 years |
| - Office furniture | 5-10 years |
| - Leasehold improvements | 9 years or rental period if shorter |
| - Cable equipment | 3-4 years |

The residual value and the useful life of a tangible asset are reviewed at least at each financial year-end and, if expectations differ from previous estimates, the changes are accounted for prospectively as a change in an accounting estimate. The changes in useful life on tangible assets recognized during the year are determined on individual asset basis. Obsolescence, dismantling or losses are also considered in the exercise.

The costs related to the activation of the cable also includes the costs related to installation work performed at the customer’s location to install the modem and are amortized over three years, based upon stable historical usage data available within the Orange Group.
Depreciation costs are recorded in the income statement under the heading “Depreciation and amortization of other intangible assets and property, plant and equipment”.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the income statement in the year the asset is derecognized.

Accelerated depreciation is the depreciation of fixed assets at a faster rate early in their useful lives and is mainly used at the Company when management decides to take assets out of service early (ex. dismantling of technical sites). The net book value of that asset will then be depreciated over the remaining period (of service).
The asset retirement obligation (ARO) relating to the network sites is measured based on the known term of sites rental contracts, assuming a high probability of renewal upon each renewal date and considering that the entire sites park will be dismantled in the future. The dismantling asset is measured by using appropriate inflation and discount rates.

The Group is required to dismantle technical equipment and restore technical sites.

When the obligation arises, a dismantlement asset is recognized in compensation for the dismantling provision.

The provision is based on dismantling costs (on a per-site basis) incurred by the Group to meet its environmental commitments over the asset dismantling and site restoration planning. The provision is assessed on the basis of the identified costs for the current fiscal year, extrapolated for future years using the best estimate of the commitment settlement. This estimate is revised annually and adjusted where appropriate against the asset to which it relates. The provision is present-discounted.

### 1.5. Impairment of tangible and intangible items other than goodwill

The Group assesses at each balance sheet date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognized in the income statement in the operating expenses under the heading “Impairment of fixed assets” which also includes the losses on material never deployed on sites, IT project never put in service, site civil works never finally deployed.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the income statement unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

## 1.6. Borrowing costs

Borrowing costs are capitalized after 1 January 2009. Evaluation of the need to capitalize borrowing costs is made at project level. Up to end of 2008, borrowing costs were recognized as an expense in the period in which they occurred.

## 1.7. Government grants

A government grant is recognized when there is a reasonable assurance that the grant will be received, and the conditions attached to them are complied with.

When the grant relates to an expense item, it is recognized as income over the period necessary to match on a systematic basis to the costs that it is intended to compensate.

Where the grant relates to an asset, the fair value is credited to the carrying amount of the asset and is released to the income statement over the expected useful life of the relevant asset by equal annual instalments.

## 1.8. Taxes

**Current income taxes**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

**Deferred income tax**

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

**Sales tax**

Revenues, expenses and assets are recognized net of the amount of sales tax except:
- where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the acquisition cost of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

**Operational taxes: IFRIC 21**

The IFRIC 21 interpretation was adopted by the European Union in the first semester 2014. It defines the obligating event that gives rise to a liability to pay a levy (as the activity that triggers the levy) and refers to other standards to determine whether the recognized liability gives rise to an asset or expense.

The Company applies IFRIC 21 in the consolidated financial statements to a limited number of levies whose accounting is modified by the interpretation: property withholding tax, tax on office space, tax on class 1/2/3 sites (hazardous and/or insalubrious sites), sites tax and taxes on advertising boards, panels, etc.

### 1.9. Inventories

Inventories are assets held for sale in the ordinary course of business, i.e. handsets and accessories.

Inventories are measured at the lower of cost and net realizable value. The cost of inventories comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. The measurement of our inventories is determined by the weighted average method. The weighted average unit cost is the total amount that has been paid for the inventory divided by the number of units in the inventory. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### 1.10. Cash and cash equivalents

Cash and cash equivalents include cash on hand and cash deposits with a maximum term of 3 months. Cash and cash equivalents held with financial institutions are measured at nominal value. Banks and intercompany cash pooling overdrafts are classified as short-term financial liabilities.

### 1.11. Own shares (liquidity contract)

The purchase of own (Orange Belgium) shares or obligations in the framework of a liquidity contract are accounted for as a deduction from equity.

### 1.12. Long-term provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Company expects some or all of the provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a borrowing cost.

The estimate of the dismantling costs regarding the network sites and of the refurbishment costs related to the rented premises is recognized as an item of tangible asset. This estimate is also recognized as a provision that is measured by using appropriate inflation and discount rates.

### 1.13. Employee benefits

Short-term employee benefits, such as wages, salaries, social security contributions, paid annual leave, profit-sharing and bonuses, medical care, company cars and others are recognized during the period in which the service has been rendered by the employee.

Short-term employee benefits are shown as liabilities as a result of a legal or constructive present obligation and when a reliable estimate of such liabilities can be made.

As a consequence of the law of 18 December 2015, minimum returns are guaranteed by the employer as follows:

- for the contributions paid as from 1 January 2016, a new variable minimum return based on OLO rates, with a minimum of 1.75% and a maximum of 3.75%. In view of the low rates of the OLO in the last years, the return has been initially set to 1.75%;
- for the contributions paid until end December 2015, the previously applicable legal returns (3.25% and 3.75% respectively on the employer and employee contributions) continue to apply until retirement date of the participants.

In view of the minimum returns guarantees, those plans qualify as Defined Benefit plans.
To ensure that the defined contribution pension plan in force guarantees its participants the minimum return required by law at the date of departure regarding the access, the Company ordered a complete actuarial computation under the PUC method without projection of future contributions.

### 1.14. Leases

The Company classifies as a lease, a contract that conveys to the lessee the right to control the use of an identified asset for a given period, including a service contract if it contains a lease component.

The Company has defined four major lease contract categories:
1. Land and buildings: these contracts mainly concern commercial (point of sale) or service activity (offices and head office) leases, as well as leases of technical buildings not owned by the Group. Real estate leases entered into in Belgium generally have long terms (between 7 and 11 years).
2. Networks and terminals: the Group is required to lease a certain number of assets in connection with its mobile activities. This is notably the case of lands to be used to install antennas, mobile sites leased from a third-party operator and certain “TowerCos” contracts (companies operating telecom towers). Leases are also entered into as part of fixed wireline access network activities.
3. IT (& network) equipment: this asset category primarily comprises leases of servers and hosting space in datacenters.
4. Other: this asset category primarily comprises leases of vehicles.

There are no real relevant differences in the four categories in the context of IFRS 16, the rules and calculation methods are identical. Leases are recognized in the consolidated statement of financial position via an asset reflecting the right to use the leased assets and a liability reflecting the related lease obligations. In the consolidated income statement, amortization and depreciation of the right-of-use asset is presented separately from the interest expense on the lease liability. In the consolidated statement of cash flows, cash outflows relating to interest impact operating flows, while repayments of the lease liability impact financing flows.

Finally, the Company applies the following authorized practical expedients:
- Exclusion of leases with a residual term expiring within 12 months of the first application data. This practical expedient is applied for all contracts, including those with a tacit renewal clause at the transition date. In applying this practical expedient, the Group calls on its judgment and experience gained in the previous years to determine whether it is reasonably certain to exercise a renewal option, taking account of the relevant facts and circumstances.
- Exclusion of leases of assets with a replacement value of less than approximately 5,000 euros;
- Exclusion of initial direct costs from the measurement of the right-of-use asset at the date of first-time application; and
- The inclusion in the opening balance sheet of provisions for onerous contracts measured as of 31 December 2018 pursuant to IAS 37, as an alternative to impairment testing of right-of-use assets in the opening balance sheet.

**a) Accounting policies Lease Liabilities:**

The Company recognizes a liability (i.e. a lease liability) at the date the underlying asset is made available. This lease liability is equal to the present value of fixed and fixed in-substance payments not paid at that date, plus any amounts that Orange is reasonably certain to pay at the end of the lease, such as the exercise price of a purchase option (where it is reasonably certain to be exercised), or penalties payable to the lessor for terminating the lease (where the termination option is reasonably certain to be exercised).

The Company only takes into account the lease component of lease when measuring the lease liability. For certain asset classes where the lease includes service and lease components, the Group may recognize a single contract classified as a lease (i.e. without distinction between the service and lease component).

Orange systematically determines the lease term as the period during which leases cannot be canceled, plus periods covered by any extension options that the lessee is reasonably certain to exercise and by any termination options that the lessee is reasonably certain not to exercise.

For open-ended leases, the Company generally adopts the notice period as the enforceable period. The Group nonetheless assesses, based on the circumstances of each lease, the enforceable period taking account of certain indicators such as the existence of non-insignificant penalties in the event of termination by the lessee. The Group considers in particular the economic importance of the leased asset when determining this enforceable period.

For each contract, the Company applies a discount rate determined based on the loan yield specific to each contract, according to its term plus the Group's credit spread if the interest rate can’t be readily determined from the contract.
In order to determine the loan yield specific to each contract, the Company applies the following method:
- Determination of a risk-free rate curve according to the currency and maturity based on government bond yields.
- Application of the Company’s credit spread according to the currency and maturity.
- Selection of the applicable rate for each lease contract, corresponding to the average maturity of the contract.

After the lease commencement date, the amount of the lease liability may be reassessed to reflect changes introduced in the following main cases:
- A change in term resulting from a contract amendment or a change in assessment of the reasonable certainty that a renewal option will be exercised, or a termination option will not be exercised;

- a change in the amount of lease payments, for example following application of a new index or rate in the case of variable payments; and
- any other contractual change, for example a change to the scope of the lease or the underlying asset.

**b) Accounting policies ROU assets:**

A right-of use is recognized as an asset, with a corresponding lease liability. The right-of-use asset is equal to the amount of the lease liability at inception.

Work performed by the lessee and modifications to the leased asset, as well as guarantee deposits, are not components of the right-of-use asset and are recognized in accordance with other standards.
Finally, the right-of-use asset is depreciated in the consolidated income statement on a straight-line basis over the lease term adopted by the Group.

**c) Accounting policies Identified assets:**

- In certain circumstances, the Company rents a space to set up an antenna. Most often, the space is a piece of land or a part of a rooftop or balcony etc.… The identified asset is the part of land which is rented per the terms of the lease contract. In most circumstances, the lease contract does not allow the owner of the space to substitute it by another one. Consequently, the contracts most often do not include a substitution right to the owner. All benefits from use of the part of the land rented are obtained by the Company. In certain circumstances, the Company rents a space on the tower and/or in the shelter from a third-party operator. This space can be defined as a dedicated space, volume or payload in the contract. The contract conveys the right to use an identified asset. The space in the tower and granted by the third-party operator is physically identifiable. Even in the case the space would not be explicitly specified in the contract, it will become identified at the time the spot is made available for the Company to install its equipment. When the contract allows the owner of the tower to substitute the space which is initially rented by the Company, this right either is generally exercisable only in very specific cases (security, heightening of the tower…) which cannot be anticipated at the beginning of the contract, or is subject to the pre-approval of Orange. Consequently, this substitution right is deemed not substantive for the supplier. All the economic benefits from use of the space are obtained by the Company.
- Fixed wireline: these leases mainly concern access to the local loop where Orange is a market challenger (total or partial unbundling), as well as the lease of land transmission cables.
  - Regarding the access to the local loop, the identified asset is the dedicated pair of copper wires installed from the telephone exchange / central office to the customer's premises. In most cases, the purchase order forms explicitly mention the specific pair of copper wires related to Orange. Even if the pair of copper wires is not explicitly specified in the purchase order form, it will become identified when the subscriber's access is granted to Orange by the incumbent. Then Orange is able to connect the pair of copper wires from its own DSLAM to the customer premises set-top box. The full unbundling contracts do not permit any substitution right. All the economic benefits from the use of the dedicated pairs of copper are obtained by Orange. Indeed, Orange has the exclusive use of the dedicated pair of copper wires to deliver retail telecommunication services (voice and broadband) to its final customer in exchange for a subscription fee, which is determined by Orange.

    However, as this is not material (only 10 lines are still in use representing a total yearly cost of approximately 2,000 euros) for the Company, these contracts are not part of the IFRS16 calculation.

  - Regarding the lease of land transmission cables, the Company lease either a specific cable or a capacity portion of a cable.
    - In some cases, the supplier grants the Company the use of an identified and fully dedicated cable (for example dark fiber cable) for a determined period. The Company is responsible for directing and operating the dark fiber with its own active network equipment and resources. The identified asset is the dedicated dark fiber installed by the supplier from a point A to a point B. In most cases, the contracts or the purchase order forms explicitly mention the specific dark fiber involved (usually described by an identification number). Even in the case where the dark fiber is not explicitly specified in the purchase order form, it will become identified at the time the access is granted to Orange by the supplier. Then Orange is able to connect its own active equipment to the dedicated dark fiber. Unless a substantive substitution right is properly identified in a contract, Orange considers that the dedicated dark fibers are identified assets. Furthermore, all the economic benefits from the use of the dedicated dark fiber are obtained by Orange. Indeed, Orange has the exclusive use of the dedicated fiber cable used for core network operations purposes.
    - In some cases, the supplier grants the Company a high-speed access link connecting two geographic points for a determined transmission capacity and period. The supplier is responsible for directing and operating the lines and their maintenance with its own active network equipment and resources. This form of capacity arrangement does not convey the right to use an identified asset. This form of leased lines arrangement (capacity arrangement) only conveys to Orange a right to access a capacity (i.e. a quantity) as mentioned in the offers. This kind of agreement does not fall within the scope of IFRS 16.

## 1.15. Loyalty commissions

Loyalty commissions earned by the distribution channels on post-paid contracts are recognized upfront upon contract subscription.

## 1.16. Financial discounts

Financial discounts granted to customers or received from suppliers for early payments are deducted from revenue and costs of sales as incurred.

### 1.17. Dividend

A dividend declared by the General Assembly of the shareholders after the balance sheet date is not recognized as a liability at that date.

### 1.18. TV content contracts

Expenses related to acquired TV distribution rights are recognized in the profit and loss statement as incurred and not capitalized as intangible asset and consequently amortized over the term of the contract. The Company believes that it only acquires the distribution right to air a certain channel and has no view or influence on future scheduling and content. As such, there is only a limited ability to predict significant audiences or revenues from future airings, which implies that the acquired TV distribution rights do not meet the requirements to be recognized as an intangible asset under IAS 38.

### 1.19 Segment reporting

Decisions on allocation of resources and operating segments' performance assessment of Group components are made by the Chief Executive Officer (main operational decision-maker) at operating segments' level, mainly composed by geographical locations. Thus, the operating segments are:

- Belgium; and
- Luxembourg.

The use of shared resources is taken into account in segmental results based either on contractual agreements terms between legal entities, or external benchmarks, or by allocating costs among all segments. The supply of shared resources is included in other revenues of the service provider, and the use of the resources is included in expenses taken into account for the calculation of the service user's EBITDAaL (as from accounting year 2019). The cost of shared resources may be affected by changes in contractual relationships or organization and may therefore impact the segment results disclosed from one year to another.

### 1.20. Financial instruments

IFRS 9 comprises three phases: classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting.

**Classification and measurement of financial assets and liabilities**

The classification proposed by IFRS 9 determines the way assets are recognized and measured. The financial asset classification depends on the combination of the following two criteria:

- the Group's business model for managing financial assets; and
- the contractual cash flow characteristics of the financial asset (whether or not solely payments of principal and interest).

Based on the combined analysis of these two criteria, IFRS 9 identifies three business models:

- Financial assets measured at fair value through profit or loss (FVR)
  Certain investment securities which are not consolidated or equity-accounted, and cash investments such as negotiable debt securities and deposits, that are compliant with the Group's risk management policy or investment strategy, may be designated by Orange as being recognized at fair value through profit or loss. These assets are recognized at fair value at inception and subsequently. All changes in fair value are recorded in net financial expenses.
- Financial assets measured at fair value through other comprehensive income that may be reclassified (or not) to profit or loss (FVOCI)
  Investment securities which are not consolidated or equity-accounted are, subject to exceptions, recognized as assets at fair value through other comprehensive income that may not be reclassified to profit/loss. They are recognized at fair value at inception and subsequently. Temporary changes in value and gains (losses) on disposals are recorded in other comprehensive income that may not be reclassified to profit/loss.
- Financial assets measured at amortized cost (AC)
  This category mainly includes loans and receivables. These instruments are recognized at fair value at inception and are subsequently measured at amortized cost using the effective interest method. The group always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

**Impairment of financial assets**

In accordance with the requirements of IFRS 9, the impairment of trade receivables is based on three methods:

- a collective statistical method: this is based on historical losses and leads to a separate impairment rate for each aging balance category. This analysis is performed over a homogeneous group of receivables with similar credit characteristics because they belong to a customer category;
- a stand-alone method: the assessment of impairment probability and its amount are based on a set of relevant qualitative factors (aging payment, other balances with the counterparty, rating from independent agencies, geographical area).
- A provisioning method based on expected loss: IFRS 9 requires recognition of expected losses on receivables immediately upon recognition of the financial instruments. In addition to the pre-existing provisioning system, the Group applies a simplified approach of early impairment at the time the asset is recognized. The rate applied depends on the maximum revenue non-recoverability rate.

Recognition of impairment losses for a group of receivables is the step preceding identification of impairment losses on individual receivables. As soon as information is available (customers in bankruptcy or subject to court-ordered liquidation), these receivables are then excluded from the statistical impairment database and individually impaired.

**Hedge accounting**

Derivative instruments are measured at fair value in the statement of financial position and presented according to their maturity date, regardless of whether they qualify for hedge accounting under IFRS 9 (hedging instruments versus trading derivatives).

Derivatives are classified as a separate line item in the statement of financial position.

Trading derivatives are economic hedge derivatives not classified as hedges for accounting purposes. Changes in the value of these instruments are recognized directly in profit or loss.
Hedge accounting is applicable when:

- At inception of the hedge, there is a formal designation and documentation of the hedging relationship;
- The effectiveness of the hedge is demonstrated at inception and it is expected to continue in subsequent periods: i.e. at inception and throughout its duration, the company expects changes in the fair value of the hedged item to be almost fully offset by change in the fair value of the hedging instrument.

There are three types of hedging accounting:

- A fair value hedge is a hedge of the exposure to the changes in the fair value of a recognized asset or liability (or an identified portion of the asset or liability) that are attributable to a particular interest rate and/or currency risk and which could affect profit or loss. The hedged portion of these items is remeasured at fair value in the statement of financial position. Changes in this fair value are recognized in the income statement and are offset by symmetrical changes in the fair value of financial hedging instruments to the extent of the hedge effectiveness;
- A cash flow hedge is a hedge of exposure to changes in cash flow attributable to a particular interest rate and / or currency risk associated with a recognized asset or liability or a transaction believed to be highly probable (such as future purchase or sale) which could affect profit or loss. As the hedged item is not recognized in the statement of financial position, the effective portion of the change in fair value of the hedging instrument is recognized in other comprehensive income. It is reclassified in profit or loss when the hedged item (financial asset or liability) affects the profit or loss or in the initial cost of the hedged item when it relates to the hedge of a non-financial asset acquisition cost;
- A net investment hedge is a hedge of exposure to changes in value attributable to the foreign exchange risk of a net investment in a foreign operation, which could affect profit or loss on the disposal of the foreign operation. The effective portion of the net investment hedge is recorded in other comprehensive income. It is reclassified in profit or loss on disposal of the net investment.

For transactions qualified as fair value hedges and for economic hedges, the foreign exchange impact of changes in the fair value of derivatives is booked in operating income when the underlying hedged item is a commercial transaction and in finance costs, net when the underlying hedged item is a financial asset or liability.

Hedge accounting can be terminated when the hedged item is no longer recognized, i.e. when the Group revokes the designation of the hedging relationship or when the hedging instrument is terminated or exercised. The accounting consequences are as follows:

- Fair value hedge: at the hedge accounting termination date, the adjustment of the fair value of the liability is amortized using an effective interest rate recalculated at this date. Should the item hedged disappear, the change in fair value is recognized in the income statement;
- Cash flow hedge: amounts recorded in other comprehensive income are immediately reclassified in profit or loss when the hedged item is no longer recognized. In all other cases, amounts are reclassified in profit or loss, on a straight-line basis, throughout the remaining life of the original hedging relationship.

In both cases, subsequent changes in the value of the hedging instrument are recorded in profit or loss.

Concerning the effects of the foreign currency basis spread of cross-currency swaps designated as cash flow hedges, the Group has chosen to designate these as hedging costs. This option enables recognition of these effects in other comprehensive income and amortization of the cost of the basis spread in profit or loss over the period of the hedge.

**Interest-bearing loans and borrowings**

Loans and borrowings are initially recognized at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method.

Gains and losses are recognized in income when the liabilities are derecognized as well as through the amortization process.

**Trade and other short-term payables**

Trade and other short-term payables with no stated interest rate are measured at the original invoice or nominal amount when the effect of discounting is immaterial.

**Offsetting a financial asset and a financial liability**

Trade receivables and payables are offset and the net amount is presented on the face of the balance sheet when such amounts may legally be offset and a clear intention to settle them on a net basis exists.

## 1.21 Revenue from contracts with customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations.

Most revenue falls within the application scope of IFRS 15 "Revenue from contracts with customers". Orange's products and services are offered to customers under service contracts only and contracts combining the equipment used to access services and/or other service offers. Revenue is recognized net of VAT and other taxes collected on behalf of governments.

**1. Standalone service offers (mobile services only, fixed services only, convergent service)**

The Company proposes to Mass market and Corporate markets customers a range of fixed and mobile telephone services, fixed and mobile Internet access services and content offers (TV). Some contracts are for a fixed term (generally 12 or 24 months), while others may be terminated at short notice (i.e. monthly arrangements or portions of services).

Service revenue is recognized when the service is provided, based on use (e.g. minutes of traffic or bytes of data processed) or the period (e.g. monthly service costs).

Postpaid mobile revenues are recognized without reference to actual data or voice usage/allowance. The voice or data allowance or the postpaid tariff plan does not have any impact on the calculation of the transaction price or enforceable period. For limited data offers however, any actual excess data usage is billed and recognized as revenue as incurred.

Under some content offers, Orange may act solely as an agent enabling the supply by a third-party of goods or services to the customer and not as a principal in the supply of the content. In such cases, revenue is recognized net of amounts transferred to the third-party.

Contracts with customers generally do not include a material right, as the price invoiced for contracts and the services purchased and consumed by the customer beyond the specific scope (e.g. additional consumption, options, etc.) generally reflect their standalone selling prices. Service obligations transferred to the customer at the same pace are treated as a single obligation.

When contracts include contractual clauses covering commercial discounts (initial discount on signature of the contract or conditional on attaining a consumption threshold) or free offers (e.g. three months of subscription free of charge), the Company defers these discounts or free offers over the enforceable period of the contract (period during which the Company and the customer have a firm commitment). Where applicable, the consideration payable to the customer is recognized as a deduction from revenue in accordance with the specific terms and conditions of each contract.

**2. Separate equipment sales**

The Company proposes to Mass market and Corporate market customers several ways to buy their equipment (primarily mobile phones): equipment sales may be separate from or bundled with a service offer. When separate from a service offer, the amount invoiced is recognized in revenue on delivery and receivable immediately or in instalment over a period of up to 24 months. Where payments are received in instalments, the offer comprises a financial component and interest is calculated and deducted from the amount invoiced and recognized over the payment period in net finance costs. Such transactions are however limited.

When the equipment sale is combined with a service offer, the amount allocated to the equipment (bundled sale – see below) is recognized in revenue on delivery and received over the service contract.

Where Orange purchases and sells equipment to indirect channels, the Group generally considers that Orange maintains control until final resale to the end-customer (the distributor acts as an agent), even where ownership is transferred to the distributor. Sales proceeds are therefore recognized when the end-customer takes possession of the equipment (on activation).

**3. Bundled equipment and service offers**

Orange proposes numerous offers to its Mass market and Corporate market customers comprising equipment and services (e.g. a communications contract).

Equipment revenue is recognized separately if the two components are distinct (i.e. if the customer can receive the services separately). Where one of the components in the offer is not at its separate selling price, revenue is allocated to each component in proportion to their individual selling prices. This is notably the case in offers combining the sale of a mobile phone at a reduced price, where the individual selling price of the mobile phone is considered equal to its purchase cost plus a commercial margin based on market practice.

The provision of Modems and decoders (For Internet / TV offers) is neither a separate component of the Cable access service nor a lease, as Orange maintains control of the box and modems.

**4. Service offers to carriers (wholesale)**

The Group has mainly the following possible types of commercial agreements entered into with Operator customers for domestic wholesale activities and International carrier offers:

- Pay-as-you-go model: contract generally applied to "legacy" regulated activities (roaming, data solution contracts,…), where contract services are not covered by a firm volume commitment. Revenue is recognized as the services are provided (which corresponds to transfer of control) over the contractual term; and
- Send-or-pay model: contract where the price, volume and term are defined. The customer has a commitment to pay the amount indicated in the contract irrespective of actual traffic consumed over the commitment period. This contract category notably includes certain MVNO contracts. The related revenue is recognized progressively based on actual traffic during the period, to reflect transfer of control to the customer. In case MVNO contracts are structured with a minimum commitment, minimum commitments are recognized as revenue unless usage exceeds the minimum commitment.

Specific revenue streams and related recognition criteria are as follows:

**Sales of equipment**

Sales of equipment to the distribution channels and to the final customers are recognized in revenue upon delivery. Consignment sales are recognized in revenue upon sale to the final customer.

**Revenue from the sale of prepaid cards**

Sales of prepaid cards are recognized at facial value as deferred income at the time of sale and released in the profit and loss statement as revenue upon usage.

**Interconnection revenue**

Traffic revenue paid by other telecommunication operators for use of our network is recognized upon usage.

**Revenue sharing**

Revenue arising from contracts with third-party content providers is recognized after deduction of the fees paid to them in remuneration of the product or service delivered.

**Revenue deferred until payment for which collection is not considered probable**

Revenue of which the collectability is not reasonably assured at the point of sale is deferred until the payment has been received.

## 1.22 Earnings per share

The Group discloses both basic earnings per share and diluted earnings per share for continuing operations:

- basic earnings per share are calculated by dividing net income for the year attributable to the equity holders of the Group by the weighted average number of ordinary shares outstanding during the period;
- diluted earnings per share are calculated based on the same net income and weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

When basic earnings per share are negative, diluted earnings per share are identical to basic earnings per share. Treasury shares owned, which deducted from the consolidated equity, do not enter into the calculation of earnings per share.

## 1.23 Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Those parties are called joint operators.
A joint operator shall recognize in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;

- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

As joint operator, the Group accounts for the assets, liabilities, revenues and expenses relating to its interest in its joint operations in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses.

# Note 18: Subsequent events

## BKM-Orange merges into Orange Belgium

March 1st 2024 BKM-Orange merges into Orange Belgium to answer the growing demand of B2B customers for a single connectivity and ICT provider. As of today, BKM-Orange will continue under the flag of Orange Belgium. The merger strengthens Orange's customer experience excellence ambition, a fundamental pillar of its 'Lead the Future' strategy, by putting ICT needs at the heart of business customer propositions.

# Note 19: 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 service revenues do not include incoming and visitor roaming revenues. |
| **mobile only services** | Revenues from mobile offers (excluding B2C convergent offers and equipment sales) and M2M connectivity, excluding incoming and visitors roaming revenues. |
| **fixed only services** | Revenues from fixed offers (excluding B2C convergent offers and equipment sales) including (i) fixed broadband, (ii) fixed narrowband, and (iii) data infrastructure, managed networks, and incoming phone calls to customer relations call centres. |
| **IT & integration services** | Revenues from collaborative services (consulting, integration, messaging, project management), application services (customer relationship management and infrastructure applications), hosting, cloud computing services, security services, video-conferencing and M2M services. It also includes equipment sales associated with the supply of these services. |
| **Wholesale** | Revenues with third-party telecom operators for (i) mobile: incoming, visitor roaming, domestic mobile interconnection (i.e. network sharing and domestic roaming agreement) and MVNO, and for (ii) fixed carriers services. |
| **equipment sales** | Revenues from all mobile and fixed equipment sales, excluding (i) equipment sales associated with the supply of IT & Integration services, and (ii) equipment sales to dealers and brokers. |
| **other revenues** | Include (i) equipment sales to brokers and dealers, (ii) portal, on-line advertising revenues, (iii) corporate transversal business line activities, and (iv) other miscellaneous revenues. |

### Profit & Loss

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

### Cash flow statement

| | |
|---|---|
| **Adjusted 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 licenses. |
| **eCapex (since 1 January 2019)** | Economic Capex is not a financial measure as defined by IFRS. It corresponds to capital expenditures on tangible and intangible assets excluding telecommunication licenses 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 Working Capital Requirement (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** | Financial liabilities minus cash and cash equivalents. |
| **net debt variation** | Variation of net debt level. |

## Operational KPIs

| | |
|---|---|
| **Convergent** | |
| **B2Cconvergent 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** | 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** | 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. |

# Orange Belgium S.A. annual accounts 2023

## Comments on Orange Belgium S.A.'s 2023 annual accounts prepared according to Belgian accounting standards

The statutory income statement and balance sheet are presented hereafter. As for the exhaustive annual accounts of Orange Belgium S.A., we refer you to the website of the Central Balance Sheet Office (http://www.nbb.be).

## Balance sheet after appropriation

| | in thousand EUR | |
|---|---|---|
| | **31.12.2023** | **31.12.2022** |
| **ASSETS** | | |
| **Formation expenses** | **10 310** | **182** |
| | | |
| **Fixed assets** | **2 889 035** | **1 484 423** |
| Intangible fixed assets | **695 035** | **727 726** |
| Tangible fixed assets | **673 411** | **661 291** |
| Land and buildings | 216 314 | 234 258 |
| Plant, machinery and equipment | 371 234 | 348 770 |
| Furniture and vehicles | 18 002 | 15 878 |
| Other tangible fixed assets | 17 653 | 16 348 |
| Tangible assets under construction and advance payments made | 50 208 | 46 036 |
| **Financial fixed assets** | **1 520 589** | **95 407** |
| Affiliated enterprises | 1 512 798 | 87 615 |
| Participating interests | 912 798 | 82 203 |
| Amounts receivable | 600 000 | 5 412 |
| Other enterprises linked by participating interests | **7 397** | **7 397** |
| Participating interests | 7 397 | 7 397 |
| Other financial assets | **395** | **395** |
| Amounts receivable and cash guarantees | 395 | 395 |
| | | |
| **Current assets** | **237 814** | **186 772** |
| **Amounts receivable after more than one year** | **1** | **1** |
| Other amounts receivable | 1 | 1 |
| **Stocks and contracts in progress** | **21 740** | **19 735** |
| Stocks | 21 740 | 19 735 |
| Goods purchased for resale | 21 740 | 19 735 |
| **Amounts receivable within one year** | **169 110** | **153 558** |
| Trade debtors | 151 115 | 144 044 |
| Other amounts receivable | 17 995 | 9 514 |
| **Current investments** | **511** | **463** |
| Own shares | 0 | 0 |
| Other investments and deposits | 511 | 463 |
| **Cash at bank and in hand** | **16 753** | **10 830** |
| **Deferred charges and accrued income** | **29 699** | **2 186** |
| | | |
| **Total Assets** | **3 137 159** | **1 671 377** |

in thousand EUR

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| **EQUITY AND LIABILITIES** | | |
| **Equity** | **624 727** | **602 810** |
| **Capital** | **131 721** | **131 721** |
| Issued capital | 131 721 | 131 721 |
| **Reserves** | **13 172** | **13 172** |
| Legal reserve | 13 172 | 13 172 |
| Reserves not available | 0 | 0 |
| In respect of own shares held | 0 | 0 |
| **Accumulated profits (losses) (+) (-)** | **479 835** | **457 918** |
| **Investment grants** | **0** | **0** |
| | | |
| **Provisions and deferred taxes** | **57 201** | **62 544** |
| **Provisions for liabilities and charges** | **57 201** | **62 544** |
| Pensions and similar obligations | 60 | 73 |
| Other risks and costs | 57 140 | 62 472 |
| | | |
| **Amounts payable** | **2 455 231** | **1 006 023** |
| **Amounts payable after more than one year** | **1 990 225** | **261 102** |
| Financial debts | 1 851 592 | 120 000 |
| Other loans | 1 851 592 | 120 000 |
| Other amounts payable | 138 633 | 141 102 |
| **Amounts payable within one year** | **387 138** | **681 140** |
| **Current portion of amounts payable after more than one year falling due within one year:** | **2 467** | **4 787** |
| **Financial debts** | **3 300** | **103 409** |
| Credit institutions | 0 | 0 |
| Other loans | 3 300 | 103 409 |
| **Trade debts** | **249 153** | **264 317** |
| Suppliers | 249 153 | 264 317 |
| Bills of exchange payable | 0 | 0 |
| **Taxes, remuneration and social security** | **130 382** | **114 312** |
| Taxes | 97 430 | 84 402 |
| Remuneration and social security | 32 952 | 29 910 |
| **Other amounts payable** | **1 836** | **194 315** |
| **Accrued charges and deferred income** | **77 867** | **63 780** |
| | | |
| **Total Equity and Liabilities** | **3 137 159** | **1 671 377** |

## Income statement

| | | in thousand EUR |
|---|---|---|
| | **31.12.2023** | **31.12.2022** |
| **Operating income** | **1 405 703** | **1 328 090** |
| Turnover | 1 332 598 | 1 269 134 |
| Own construction capitalized | 17 119 | 14 705 |
| Other operating income | 55 986 | 44 251 |
| Non-recurring operating income | 0 | 0 |
| **Operating charges** | **1 340 547** | **1 229 098** |
| Raw materials, consumables | 657 155 | 622 753 |
| Purchases | 659 090 | 625 418 |
| Stocks: decrease (increase) (+) (-) | -1 935 | -2 665 |
| Services and other goods | 232 985 | 206 347 |
| Remuneration, social security costs and pensions | 148 217 | 136 869 |
| Depreciation of and amounts written off formation expenses, intangible and tangible fixed assets | 232 985 | 236 156 |
| Amounts written off stocks, contracts in progress and trade debtors: appropriations (write-backs) (+) (-) | 11 750 | 6 085 |
| Provisions for risks and charges: appropriations (uses and write-backs) (+) (-) | -2 484 | -658 |
| Other operating charges | 26 865 | 21 547 |
| Non-recurring operating charges | 33 994 | 0 |
| **Operating profit (loss) (+) (-)** | **65 156** | **98 992** |
| Financial income | 30 295 | 2 234 |
| Recurring financial income | 30 295 | 2 234 |
| Income from financial fixed assets | 0 | 2 000 000 |
| Income from current assets | 30 205 | 188 |
| Other financial income | 90 | 45 |
| Non-recurring financial income | 0 | 0 |
| Financial charges | 74 307 | 39 883 |
| Recurring financial charges | 73 318 | 9 444 |
| Debt charges | 72 640 | 8 685 |
| Other financial charges | 677 | 759 |
| Non-recurring financial charges | 989 | 30 439 |
| **Profit (loss) for the period before taxes (+) (-)** | **21 144** | **61 342** |
| Income taxes (+) (-) | -994 | 20 308 |
| Income taxes | 6 766 | 25 297 |
| Adjustment of income taxes and write-backs of tax provisions | -7 760 | 4 989 |
| Profit (loss) for the period (+) (-) | 22 138 | 41 034 |
| **Profit (loss) for the period available for appropriation (+) (-)** | **22 138** | **41 034** |

## Appropriations and withdrawings

in thousand EUR

| | 31.12.2023 | 31.12.2022 |
|---|---|---|
| **Profit (loss) to be appropriated (+) (-)** | **480 056** | **458 328** |
| Profit (loss) to be appropriated (+) (-) | 22 138 | 41 034 |
| Profit (loss) to be carried forward (+) (-) | 457 918 | 417 294 |
| **Transfers from capital and reserves** | **0** | **0** |
| From reserves | 0 | 0 |
| **Transfers to capital and reserves** | **0** | **0** |
| To other reserves | 0 | 0 |
| **Profit (loss) to be carried forward (+) (-)** | **479 833** | **457 918** |
| **Profit to be distributed** | **223** | **410** |
| Dividends | 0 | 0 |
| Other beneficiaries | 223 | 410 |

# Statutory auditor’s report

## Statutory auditor’s report to the shareholders’ meeting of Orange Belgium SA / NV for the year ended 31 December 2023 – Consolidated financial statements

In the context of the statutory audit of the consolidated financial statements of Orange Belgium SA / NV (“the company”) and its subsidiaries (jointly “the group”), we hereby submit our statutory audit report. This report includes our report on the consolidated financial statements and the other legal and regulatory requirements. These parts should be considered as integral to the report. We were appointed in our capacity as statutory auditor by the shareholders’ meeting of 3 May 2023, in accordance with the proposal of the board of directors (“bestuursorgaan” / “organe d’administration”) issued upon presentation of the works council. Our mandate will expire on the date of the shareholders’ meeting deliberating on the financial statements for the year ending 31 December 2025. We have audited the consolidated financial statements of Orange Belgium SA / NV for the first time during the financial year referred to in this report.

### Report on the consolidated financial statements

**Unqualified opinion**

We have audited the consolidated financial statements of the group, which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated statement of financial position shows total assets of 4 125 414 (000) EUR and the consolidated statement of comprehensive income shows a loss for the year then ended of 10 785 (000) EUR.

In our opinion, the consolidated financial statements give a true and fair view of the group’s net equity and financial position as of 31 December 2023 and of its consolidated results and its consolidated cash flow for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

**Basis for the unqualified opinion**

We conducted our audit in accordance with International Standards on Auditing (ISA), as applicable in Belgium. In addition, we have applied the International Standards on Auditing approved by the IAASB applicable to the current financial year, but not yet approved at national level. Our responsibilities under those standards are further described in the “Responsibilities of the statutory auditor for the audit of the consolidated financial statements” section of our report. We have complied with all ethical requirements relevant to the statutory audit of consolidated financial statements in Belgium, including those regarding independence.

We have obtained from the board of directors and the company’s officials the explanations and information necessary for performing our audit.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

**Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key audit matters | How our audit addressed the key audit matters |
|---|---|
| **Revenue recognition from telecommunication activities** | |
| The accuracy of revenue is an inherent risk in the telecommunications industry. This is driven by, amongst others, the complexity of the billing systems, the magnitude of volumes of data processed to determine billing and revenue, the combination of different products sold as well as price and promotion changes introduced during the year.<br>The details on revenue recognition from telecommunication activities are included in note 3 ‘Sales, trade receivables, other current and non-current assets’, note 14 ‘Liabilities related to contracts with customers and other assets related to contracts with customers’ and note 17.1.21 ‘Revenue from contracts with customers’ of the consolidated financial statements. | We addressed this key audit matter by applying the following controls and substantive test procedures to the material revenue streams:<br>• We tested the design and operating effectiveness of the relevant key controls in place in the revenue cycle, as well as in the IT environment in which billing, rating and other relevant support systems reside, including the change control procedures in place around systems that support material revenue streams;<br>• We performed a substantive analytical review;<br>• We performed tests of details on a sample of individual revenue transactions, tracing these back to order documentation and cash receipts.<br>Additionally we assessed the appropriateness of the group's accounting policies with respect to revenue recognition from telecommunication activities and assessed compliance with the applicable accounting standards. |
| **Purchase Price Allocation for the business combination of VOO SA** | |
| On 2 June 2023, Orange Belgium SA closed its acquisition of VOO SA, for a purchase price of 1 369 million EUR. IFRS 3 *Business combinations* requires a purchase price allocation exercise, whereby the total consideration is allocated to identifiable assets, liabilities and contingent liabilities, with the remaining amount being presented as goodwill. A purchase price allocation exercise has been performed by management assisted by an external expert.<br>Management has the discretion to make judgments, estimates and assumptions in allocating the purchase price and determining the fair values. Changes in these assumptions could have a significant effect on the purchase price allocation and fair values.<br>We focused on this because the acquisition is material to the group and requires use of significant management judgment regarding the identification of assets acquired and the valuation of assets and liabilities acquired.<br>More details on the acquisition accounting and the disclosure requirements under IFRS 3 *Business Combinations* are included in note 16 ‘Significant changes to the consolidation scope’. | We addressed this key audit matter through the following main procedures:<br>• We obtained an understanding of management’s process and controls over the acquisition accounting ;<br>• We obtained the underlying documentation, terms and conditions of the transaction and assessed the accounting treatment of the consideration transferred and the assets and liabilities acquired in accordance with IFRS 3 *Business Combinations*;<br>• We performed a risk assessment over the assets acquired and liabilities assumed to determine the nature and extent of further procedures and performed opening balance sheet testing for selected acquired assets and liabilities;<br>• Together with our valuation specialists we audited management’s valuations and assessed the methodology used to determine the assets acquired and liabilities assumed, in particular the methodologies and discount rates as key assumptions, used in the valuation of the acquired business, and a reconciliation of the key inputs used in the fair value measurement.<br>We assessed the adequacy of related disclosures in note 16. |

**Other matters**

The consolidated financial statements for the previous financial year were audited by another statutory auditor who has issued an unqualified opinion.

**Responsibilities of the board of directors for the preparation of the consolidated financial statements**

The board of directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the board of directors is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters to be considered for going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the group or to cease operations, or has no other realistic alternative but to do so.

**Responsibilities of the statutory auditor for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

During the performance of our audit, we comply with the legal, regulatory and normative framework as applicable to the audit of consolidated financial statements in Belgium. The scope of the audit does not comprise any assurance regarding the future viability of the company nor regarding the efficiency or effectiveness demonstrated by the board of directors in the way that the company's business has been conducted or will be conducted.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- conclude on the appropriateness of the use of the going concern basis of accounting by the board of directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and we communicate with them about all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes any public disclosure about the matter.

## Other legal and regulatory requirements

**Responsibilities of the board of directors**

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated financial statements and other matters disclosed in the annual report on the consolidated financial statements.

**Responsibilities of the statutory auditor**

As part of our mandate and in accordance with the Belgian standard complementary to the International Standards on Auditing (ISA) as applicable in Belgium, our responsibility is to verify, in all material respects, the director's report on the consolidated financial statements and other matters disclosed in the annual report on the consolidated financial statements, as well as to report on these matters.

**Aspects regarding the directors' report on the consolidated financial statements and other information disclosed in the annual report on the consolidated financial statements**

In our opinion, after performing the specific procedures on the directors' report on the consolidated financial statements, this report is consistent with the consolidated financial statements for that same year and has been established in accordance with the requirements of article 3:32 of the Code of companies and associations.

In the context of our statutory audit of the consolidated financial statements we are responsible to consider, in particular based on information that we became aware of during the audit, if the directors' report on the consolidated financial statements and other information disclosed in the annual report on the consolidated financial statements are free of material misstatements, either by information that is incorrectly stated or otherwise misleading. In the context of the procedures performed, we are not aware of such a material misstatement.

**Statements regarding independence**

- Our audit firm and our network have not performed any prohibited services and our audit firm has remained independent from the group during the performance of our mandate.
- The fees for the additional non-audit services compatible with the statutory audit, as defined in article 3:65 of the Code of companies and associations, have been properly disclosed and disaggregated in the notes to the consolidated financial statements.

**Single European Electronic Format (ESEF)**

In accordance with the draft standard on the audit of the compliance of the financial statements with the Single European Electronic Format ("ESEF"), we have also performed the audit of the compliance of the ESEF format and of the tagging with the technical regulatory standards as defined by the European Delegated Regulation No. 2019/815 of 17 December 2018 ("Delegated Regulation").

The board of directors is responsible for the preparation, in accordance with the ESEF requirements, of the consolidated financial statements in the form of an electronic file in ESEF format ("digital consolidated financial statements") included in the annual financial report.

Our responsibility is to obtain sufficient and appropriate evidence to conclude that the format and the tagging of the digital consolidated financial statements comply, in all material respects, with the ESEF requirements as stipulated by the Delegated Regulation.

Based on our work, in our opinion, the format and the tagging of information in the digital consolidated financial statements included in the annual financial report of Orange Belgium SA / NV as of 31 December 2023 are, in all material respects, prepared in accordance with the ESEF requirements as stipulated by the Delegated Regulation.

**Other statements**

This report is consistent with our additional report to the audit committee referred to in article 11 of Regulation (EU) No 537/2014.

Signed at Zaventem.

The statutory auditor

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL
Represented by Nico Houthaeve

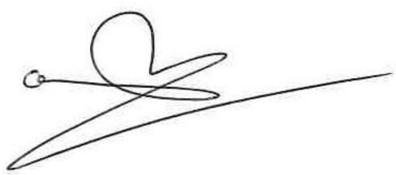
# Declaration by the responsible persons

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

a) the financial statements drawn up in accordance with the prevailing accounting standards, give a true and fair view of the company's assets, liabilities, financial position and results of the issuer and the companies included within its consolidation;

b) the management report contains an accurate overview of the business activities evolution, the results and the financial situation of the issuer and the companies included within its consolidation, and a description of the main risks and uncertainties they are confronted to.

**Xavier Pichon**
**CEO**



**Antoine Chouc**
**CFO**

Ce rapport annuel est également disponible en français.

Dit jaarverslag is ook verkrijgbaar in het Nederlands.

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