



Current Report 11/2025
Orange Polska S.A., Warsaw, Poland
23 April 2025

Pursuant to Article 17(1) of the Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC, the Management Board of Orange Polska S.A. hereby provides selected financial and operating data related to the activities of the Orange Polska Capital Group (“the Group”, “Orange Polska”) for 1Q 2025.

Disclosures on performance measures have been presented in the Note 2 to Condensed IFRS Quarterly Consolidated Financial Statements of the Orange Polska Group for the 3 months ended 31 March 2025 (available at <https://www.orange-ir.pl/results-center/>).

Orange Polska reports solid commercial and financial results in 1Q 2025

Key highlights of 1Q 2025:

- **Solid financial results:**
 - With **revenues at PLN 3,153 million +2.3% yoy** fuelled by robust growth of core telecom services (+7.3% yoy) and IT&IS (+19% yoy), and **EBITDAaL at PLN 822 million +2.9% yoy** driven by strong growth of the direct margin
- **Good commercial momentum:**
 - As demonstrated by **consistent growth of customer bases and ARPO** of all key telecom services, especially in mobile handset where net customer additions of 77 thousand were the highest in many quarters
- **Two blocks of 700MHz spectrum secured at starting reserve price of PLN 712 million**
- **Full-year guidance confirmed**

key figures (PLN million)	1Q 2025	1Q 2024	Change
Revenue	3,153	3,081	+2.3%
EBITDAaL	822	799	+2.9%
EBITDAaL margin	26.1%	25.9%	+0.2 p.p.
operating income	312	349	-10.5%
net income	191	227	-15.7%
eCapex	431	291	+48%
organic cash flow	-89	22	-111m

Commenting on 1Q 2025 performance, Liudmila Climoc, Chief Executive Officer, said:

“We are very excited about the new Lead the Future strategy that we have just announced. All Orange teams are now aligned and fully focused on its disciplined execution.

We are satisfied with a solid start to the year, as the customer bases and ARPO for all key services expanded year-on-year at a good pace, with mobile standing out. We have recently enhanced our TV offer sold in combination with fibre to further boost our commercial momentum. This new offer will strengthen our commercial proposal to encourage new households to choose offers from Orange. In the business market, we are glad to see that IT&IS revenues returned to growth in 1Q amid still uncertain market environment.

First quarter was marked out by another important milestone for Orange Polska - in 5G spectrum auction we have secured licences for two blocks in 700MHz band at the best possible price. Our strategic commitment is to enhance the connectivity for Poland, bringing the best of 5G technology to enable the innovation for consumers and businesses. This spectrum will enhance coverage and will open new service opportunities for our customers, strengthening our leadership in connectivity. I am very happy that our commitment to network quality has been validated by independent speed test benchmarks, where both our 5G and FTTH networks were, once again, ranked #1 in the first quarter of 2025.

Our forward focus is to keep good commercial momentum by delivering the best offers and experience for our customers, and to execute on our transformation initiatives to fuel the growth and value creation beyond 2025.”

Results Review

1Q revenue +2.3% yoy driven by core telecom services and IT&IS

Revenues totalled PLN 3,153 million in 1Q 2025 and were higher by PLN 72 million year-on-year (+2.3%). Core telecom services (combined revenues of convergence, mobile-only and broadband-only) advanced by a robust 7.3% year-on-year, which is a higher rate of increase versus previous few quarters as we benefit from further simultaneous expansion of the customer bases and ARPO. IT&IS revenues were up 19% year-on-year reflecting mainly demand growth for integration services. These positives were partly offset by two factors. Firstly, a 14% year-on-year decrease of equipment revenues, mainly handsets, reflecting lower market demand and different mix of handsets sold. Secondly, a 22% decrease of other revenues due to energy resale mainly as a result of lower volumes of energy sold.

1Q commercial performance sustained good balance between volume and value growth

KPI ('000)	1Q 2025	1Q 2024	Change
convergent customers (B2C)	1,800	1,718	+4.8%
mobile accesses (SIM cards)	18,895	17,706	+6.7%
post-paid	14,634	13,298	+10.0%
o/w mobile handset	9,271	8,989	+3.1%
pre-paid	4,262	4,409	-3.3%
fixed broadband accesses (retail)	2,898	2,827	+2.5%
o/w fibre	1,605	1,394	+15.1%

KPI (PLN)	1Q 2025	1Q 2024	Change
convergent ARPO	127.0	121.8	+4.2%
mobile handset-only ARPO	29.8	29.4	+1.3%
fixed broadband-only ARPO	68.5	65.5	+4.6%

In 1Q 2025 we continued to successfully combine solid growth of customer volumes in all key services (convergence, fixed broadband, mobile handset) with improving average revenue that they generate (ARPO). **B2C convergent customer base** increased by 16 thousand or 5% year-on-year. ARPO from convergent customers expanded by 4.2% year-on-year to PLN 127.0 owing to our value strategy, good demand for content and higher speed fibre offers. ARPO maintained solid pace of growth from 2024 when it increased by 4.6% year-on-year.

Total **fixed broadband customer base** expanded by 5 thousand or 2% year-on-year. Fibre customers base expanded by 38 thousand or 15% year-on-year. Already 55% of our broadband customer base uses fibre. The copper broadband technologies customer base continued to decrease and was lower by 34 thousand versus previous quarter. ARPO from broadband-only services stood at PLN 68.5 and grew by 4.6% year-on-year benefitting from our value strategy and growing share of fibre customers (fibre generates higher ARPO versus other technologies). The pace of ARPO growth accelerated versus 2024 when it increased 3.4% year-on-year.

Mobile handset customer base increased 77 thousand or 3% year-on-year. This strong growth was fuelled by all our B2C offers and B2B. Mobile-only handset ARPO stood at PLN 29.8 and increased by 1.3% year-on-year (versus an increase of 1.6% year-on-year in 2024).

Pre-paid customer base decreased 49 thousand. ARPO from pre-paid offers stood at PLN 16.1 growing 19.7% year-on-year as a result of our value strategy.

In **PSTN fixed voice**, net loss of lines stood at 32 thousand, a similar level to previous quarters reflecting structural market shift.

1Q EBITDAaL +2.9% yoy supported by strong growth of margin from core business

EBITDAaL for 1Q 2025 was PLN 822 million and was up 2.9% year-on-year or PLN 23 million. Growth was driven by direct margin (a difference between revenues and direct costs) which increased by 2.7% year-on-year (or PLN 46 million) as a result of strong revenue growth of high-margin core telecom services. Indirect costs grew 2.6% year-on-year (or PLN 23 million) mainly as a result of salary increases and cost pressures related to inflation and minimum wage growth. These were partly offset by impact of our ongoing transformation and lower energy costs.

1Q net income reflects growing EBITDAaL, higher depreciation and timing of real estate sales

Net income for 1Q 2025 was at PLN 191 million and was down 16% year-on-year (or PLN 36 million) as EBITDAaL growth was more than offset by lower gain on sale of our real estate and higher depreciation. Gain on sale of real estate was PLN 38 million lower year-on-year due to different timing of transactions between the years. Higher depreciation (by PLN 15 million year-on-year) reflected growing investments in mobile network assets.

1Q Organic Cash Flow reflects seasonality, higher capex and timing of proceeds from real estate sales

Organic cash flow for 1Q 2025 came at a negative PLN 89 million reflecting seasonally high payments related to the peak of commercial and investment activity occurring at the end of the previous year. In 1Q 2024 organic cash flow amounted to PLN 22 million. On the one hand cash flow provided by operating activities was PLN 25 million higher year-on-year supported by EBITDAaL growth and slightly lower working capital requirement. On the other hand it was affected by timing of capex and real estate disposals. Capex paid was PLN 67 million higher year-on-year in 1Q as a result of different phasing of investments between the years. Proceeds from real estate disposal were at PLN 6 million in 1Q 2025 versus a very high level of PLN 95 million generated in 1Q 2024.

Commenting on 1Q 2025 results, Jacek Kunicki, Chief Financial Officer, said:

“I am satisfied with our financial results in 1Q as we have started to execute our Lead the Future strategy. Revenues are back to a solid pace of growth, fuelled by a robust increase of core telecom services, as we are consistently expanding both number of customers and ARPO. Revenues from these high-margin services constitute a key element for our profit generation and drove almost 3% growth of EBITDAaL in the period. A combination of high profitability of revenues and cost discipline is our recipe to deliver consistent and sustainable growth throughout the new strategy which is essential for shareholder value creation. Following 1Q results we reiterate our full-year guidance.”

Reconciliation of operating performance measure to financial statements

Disclosures on performance measures have been presented in the Note 2 to Condensed IFRS Quarterly Consolidated Financial Statements of the Orange Polska Group for the 3 months ended 31 March 2025 (available at <https://www.orange-ir.pl/results-center/>).

<i>in PLNm</i>	1Q 2025	1Q 2024
Operating income	312	349
Less gains on disposal of fixed assets	(4)	(42)
Add-back of depreciation, amortisation and impairment of property, plant and equipment and intangible assets	520	505
Add share of loss of joint venture adjusted for elimination of margin earned on asset related transactions with joint venture	30	37
Interest expense on lease liabilities	(36)	(37)
Adjustment for the impact of employment termination programs and reorganisation costs	-	(13)
EBITDAaL (EBITDA after Leases)	822	799

Forward-looking statement

This press release contains forward-looking statements, including, but not limited to, statements regarding anticipated future events and financial performance with respect to our operations. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include words like 'believe', 'expect', 'anticipate', 'estimated', 'project', 'plan', 'adjusted' and 'intend' or future or conditional verbs such as 'will,' 'would,' or 'may.' Factors that could cause actual results to differ materially from expected results include, but are not limited to, those set forth in our Registration Statement, as filed with the Polish securities and exchange commission, the competitive environment in which we operate, changes in general economic conditions and changes in the Polish and/or global financial and/or capital markets. Forward-looking statements represent management's views as of the date they are made, and we assume no obligation to update any forward-looking statements for actual events occurring after that date. You are cautioned not to place undue reliance on our forward-looking statements.

Invitation to Orange Polska's 1Q 2025 results presentation

24th April 2025

Start at 11:00 am CET

11:00 (Warsaw) / 10:00 (London) / 05:00 (New York)

The presentation will take place on-line. It will be available via a live conference call.

To attend the conference please dial:

Poland: 0048 22 124 49 59

France: 0033 1758 50 878

Germany: 0049 30 25 555 323

United Kingdom: 0044 203 984 9844

United States: 001 718 866 4614

Conference code: 411064

or click on the link for web dial in:

<https://mm.closir.com/slides?id=411064>

You will be able to ask voice questions as well by telephone as by connecting via web dial in.

The recording from the conference call will be later available on the IR website.

Orange Polska Group Consolidated

amounts in PLN millions	2024					2025
	1Q	2Q	3Q	4Q	FY	1Q
Income statement	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16	IFRS16
Revenues						
Mobile services only	719	742	762	759	2,982	766
Fixed services only	446	442	438	437	1,763	436
Narrowband	115	111	107	104	437	100
Broadband	220	219	222	224	885	227
B2B Network Solutions	111	112	109	109	441	109
Convergent services B2C	620	636	657	667	2,580	680
Equipment sales	475	407	411	523	1,816	407
IT and integration services	327	405	337	518	1,587	389
Wholesale	391	403	418	410	1,622	395
Mobile wholesale	206	221	236	229	892	203
Fixed wholesale	144	142	141	144	571	146
Other	41	40	41	37	159	46
Other revenues	103	88	82	109	382	80
Total revenues	3,081	3,123	3,105	3,423	12,732	3,153
Labour expenses*	(382)	(369)	(352)	(357)	(1,460)	(399)
External purchases*	(1,796)	(1,799)	(1,731)	(2,134)	(7,460)	(1,827)
- Interconnect expenses	(314)	(322)	(295)	(348)	(1,279)	(318)
- Network and IT expenses	(235)	(250)	(256)	(285)	(1,026)	(247)
- Commercial expenses	(707)	(711)	(659)	(928)	(3,005)	(728)
- Other external purchases*	(540)	(516)	(521)	(573)	(2,150)	(533)
Other operating incomes & expenses*	98	103	60	104	365	106
Impairment of receivables and contract assets	(30)	(27)	(34)	(46)	(137)	(41)
Amortization of right-of-use assets	(135)	(139)	(144)	(150)	(568)	(134)
Interest expense on lease liabilities	(37)	(38)	(37)	(36)	(148)	(36)
EBITDAaL (EBITDA after Leases)	799	854	867	804	3,324	822
% of revenues	25.9%	27.3%	27.9%	23.5%	26.1%	26.1%
Gains on disposal of fixed assets	42	22	11	38	113	4
Depreciation, amortisation and impairment of property, plant and equipment and intangibles assets**	(505)	(508)	(522)	(486)	(2,021)	(520)
Add-back of interest expense on lease liabilities	37	38	37	36	148	36
Adjustment for the impact of employment termination programs and reorganization costs*	13	(1)	0	(2)	10	0
Adjustment for the costs related to acquisition, disposal and integration of subsidiaries*	0	0	0	(3)	(3)	0
Share of profit/ (loss) of joint venture adjusted for elimination of margin earned on asset related transactions with joint venture*	(37)	(45)	(23)	(47)	(152)	(30)
Operating income	349	360	370	340	1,419	312
% of revenues	11.3%	11.5%	11.9%	9.9%	11.1%	9.9%
Finance costs, net	(69)	(75)	(59)	(88)	(291)	(80)
- Interest income	22	25	21	20	88	21
- Interest expense on lease liabilities	(37)	(38)	(37)	(36)	(148)	(36)
- Other interest expense and financial charges	(37)	(43)	(40)	(49)	(169)	(51)
- Discounting expense	(18)	(19)	(12)	(22)	(71)	(19)
- Foreign exchange gains/ (losses)	1	0	9	(1)	9	5
Income tax	(53)	(54)	(57)	(51)	(215)	(41)
Consolidated net income	227	231	254	201	913	191

* Labour expenses, other external purchases and other operating incomes & expenses exclude adjustment due to employment termination program and some costs related to acquisition, disposal and integration of subsidiaries, and for elimination of margin earned on transactions with joint venture.

**In 2Q 2024 D&A includes 1 million impairment of rights of perpetual usufruct of land historically recognised as property, plant and equipment, subsequently reclassified to right-of-use assets.

Orange Polska Group key performance indicators

Customer base (in thousands)	2024				2025
	1Q	2Q	3Q	4Q	1Q
B2C convergent customers	1,718	1,738	1,755	1,785	1,800
Fixed broadband access					
Fibre	1,394	1,450	1,495	1,566	1,605
ADSL	430	410	389	368	349
VDSL	383	368	352	336	322
Wireless for fixed	620	622	622	621	622
Retail broadband - total	2,827	2,849	2,857	2,892	2,898
<i>o/w B2C convergent</i>	1,718	1,738	1,755	1,785	1,800
TV client base					
IPTV	900	911	925	940	954
DTH (TV over Satellite)	52	48	45	41	39
TV client base - total	953	959	969	981	993
<i>o/w B2C convergent</i>	847	855	865	878	890
Mobile accesses					
Post-paid					
<i>Mobile Handset</i>	8,989	9,061	9,129	9,195	9,271
<i>Mobile Broadband</i>	602	593	589	572	561
<i>M2M</i>	3,706	3,927	4,278	4,530	4,801
Total post-paid	13,298	13,580	13,996	14,297	14,634
<i>o/w B2C convergent</i>	3,100	3,130	3,159	3,207	3,229
Pre-paid	4,409	4,358	4,371	4,311	4,262
Total	17,706	17,939	18,366	18,608	18,895
Fibre households connectable	8,205	8,504	8,705	8,911	9,159
Wholesale customers					
WLR	165	160	154	148	143
Bitstream access	193	199	206	212	221
<i>o/w fibre</i>	127	134	144	156	165
LLU	27	25	24	22	22
Fixed telephony accesses					
PSTN	1,098	1,068	1,037	1,002	970
VoIP	1,295	1,300	1,306	1,314	1,322
Total retail main lines	2,393	2,367	2,343	2,316	2,291
<i>o/w B2C convergent</i>	975	980	985	992	998
<i>o/w B2C PSTN convergent</i>	5	4	4	4	4
<i>o/w B2C VoIP convergent</i>	971	976	981	989	994
Quarterly ARPO in PLN per month	2024				2025
	1Q	2Q	3Q	4Q	1Q
Convergent services B2C	121.8	123.3	126.0	126.2	127.0
YoY %	4.7%	4.0%	5.0%	4.7%	4.2%
Fixed services only - broadband	65.5	66.0	66.8	67.2	68.5
YoY %	4.0%	3.0%	3.5%	3.1%	4.6%
Mobile services only	22.0	22.8	23.3	23.2	23.5
YoY %	4.3%	4.3%	4.0%	5.0%	6.8%
Post-paid excl M2M	27.8	28.3	28.7	28.4	28.3
<i>Mobile Handset</i>	29.4	29.8	30.3	29.9	29.8
YoY %	1.6%	1.7%	1.6%	1.5%	1.3%
<i>Mobile Broadband</i>	11.7	11.7	11.7	11.6	11.5
Pre-paid	13.5	14.7	15.2	15.4	16.1
Fixed services only - voice	35.7	35.4	35.6	35.5	35.4

<i>Other mobile operating statistics</i>	2024				2025
	1Q	2Q	3Q	4Q	1Q
DATA AUPU in GB					
post-paid	10.4	11.9	10.9	10.9	10.9
pre-paid	11.7	12.2	12.5	13.4	13.9
blended	10.8	12.0	11.4	11.7	11.8
Quarterly mobile customer churn rate (%)					
post-paid	2.0	1.8	1.9	2.3	2.0
pre-paid	10.9	11.5	11.1	11.0	10.3
Employment structure of Group as reported Active full time equivalents (end of period)	2024				2025
	1Q	2Q	3Q	4Q	1Q
Orange Polska	8,956	8,810	8,613	8,554	8,545
50% of Networks	342	345	351	373	371
Total	9,298	9,155	8,964	8,927	8,915

Terms used:

ARPO – average revenue per offer

Churn rate – the number of customers who disconnect from a network divided by the weighted average number of customers in a given period.

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 wireless for fixed) and a mobile voice contract (excluding MVNOs) with a financial benefit. Convergent services revenues do not include incoming and visitor roaming revenues.

Convergent services B2C ARPO – The average monthly revenues from convergent services generated by retail customers (B2C) divided by the **average** number of B2C convergent customers in a given period.

Data Average Usage per User (Data AUPU) – The average monthly total usage of gigabytes divided by the average number of mobile SIM cards (ex M2M and mobile broadband) in a given period.

Fixed broadband-only services – Revenues from fixed broadband offers (excluding B2C convergent offers and equipment sales), including TV and VoIP services.

Fixed broadband-only services ARPO – The average monthly revenues from fixed broadband only services divided by the average number of accesses in a given period.

Household connectable with fibre - an apartment in multi-family building or a single family house within the reach of our fibre to the home service that allows to provide service with a speed of at least 300Mb/s

Mobile-only services – Revenues from mobile offers (excluding consumer market convergent offers) and Machine to Machine (M2M) connectivity. Mobile-only services revenues do not include equipment sales and incoming and visitor roaming revenues.

Mobile-only services ARPO – The average monthly retail revenues from mobile only services excluding M2M connectivity, divided by the average number of SIM cards (excluding M2M) in a given period.

Mobile-only broadband ARPO – The average monthly retail revenues from SIM cards dedicated to mobile broadband access (excluding B2C convergent offers and equipment sales) divided by the average number of these SIM cards in a given period.

Mobile-only handset ARPO – The average monthly retail revenues from SIM cards dedicated to mobile handset access (excluding B2C convergent offers and equipment sales) divided by the average number of these SIM cards in a given period.

ROCE- Return on capital employed = EBIT (ex. extraordinary items) / (Shareholder's Equity + Average net debt)