



Financial release

**iliad**  
GROUP  
2023 ANNUAL  
FINANCIAL REPORT

MANAGEMENT REPORT

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CONSOLIDATED FINANCIAL STATEMENTS AND NOTES



## MANAGEMENT REPORT

## ANALYSIS OF THE GROUP'S BUSINESS AND RESULTS

### KEY CONSOLIDATED FINANCIAL DATA

<i>In € millions</i>	<b>2023</b>	<b>2022</b>
<b>INCOME STATEMENT</b>		
Total revenues	<b>9,241</b>	<b>8,369</b>
<i>EBITDAaL</i>	3,444	3,303
Profit from ordinary activities	1,291	1,356
Profit for the period	318	758
<b>BALANCE SHEET</b>		
	<b>Dec. 31, 2023</b>	Dec. 31, 2022
Non-current assets	21,800	20,333
Current assets <sup>1</sup>	4,347	3,192
<i>Of which cash and cash equivalents</i>	1,186	521
Assets held for sale	184	1,470
<b>Total assets</b>	<b>26,330</b>	<b>24,994</b>
Total equity	4,798	5,213
Non-current liabilities	14,970	14,894
Current liabilities <sup>1</sup>	6,709	4,868
Liabilities held for sale	11	19
<b>Total equity and liabilities</b>	<b>26,330</b>	<b>24,994</b>
<b>Net debt<sup>2</sup></b>	<b>10,243</b>	<b>10,815</b>
<b>CASH FLOWS</b>		
	<b>2023</b>	<b>2022</b>
<b>Cash flows from operations</b>	<b>4,114</b>	<b>3,717</b>
Right-of-use assets and interest expense on lease liabilities - IFRS 16 impact	(987)	(892)
Capital expenditure excluding payments for frequencies - Group	(2,016)	(2,139)
Payments for frequencies - Group	(185)	(1,185)
Income tax paid	(594)	(527)
Net interest paid	(436)	(281)
Other (including impact of changes in scope of consolidation)	1,531	42
<b>Net change in cash and cash equivalents - Group (excluding change in net debt and dividends paid to owners of the Company)</b>	<b>1,594</b>	<b>(1,333)</b>
Dividends paid to owners of the Company	(708)	(1,467)

<sup>1</sup> Excl. assets and liabilities held for sale

<sup>2</sup> Short- and long-term financial liabilities less cash and cash equivalents

# 1 OVERVIEW

The Iliad Group (the "Group") is one of Europe's leading electronic communications players, with more than 48.5 million subscribers, €9.24 billion in revenues in 2023 and over 17,700 employees.

Since it was founded in 1991, thanks to its expertise in electronic communications networks and the commercial appeal of its retail offerings marketed under the Free brand, the Group has become a major internet and electronic communications player (fixed and mobile) in France.

In 2018, the Group expanded its geographic reach to Italy, becoming the country's fourth mobile operator and capturing market share of some 13.6% (excluding M2M) in the space of five years. Since then, Iliad Italia has launched a Fiber offer (January 2022) and B2B offerings (May 2023). The Group continued its expansion in Europe by acquiring Play, Poland's leading mobile telecom operator, in 2020, and the Polish cable-operator UPC Polska in April 2022.

Iliad SA is the parent company of the Iliad Group, which operates under the trade names of Free in France, Iliad in Italy and Play in Poland.

The Group has three separate geographic segments: France, Italy and Poland.

The following key performance indicators are used in this management report:

- EBITDAaL: profit from ordinary activities before (i) depreciation, amortization and impairment of property, plant and equipment and intangible assets, and (ii) the impact of share-based payment expense.
- Revenues billed to subscribers: revenues generated from services billed directly to subscribers (services included in subscribers' plans, as well as additional services).

## 1.1 BREAKDOWN OF REVENUES

### France

#### B2C fixed offerings

The Group is the leading alternative Broadband and Ultra-Fast Broadband internet operator in Metropolitan France. At December 31, 2023, the Group offered three main plans in the Fixed segment under the Free brand: the Freebox Revolution (€19.99/month for the first year, then €44.99), the Freebox Pop (5G-EPON connectivity, €29.99/month for the first year, then €39.99) and the Freebox Delta (10G-EPON connectivity, €39.99/month for the first year, then €49.99). Towards the end of January 2024, Free amended its catalog following the launch of the Freebox Ultra, and it now offers four Fixed-segment plans: the Freebox Revolution Light (€29.99/month), the Freebox Pop (€29.99/month for the first year, then €39.99), the Freebox Ultra Essentiel (€39.99/month for the first year, then €49.99) and the Freebox Ultra (€49.99/month for the first year, then €59.99).

Depending on the eligibility of the subscriber's line, Free's offers are compatible with the various Broadband and Ultra-Fast Broadband delivery technologies (via FTTH, ADSL, VDSL2 and a 4G+ Box), with the Freebox Ultra and Ultra Essentiel offers only available via FTTH.

#### B2C mobile offerings

In Metropolitan France the Group is continuing to focus on improving its subscriber mix by increasing the proportion of subscribers on the unlimited 4G/5G Free Mobile Plan. This notably entails keeping the intermediate plan first launched in 2018, which offers a discounted price for 12 months and then automatically switches to the unlimited 4G/5G Free Mobile Plan. The price of this intermediate plan varies depending on the period, and at end-2023 was €12.99 per month. At the same time, the Group is pursuing its proactive campaigns to migrate subscribers on the €2 plan to the unlimited 4G/5G Free Mobile Plan. In 2022, the Group undertook not to raise the prices of its mobile plans (€2 and €19.99) for the following 5 years, i.e., until 2027.

Although Free has had a sales presence on Reunion Island since July 2017 via TRM (a 50/50 joint venture with the Axian group), Free Caraïbe launched its first mobile plan in 2023 in the French overseas territories of Martinique, Guadeloupe, French Guiana, Saint Martin and Saint Barthélemy, based on the same recipe for success as that used in Metropolitan France: an innovative, straightforward and generous offering, on a no-contract basis and at an ultra-competitive price of €9.99 per month.

#### B2B offers

The Group currently addresses the B2B market in France through four segments: Free Pro's B2B services (for very small businesses, SMEs and large corporations), Cybersecurity solutions (via iTrust, which sells its services either directly or via Free Pro), Stancer's innovative payment solutions business, and the Public Cloud & Hosting business, which is split into four activities:

(i) Hosting, which corresponds to the provision by Scaleway and Free Pro of a dedicated server for SMEs wishing to secure their data;

(ii) Scaleway's Public Cloud service, which corresponds to on-demand, self-service access to shared configurable computing resources via an electronic communications network;

(iii) Colocation, which consists of making space available in a datacenter, along with the associated electrical capacity, to house racks and servers (this service is mainly offered by our OpCore subsidiary, which was set up in 2023 and brings together the Group's main datacenters);

(iv) Artificial Intelligence, with the provision of a supercomputer, particularly to train AI models at very high speed.

### **Sales of devices**

In order to ensure its offers are fully transparent, Free proposes phones separately from its subscriptions, which means that subscribers can opt for whichever plan and phone they prefer, or can choose not to purchase a phone at all. Several solutions are available: (i) buying a phone and paying for it upfront in cash or (ii) renting a phone with a purchase option (Free Flex offer). In all cases, the Group recognizes the corresponding revenue when the phone is received by the subscriber.

## **Italy**

### **B2C mobile offerings**

The Group has enjoyed resounding commercial success in Italy since launching its mobile business there on May 29, 2018. In 2023, it passed the milestone of 10 million mobile subscribers, with a total of nearly 10.7 million subscribers at the year-end, representing around 13.6% of the Italian market (excluding M2M).

At end-December 2023, Iliad Italia had four mobile plans (excluding special deals), with prices ranging from €4.99 to €13.99. The SIM card activation fee is €9.99.

The Group's offering in Italy also includes a selection of the latest Apple iPhones, including the iPhone 15, 15 Plus, 15 Pro and 15 Pro Max. With a view to being as transparent as possible, Iliad Italia offers phones separately from its mobile plans, which means that subscribers can opt for whichever plan and phone they prefer, or can choose not to purchase a phone at all.

### **B2B mobile offerings**

In May 2023, Iliad Italia entered the B2B mobile market, launching two plans aimed at SMEs: one for €9.99 per month (including unlimited calls and texts, 180 GB/month of data, roaming data allowance of 15 GB/month in the EU and 5 GB/month in 30 countries outside the EU) and a second plan for €11.99 per month (including unlimited calls and texts, 220 GB/month of data, roaming data allowance of 16 GB/month in the EU and 5 GB/month in 30 countries outside the EU). Each SIM card activation incurs an activation fee of €9.99.

### **Fixed offerings**

On January 25, 2022, Iliad Italia launched its FTTH-only B2C offering based on the model used in France of attractive, simple and transparent pricing. When it was first launched the plan was priced at €23.99/month, reduced to €15.99/month for people on an Iliad Italia mobile plan. At end-2023, the price of Iliad Italia's Fiber plan was €24.99/month, or €19.99/month for subscribers on its €9.99/month mobile plan.

## **Poland**

### **Mobile and fixed offerings**

Since its November 2020 acquisition of Play – one of Poland's leading mobile telecom operators – the Iliad Group has become a major player in the Polish telecommunications market. In April 2022, the Group completed its acquisition of cable operator UPC Polska (legal merger effective since August 2023), making Play a fully convergent operator, with over 13 million mobile subscribers and more than 2 million fixed-line subscribers (internet, telephone and/or TV plans) at end-2023. Following these acquisitions, the Group now provides mobile and fixed services both to individuals and businesses (particularly SMEs).

We now use the “Play” brand for all our services in Poland, having withdrawn the “UPC Polska” brand during 2023.

### **B2B services**

In addition to fixed and mobile connectivity services for businesses, Play also offers cloud solutions (public, hybrid, private) and hosting services (dedicated servers, virtual datacenter, archiving). Through its subsidiary Redge Technologies, Play offers an end-to-end platform of video streaming solutions dedicated to broadcasters and telecom operators.

## **1.2 DISTRIBUTION NETWORKS**

### **France**

At December 31, 2023, the Group had a network of 228 Free stores (Free Centers) located throughout France, as well as 130 Free Proxi points. The Free Centers have four different but related objectives:

- To increase the Group’s subscriber base by attracting new subscribers or by encouraging existing fixed-line subscribers to add mobile services and vice versa.
- To showcase the Free brand by bringing it physically closer to subscribers and promoting the benefits of its offerings.
- To sell and lease devices.
- To provide after-sales services to subscribers and reassurance through one-on-one contact.

### **Italy**

The Group has put in place several different distribution channels for its mobile offering in Italy:

- Physical distribution:
  - A network of 57 stores in Italy’s main towns and cities.
  - A network of over 2,100 SIM card dispensers (“Simboxes”) located in over 1,500 kiosks in busy catchment areas. These kiosks comply with the applicable Italian legislation, particularly “Pisanu’s law”, which requires identification of subscribers when they take out their subscription.
  - Access to a nationwide network of resellers, enabling subscribers to top up their mobile plans.
  - A network of partner shops (cafés, tobacconists, newsagents, etc.) where subscriptions can be taken out in just a few minutes.
  - A network of 2,750 distributors, called Iliad Space, launched in July 2023, mainly covering small towns in Italy.
- Digital distribution:

- Online distribution accessible via mobile phone, tablet or computer, enabling users to take out their mobile plan online and receive their SIM card at home through the post.

## Poland

The physical distribution network in Poland comprises 712 Play stores exclusively dedicated to the Group's plans and products. This network – made up of directly-owned stores and third-party distributors – covers a large area of Poland, including all city centers and the busiest catchment areas of the country's main towns and cities. These stores can meet the needs of small businesses for standard services, but a dedicated B2B service is also available for corporate customers seeking a more tailored approach.

## 1.3 THE GROUP'S MAIN OPERATING COSTS

### France

#### Main operating costs of the Group's fixed offerings

##### (i) Costs related to Fiber offerings

In very densely populated areas, the gross margin and EBITDAaL margin on Fiber offerings are higher than DSL margins as the Group no longer has to pay for the rental of the copper pair from the incumbent operator. The Group's objective is therefore to maximize the proportion of Fiber subscribers in eligible areas where technically feasible.

Outside very densely populated areas, in areas where the fiber rollout is covered by co-financing agreements and public initiative networks ("PINs") the Group leases all of its fiber infrastructure via Investissements dans la Fibre des Territoires (IFT) – a joint venture that is 49%-held by the Group and was set up specifically for that purpose between Iliad and InfraVia – with IFT bearing the costs of the co-investments concerned.

##### (ii) Costs related to DSL offerings

The operating costs related to the Group's DSL offerings differ depending on whether or not subscribers are unbundled, i.e., whether their communications are carried on the Group's own network (outside the local loop) or are covered by a wholesale offering proposed by the incumbent operator. Almost all of the Group's DSL subscriber base is now fully unbundled, with the number of unbundled subscribers steadily decreasing (by 25% year on year). For unbundled subscribers, the Group pays for the rental of the copper pair from the incumbent operator (which cost an average of €9.94<sup>3</sup> per month and per line in 2023), as well as maintenance costs.

#### Main operating costs of the Group's mobile offerings

##### (i) Mobile call and text message termination charges

The voice call termination charge was reduced by 27% to 0.40 euro cents (1.0 cent per text message) on January 1, 2023, and then further reduced by 50% to 0.20 euro cents on January 1, 2024.

##### (ii) Roaming charges

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<sup>3</sup> €9.65 between January 1, 2023 and April 1, 2023, then €10.04 per month



The Group has to pay roaming charges for the 2G and 3G roaming services provided to it in France, which are defined in a roaming agreement signed with the country's incumbent operator (Orange) in 2011. This agreement has been extended until 2025 so that Free Mobile can continue to gradually stop using the Orange network for 2G/3G roaming services, mainly by progressively and substantially reducing the maximum internet speeds provided to roaming subscribers (currently capped at 384 kbps). The extension of the agreement with the gradual reduction of internet speeds is intended to provide for an organized termination of the roaming services, notably for subscribers who have 2G devices and for the residual areas where Free Mobile's network is still in the rollout phase. ARCEP has noted (i) a steady decrease, in volume and proportion, of Free Mobile communications routed via 2G/3G roaming, and (ii) Free Mobile's ongoing high level of investment in its own 3G/4G/5G network. In this gradual termination phase, the costs of the roaming agreement are no longer material in relation to the Group's overall financial position.

## Italy

### **MOCN (Multi-Operator Core Network) roaming agreement**

On January 3, 2023, the Group completed the creation of a 50/50 joint venture (“Zefiro”) with Wind Tre, aimed mainly at covering the non-densely populated areas that are home to 26.8% of Italy’s population. The joint venture’s operating costs are split equally between the two shareholders. In addition to its own network and Zefiro’s network, since 2016 Iliad Italia’s traffic has also been carried under an MOCN agreement with Wind Tre. This technical solution for connecting up Wind Tre mobile equipment to Iliad Italia’s core network creates a more effective and optimal flow of traffic between the two networks compared with a “conventional” roaming solution. The original agreement offered nationwide coverage, but since January 3, 2023, it only applies to areas outside the scope of the RAN-sharing agreement.

### **Mobile call termination charges**

The Group also pays mobile voice call and text message termination charges in Italy. The termination charge for mobile voice calls is regulated. This charge was reduced by 27% to 0.40 euro cents on January 1, 2023, and then further reduced by 50% to 0.20 euro cents on January 1, 2024.

## Poland

### **Main operating costs of the Group’s fixed offerings**

Until the acquisition of UPC Polska, the main operating costs for Play’s fixed offerings in Poland corresponded to the wholesale price paid to our partners. Since the completion on April 1, 2023 of the sale of 50% of PŚO to an InfraVia Capital Partners group fund, under the agreements signed between Play, UPC and PŚO, the Group has been paying for the fiber optic infrastructure owned by PŚO in the form of a monthly wholesale price per line.

### **Main operating costs of the Group’s mobile offerings**

#### **(iii) Mobile call and text message termination charges**

In line with France and Italy, the termination charge for mobile voice calls in Poland was 0.55 euro cents per minute in 2022 and was reduced to 0.40 euro cents on January 1, 2023 (further reduced to 0.20 euro cents on January 1, 2024). Termination rates for text messages – which are unregulated – remained stable at PLN 0.05 per text message. Termination rates for fixed-line calls were 0.07 euro cents per minute (compared with 0.45 euro cents in the first half of 2021 and around 0.10 euro cents in the second half of 2021).

#### **(iv) Roaming charges**

Despite its wide network coverage in Poland, Play pays for roaming services in order to ensure it has a full geographic footprint across the country. In 2021, Play and Orange Polska signed an addendum to their roaming agreement, extending it until 2025. The amount payable under this roaming agreement totals PLN 300 million for the period from 2021 to 2025.

Consequently, margin levels in Poland depend on the total number of subscribers, the volume of traffic carried on the Group’s network, and subscriber usage patterns, particularly for mobile data. The Group’s objective is therefore to maximize the proportion of traffic carried directly on its own network, by deploying its own mobile sites.

## 1.4 CAPITAL EXPENDITURE AND DEPRECIATION

### France

#### Rollout of a Fiber local loop

The Fiber rollout is a logical extension of the Group's strategy of investing in the deployment of its own infrastructure with the aim of increasing margins and profitability.

The regulatory framework applicable to rolling out the optical fiber local loop differs depending on the geographic areas concerned.

#### (i) Very densely populated areas (addressable market of approximately 7.8 million lines)

ARCEP (the French regulatory authority for electronic and postal communications) has issued a list of 106 municipalities classified as "very densely populated areas". In these areas, each operator is responsible for rolling out its own network up to shared access points, which are generally located inside buildings. The in-building cabling is then shared by the operators.

The Group has rolled out its own Fiber infrastructure in very densely populated areas. This required:

- Acquiring and fitting out premises to house optical nodes (ONs).
- Carrying out horizontal rollouts, which consist of laying optical fiber cables between the ONs and the shared access points. The Group's horizontal rollout phase is being undertaken using (i) the accessible galleries of the underground wastewater network in Paris, and (ii) the incumbent operator's infrastructure access offer under which third parties can access its existing cable ducts in other areas of France.
- Connecting the horizontal network to the shared access points.
- Carrying out the final connection phase, which entails fitting an optical fiber socket in the subscriber's home and connecting it to the building's vertical fiber cables through the floor distribution box.

By rolling out its own optical fiber local loop, the Group directly owns all of its fiber-to-the-home infrastructure and is therefore totally independent from the incumbent operator. This means that it has complete control over its service quality and subscriber relations, and can provide its subscribers with access to a technology that fully meets their growing bandwidth requirements. At end-2023, the Group had 6.85 million marketable fiber sockets in very densely populated areas.

#### (ii) Outside very densely populated areas

Outside very densely populated areas, in order to optimize fiber rollouts and operators' capital expenditure, the applicable regulatory framework provides for more extensive infrastructure sharing as it requires operators that roll out networks to create shared access points located outside property boundaries.

- a. Private co-financed areas (addressable market of approximately 19.0 million lines)

Under the offer proposed by the incumbent operator and the second operator responsible for rolling out fiber in private co-financed areas, each operator can access all of the deployed lines and only has to co-finance the rollout to the extent of the local market share it is seeking to achieve, through purchases of 5% tranches. As a result of the incumbent operator's access offer, co-financing can be used not only for the line between the shared access point and the building but also for the backhaul fibers between the shared access point and the optical node.

b. Public Initiative Networks – PINs (rest of France)

FTTH networks are rolled out in PIN areas in many different ways, which may require entering into agreements with the public bodies in charge of deploying the networks or with the private entities responsible for marketing them.

c. Partnership with InfraVia

In 2019, in order to accelerate its fiber rollouts in private co-financed areas and PIN areas, and to cement its status as the leading alternative FTTH operator, the Group made the strategic decision to enter into a partnership with InfraVia, a French private equity firm specialized in infrastructure. The deal – which closed on February 28, 2020 – involved setting up a company called IFT (49%-owned by the Iliad Group), dedicated to co-financing the creation of new FTTH sockets and taking up new co-financing tranches. Since late February 2020, IFT has provided all of Free's access and information services for the co-financed sockets concerned, under a long-term service agreement, and will also be able to offer the same services to third-party operators.

**(iii) Fiber progress report at December 31, 2023**

In 2023, the Group continued its fast growth in fiber, both in terms of new connectible sockets and new subscribers connected up to FTTH:

- The number of connectible sockets increased by 4 million over 12 months, totaling 35.3 million at end-December 2023. The Group's fiber plans are now available in more than 27,000 municipalities, compared with 22,000 at end-2022. The Group estimates that by the end of 2023 its fiber network had reached 93% of homes in France.
- The FTTH subscriber base grew by 18% over the year and totaled 5.52 million subscribers at December 31, 2023, corresponding to 858,000 net adds. This steady rise in the fiber take-up rate (up 9.5 points year on year to 74.4% at end-2023) is due to French households' growing appetite for FTTH technology and to Free's frequent launches of FTTH offerings in additional non-densely populated areas. At the end of 2023, Free had the highest fiber take-up rate out of France's four main telecom operators.

**Operating costs and depreciation policy for broadband and ultra-fast broadband**

**(i) Transmission network and unbundling the local loop**

The Group has rolled out one of the largest IP networks in France, both in terms of coverage and traffic volumes. It draws on this extensive network to connect up subscriber connection nodes and unbundle the local loop. All of the network equipment (Freebox DSLAMs) installed in the subscriber connection nodes is compatible with VDSL2 technology, which means eligible subscribers have access to the best possible speeds on the local copper loop.

The optical fiber used in the transmission network is depreciated over periods ranging from 10 to 27 years. The equipment installed in the subscriber connection nodes (Freebox DSLAMs) is depreciated over five or six years.

## (ii) Operating costs and capital expenditure by subscriber

The main operating costs and capital expenditure by subscriber relate to the following:

- The boxes provided to subscribers (the cost of which varies depending on the model).
- Subscriber connection costs:
  - xDSL: Fees billed by the incumbent operator for access to unbundling services (also known as cabling costs or access fees), which amount to €70 per subscriber for full unbundling.
  - FTTH: Installation/migration and connection costs for fiber sockets.
- Logistics and Freebox dispatch costs.

All of the above items (Freeboxes, access fees and logistics costs) are depreciated over a period of five or seven years.

### **Mobile: a comprehensive frequency portfolio**

Since it was awarded the fourth 3G mobile license in Metropolitan France in January 2010, the Group has continuously enriched its frequency portfolio. Following the procedure to reallocate frequencies in the 900 MHz, 1,800 MHz and 2.1 GHz bands whose licenses expire between 2021 and 2025, in 2021 the Group was allocated an additional 3.7 MHz in the 900 MHz band and an additional 9.8 MHz in the 2.1 GHz band. This reallocation procedure led to a more balanced split of frequencies between France's operators.

The Group obtained its first frequencies for overseas France in 2016. The 5G licenses (3.5 GHz and 700 MHz) awarded in French Guiana and the islands of Saint Barthélemy and Saint Martin in 2023 have expanded Free Caraïbe's portfolio, and in 2024 the Group will bid for these same licenses for Guadeloupe and Martinique.

Metropolitan France		
	Frequency portfolio at end-2023	License expiration dates
700 MHz	2 x 10 MHz	Dec. 7, 2035
900 MHz	2 x 7.6 MHz	Jan. 11, 2030 (5 MHz) March 24, 2031 (2.6 MHz) Dec. 8, 2034 (1.1 MHz)
1.800 MHz	2 x 15 MHz	Oct. 11, 2031
2.1 GHz	2 x 14.8 MHz	Jan. 11, 2030 (5 MHz) Aug. 20, 2031 (9.8 MHz)
2.6 GHz	2 x 20 MHz	Oct. 10, 2031
3.5 GHz	70 MHz	Nov. 17, 2035
<b>Total</b>	<b>2 x 67.4 MHz + 70 MHz</b>	

	French Guiana		Martinique/Guadeloupe	
	Frequency portfolio at end-2023	License expiration dates	Frequency portfolio at end-2023	License expiration dates
700 MHz	2 x 5 MHz	July 24, 2038	-	-
800 MHz	-	-	2 x 10 MHz	Nov. 21, 2036
900 MHz	2 x 4.8 MHz	Nov. 21, 2036	-	-
1.800 MHz	2 x 15 MHz	Nov. 21, 2036	2 x 20 MHz	Nov. 21, 2036
2.1 GHz	2 x 14.8 MHz	Nov. 21, 2036	2 x 14.8 MHz	Nov. 21, 2036
2.6 GHz	2 x 20 MHz	Nov. 21, 2036	2 x 15 MHz	Nov. 21, 2036
3.5 GHz	50 MHz	July 24, 2038	-	-
<b>Total</b>	<b>2 x 59.6 MHz + 50 MHz</b>		<b>2 x 59.8 MHz</b>	

Saint Barthélemy (SB)/Saint Martin (SM)		
	Frequency portfolio at end-2023	License expiration dates
700 MHz	2 x 5 MHz	July 24, 2038
800 MHz	2 x 10 MHz	Nov. 21, 2036
900 MHz	2 x 9.6 MHz (SB) 2 x 4 MHz (SM)	Nov. 21, 2036 April 30, 2025 (4.8 MHz SB)
1.800 MHz	2 x 20 MHz	Nov. 21, 2036
2.1 GHz	2 x 14.8 MHz	Nov. 21, 2036
2.6 GHz	2 x 15 MHz	Nov. 21, 2036
3.5 GHz	80 MHz	July 24, 2038
<b>Total</b>	<b>2 x 74.4 MHz + 80 MHz (SB) 2 x 68.8 MHz + 80 MHz (SM)</b>	

## **Network rollout in Metropolitan France and overseas France**

Since being awarded the fourth 3G mobile license in Metropolitan France in late 2009, the Group has rolled out a 3G, then 4G+ and subsequently 5G mobile network covering all the *départements* of Metropolitan France, and not forgetting the rural areas. In 2023, we pursued our major rollout drive, across all technologies. In Metropolitan France we switched on an additional 2,269 active 3G sites, 2,445 active 4G sites, and 2,175 technically operational 5G sites, which has resulted in very high population coverage rates (99.9% for 3G, 99.6% for 4G, and over 94.7% for 5G). At the end of 2023, Free had the largest 5G network in Metropolitan France in terms of number of active sites and population coverage rate. In overseas France, Free's mobile network, which was launched commercially in May 2022, comprised 362 active 2G/3G/4G MORAN sites at end-2023, including 252 added in the space of just one year.

## **Depreciation/amortization periods applied for the main assets brought into service in the Mobile business**

- General equipment: 10 years.
- Mobile technical equipment: 6 and 18 years.
- Other equipment: 3 to 5 years.
- Other assets: 2 to 10 years.

Licenses are amortized over the residual license period from the date when the related network is technically ready for the service to be marketed. Licenses other than the 3.5 GHz license in France are being amortized on a straight-line basis over a period of 18 years on average. The 3.5 GHz license is being amortized over 15 years as from December 15, 2020.

## **Strategic industrial partnership with Cellnex**

In France, towards the end of 2019 the Group sold 70% of the company that manages its French passive mobile telecommunications infrastructure ("On Tower France"), comprising 5,700 sites at end-2019. The sale of the remaining 30% interest to Cellnex was completed in March 2022.

In addition to this industrial partnership, through which Cellnex and Iliad have teamed up to manage and develop On Tower France, Iliad and On Tower France have entered into a long-term access and services agreement, providing for a build-to-suit program.

## Italy

### A balanced frequency portfolio of 265 MHz (including 45 MHz duplex)

	Frequency portfolio at end-2022	License expiration date
700 MHz	2 x 10 MHz	Dec. 31, 2037
900 MHz	2 x 5 MHz	Dec. 31, 2029
1,800 MHz	2 x 10 MHz	Dec. 31, 2029
2.1 GHz	2 x 10 MHz	Dec. 31, 2029
2.6 GHz	2 x 10 MHz	Dec. 31, 2029
3.6-3.8 GHz	1 x 20 MHz	Dec. 31, 2037
26.5-27.5 GHz	1 x 200 MHz	Dec. 31, 2037
<b>Total</b>	<b>2 x 45 MHz + 220 MHz</b>	

As from 2021, the Group began to pay €300 million to the Italian government in eight annual installments in connection with the process for extending the licenses for 900 MHz and 2,100 MHz frequencies until 2029.

### Rollout of a mobile network in Italy

In 2016, following the signature of the agreement with the Hutchison and VimpelCom groups, iliad began rolling out its mobile network in Italy. On January 1, 2023, the Group completed the creation of a 50/50 joint venture with Wind Tre (“Zefiro”), aimed mainly at covering the non-densely populated areas that are home to 26.8% of Italy’s population.

Including Zefiro, iliad Italia’s network comprises a total of over 17,000 active mobile sites, made up of (i) iliad Italia’s own network of more than 10,570 active sites deployed in densely and averagely populated areas of Italy, which are home to around 73% of the Italian population, and (ii) some 6,800 sites in non-densely populated areas operated through a shared network (RAN sharing) via a joint venture (Zefiro Net s.r.l.) that is 50/50 owned by iliad Italia and Wind Tre. In addition to its own network and Zefiro’s network, since 2016 iliad Italia’s traffic has also been carried under an MOCN (Multi-Operator Core Network) agreement with Wind Tre. This technical solution for connecting up Wind Tre mobile equipment to iliad Italia’s core network creates a more effective and optimal flow of traffic between the two networks compared with a “conventional” roaming solution. The original agreement offered nationwide coverage, but since January 3, 2023, it only applies to areas outside the scope of the RAN-sharing agreement.

At end-2023, iliad Italia’s service coverage provided 4G/4G+ connectivity to more than 99% of Italy’s population. Additionally, iliad Italia has deployed 5G technology on its network via the 3.6 GHz and 700 MHz frequency bands it purchased during the 5G spectrum auctions in September 2018. The 700 MHz frequencies have been available since July 1, 2022. At end-2023, iliad Italia’s 5G network was available in over 3,000 municipalities (including all municipalities with more than 90,000 inhabitants, it being specified that Italy has 4.5 times fewer municipalities than in France).

### The fixed network in Italy

In 2022, iliad Italia decided to only offer FTTH connections based on its wholesale access agreement with Open Fiber (OF), which enabled it to install its own equipment, where possible, in the passive network’s optical node to offer 5 Gbps download.

In early 2023, the company launched its commercial offers on the FiberCop network and in July 2023 on the Fastweb network, enabling it to offer coverage to 13.7 million households by the end of December 2023.



## Poland

Since Play launched its business in Poland in 2007, it has expanded its frequency portfolio and the Group has acquired (for PLN 487 million) 100 MHz in the 3.5 GHz frequency band to add to its 5G capabilities. At end-2023, Play's frequency portfolio was as follows:

	Frequency portfolio at end-December 2023	License expiration
800 MHz	2 x 5 MHz	June 23, 2031
900 MHz	2 x 5 MHz	Dec. 31, 2023
1,800 MHz	2 x 15 MHz	Dec. 31, 2027
2.1 GHz	2 x 14.8 MHz + 2 x 200 kHz	Dec. 31, 2037
2.6 GHz	2 x 20 MHz	Jan. 25, 2031
3.5 GHz	100 MHz	Dec. 19, 2038
<b>Total</b>	<b>2 x 59.8 MHz + 100 MHz + 2 x 200 kHz</b>	

### Expansion of the mobile network in Poland

In order to continue providing the best possible quality of service to its subscribers, the Group continued to roll out new active mobile sites in Poland in 2023: at the year-end, Play's network had a total of 11,621 base stations, with 1,050 sites added during the year (281 more than in 2022), giving Play population coverage rates of 99.7%, 99.6% and 58.8% for 3G, 4G and 5G respectively.

Also during 2023, the 5G network was upgraded to operate on the current 2,100 MHz frequency resources in the dynamic frequency sharing model (5G DSS – Dynamic Spectrum Sharing). By end-2023, more than 5,800 base stations in several hundred towns and cities in Poland's 16 provinces supported 5G DSS.

On October 18, 2023, the President of Poland's Office of Electronic Communications (UKE) announced the results of an auction for four reservations of the 3.6 GHz frequency band. Each of the four national operators was granted the right to use one block of 100 MHz for the next 15 years. The 3,500-3,600 MHz block was allocated to Play. The 3.6 GHz frequency band is crucial to the development of Poland's 5G network, which is set to revolutionize the telecoms market and have a significant impact on the country's digitization.

### Strategic industrial partnership with Cellnex

On March 31, 2021, the Group completed the extension of its industrial partnership with Cellnex through the sale to Cellnex of 60% of OTP, the company that manages the Group's passive mobile telecommunications infrastructure in Poland. In March 2022, the Group sold a further 10% interest in OTP to Cellnex, and the remaining 30% was sold on June 30, 2023.

Thanks to this industrial partnership, Play has strengthened its capex capacity in order to enter a new growth cycle based on (i) deploying and purchasing 5G frequencies, and (ii) densifying its mobile network to support growth in usages.

### The fixed network in Poland

On March 1, 2023, through a spin-off, the Play group (P4) transferred some of the activities of UPC Polska (UPC) to its subsidiary, Polski Światłowód Otwarty (PŚO), including network access assets representing around 3.7 million network connections in HFC and FTTH technologies. PŚO makes its network infrastructure available to other telecom operators (including Play) on a wholesale access basis.

On March 31, 2023, Play sold a 50% stake in PŚO to a fund of the InfraVia Capital Partners group. Pursuant to the agreements signed on March 1, 2023 between Play, UPC and PŚO, the Group uses the fiber optic infrastructure owned by PŚO. In addition, under the agreement between UPC and PŚO, the Group is providing build-to-suit services to PŚO for the expansion and construction of new fiber-optic connections.

## 2 KEY FIGURES FOR 2023 - THE ILIAD GROUP

The key figures for 2023 are as follows:

<i>In € millions</i>	<b>2023</b>	<b>2022</b>	% change
<b>Consolidated revenues</b>	<b>9,241</b>	<b>8,369</b>	<b>+10.4%</b>
France	6,040	5,555	+8.7%
Italy	1,061	927	+14.5%
Poland	2,157	1,907	+13.1%
<i>Intra-group sales</i>	(16)	(19)	-17.1%
<b>Consolidated EBITDAaL</b>	<b>3,444</b>	<b>3,303</b>	<b>+4.2%</b>
France	2,392	2,287	+4.6%
Italy	247	211	+17.2%
Poland	805	805	-0.1%
<b>Consolidated capex<sup>1</sup></b>	<b>2,016</b>	<b>2,139</b>	<b>-5.8%</b>
France	1,501	1,492	+0.5%
Italy	243	381	-36.3%
Poland	272	265	+2.7%
<b>Consolidated Operating Free Cash Flow (<i>EBITDAaL less capex</i>)</b>	<b>1,428</b>	<b>1,164</b>	<b>+22.6%</b>
France	891	795	+12.1%
Italy	4	(170)	N/A
Poland	532	540	-1.4%
<b>Profit for the period</b>	<b>318</b>	<b>758</b>	<b>-58.0%</b>
	<b>Dec. 31, 2023</b>	<b>Dec. 31, 2022</b>	<b>Year-on-year change</b>
Net debt	10,243	10,815	-573
LTM EBITDAaL <sup>2</sup>	3,444	3,346	+97
Leverage ratio (LTM EBITDAaL)	3.0x	3.2x	-0.2x

EUR/PLN exchange rate: 4.5420 for 2023 and 4.68611 for 2022

(1) Excluding payments for frequencies (2) LTM: Last Twelve Months and including UPC Polska

### 3 COMPARISON OF RESULTS FOR 2023 AND 2022

<i>In € millions</i>	<b>2023</b>	<b>2022</b>	<b>% change</b>
<b>Revenues</b>	<b>9,241</b>	<b>8,369</b>	<b>+10.4%</b>
Purchases used in production	(2,637)	(2,508)	+5.1%
Payroll costs	(621)	(525)	+18.3%
External charges	(1,607)	(1,229)	+30.8%
Taxes other than on income	(210)	(169)	+24.4%
Additions to provisions	(72)	(84)	-14.6%
Other income and expenses from operations, net	223	250	-10.8%
Depreciation of right-of-use assets	(872)	(800)	+9.0%
<b>EBITDAaL</b>	<b>3,444</b>	<b>3,303</b>	<b>+4.2%</b>
<b><i>EBITDAaL margin</i></b>	<b>37.3%</b>	<b>39.5%</b>	<b>-2.2 pts</b>
Share-based payment expense	(31)	(39)	-20.4%
Depreciation, amortization and impairment of non-current assets	(2,122)	(1,909)	+11.2%
<b>Profit from ordinary activities</b>	<b>1,291</b>	<b>1,356</b>	<b>-4.8%</b>
Other operating income and expense, net	28	267	-86.4%
<b>Operating profit</b>	<b>1,319</b>	<b>1,622</b>	<b>-18.7%</b>
Finance costs, net	(508)	(313)	+62.1%
Other financial income and expense, net	64	(50)	N/A
Interest expense on lease liabilities	(237)	(213)	+11.3%
Corporate income tax	(400)	(332)	+20.4%
Share of profit of equity-accounted investees	79	43	+82.9%
<b>PROFIT FOR THE PERIOD</b>	<b>318</b>	<b>758</b>	<b>-58.0%</b>

## Analysis of consolidated results

### (a) Key indicators<sup>4</sup>

France (figures in thousands unless otherwise stated)	2023	2022	YoY change	Q4 23	Q3 23	QoQ change
<b>Number of mobile subscribers</b>	15,005	14,218	+787	15,005	14,792	+213
- Of which Free 4G/5G package (incl. Free Caraïbe)	11,106	10,190	+916	11,106	10,881	+226
- Of which on the voice-based plan	3,899	4,027	-129	3,899	3,911	-13
<b>Number of Broadband and Ultra-Fast Broadband subscribers</b>	7,414	7,180	+234	7,414	7,314	+100
- Of which Fiber	5,516	4,658	+858	5,516	5,272	+244
<b>Fiber take-up rate</b>	74.4%	64.9%	+9.5 pts	74.4%	72.1%	+2.3 pts
Number of connectible Fiber sockets (in millions)	35.3m	31.3m	+4.0m	35.3m	34.3m	+1.0m
<b>Total number of subscribers – France</b>	<b>22,419</b>	<b>21,398</b>	<b>+1,021</b>	<b>22,419</b>	<b>22,106</b>	<b>+313</b>
				<b>Q4 23</b>	<b>Q4 22</b>	<b>% change</b>
Broadband / Ultra-Fast Broadband ARPU (€)				35.7	34.1	+4.5%
Mobile ARPU billed to subscribers (€)				12.1	11.8	+2.5%
Italy (figures in thousands)	2023	2022	YoY change	Q4 23	Q3 23	QoQ change
<b>Number of mobile subscribers</b>	10,730	9,567	+1,163	10,730	10,475	+255
<b>Number of Fiber subscribers</b>	207	109	+98	207	172	+35
<b>Total number of subscribers – Italy</b>	<b>10,937</b>	<b>9,676</b>	<b>+1,261</b>	<b>10,937</b>	<b>10,647</b>	<b>+290</b>
Poland (figures in thousands unless otherwise stated)	2023	2022	YoY change	Q4 23	Q3 23	QoQ change
<b>Number of active mobile subscribers</b>	13,099	12,763	+336	13,099	13,029	+70
- Of which on plans	9,381	8,984	+397	9,381	9,261	+120
- Of which prepaid	3,718	3,779	-61	3,718	3,769	-51
<b>Number of Fixed subscribers<sup>5</sup></b>	2,059	1,938	+122	2,059	2,022	+38
<b>Total number of subscribers – Poland</b>	<b>15,158</b>	<b>14,701</b>	<b>+458</b>	<b>15,158</b>	<b>15,051</b>	<b>+108</b>
				<b>Q4 23</b>	<b>Q4 22</b>	<b>% change</b>
Mobile ARPU billed to subscribers (in PLN)				30.2	29.2	+3.4%
GROUP (figures in thousands)	2023	2022	YoY change	Q4 23	Q3 23	QoQ change
Number of mobile subscribers	38,834	36,548	+2,286	38,834	38,296	+538
Number of Fixed subscribers	9,681	9,227	+454	9,681	9,508	+173
<b>TOTAL NUMBER OF SUBSCRIBERS</b>	<b>48,515</b>	<b>45,775</b>	<b>+2,740</b>	<b>48,515</b>	<b>47,804</b>	<b>+711</b>

<sup>4</sup> See glossary for definitions

<sup>5</sup> The calculation of the number of fixed-line subscribers in Poland has been changed following the merger between P4 and UPC Polska: figures for previous quarters have been adjusted to take into account (i) the elimination of duplicates between the Play Home and UPC Polska subscriber bases, (ii) the acquisitions of regional ISPs, such as Sferanet and Syrion and their subscriber bases, and (iii) the elimination of UPC Solo Start TV subscribers.

## (b) Yearly / Quarterly consolidated revenues

<i>In € millions</i>	2023	2022	% change	Q4 2023	Q4 2022	% change
<b>Consolidated revenues</b>	<b>9,241</b>	<b>8,369</b>	<b>+10.4%</b>	<b>2,444</b>	<b>2,195</b>	<b>+11.3%</b>
Services revenues <sup>6</sup>	8,500	7,763	+9.5%	2,230	2,023	+10.2%
Equipment revenues	763	632	+20.7%	220	183	+20.1%
<i>Intra-group revenues</i> <sup>6</sup>	(22)	(25)	-14.2%	(6)	(11)	-49.2%
<b>Revenues – France</b>	<b>6,040</b>	<b>5,555</b>	<b>+8.7%</b>	<b>1,583</b>	<b>1,441</b>	<b>+9.9%</b>
- Services <sup>6</sup>	5,721	5,322	+7.5%	1,481	1,368	+8.2%
- Equipment	324	239	+35.3%	104	75	+39.1%
- <i>Intra-group sales</i>	(6)	(6)	-5.0%	(2)	(2)	-22.1%
<b>Revenues – Italy</b>	<b>1,061</b>	<b>927</b>	<b>+14.5%</b>	<b>296</b>	<b>247</b>	<b>+19.9%</b>
- Services	1,046	919	+13.8%	293	244	+20.2%
- Equipment	15	7	+104.1%	3	3	+4.0%
<b>Revenues – Poland<sup>7</sup></b>	<b>2,157</b>	<b>1,907</b>	<b>+13.1%</b>	<b>569</b>	<b>516</b>	<b>+10.2%</b>
- Services	1,733	1,521	+13.9%	456	411	+11.0%
- Equipment	424	385	+10.1%	113	105	+7.3%

## (c) Analysis of results – Group

### (i) Revenues

Consolidated revenues rose 10.4% year on year, or 8.2% on a pro forma like-for-like basis. In the fourth quarter, revenue growth reached 11.3%, and 9.4% on a pro forma like-for-like basis, driven by increases across all three of our geographies (19.9% for Italy, 9.9% for France and 10.2% for Poland).

### (ii) Payroll costs

At December 31, 2023, the Group had over 17,700 employees, representing a near-1,000 increase compared with end-December 2022. Payroll costs rose by 18.3% during the year. France was the main contributor to this increase, reflecting (i) the fast pace of Fiber rollouts and connections and Fiber service quality improvements, (ii) recruitments of sales and technical staff to support the Group's new B2B services, (iii) the expansion of the distribution network. The consolidation of UPC Polska over 12 months versus 9 months in 2022 also contributed to the rise.

### (iii) External charges

External charges rose by 30.8% in 2023 to €1.61 billion. The increase in this item – which mainly arose in France and Italy – was attributable to higher fixed and mobile network maintenance costs, higher energy costs due to rising electricity prices and, albeit to a lesser extent, higher costs of services related to infrastructure leasing contracts and higher advertising expenses.

6 Service revenues before eliminations – Intra-group sales including France intersegment sales

7 EUR/PLN exchange rate: 4.5420 for 2023 and 4.68611 for 2022

**(iv) Taxes other than on income**

Taxes other than on income totaled €210 million, up 24.4% year on year, primarily due to the larger number of mobile sites in France (22% increase in IFR tax payments).

**(v) Additions to provisions**

Additions to provisions for bad debts, impairment of inventories and contingencies amounted to €72 million in 2023, down €12 million year on year. The main additions were for bad debts and claims and litigation.

**(vi) Other income and expenses from operations, net**

This item represented net income of €223 million in 2023, €27 million lower than in 2022. It mainly includes the recognition of gains generated from the sale of sites in connection with build-to-suit programs in our three geographies.

**(vii) Depreciation of right-of-use assets**

Depreciation of right-of-use assets totaled €872 million in 2023, a 9.0% increase year on year. This item results from the Group's application since January 1, 2019 of IFRS 16, Leases.

**(viii) Profit for the period**

Profit for the period retreated 58.0% from €439 million to €318 million. This contraction was due to several factors: (i) an unfavorable basis of comparison resulting from the recognition of significant disposal gains in 2022 (€310 million in total) – particularly related to the sale of the Group's remaining 30% stake in OTP to Cellnex – versus only €79 million in disposal gains recognized in 2023, i.e., a year-on-year decrease of €231 million, (ii) higher depreciation charges deriving from the high level of investments from the recent years (iii) an increase in finance costs (up €194 million) attributable to higher interest rates and total debt, and (iv) to a lesser extent, the €68 million increase in corporate income tax. These three factors were partially offset by €53 million recognized on the fair value remeasurement of the eir call option and a €42 million foreign exchange gain versus €10 million in 2022.

#### (d) Analysis of results – France

<i>In € millions</i>	2023	2022	% change	Q4 2023	Q4 2022	% change
<b>Revenues</b>	<b>6,040</b>	<b>5,555</b>	<b>+8.7%</b>	<b>1,583</b>	<b>1,441</b>	<b>+9.9%</b>
- Service revenues	5,721	5,322	+7.5%	1,481	1,368	+8.2%
o.w. Fixed services	3,300	3,046	+8.3%	857	781	+9.8%
o.w. Mobile	2,422	2,276	+6.4%	623	588	+6.1%
o/w billed to subscribers	2,135	1,949	+9.5%	547	504	+8.5%
o/w others	287	327	-12.2%	77	84	-8.3%
- Equipment revenues	324	239	+35.3%	104	75	+39.1%
<i>Intersegment revenues</i>	(6)	(6)	-5.0%	(2)	(2)	-22.1%

#### (i) Revenues

Revenues in France rose 8.7% in 2023 to €6.04 billion (9.9% rise in the fourth quarter to €1.58 billion). The main factors underlying this performance were as follows:

- **Services revenues generated by Fixed services increased 8.3% to €3.3 billion in 2023 (up 9.8% in the fourth quarter to €857 million), driven by subscriber base growth of 234,000 units over the year (the best sales performance in the market) and a 4.5% rise in ARPU (1.0% rise in the fourth quarter to €35.7).**
  - **Free ended 2023 as the market leader for net adds.** 2023 saw a major enhancement in the quality of Free’s offerings, both commercially with enriched content, and technically, with higher speeds. The effect of these measures was particularly seen in the fourth quarter, when we added a net 100,000 new subscribers, our best quarterly performance in 10 years. This success comes at a time of rising inflation, when the brand’s core values of transparency, simplicity and fair pricing are particularly in demand. And it is a strategy that has led to lower subscriber churn and an increase in the net promoter score (NPS).
  - **Take-up of Free Fiber remained very high, with 858,000 new subscribers. At end-2023, there were almost 5.52 million Free Fiber subscribers altogether, representing 74.4% of Free’s total subscriber base and making it France’s operator with the highest fiber take-up rate.**
  - B2B activities were a major growth driver in 2023, led by FreePro’s B2B offerings (multi-service offerings for SOHOs, SMEs, large private corporations and public companies), which posted 34% growth (excluding Mobile), as well as by Scaleway’s Public Cloud services (with almost 50% growth) and the integration of Itrust (specialized in cybersecurity solutions).
- **Mobile services revenues rose 6.4% to €2.42 billion in 2023 (up 6.1% in the fourth quarter to €623 million):**
  - **As in the fixed segment, Free ended 2023 as France’s market leader in terms of net adds,** gaining 787,000 net new Mobile subscribers during the year, including 916,000 net adds for the 4G/5G Free Mobile Plan. Net adds in the fourth quarter totaled 213,000 – Free’s best fourth-quarter sales performance since Q4 2017, in a period that is traditionally fiercely competitive. This excellent performance is due to (i) our unchanged pricing policy in an inflationary environment, (ii) extended network coverage and higher speeds, as confirmed in ARCEP’s annual survey of mobile service quality, and (iii) the appeal of our convergent offering.
  - **Mobile services revenues billed to subscribers advanced 9.5% in 2023 (8.5% in the fourth quarter) to €2.13 billion (€547 million in Q4).** Mobile ARPU billed to subscribers came to €12.1 in the fourth quarter, up 2.5% on the back of a favorable mix effect, with the 4G/5G (and Série Free) plans accounting for 74% of the Mobile subscriber base at end-2023, versus 72% one year earlier.

- Other Mobile revenues (mainly corresponding to income from voice and SMS/MMS interconnections) decreased by 12.2% year on year to €287 million (8.3% decrease in the fourth quarter). This decline is structural, arising from the growing use of mobile applications for calls and messaging. There was a further reduction in the mobile termination charge in 2023 (from 0.55 euro cents to 0.40 euro cents).
- **In 2023 the Group continued to roll out its latest-generation networks and extend the population coverage of its offerings:**
  - At end-2023, the Group's population coverage rates in Metropolitan France were 99% for 4G and almost 95% for 5G (45% with 3.5 GHz frequencies).
  - At end-2023, Free Fiber passed 35.3 million homes in France, including 6.85 million in very densely populated areas and 28.43 million in areas with average and low population, with more than 27,000 municipalities covered.
- Sales of devices rose by 35.3% to €324 million (39.1% in Q4), thanks to the success of the Free Flex offer and the expansion of our network of 228 Free stores throughout France.

<i>In € millions</i>	<b>2023</b>	<b>2022</b>	<b>% change</b>
<b>EBITDAaL</b>	<b>2,392</b>	<b>2,287</b>	<b>+4.6%</b>
<i>EBITDAaL margin</i>	39.6%	41.2%	-1.6 pts
<b>Profit from ordinary activities</b>	<b>1,092</b>	<b>1,028</b>	<b>+6.2%</b>
<b>Capital expenditures (excluding payments for frequencies)</b>	<b>1,501</b>	<b>1,492</b>	<b>+0.5%</b>
<b>OFCF (EBITDAaL less capital expenditures)</b>	<b>891</b>	<b>795</b>	<b>+12.1%</b>

#### (ii) EBITDAaL

EBITDAaL generated in France rose 4.6% year on year to €2,392 million, while EBITDAaL margin narrowed by 1.6 points to 39.6%. The main factors affecting EBITDAaL generated in France in 2023 were as follows:

- An operating leverage effect related to the €410 million year-on-year growth in Fixed and Mobile services revenues billed to subscribers with the €59 million, or 24%, increase in sales of devices only slightly impacting EBITDAaL.
- A €27 million reduction in the contribution from "Other income and expenses from operations, net", which notably includes proceeds from the sale of mobile sites in connection with the build-to-suit program.
- A 15% rise in payroll as a result of (i) new hires taken on to support the Group's faster pace of Fiber rollouts and service quality drive, (ii) recruitments at Free Pro and Scaleway to strengthen our B2B technical and commercial skills, and (iii) the expansion of our distribution network.
- A 21% increase in external charges, which mainly relate to the use of our own infrastructure (maintenance charges, energy costs, taxes, rental costs), such as our mobile sites and Fiber network. Energy expenditure was particularly high in 2023, rising 98%.
- Higher taxes (up 28%), partly offset by a 27% decrease in additions to provisions.



**(iii) Profit from ordinary activities**

At €1,092 million, profit from ordinary activities in France was up 6.2% on 2022, with the €105 million growth in EBITDAaL and the decrease in employee benefit expense partly offset by the €53 million rise in depreciation and amortization expenses.

**(iv) Capex (excluding payments for frequencies)**

Capital expenditure excluding payments for frequencies edged up 0.5% year on year to €1,501 million. Capex leveled out during the year at a high 25% of sales despite the very strong growth in the Fiber subscriber base and the strategic investment announced last September in artificial intelligence, which represented €64 million for Scaleway.

In 2023, we pursued our major rollout drive, across all technologies. In Metropolitan France we switched on an additional 2,269 active 3G sites, 2,445 active 4G sites, and 2,175 technically operational 5G sites, which has resulted in very high population coverage rates (99.9% for 3G, 99.6% for 4G, and over 94.7% for 5G). In overseas France, Free's mobile network, which was launched commercially in May 2022, comprised 362 active 2G/3G/4G MORAN sites at end-2023, including 252 added in the space of just one year.

Free Fiber now passes 35.3 million homes in France, up by 4 million year on year, which we estimate as representing 93% coverage of all eligible premises in France.

## (e) Analysis of results- Italy

<i>In € millions</i>	2023	2022	% change	Q4 2023	Q4 2022	% change
<b>Revenues</b>	<b>1,061</b>	<b>927</b>	<b>+14.5%</b>	<b>296</b>	<b>247</b>	<b>+19.9%</b>
- Service revenues	1,046	919	+13.8%	293	244	+20.1%
o/w Mobile services billed to subscribers	846	737	+14.8%	224	196	+14.7%
o/w other (Fibre, interco, Zefiro)	200	183	+9.5%	69	48	+41.9%
- Equipment revenues	15	7	+104.1%	3	3	+4.0%

### (i) Revenues

Revenues generated by Iliad Italia advanced 14.5% in 2023 to €1,061 million (19.9% rise in the fourth quarter). The main factors underlying this performance were as follows:

- **In 2023, Iliad Italia once again asserted its position as the net add leader in the Mobile market**, adding 1.16 million new subscribers during the year, including 255,000 in the fourth quarter. Despite a fiercely competitive market environment, Iliad Italia's sales performance was remarkable and once again demonstrated the strength of the Iliad brand in the market. The launch of the Iliad Space distribution network towards the end of July also contributed to our good sales performance. At end-2023, our estimates – based on AGCOM figures for the end of September 2023 – show that Iliad Italia has a 13.6% share of Italy's Mobile market (excluding M2M).
- **Fiber net adds accelerated in the fourth quarter, with Iliad Italia gaining 35,000 new subscribers, bringing the total to 207,000 at the year-end.** With a total of 98,000 new Fiber subscribers added in 2023 as whole, the Group estimates that it ended the year as the leader for Fixed net adds out of Italy's top five telecom operators. This growth reflects a solid performance, underpinned by the expansion of the accessible market thanks to OpenFiber's ongoing rollouts as well as access to the FiberCop and Fastweb networks.

<i>In € millions</i>	2023	2022	% change
<b>EBITDAaL</b>	<b>247</b>	<b>211</b>	<b>+17.2%</b>
<i>EBITDAaL margin</i>	23.3%	22.8%	+0.5 pts
<b>Profit/(loss) from ordinary activities</b>	<b>(248)</b>	<b>(169)</b>	<b>+46.6%</b>
<b>Capital expenditures (excluding payments for frequencies)</b>	<b>243</b>	<b>381</b>	<b>-36.3%</b>
<b>OCF (EBITDAaL less capital expenditures)</b>	<b>4</b>	<b>(170)</b>	<b>NM</b>

### (ii) EBITDAaL

EBITDAaL climbed 17.2% in 2023, reaching €247 million and representing an EBITDAaL margin of more than 23%. This rise was fueled by the operating leverage created by the €108 million increase in Mobile services billed to subscribers, as well as to roaming-in and lower MOCN costs thanks to the rollout of Iliad Italia's own network. The combination of these three factors offset the increases in energy costs and in leasing costs as a result of the network expansion.

### (iii) Profit/(loss) from ordinary activities

Iliad Italia reported a €248 million loss from ordinary activities in 2023 – €79 million more than the loss recorded in 2022 – with the €36 million growth in EBITDAaL not sufficient to offset the €116 million increase in depreciation and amortization expenses.

### (v) Capex (excluding payments for frequencies)

Capital expenditure excluding payments for frequencies decreased 36% to €243 million. This reflects a favorable basis of comparison, as in 2022 Iliad Italia built up significant inventories of 5G network equipment. The pace of rollouts of new sites also slowed in 2023 following the major investments made in previous years. However, in 2023, Iliad Italia deployed 1,019 new mobile sites and activated 1,049, not including Zefiro's sites covered by the RAN sharing agreement with WindTre.

## (f) Analysis of results – Poland

<i>In PLN millions</i>	2023	2022	% change	Pro forma like-for-like growth (%)	Q4 2023	Q4 2022	% change	Pro forma like-for-like growth (%)
<b>Revenues</b>	<b>9,797</b>	<b>8,935</b>	<b>+9.6%</b>	<b>+4.0%</b>	<b>2,521</b>	<b>2,438</b>	<b>+3.4%</b>	<b>+3.0%</b>
- Service revenues	7,870	7,145	+10.2%	+3.2%	2,021	1,949	+3.7%	+3.2%
o/w Mobile billed to subscribers	4,624	4,368	+5.9%	+5.9%	1,183	1,118	+5.8%	+5.8%
o/w interconnection & other services <sup>1</sup>	1,291	1,377	-6.3%	-8.1%	339	362	-6.3%	-6.3%
o/w Fixed	1,956	1,400	+39.8%	+5.5%	499	469	+6.3%	+4.4%
- Equipment revenues	1,927	1,790	+7.6%	+7.5%	500	489	+2.3%	+2.3%

(1) Mainly interconnection, wholesale and B2B services.

### (i) Revenues

Revenues in Poland advanced 9.6% to PLN 9.8 billion in 2023 (3.4% rise in the fourth quarter). Pro forma like-for-like growth was 4.0% for the full year and 3.0% in Q4. On a pro forma like-for-like basis, Mobile services billed to subscribers rose 5.9% in 2023 (5.8% in Q4) and Fixed services revenues increased by 5.5% (4.4% in Q4). The main factors underlying this full-year and fourth-quarter performance were as follows:

- **The active mobile subscriber base grew by 70,000 in the fourth quarter. Over the year as a whole, 336,000 new active mobile subscribers joined Play, the best sales performance in the market<sup>8</sup>.** The increase in the number of postpaid subscribers (up 397,000) more than offset the decline in the number of subscribers of prepaid cards (down 61,000), resulting from a return to more normal levels for the prepaid segment following the impact in 2022 of the arrival of a large number of Ukrainians in Poland.
- **Growth in Mobile ARPU billed to subscribers remained brisk throughout 2023, averaging out at 3.3% over the four quarters. In the fourth quarter it rose 3.4% to PLN 30.2, reflecting marketing initiatives to encourage subscribers to opt for higher-end offers, as well as a positive mix effect.**
- **In the Fixed segment, the subscriber base grew in the fourth quarter, with 38,000 net adds, bringing Play's total number of new subscribers to 122,000 for the full year, partly achieved through acquisitions of small local operators.**
- Other revenues (mainly from interconnections) continued to contract in 2023, down 8.1% on a pro forma like-for-like basis, reflecting the reduction in mobile termination charges and the gradual transfer of mobile calls and text messages/MMS to new platforms.

<sup>8</sup> Internal estimates.

<i>In PLN millions</i>	<b>2023</b>	<b>2022</b>	<b>% change</b>	<b>Like-for-like growth (%)</b>
<b>EBITDAaL</b>	<b>3,655</b>	<b>3,773</b>	<b>-3.1%</b>	<b>-8.0%</b>
<i>EBITDAaL margin</i>	<i>37.3%</i>	<i>42.2%</i>	<i>-4.9 pts</i>	<i>-7.2 pts</i>
<b>Profit from ordinary activities</b>	<b>2,033</b>	<b>2,329</b>	<b>-12.7%</b>	<b>-16.6%</b>
<b>Capital expenditures (excluding payments for frequencies)</b>	<b>1,236</b>	<b>1,243</b>	<b>-0.5%</b>	<b>-7.7%</b>
<b>OFCF (EBITDAaL less capital expenditures)</b>	<b>2,418</b>	<b>2,531</b>	<b>-4.4%</b>	<b>-8.1%</b>

## (ii) EBITDAaL

EBITDAaL for Poland decreased by 3.1% in 2023 to PLN 3.66 billion (down 8.0% on a pro forma like-for-like basis). The operating leverage effect related to the PLN 256 million increase in revenues from Mobile services billed to subscribers and a higher contribution from gains arising from the build-to-suit program were not sufficient to offset the 65% surge in energy costs and the costs incurred on the implementation since April 1 of the service agreement with PŚO (joint venture with InfraVia).

## (iii) Profit from ordinary activities

Profit from ordinary activities contracted by 12.7% in 2023 to PLN 2.03 billion (16.6% on a pro forma like-for-like basis) due to lower EBITDAaL and higher depreciation and amortization expenses (which rose by PLN 165 million over the full year).

## (vi) Capex (excluding payments for frequencies)

Capex decreased by 0.5% as reported and by 7.7% on a pro forma like-for-like basis. The Group continued to deploy new active mobile sites during the year. At end-2023, Play had 11,621 active base stations, representing 1,050 new base stations added and resulting in population coverage rates of 99.7%, 99.6% and 58.8% for 3G, 4G and 5G respectively. Play's own-network 2G/3G/4G coverage is rounded out by roaming services provided under a roaming agreement with Orange (which was extended on June 7, 2021 until 2025).

On March 1, 2023, through a spin-off, the Play group (P4) transferred some of the activities of UPC Polska (UPC) to its subsidiary, Polski Światłowód Otwarty (PŚO), including network access assets representing around 3.7 million network connections in HFC and FTTH technologies. PŚO makes its network infrastructure available to other telecom operators (including Play) on a wholesale access basis. On March 31, 2023, Play sold a 50% stake in PŚO to a fund of the InfraVia Capital Partners group. Pursuant to the agreements signed on March 1, 2023 between Play, UPC and PŚO, the Group uses the fiber optic infrastructure owned by PŚO. In addition, under the agreement between UPC and PŚO, the Group is providing build-to-suit services to PŚO for the expansion and construction of new fiber-optic connections.

## Consolidated cash flows and capital expenditure

<i>In € millions</i>	<b>2023</b>	<b>2022</b>	<b>(%) change</b>
<b>Consolidated cash flows from operations</b>	<b>4,114</b>	<b>3,717</b>	<b>+10.7%</b>
Right-of-use assets and interest expense on lease liabilities - IFRS 16 impact	(987)	(892)	+10.6%
Change in working capital requirement	167	(68)	NM
<b>Operating free cash flow after IFRS 16</b>	<b>3,294</b>	<b>2,757</b>	<b>+19.5%</b>
<b>Consolidated capital expenditure<sup>1</sup></b>	<b>(2,016)</b>	<b>(2,139)</b>	<b>-5.8%</b>
Capital expenditure - France <sup>1</sup>	(1,501)	(1,492)	+0.5%
Capital expenditure - Italy <sup>1</sup>	(243)	(381)	-36.3%
Capital expenditure - Poland <sup>1</sup>	(272)	(265)	+2.7%
Income tax paid	(594)	(527)	+12.7%
Net interest paid	(436)	(281)	+55.5%
Other (including impact of changes in scope of consolidation)	1,531	42	NM
<b>Consolidated free cash flow (excluding payments for frequencies, financing activities and dividends paid to owners of the company)</b>	<b>1,779</b>	<b>(148)</b>	<b>NM</b>
<b>Payments for frequencies - Group</b>	<b>(185)</b>	<b>(1,185)</b>	<b>-84.4%</b>
Payments for frequencies - France	(40)	(112)	-64.1%
Payments for frequencies - Italy	(38)	(997)	-96.2%
Payments for frequencies - Poland	(106)	(75)	+41.5%
<b>Consolidated free cash flow (excluding financing activities and dividends paid to owners of the company)</b>	<b>1,594</b>	<b>(1,333)</b>	<b>NM</b>
Dividends paid to owners of the Company	(708)	(1,467)	-51.7%

*(1) Excluding payments for frequencies.*

### Analysis of consolidated free cash flow

The year-on-year change in consolidated free cash flow mainly reflects the following:

- €4.1 billion in consolidated cash flows from operations, up 10.7% on 2022, before €987 million in lease payments and interest expense on lease liabilities recognized due to the application of IFRS 16.
- A positive contribution from the change in working capital requirement (€167 million), which includes €310 million in damages paid by Bouygues Telecom in legal proceedings related to so-called "subsidized" offers.
- A 5.8% decrease in capital expenditure (excluding payments for frequencies), due primarily to (i) a favorable basis of comparison in Italy, where large inventories of

5G equipment were built up in 2022, and (ii) capex that was more or less stable, but clearly driven by business growth, in France and Poland.

- €594 million in income tax paid, up 12.7% year on year, mainly as a result of the delayed impact of the tax consolidation agreement with Iliad Holding.
- A €156 million increase in net interest paid, reflecting the rise in interest rates and, to a lesser extent, higher average gross debt than in 2022.
- Other: €1.54 billion generated by several non-recurring transaction-related items, including proceeds arising from (i) the sale of a 50% stake in PŚO to a fund in the InfraVia Capital Partners group (ii) the sale of the Group's residual 30% stake in OTP to Cellnex and (iii) IFT due to the reorganization of this joint venture's capital structure.
- €708 million in dividends paid to owners of the Company, representing a 52% year-on-year decrease as the 2022 figure reflected the repayment to Iliad Holding by Iliad SA of the Bridge to Disposal facility granted in connection with Iliad SA's delisting.

## Consolidated debt

The Group is not subject to any liquidity risk or the risk of breaching financial covenants (ratios, targets, etc.).

At December 31, 2023, the Group had gross debt of €11,429 million and net debt of €10,243 million (excluding IFRS 16 lease liabilities). At the same date, it had sufficient liquidity to finance its operations, with €1.19 billion in consolidated cash and cash equivalents and €3.7 billion in undrawn credit facilities<sup>9</sup>.

The Group is pursuing its strategy of investing in major industrial projects that will generate substantial future cash flows, while maintaining its solid financial structure and significant access to financing. The Group's leverage ratio at December 31, 2023 - corresponding to the ratio of consolidated net debt to €3,444 million in EBITDAaL (LTM pro forma UPC) - was 3.0x EBITDAaL.

Gross debt at December 31, 2023 primarily comprised the borrowings described on the following page.

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<sup>9</sup> Includes (i) syndicated revolving credit facilities held by Iliad and Play, (ii) the undrawn available amount under the €650 million mid-term facility, and (iii) the two €300 million bilateral loans set up in December 2022 and December 2023 respectively with the EIB, none of which had been used at December 31, 2023.

Summary of the Group's borrowings due beyond one year at December 31, 2023 (final maturities)

<i>In € millions</i>	<b>Amount available</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027 and beyond</b>	<b>Type of repayment/redemption</b>
<b>MAIN BORROWINGS – ILIAD</b>						
<u>Bank borrowings</u>						
€200m EIB loan – 2016	-	20	20	20	80	In installments
€300m EIB loan – 2018	-	30	30	30	230	In installments
€300m EIB loan – 2020	-	-	-	-	300	At maturity
€300m EIB loan – 2022	300	-	-	-	300	At maturity
€300m EIB loan – 2023	300	-	-	-	300	Not set
€90m KFW loan – 2017	-	9	9	9	23	In installments
€150m KFW loan – 2019	-	15	15	15	60	In installments
€2bn syndicated RCF – 2022	2,000	-	-	-	2,000	At maturity
€900m syndicated term loan – 2020	-	157	743	-	-	At maturity
€2,000m mid-term facility – 2022	650	-	650	-	-	At maturity
€1,000m syndicated term loan – 2022	-	-	-	-	1,000	At maturity
<u>Bond debt</u>						
€650m bond issue – 2017 @ 1.500%	-	445	-	-	-	At maturity
€650m bond issue – 2018 @ 1.875%	-	-	650	-	-	At maturity
€650m bond issue – 2020 @ 2.375%	-	-	-	650	-	At maturity
€600m bond issue – 2021 @ 0.750%	-	235	-	-	-	At maturity
€700m bond issue – 2021 @ 1.875%	-	-	-	-	700	At maturity
€750m bond issue – 2022 @ 5.375%	-	-	-	-	750	At maturity
€500m bond issue – 2023 @ 5.625%	-	-	-	-	500	At maturity
€650m bond issue – 2023 @ 5.375%	-	-	-	-	650	At maturity
<u>Schuldschein notes</u>						
€500m <i>Schuldschein</i> issue – 2019	-	-	-	65	16	At maturity
€500m <i>Schuldschein</i> issue – 2021	-	-	185	263	53	At maturity
€112m <i>Schuldschein</i> issue – 2022	-	-	-	72	40	At maturity
<b>MAIN BORROWINGS – PLAY*</b>						
<u>Bank borrowings</u>						
PLN 3,500m term loan – 2021	-	-	-	807	-	At maturity
PLN 2,000m RCF – 2021	461	461	-	-	-	At maturity
PLN 500m BGK bilateral loan – 2021	-	23	23	23	40	In installments
PLN 464m ECA bilateral loan – 2021	-	27	27	27	-	In installments
PLN 5,500m acquisition loan – 2021	-	-	-	691	-	At maturity
PLN 470m EIB bilateral loan – 2022	54	-	13	15	26	In installments
<u>Bond debt</u>						
PLN 750m bond issue – 2019 @ Wib + 1.75%	-	-	-	173	-	At maturity
PLN 500m bond issue – 2020 @ Wib + 1.85%	-	-	-	-	115	At maturity

\* Converted at the EUR/PLN spot rate at December 29, 2023: 4.3395.



## 1) MAIN MOVEMENTS IN BORROWINGS - ILIAD

### (a) Borrowings due within one year

#### ■ €1.4 billion NEU CP program

On June 6, 2023, the iliad Group renewed its short-term NEU CP program, representing a maximum amount of €1.4 billion. €510 million of this program had been used at December 31, 2023.

#### ■ €700 million trade receivables securitization program

In November 2021, the iliad Group set up a securitization program for its trade receivables related to B2C subscriptions in France, representing a maximum amount of €450 million. On December 14, 2022, the Group amended this program, mainly in order to raise the maximum amount to €550 million.

€630 million of this program had been used at December 31, 2023.

#### ■ €600 million worth of bonds issued in February 2021

On December 6, 2023, the iliad Group successfully placed a bond issue for a total of €650 million, the proceeds of which were mainly used to finance the bond buyback operation announced on the same date for a total of c. €570 million, of which €365 million were allocated to the buyback of bonds maturing in February 2024. The remaining €235 million worth of bonds outstanding under this issue have been redeemed on February 12, 2024.

#### ■ €650 million worth of bonds issued in October 2018

Following the December 6, 2023 bond issue and the above-mentioned buyback operation, €205 million was allocated to the buyback of bonds maturing in October 2024. The remaining €445 million outstanding under this bond issue will be redeemed on October 14, 2024.

### (b) Borrowings due beyond one year

#### Bank borrowings:

#### ■ A €650 million mid-term facility (originally €2.0 billion) set up in July 2022

On February 20, 2023, following the €500 million bond issue carried out on February 8, 2023 (see above), the iliad Group repaid in full the €200 million it had drawn down as at that date on its mid-term facility.

On July 20, 2023, iliad carried out an “amend & extend” for its mid-term facility, reducing the amount available under the facility from €750 million to €650 million, extending its maturity to January 21, 2025 from January 1, 2024, and obtaining more favorable lending conditions throughout the facility's term.

#### ■ A €2 billion syndicated revolving credit facility set up in July 2022

On July 27, 2023, iliad exercised its first option to extend its €2 billion revolving credit facility (RCF) by one year, to July 2028.

- A €300 million bilateral loan set up in December 2023

On December 19, 2023, the European Investment Bank (EIB) granted the Group a new €300 million loan to help finance the design and rollout of its 5G network in France. The final terms and conditions of the loan will be determined when it is first drawn down. Interest can either be at a fixed rate or a variable rate and the loan can either be repaid in a single payment at the end of an eight-year term or in installments over a period of twelve years (commencing from the first drawdown). No drawdowns had been made on this loan at December 31, 2023.

## Bond issues and private placements

- €500 million worth of bonds issued in February 2023

On February 8, 2023 iliad successfully placed €500 million worth of bonds, maturing in seven years and paying interest at 5.625% per year. The bonds will be redeemed at face value at maturity on February 15, 2030.

- Redemption of the four-year tranches of the €500 million in Schuldschein notes placed in 2019

On May 22, 2023, iliad redeemed, for an aggregate amount of €419 million, the fixed and variable rate tranches of the €500 million worth of four-year notes placed in 2019 under a Schuldscheindarlehen ("Schuldschein") issue.

- €650 million worth of bonds issued in December 2023

On December 6, 2023 iliad successfully placed €650 million worth of bonds, maturing in just over five years and paying interest at 5.375% per year. The bonds will be redeemed at face value at maturity on February 15, 2029. The proceeds from the issue were mainly used to finance the buyback, by way of a c. €570 million tender offer announced on the same day, of iliad's existing bonds, with €365 million allocated to its outstanding bonds due February 2024 and €205 million to those due October 2024.

## 2) MAIN MOVEMENTS IN BORROWINGS - PLAY

### Bank borrowings:

- A PLN 500 million bilateral loan set up in October 2021

- On March 31, 2023, Play drew down approximately PLN 60 million under its bilateral loan set up in October 2021 with Bank Gospodarstwa Krajowego SA (the "BGK Financing"). The amount drawn down bears fixed interest at 1.93% and is repayable in successive quarterly installments of equal amounts, with a final maturity date of September 20, 2028.

Play drew down an additional PLN 85 million on this loan on May 31, 2023, and the remaining PLN 69 million on July 31, 2023. Therefore, at December 31, 2023 the loan had been drawn down in full.

- A PLN 5.500 million syndicated acquisition loan set up in December 2021

On May 22, 2023, Play repaid in advance PLN 1.4 billion of its PLN 5.5 billion syndicated acquisition loan set up in December 2021. It then repaid an additional PLN 700 million of this loan on August 24, 2023 and a further PLN 400 million on October 25, 2023, reducing its total outstanding amount to PLN 3 billion at December 31, 2023.

## **Events after the reporting date**

### **Investment in Tele2**

On February 26, 2024, the Iliad Group announced that Freya Investissement, an investment vehicle jointly owned by Iliad and NJJ Holding (“Freya”), had entered into a binding agreement with Kinnevik AB (publ) (“Kinnevik”) to acquire approximately 19.8% of the share capital comprising shares of both Class A

and Class B in Tele2, one of the leaders in the Swedish and Baltics telecom markets, for a total cash consideration of approximately SEK 13 billion (c. €1.16 billion). After the acquisition is approved by the relevant authorities and the transaction closes, Freya will become Tele2’s main shareholder.

## Glossary

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

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

*Broadband and Ultra-Fast Broadband subscribers:* Subscribers who have signed up for the Group's xDSL, Cable or Fiber offerings.

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

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

*FCF:* Free Cash Flow.

*Fiber:* Data delivery technology that directly connects subscribers to an optical node (ON).

*Fiber take-up rate:* Represents the number of Fiber subscribers as a percentage of the total number of Broadband and Ultra-Fast Broadband subscribers.

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

*LTM:* Last twelve months.

*M2M:* Machine to machine communications.

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

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

*Net debt:* Difference between short- and long-term financial liabilities, and available cash and cash equivalents as presented in the balance sheet.

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

*Number of Fiber subscribers - Italy:* Represents, at the end of a given period, the total number of subscribers, identified by their telephone lines, who have subscribed to an Iliad Italia Fiber offering, excluding those recorded as having requested the termination of their subscription.

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

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

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

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

*OFCE:* Operating free cash flow (EBITDAaL less capex).

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

*Services revenues:* Revenues excluding sales of devices.

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

# Consolidated financial statements

For the year ended December 31, 2023

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The audit procedures on the consolidated accounts have been carried out. The certification report will be issued after finalizing the procedures required for the purposes of filing the universal registration document.

## CONSOLIDATED INCOME STATEMENT

<i>In € millions</i>	Note	2023	2022
<b>REVENUES</b>	4	<b>9,241</b>	<b>8,369</b>
Purchases used in production	6	(2,637)	(2,508)
Payroll costs	7	(621)	(525)
External charges	6	(1,607)	(1,229)
Taxes other than on income		(210)	(169)
Additions to provisions	10	(72)	(84)
Other income and expenses from operations, net	9	223	250
Depreciation of right-of-use assets	19	(872)	(800)
<b>EBITDAaL</b>	3	<b>3,444</b>	<b>3,303</b>
Share-based payment expense		(31)	(39)
Depreciation, amortization and impairment of non-current assets	10	(2,122)	(1,909)
<b>Profit from ordinary activities</b>		<b>1,291</b>	<b>1,356</b>
Other operating income and expense, net	11	28	267
<b>Operating profit</b>		<b>1,319</b>	<b>1,622</b>
Income from cash and cash equivalents	12	30	0
Finance costs, gross	12	(538)	(313)
<b>Finance costs, net</b>		<b>(508)</b>	<b>(313)</b>
Interest expense on lease liabilities	12	(237)	(213)
Other financial income and expense, net	12	64	(50)
Corporate income tax	13	(400)	(332)
Share of profit of equity-accounted investees	21	79	43
<b>Profit for the period</b>		<b>318</b>	<b>758</b>
<b>Profit for the period attributable to:</b>			
• Owners of the Company		318	754
• Minority interests		0	3
• Basic earnings per share	14	5.37	12.80
• Diluted earnings per share	14	5.36	12.70

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>In € millions</i>	2023	2022
<b>PROFIT FOR THE PERIOD</b>	<b>318</b>	<b>758</b>
• Items that may be subsequently reclassified to profit:		
Fair value remeasurement of interest rate and currency hedging instruments	(20)	(12)
Tax effect	5	3
Value adjustments to equity investments	0	(17)
Tax effect	0	4
Share of OCI of equity-accounted investments that may be subsequently reclassified to profit	(4)	0
Tax effect	1	0
Change in translation adjustments	50	(23)
<b>Total</b>	<b>32</b>	<b>(45)</b>
• Items that will not be reclassified to profit:		
Post-employment benefit obligations (IAS 19 revised): impact of changes in actuarial assumptions	(3)	8
Tax effect	1	(2)
Share of OCI of equity-accounted investments that will not be reclassified to profit	(45)	125
Tax effect	6	(16)
<b>Total</b>	<b>(42)</b>	<b>115</b>
<b>Other comprehensive income/(expense) for the period, net of tax</b>	<b>(10)</b>	<b>70</b>
<b>Total comprehensive income for the period</b>	<b>308</b>	<b>827</b>
<b>Total comprehensive income for the period attributable to:</b>		
• Owners of the Company	301	837
• Minority interests	8	(10)

## CONSOLIDATED BALANCE SHEET – ASSETS

<i>In € millions</i>	Note	Dec. 31, 2023	Dec. 31, 2022
Goodwill	16	825	717
Intangible assets	17	5,286	5,551
Right-of-use assets	19	4,918	4,367
Property, plant and equipment	20	9,074	8,132
Investments in equity-accounted investees	21	852	749
Other financial assets	22	204	226
Deferred income tax assets	13	598	539
Other non-current assets	24	42	52
<b>TOTAL NON-CURRENT ASSETS</b>		<b>21,800</b>	<b>20,333</b>
Inventories	23	511	324
Current income tax assets	13	26	3
Trade and other receivables	24	1,324	1,163
Other current assets	24	1,289	1,153
Other financial assets	22	11	27
Assets held for sale	25	184	1,470
Cash and cash equivalents	26	1,186	521
<b>TOTAL CURRENT ASSETS</b>		<b>4,531</b>	<b>4,662</b>
<b>TOTAL ASSETS</b>		<b>26,330</b>	<b>24,994</b>

## CONSOLIDATED BALANCE SHEET – EQUITY AND LIABILITIES

<i>In € millions</i>	Note	Dec. 31, 2023	Dec. 31, 2022
Share capital	27	15	15
Additional paid-in capital		510	510
Retained earnings and other reserves		4,273	4,687
<b>TOTAL EQUITY</b>		<b>4,798</b>	<b>5,213</b>
Attributable to:			
• Owners of the Company		4,853	5,248
• Minority interests		(55)	(36)
Long-term provisions	29	119	109
Long-term financial liabilities	30	9,185	10,011
Non-current lease liabilities	19	4,536	3,951
Deferred income tax liabilities	13	321	309
Other non-current liabilities	31	652	514
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>14,813</b>	<b>14,894</b>
Short-term provisions	29	115	78
Taxes payable	13	28	149
Trade and other payables	31	3,568	2,681
Long-term financial liabilities	30	2,244	1,326
Current lease liabilities	19	754	634
Liabilities held for sale	25	11	19
<b>TOTAL CURRENT LIABILITIES</b>		<b>6,719</b>	<b>4,888</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>26,330</b>	<b>24,994</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*In € millions*

	Share capital	Additional paid-in capital	Own shares held	Reserves	Retained earnings	Equity attributable to owners of the Company	Minority interests	Total equity
<b>BALANCE AT JANUARY 1, 2022</b>	15	510	(110)	6	5,467	5,888	(16)	5,873
<b>Movements in 2022</b>								
Profit for the period					754	754	3	758
Impact of interest rate and currency hedges				(8)		(8)	0	(9)
Impact of changes in fair value of investments in subsidiaries and affiliates				(13)		(13)		(13)
Impact of post-employment benefit obligations				115		115	0	115
Impact of changes in translation adjustments				(10)		(10)	(13)	(23)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>				<b>83</b>	<b>754</b>	<b>837</b>	<b>(10)</b>	<b>827</b>
Change in share capital of iliad S.A.						0	0	0
Dividends paid by iliad S.A.					(1,467)	(1,467)	0	(1,467)
Dividends paid by subsidiaries						0	(12)	(12)
Purchases/sales of own shares				24		24	0	24
Impact of stock options				11		11	0	11
Impact of changes in minority interests in subsidiaries				(2)		(2)	2	0
Other				(44)		(44)	0	(44)
<b>BALANCE AT DECEMBER 31, 2022</b>	<b>15</b>	<b>510</b>	<b>(110)</b>	<b>79</b>	<b>4,755</b>	<b>5,248</b>	<b>(36)</b>	<b>5,213</b>

*In € millions*

	Share capital	Additional paid-in capital	Own shares held	Reserves	Retained earnings	Equity attributable to owners of the Company	Minority interests	Total equity
<b>BALANCE AT JANUARY 1, 2023</b>	15	510	(110)	79	4,755	5,248	(36)	5,213
<b>Movements in 2023</b>								
Profit for the period					318	318	0	318
Impact of interest rate and currency hedges				(21)		(21)	3	(18)
Impact of changes in fair value of investments in subsidiaries and affiliates						0		0
Impact of post-employment benefit obligations				(42)		(42)	0	(42)
Impact of changes in translation adjustments				46		46	5	50
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>				<b>(17)</b>	<b>318</b>	<b>301</b>	<b>8</b>	<b>308</b>
Change in share capital of iliad S.A.						0		0
Dividends paid by iliad S.A.					(708)	(708)		(708)
Dividends paid by subsidiaries						0	(31)	(31)
Purchases/sales of own shares			31			31		31
Impact of stock options				(5)		(5)	0	(5)
Impact of changes in minority interests in subsidiaries				(3)		(3)	3	0
Other			17	(28)		(12)	2	(10)
<b>BALANCE AT DECEMBER 31, 2023</b>	<b>15</b>	<b>510</b>	<b>(62)</b>	<b>25</b>	<b>4,365</b>	<b>4,853</b>	<b>(55)</b>	<b>4,798</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS

<i>In € millions</i>	Note	2023	2022
<b>Profit for the period (including minority interests)</b>		<b>318</b>	<b>758</b>
+ / - Depreciation, amortization and provisions, net (excluding for current assets)	10	2,967	2,665
-/+ Unrealized gains and losses on changes in fair value		(53)	23
+/- Non-cash expenses and income related to stock options and other share-based payments		31	37
-/+ Other non-cash income and expenses, net		166	187
-/+ Gains and losses on disposals of assets		(143)	(551)
-/+ Dilution gains and losses		0	0
+/- Share of profit of equity-accounted investees	21	(79)	(43)
- Dividends (investments in non-consolidated undertakings)		0	(3)
<b>Cash flows from operations after finance costs, net, and income tax</b>		<b>3,207</b>	<b>3,072</b>
+ Finance costs, net	12	508	313
+/- Income tax expense (including deferred taxes)	13	400	332
<b>Cash flows from operations before finance costs, net, and income tax (A)</b>		<b>4,114</b>	<b>3,717</b>
- Income tax paid (B)		(594)	(527)
+/- Change in operating working capital requirement (incl. employee benefit obligations) (C)	15	168	(68)
<b>= Net cash generated from operating activities (E) = (A) + (B) + (C)</b>		<b>3,688</b>	<b>3,122</b>
- Acquisitions of property, plant and equipment and intangible assets (capex)	15	(2,405)	(3,349)
+ Disposals of property, plant and equipment and intangible assets (capex)		204	26
- Acquisitions of investments in non-consolidated undertakings	22	(21)	(7)
+ Disposals of investments in non-consolidated undertakings		8	0
+/- Effect of changes in scope of consolidation - acquisitions		(112)	(1,563)
+/- Effect of changes in scope of consolidation - disposals		885	0
+ Dividends received (from equity-accounted investees and non-consolidated undertakings)		66	254
+/- Change in outstanding loans and advances	22	90	(61)
- Cash outflows for leasehold rights		0	0
+ Cash inflows related to assets held for sale	25	682	1,708
- Cash outflows related to assets held for sale	25	(26)	(198)
<b>= Net cash used in investing activities (F)</b>		<b>(629)</b>	<b>(3,189)</b>
+ Amounts received from shareholders on capital increases		0	0
- Amounts paid to shareholders on capital reductions		0	0
+ Proceeds received on exercise of stock options		0	0
-/+ Own-share transactions		0	0
- Dividends paid during the period:			
. Dividends paid to owners of the Company		(708)	(1,467)
. Dividends paid to minority shareholders of consolidated companies		(31)	(19)
+ Proceeds from new borrowings (excluding finance leases)	30	4,403	5,842
- Repayments of borrowings	30	(4,627)	(3,272)
- Repayments of lease liabilities	19	(871)	(808)
- Net interest paid	12	(436)	(281)
- Interest paid on lease liabilities		(130)	(106)
<b>= Net cash used in financing activities (G)</b>		<b>(2,401)</b>	<b>(112)</b>
+/- Effect of exchange-rate movements on cash and cash equivalents (H)		(10)	2
<b>= Net change in cash and cash equivalents (E + F + G + H)</b>		<b>648</b>	<b>(177)</b>
+ / - Impact of foreign exchange conversion of cash and cash equivalents (opening & closing rates)		1	(5)
Cash and cash equivalents at beginning of year		519	702
Cash and cash equivalents at year-end	15/26	1,168	519

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## Note 1 Accounting principles and policies

### 1.1. General information

iliad SA (the "Company") is a *société anonyme* registered in France.

The iliad Group (the "Group") is one of Europe's leading electronic communications players, with 48.5 million subscribers, €9.2 billion in revenues in 2023 and over 17,700 employees.

Since it was founded in 1991, thanks to its expertise in electronic communications networks and the commercial appeal of its retail offerings marketed under the Free brand, the Group has become a major Internet and electronic communications player (fixed and mobile) in France.

In 2018, the Group expanded its geographic reach to Italy, where it has captured market share of more than 13% in the space of five years. It continued its expansion in Europe in 2020, acquiring Play, Poland's leading mobile telecom operator, and on April 1, 2022 completed its acquisition of the Polish cable-operator UPC.

iliad S.A. is the parent company of the iliad Group, which operates under the trade names of Free in France, iliad in Italy and Play in Poland.

The Group has three separate geographic segments: France, Italy, Poland.

The Board of Directors approved the consolidated financial statements for the year ended December 31, 2023 on March 13, 2024, and their publication date was set for March 14, 2024. These financial statements will only be definitive after approval by the Company's shareholders at the Annual General Meeting scheduled to be held in May 2024.

### 1.2. Applicable accounting standards and policies

The main accounting policies adopted for the preparation of these consolidated financial statements are set out below. Unless otherwise specified, the same policies have been consistently applied for all of the periods presented.

#### 1.2.1 Basis of preparation

The consolidated financial statements of the iliad Group have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union. The historical cost convention has been applied, except for financial assets and liabilities carried at fair value with changes in fair value recognized either directly in the income statement or in equity when hedge accounting is used.

The preparation of financial statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires Management to exercise its judgment when applying the Group's accounting policies. The areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 3.

## 1.2.2 Standards, amendments and interpretations whose application was mandatory for the first time in the fiscal year beginning January 1, 2023

- **Amendment to IAS 1 – Disclosure of Accounting Policies:** This amendment requires entities to disclose their material accounting policy information rather than their significant accounting policies. Its application was mandatory as from January 1, 2023, and its impact on the Group is not material.
- **Amendment to IAS 8 – Accounting Policies and Accounting Estimates:** The purpose of this amendment is to clarify the definitions of "accounting policies" and "accounting estimates". Its application was mandatory as from January 1, 2023, and its impact on the Group is not material.
- **Amendment to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction:** Under this amendment, entities are required to recognize deferred tax on the initial recognition of certain transactions where they give rise to equal amounts of deferred tax assets and liabilities. The amendment applies to transactions for which the entity recognizes both an asset and a liability, such as leases or decommissioning obligations. Its application was mandatory as from January 1, 2023, and its impact on the Group is not material.
- **Amendments to IAS 12 – International Tax Reform – Pillar Two Model Rules:** The OECD's international tax reform, known as "Pillar Two", which aims in particular to establish a minimum tax rate of 15%, will come into force in France from the 2024 financial year for multinational enterprises with revenues above €750 million. It also introduces a disclosure requirement whereby companies must disclose any known or reasonably estimable qualitative and/or quantitative information that helps users of financial statements understand the entity's exposure to Pillar Two income taxes. The application of this amendment was mandatory as from January 1, 2023, but in May 2023, the IASB issued narrow-scope amendments providing temporary relief (applicable in 2023) from accounting for deferred taxes arising from the implementation of the Pillar Two model rules. The impact of the tax reform on the Group is not material.

The Group has applied all of the above amendments.

## 1.2.3 Main amendments whose application is mandatory for fiscal years beginning after December 31, 2023 and which were not early adopted

- **Amendments to IAS 1 – Presentation of Financial Statements – Classification of Liabilities as Current or Non-current:** The purpose of these amendments is to clarify the criteria for classifying a liability as current or non-current. They clarify, but do not change, the existing requirements, and therefore will not significantly impact the Group's consolidated financial statements. Their effective date is January 1, 2024.
- **Amendment to IFRS 16 – Leases – Lease Liability in a Sale and Leaseback:** This amendment introduces a new accounting model for measuring lease liabilities when variable lease payments arise in a sale-and-leaseback transaction. Under this model, the seller-lessee recognizes in profit or loss, as a variable lease payment, the difference between the payments made for the lease and the lease payments that reduce the carrying amount of the lease liability. The Group does not have sale-and-leaseback transactions with variable lease payments. The effective date of this amendment is January 1, 2024.
- **Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements:** The purpose of these amendments is to introduce additional disclosure requirements to enhance the transparency of supplier finance arrangements – such as reverse factoring arrangements – and their effects on a company's liabilities, cash flows and exposure to liquidity risk. Their effective date is January 1, 2024.

The Group is currently analyzing the impacts of applying the above amendments.

## 1.2.4 Consideration of climate risks

The Group strives to limit the impact of its activities on the environment, and in 2021, it published its Climate Strategy based on 10 ambitious pledges (see the iliad website for further details). In February 2024, those



pledges were corroborated with the validation by the Science Based Targets initiative (SBTi) of the Group's carbon reduction pathway. Its short-term pathway (for 2030) and its pathway to the SBTi's Corporate Net-Zero Standard (for 2050) have been validated based on the following terms (with 2022 as the base year):

- the iliad Group undertakes to reduce its absolute Scope 1 and 2 GHG emissions by 60% and its Scope 3 GHG emissions by 46% by 2030;
- the iliad Group undertakes to reduce its absolute Scope 1, 2 and 3 GHG emissions by 90% by 2050.

The deployment of the Group's climate program is reflected in its financial statements through operating expenses, research and development costs and corporate sponsorship and philanthropy expenses. In addition, against an overall backdrop of energy and environmental transition, the Group's EBITDAaL will be exposed in the coming years to changes in electricity and raw materials prices and in production, transport and distribution costs, as well as costs related to the end-of-life of products.

The short- and mid-term effects of climate change have been incorporated into the Group's projections, which are used as the basis for impairment tests on goodwill and intangible assets. The Group does not expect the value and useful lives of its property, plant and equipment and intangible assets to be significantly impacted.

Impact and financial materiality analyses are currently being carried out in connection with the Group's work relating to the implementation of the Corporate Sustainability Reporting Directive (CSRD).

## 1.3. Consolidation

### Consolidation methods

#### Subsidiaries

Subsidiaries are entities that are controlled by the Group. They are fully consolidated in the Group's financial statements.

Control is presumed to exist when the Group has the power to govern an entity's financial and operating policies, either directly or indirectly, so as to obtain benefits from its activities. The Group controls an entity, if and only if, it has all of the following elements of control:

- power over the entity;
- exposure, or rights, to variable returns from its involvement with the entity;
- the ability to use its power over the entity to affect the amount of the Group's returns.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and they are deconsolidated from the date that control ceases.

The accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

#### Associates

Associates are all entities over which the Group has significant influence but not control or joint control (i.e. entities that are not subsidiaries or joint ventures). Interests in associates are accounted for using the equity method.

The existence of significant influence by the Group is usually evidenced in one or more of the following ways:

- representation on the Board of Directors or equivalent governing body of the investee;
- participation in policy-making processes, including participation in decisions about dividends or other distributions;
- material transactions between the Group and its investee;
- interchange of managerial personnel; or
- provision of essential technical information.

The financial statements of associates are accounted for by the equity method in the consolidated financial statements from the date significant influence arises to the date significant influence ceases.

The Group does not have any investments in special-purpose entities.

## Jointly controlled entities

Joint ventures and joint operations are joint arrangements whereby the Group contractually agrees with one or more partners to share control over an economic activity. Joint operations are joint arrangements whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The assets, liabilities, income and expenses of these joint arrangements are accounted for in the consolidated financial statements based on the Group's interest in the joint operation. Joint ventures are joint arrangements whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. They are accounted for by the equity method.

## Eliminations on consolidation

All intragroup transactions and balances are eliminated on consolidation as well as gains and losses on transactions between subsidiaries.

## Business combinations

The Group applies the acquisition method to account for business combinations.

The cost of an acquisition is measured as the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the transaction date, plus all costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially measured at their acquisition-date fair value, including any minority interests.

Any excess of the cost of acquisition over the Group's share of the fair value of the identifiable net assets acquired is recognized as goodwill except for costs directly attributable to the acquisition, which are recorded in the income statement.

If the cost of acquisition is less than the Group's share of the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the income statement.

If the initial accounting for a business combination can be determined only provisionally by the end of the period in which the combination is carried out, the combination is accounted for using those provisional values and any adjustments made as a result of completing the initial accounting must be recognized within 12 months of the acquisition date.

## Goodwill

Goodwill represents the excess of the cost of an acquisition over the Group's share of the fair value of the net identifiable assets of the acquired subsidiary/associate at the acquisition date.

Goodwill arising on acquisitions of subsidiaries is recognized as an intangible asset. Goodwill related to acquisitions of associates is included in "Investments in equity-accounted investees". Separately recognized goodwill is tested for impairment annually - or whenever events or circumstances indicate that it may be impaired - and is carried at cost less any accumulated impairment losses. Impairment losses recognized against goodwill may not be reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to that entity.

Goodwill is allocated to cash-generating units for the purpose of impairment testing.

Goodwill impairment losses are recorded within operating profit in the income statement, under "Other operating income and expense, net".

## Functional and presentation currency

In accordance with IAS 21, items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in euros, which is the Group's presentation currency.

Unless otherwise specified, all amounts are presented in millions of euros.

## Foreign currency translation

Assets and liabilities of Group companies that are denominated in foreign currencies are translated into euros at the year-end rate, corresponding to EUR 1/PLN 4.34 for Poland, EUR 1/MAD 10.95 for Morocco, and EUR 1/USD 1.11 for the United States. The income and expenses of these companies are translated into euros at average exchange rates for the year, i.e., EUR 1/PLN 4.54 for Poland, EUR 1/MAD 10.98 for Morocco and EUR 1/USD 1.08 for the United States.

All resulting exchange differences are recognized directly in equity.

## Fiscal year-end

All Group companies have a December 31 fiscal year-end.

## 1.4. Presentation of the financial statements

As permitted under IAS 1, Presentation of Financial Statements, the Group's income statement is presented by nature.

Operating profit corresponds to profit for the period, before:

- financial income and expenses (as defined in Note 12);
- current and deferred taxes;
- share of profit of equity-accounted investees.

Profit from ordinary activities corresponds to operating profit as defined above, before "Other operating income and expense, net". These items include income and expenses that are rare, unusual and infrequent, which represent material amounts and whose presentation within other items relating to ordinary activities could be misleading for users of the financial statements in their understanding of the Group's performance.

Costs recorded in "Other operating income and expense, net" notably include expenses incurred for acquiring new entities and costs borne on the sale of Group entities.

The Group has elected to present an additional indicator of earnings performance in its income statement:

- EBITDAaL.

EBITDAaL is a key indicator of the Group's operating performance and corresponds to profit from ordinary activities (as defined above) before:

- depreciation, amortization and impairment of property, plant and equipment and intangible assets; and
- share-based payment expense.

## 1.5. Summary of significant accounting policies

The main accounting policies applied by the Group are as follows:

### Revenues

Revenues from the Group's operations are recognized and presented as follows in accordance with IFRS 15, Revenue from Contracts with Customers:

- Revenues from usage of connection time are recognized in the period in which the usage takes place.
- Revenues from subscriptions and flat-fee plans are recognized over the period covered by the subscriptions or plans.

- Revenues from the sale of mobile phones and boxes are recognized when they are delivered to the purchaser.
- Revenues from the sale or provision of content supplied by external parties are presented as a gross amount when the Group is deemed to be the party in the transaction with primary responsibility in relation to the end-customer. These revenues are presented net of the amounts due to the content supplier when it is the content supplier that is responsible for providing the content to the end-customer and setting the retail price.
- Revenues from the sale of advertising banners are spread over the period during which the banners are displayed.
- Revenues from website hosting activities are recognized during the period in which the service is rendered.

The Group applies IFRS 16 for recognizing revenues generated by the rental of mobile phones. Based on an analysis of the classification criteria in IFRS 16, the Group considers that the present value of the lease payments receivable is approximately equivalent to the fair value of the leased asset and that losses associated with any cancellation are borne by customers (i.e. the lessees). Consequently, revenues from these transactions are accounted for as sales revenue as provided for in IFRS 16.

The cost of sale recognized at the commencement of the lease term is the cost, or carrying amount if different, of the leased phone, less the present value of the unguaranteed residual value. This accounting treatment does not affect the legal classification of these transactions under French law, which still corresponds to the rental of a movable asset.

### Foreign currency transactions

The recognition and measurement rules for foreign currency transactions are set out in IAS 21, The Effects of Changes in Foreign Exchange Rates. In accordance with that standard, transactions denominated in foreign currencies are recorded at their value in euros at the date of the transaction. At each reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the period-end rate

and any exchange gains or losses are recognized in profit as follows:

- as operating income or expenses for commercial transactions;
- as financial income or expenses for financial transactions.

### Earnings per share

The Group presents basic and diluted earnings per share.

Basic earnings per share is calculated by dividing profit for the period attributable to owners of the Company (attributable profit) by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated by adjusting attributable profit and the weighted average number of shares outstanding for the impact of all potentially dilutive financial instruments.

### Intangible assets

Intangible assets primarily include the following:

- Development costs capitalized in accordance with IAS 38,  
which are amortized over the period during which the Group is expected to consume the related future economic benefits.

These costs are recognized as intangible assets when they relate to distinctly separate projects for which (i) the costs can be clearly identified, (ii) the technical feasibility of successfully completing the project can be demonstrated, and (iii) it is probable that future economic benefits will be generated.

These conditions are deemed to be met when the six general criteria defined in IAS 38 are fulfilled, i.e. 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 the intangible asset and use or sell it; its ability to use or sell the asset;
- how the intangible asset will generate probable future economic benefits;
- how the intangible asset will generate probable future economic benefits;
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.
- Capitalized development costs are presented net of any related subsidies or research tax credits.

Intangible assets acquired in connection with business combinations.

- These assets are recognized separately from goodwill when (i) their fair value can be measured reliably, (ii) they are controlled by the Group, and (iii) they are identifiable, i.e., are separable or arise from contractual or other legal rights. Where these assets have a finite useful life they are amortized from the date they are made available for use in the same way as for intangible assets acquired separately, and an impairment loss is recognized if their carrying amount exceeds their recoverable amount.
  - Intangible assets with indefinite useful lives are not amortized but are tested for impairment on an annual basis at the year-end (December 31) or whenever there is an indication that they may be impaired.
  - Licenses are amortized over the residual license period from the date when the related network is technically ready for the service to be marketed. Licenses other than the 3.5 GHz license in France are being amortized on a straight-line basis over a period of 18 years on average. The 3.5 GHz license is being amortized over 15 years as from December 15, 2020.
  - Impairment losses recognized following impairment tests are recorded in the income statement under "Other operating income and expense, net" below profit from ordinary activities.
- The "Play" brand, which is not being amortized.
- Software, which is amortized on a straight-line basis over a period of one to three years.
- The Play customer base, which is being amortized over eight years for customers on prepaid cards and 15 years for other customers.
- The UPC customer base, which is being amortized over a period of 15 years.

## Property, plant and equipment

Property, plant and equipment are stated at acquisition cost, including transaction expenses, or at production cost. Cost includes any expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Group Management.

Depreciation is calculated by the straight-line method, based on the following estimated useful lives:

- Buildings: 15 to 50 years
- Technical equipment: 3 to 18 years
- General equipment: 10 years
- Specific investments for optical fiber network rollouts: 8 to 30 years
- Specific investments for mobile network rollouts: 6 to 18 years
- Computer equipment: 3 to 5 years
- Office furniture and equipment: 2 to 10 years
- Modems: 5 years
- Access fees for services specific to broadband Internet operations are depreciated over seven years.
- Amounts paid as consideration for obtaining indefeasible rights of use (IRUs) on dark optical fibers are depreciated over the initial term of use of the fiber concerned.

At each reporting date, the Group assesses whether the depreciation schedules applied still reflect the useful lives of its assets, and makes amendments where necessary.

## Borrowing costs

In accordance with IAS 23, borrowing costs directly attributable to the acquisition or production of a qualifying asset are included in the cost of that asset.

## Impairment of non-financial assets

Non-financial assets with indefinite useful lives are not amortized, but are tested for impairment on an annual basis at the year-end (December 31) or whenever there is an indication that they may be impaired. In assessing whether there is any indication that an asset may be impaired, the Group considers events or circumstances that suggest that significant unfavorable changes have taken place which may have a prolonged, adverse effect on the Group's economic or technological environment, or on the assumptions used on acquisition of the asset concerned.

All other assets are also tested for impairment, either on an annual basis or whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

## Financial assets

Financial assets held under the "hold to collect" business model (held for the purpose of collecting contractual cash flows, notably for repayments of principal and collection of interest payments) are measured at amortized cost. This is the case for loans and paid deposits and guarantees.

Financial assets held under the "hold to collect and sell" business model (held for the purpose of collecting contractual cash flows – notably for repayments of principal and collection of interest payments – as well as selling the financial assets) are measured at fair value through other comprehensive income.

Financial assets held under other business models are measured at fair value through profit or loss. This is the case for hedging instruments that are classified as financial assets.

## Inventories

Inventories are recognized at the lower of cost and estimated net realizable value. Cost is determined using the first-in, first-out (FIFO) method.

Inventories are written down if their carrying amount is higher than their probable selling price less any related selling expenses.

## Receivables

Receivables are initially recognized in accordance with IFRS 15 and subsequently measured at amortized cost using the effective interest method. The fair value of short-term receivables with no stated interest rate corresponds to the original invoice amount.

The Group recognizes a provision for expected credit losses on receivables. The probability of default and the expected credit loss are measured based on historical data adjusted for forward-looking information such as specific factors or the general economic environment.

Expected credit losses are measured by reference to the probability of default occurring, the "loss given default" (i.e. the size of the loss in the event of default), and exposure at default.

The amount of expected credit losses is remeasured at each reporting date to reflect changes in credit risk since the initial recognition of the financial instruments concerned. In order to assess whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the credit default risk at the reporting date with the default risk on the financial instrument at the initial recognition date. This allows the Group to collate reasonable and documented quantitative and qualitative information about expected credit losses, including the existence of any unresolved claims and litigation, claims history and any significant financial difficulties experienced by its debtors.

## Deferred taxes

Deferred taxes are recognized using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

However, deferred taxes are not accounted for if they arise from initial recognition of an asset or liability in a transaction other than a business combination and there is no difference in the applicable tax and accounting treatment. Deferred taxes are determined using tax rates (and laws) that have been enacted or substantially enacted at the balance sheet date and are expected to apply when the related deferred tax asset is recovered or the deferred tax liability is settled.

Deferred tax assets are recognized for tax loss carryforwards to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred taxes are recognized on temporary differences arising on investments in subsidiaries except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

## Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, short-term investments with original maturities of less than three months and highly liquid investments in money-market mutual funds. Short-term investments are marked to market at each reporting date.

Bank overdrafts are classified as current financial liabilities.

## Assets held for sale

In accordance with IFRS 5, non-current assets that are immediately available for sale in their present condition, and whose sale is highly probable in the short/medium term are classified as “Assets held for sale”.

These assets are presented in the balance sheet under “Assets held for sale” and are measured at the lower of their carrying amount and fair value less costs to sell.

## Own shares held

Own shares held are recognized as a deduction from equity based on their acquisition cost. Gains and losses on the disposal of own shares held are also recorded in equity.

## Provisions

In accordance with IAS 37, Provisions, Contingent Liabilities and Contingent Assets, when the Group's obligations to third parties known at the reporting date are certain or likely to cause an outflow of resources for the benefit of a third party, without at least equivalent consideration, a provision is recorded when the amount concerned can be estimated with sufficient reliability.

## Borrowings

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date, in which case they are classified as non-current liabilities.

### Interest-bearing borrowings

Interest-bearing borrowings are initially recognized at fair value, net of directly attributable transaction costs incurred. They are subsequently measured at amortized cost.

## Employee benefits

Other than share-based payments – which are described in a specific note – the only employee benefits within the Group correspond to post-employment benefits.

In accordance with IAS 19, Employee Benefits, independent actuarial valuations of post-employment benefit obligations under defined benefit plans are made using the projected unit credit method, with benefit entitlements recognized as they vest.

For each active participant, the benefit likely to be paid is estimated based on the rules defined in the applicable collective bargaining agreement and/or company-level agreement, using personal data projected to the standard age for payment of the benefit. The Group's total obligations toward each participant (total actuarial value of future benefits) are then calculated by multiplying the estimated benefit by an actuarial factor, which takes into account:

- assumptions concerning the employee's probability of either leaving the Group or dying before the age of payment of the benefit;
- the discounted value of the benefit at the measurement date.

These total benefits are then allocated over each of the past and future years for which rights are accrued under the plan, taking into account the vesting period of capped benefits for the plans in question. The portion of the Company's obligation allocated to years prior to the measurement date (projected benefit obligation) corresponds to obligations for services rendered. The projected benefit obligation represents the Group's obligation existing at the reporting date. The individual results of the valuation are then aggregated to obtain Group-level results.

In accordance with IAS 19R, actuarial gains and losses are immediately recognized in equity. In addition, interest cost and expected return on plan assets have been replaced with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset).

### IFRS IC IAS 19 agenda decision

In late May 2021, the IAS Board approved an agenda decision by the IFRS Interpretations Committee relating to the way benefit obligations for certain defined benefit plans are measured. This decision was implemented by the Group as of December 31, 2021 for plans falling within its scope of application, which in practice corresponded to amending the way the benefits are measured for certain statutory retirement bonus plans in France.

## Stock options and share grants

In accordance with IFRS 2, Share-based Payment, stock options, employee share issues and free grants of shares in Group companies to employees are measured at fair value at the grant or issue date.

Calculations of the fair value of stock options are performed based on criteria such as the exercise price and life of the options, the current price of the underlying shares, the anticipated volatility of the share price, expected dividends on the shares and the risk-free interest rate over the life of the options.

The fair value of stock options is recognized under "Share-based payment expense" on a straight-line basis over the vesting period (i.e. the service period that must be completed in order for the options to vest), with a corresponding adjustment to equity for equity-settled plans and to employee-related liabilities for cash-settled plans.

Performance shares are measured at fair value based on the Group's share price at the grant date and, where appropriate, taking into account certain vesting conditions using a mathematical valuation model. Vesting conditions not taken into account for the fair value measurement at the vesting date are taken into account in estimating the number of shares that will vest at the end of the vesting period. This benefit is recognized in the income statement under "Share-based payment expense", on a straight-line basis over the vesting period of the shares, with a corresponding adjustment to equity.

A certain number of Group employees have been granted shares in subsidiaries subject to conditions relating to their presence within the Group. The shares are measured based on the fair value of the benefit granted to the employee on the grant date, with the calculation incorporating assumptions concerning the staff turnover rate for beneficiaries, a discount in respect of the lock-up period, and the fair value of the shares at the grant



date. This benefit is recognized in the income statement under "Share-based payment expense", on a straight-line basis over the vesting period of the shares, with a corresponding adjustment to equity.

## Derivative financial instruments and hedging

Derivatives are initially recognized at fair value at the inception date of the derivative contract and are subsequently remeasured at fair value at each reporting date.

The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the hedged item.

The Group designates certain derivatives as hedges of a particular risk associated with a highly probable forecast transaction (cash flow hedges).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and hedging strategy. It also documents its assessment, both at the inception of the hedge and on an ongoing basis, of whether the derivatives used in hedging transactions are effective in offsetting changes in cash flows of hedged items.

The fair values of the various derivative instruments used for hedging purposes are disclosed in Note 33 and Note 34. The fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item exceeds 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

The effective portion of any gain or loss from remeasuring a derivative financial instrument designated as a cash flow hedge is recognized:

- directly in equity; and
- the ineffective portion is recognized in the income statement.

Changes in the fair value of other derivative instruments are recorded in the income statement.

If a derivative instrument no longer qualifies for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is transferred to the income statement under financial income or expense when:

- the hedging instrument is exercised, terminated or sold;
- the Group no longer expects the forecast transaction to occur; or
- the original hedged item affects profit.

## Note 2 Significant events and scope of consolidation

### 2.1 Significant events and main changes in the scope of consolidation in 2023

#### Finalization of the RAN sharing agreement with W3

On January 3, 2023, Iliad Italia acquired 50% of the shares in the joint venture that owns the network and operates the RAN sharing services on behalf of Iliad and W3 (Zefiro). The Group accounts for this arrangement as a joint operation in accordance with IFRS 11. The joint operation has been recognized in the Iliad Group's consolidated financial statements since January 3, 2023 based on the Group's share in the joint operation's assets, liabilities, income and expenses.

#### Agreement signed for the sale of 50% of UPC Access Network shares to InfraVia

On June 19, 2022, the Group signed an agreement with InfraVia V Invest S.A.R.L. (an InfraVia Capital Partner Group company) to sell a 50% stake in Polski Światłowód Otwarty sp. z o.o. ("PŚO", formerly FiberForce sp. z o.o.), an Iliad Group dedicated entity.

On March 1, 2023, through a spin-off of activities carried out by UPC Polska sp. z o.o. ("UPC"), Play transferred some of UPC's activities to the dedicated entity, including network infrastructure representing 3.7 million HFC

and FTTx connections. Polski Światłowód Otwarty sp. z o.o will make its network available to other operators (including Play and UPC) based on the wholesale price model.

The transaction was completed on March 31, 2023 after the conditions specified in the agreement were lifted. The proceeds received from the sale of the 50% stake amounted to PLN 2.4 billion (€520 million), of which PLN 1.8 billion (€363 million) were received on the transaction date.

The dedicated entity is jointly controlled by InfraVia and Play and is accounted for in the Group's consolidated financial statements under "Investments in equity-accounted investees". UPC Polska's assets that were transferred to this entity were recognized in "Assets held for sale" in the consolidated statement of financial position at December 31, 2022.

### **Sale of the Group's remaining 30% stake in On Tower Poland**

On June 30, 2023, Iliad sold its remaining 30% stake in On Tower Poland ("OTP"), the company that manages the Group's passive mobile telecommunications infrastructure in Poland, to the Cellnex group for PLN 2.3 billion, or €512 million (before tax), generating a €99 million gain.

This sale followed the completion of the transaction consisting of the sale of 60% of OTP to the Cellnex group on April 1, 2021, and a further sale (of 10% of OTP) on February 28, 2022. The 30% residual stake sold by the Group on June 30, 2023 was recognized in "Assets held for sale" in the consolidated statement of financial position at December 31, 2022.

### **Dispute with Bouygues Telecom**

On February 23, 2023, the Paris Commercial Court ruled in the case between Free and Bouygues Telecom regarding the bundling of sales of smartphones and mobile plans (so-called "subsidized" offers). This ruling ordered Bouygues Telecom to pay €310 million in damages to Free. Bouygues Telecom then appealed the ruling to the Paris Court of Appeal.

On April 5, 2023, by order of the Chief Judge of the Paris Court of Appeal, Bouygues Telecom's request to suspend the provisional enforcement ordered by the Paris Commercial Court on February 9, 2023 was dismissed.

On May 16, 2023, Bouygues Telecom paid Free €310 million, corresponding to the damages ordered by the Paris Commercial Court. Under current accounting rules, income resulting from a favorable ruling in legal proceedings can only be recognized when the case is closed. Accordingly, no income was recorded in this respect in the Group's financial statements in 2023. In the cash flow statement this amount has been recorded in "Change in operating working capital requirement".

## **2.2 Scope of consolidation and changes in 2023**

The list of consolidated companies and the consolidation methods used are provided in Note 37.

## **Note 3 Critical accounting estimates and judgments**

### **Accounting judgments**

The Group makes accounting judgments in order to determine the accounting treatment for certain transactions.

The main accounting judgments made by the Group relate to:

- The method used for consolidating certain companies (see Note 21).
- The contractual terms used for determining lease liabilities in accordance with IFRS 16 (see Note 19).

### **Accounting estimates**

The Group makes estimates and assumptions concerning the future.

It continually reviews these estimates and assumptions which are based both on past experience and on other factors deemed reasonable to be used for assessing the carrying amount of assets and liabilities. Actual amounts may differ significantly from these estimates should different assumptions or conditions apply.

The main accounting estimates used by the Group relate to:

- Useful lives and impairment of non-current assets.

- Assessment of the fair value of certain financial assets.
- Assessment of the recoverable amount of deferred tax assets recognized for tax loss carryforwards.
- Assessment of doubtful receivables and calculating the corresponding impairment losses.
- The duration of mobile phone rental periods.
- Assessment of the estimated net realizable value of inventories and calculating the corresponding impairment losses.
- Assessment of risks related to disputes and litigation in process and calculating the corresponding provisions.
- Determining whether the Group is principal or agent in accordance with IFRS 15.
- Determining the non-cancellable term of leases, separating the lease and service components, and determining the incremental borrowing rate when the rate implicit in the lease cannot be readily determined for the purpose of applying IFRS 16.
- Determining the nature and the fair value of assets and liabilities acquired as part of business combinations.

## Note 4 Revenues

Consolidated revenues rose 10.4% to €9.2 billion in 2023.

The presentation of the Group's revenues by geographic segment is provided in Note 5 below.

This presentation may be changed in the future, depending on operating criteria and the development of the Group's businesses.

## Note 5 Segment information

The iliad Group has three operating segments:

- France;
- Italy;
- Poland.

### - 2022 REVENUES

<i>In € millions</i>	France	Italy	Poland	Intra-group sales	Total
<b>Revenues</b>					
Fixed	3,312	52	473	(14)	3,824
Mobile	2,735	1,008	1,684	(5)	5,422
Intra-group sales	(5)	0	0	0	(5)
<b>Total</b>	<b>6,042</b>	<b>1,061</b>	<b>2,157</b>	<b>(19)</b>	<b>9,241</b>

### - 2022 REVENUES

<i>In € millions</i>	France	Italy	Poland	Intra-group sales	Total
<b>Revenues</b>					
Fixed	3,054	12	334	(15)	3,385
Mobile	2,508	914	1,573	(5)	4,990
Intra-group sales	(6)	0	0	0	(6)
<b>Total</b>	<b>5,555</b>	<b>927</b>	<b>1,907</b>	<b>(19)</b>	<b>8,369</b>

The increase in revenues for 2023 concerns all geographies.

- 2022 EARNINGS

<i>In € millions</i>	France	Italy	Poland	Total
<b>Earnings</b>				
EBITDAaL	2,392	247	805	3,444
Share-based payment expense	(25)	0	(6)	(31)
Depreciation, amortization and impairment of non-current assets	(1,275)	(495)	(351)	(2,122)
Profit/(loss) from ordinary activities	1,092	(248)	448	1,291
Corporate income tax	(331)	16	(85)	(400)
Profit/(loss) for the period	717	(557)	158	318

- 2022 EARNINGS

<i>In € millions</i>	France	Italy	Poland	Total
<b>Earnings</b>				
EBITDAaL	2,287	211	805	3,303
Share-based payment expense	(37)	0	(2)	(39)
Depreciation, amortization and impairment of non-current assets	(1,222)	(380)	(306)	(1,909)
Profit/(loss) from ordinary activities	1,028	(169)	497	1,356
Corporate income tax	(343)	71	(60)	(332)
Profit/(loss) for the period	877	(231)	112	758

- ASSETS AT DECEMBER 31, 2023

<i>In € millions</i>	France	Italy	Poland	Total
<b>Non-current assets</b>				
Goodwill	306	0	519	825
Intangible assets (carrying amount)	1,509	1,755	2,023	5,286
Right-of-use assets (carrying amount)	3,182	720	1,016	4,918
Property, plant and equipment (carrying amount)	7,184	1,166	724	9,074
Investments in equity-accounted investees	446	0	406	852
<b>Current assets (excluding cash and cash equivalents, financial assets and tax assets)</b>	<b>1,923</b>	<b>348</b>	<b>1,037</b>	<b>3,308</b>
<b>Cash and cash equivalents</b>	<b>1,119</b>	<b>18</b>	<b>50</b>	<b>1,186</b>

- ASSETS AT DECEMBER 31, 2022

<i>In € millions</i>	France	Italy	Poland	Total
<b>Non-current assets</b>				
Goodwill	304	0	412	717
Intangible assets (carrying amount)	1,669	2,075	1,807	5,551
Right-of-use assets (carrying amount)	2,811	675	880	4,367
Property, plant and equipment (carrying amount)	6,704	779	649	8,132
Investments in equity-accounted investees	749	0	0	749
<b>Current assets (excluding cash and cash equivalents, financial assets and tax assets)</b>	<b>1,544</b>	<b>379</b>	<b>2,187</b>	<b>4,110</b>
<b>Cash and cash equivalents</b>	<b>386</b>	<b>0</b>	<b>135</b>	<b>521</b>

- LIABILITIES AT DECEMBER 31, 2023, EXCLUDING FINANCIAL LIABILITIES AND TAXES PAYABLE

<i>In € millions</i>	France	Italy	Poland	Total
<b>Non-current liabilities</b>				
Other non-current liabilities	317	332	2	652
<b>Current liabilities</b>				
Trade and other payables	2,290	613	665	3,568

- LIABILITIES AT DECEMBER 31, 2022, EXCLUDING FINANCIAL LIABILITIES AND TAXES PAYABLE

<i>In € millions</i>	France	Italy	Poland	Total
<b>Non-current liabilities</b>				
Other non-current liabilities	337	175	2	514
<b>Current liabilities</b>				
Trade and other payables	1,702	465	514	2,681

## Note 6 Purchases used in production and external charges

Purchases used in production mainly include:

- Interconnection costs invoiced by other operators (including roaming charges).
- Maintenance costs relating to unbundling operations.
- Costs and fees related to the FTTH business.
- Acquisitions of goods and services for resale or for use in designing goods or services billed by the Group.

External charges primarily comprise:

- Logistics and dispatch costs.
- Leasing expenses (including leases entered into for network development purposes, such as for mobile sites).
- Marketing and advertising costs.
- External service provider fees.
- Subcontracting costs.

## Note 7 Human resources data

### Payroll costs

Payroll costs break down as follows:

<i>In € millions</i>	2023	2022
Wages and salaries	(457)	(384)
Payroll taxes	(164)	(141)
<b>TOTAL</b>	<b>(621)</b>	<b>(525)</b>

### Number of employees at year-end

The Group's headcount can be analyzed as follows by category:

Number of employees at year-end	2023	2022
Management	4,420	4,087
Other	13,297	12,637
<b>TOTAL</b>	<b>17,717</b>	<b>16,724</b>

## Post-employment benefits

The methods used for recognizing and measuring retirement and other post-employment benefit obligations comply with IAS 19R, Employee Benefits.

The retirement benefit plans in place in the countries where the Group operates are defined benefit plans.

Movements in the Group's retirement benefit obligations in 2023 and 2022 can be analyzed as follows:

<i>In € millions</i>	2023	2022
Present value of obligation at beginning of year:	15	21
• Impact of changes in scope of consolidation	0	0
• Current service cost	3	4
• Loss/(gain) from changes in assumptions	3	(10)
• Experience gains/losses	1	0
<b>Total</b>	<b>21</b>	<b>15</b>

The main economic assumptions used to measure the Group's retirement benefit obligations at December 31, 2023 and 2022 were as follows:

### Retirement benefit obligation assumptions – France

	2023	2022
• Discount rate	3.50%	3.75%
• Long-term inflation rate	2.10%	2.00%
• Mortality table	Insee TD/TV 2016-2018	Insee TD/TV 2016-2018
• Type of retirement	Voluntary	Voluntary
• Retirement age		
- Management	France's full state pension age (based on 2023 framework) including for people who started work young	France's full state pension age post 2014 pension reform and the 2015 French Social Security Financing Act
- Other		

### Retirement benefit obligation assumptions – Poland

	2023		2022	
	P4	P4	P4	UPC
• Discount rate	5.10%	6.80%	6.80%	6.70%
• Long-term inflation rate	3.50%	6.00%	6.00%	4.50%
• Mortality table	2022 Polish mortality table issued by Poland's central statistics office	2021 Polish mortality table issued by Poland's central statistics office	2021 Polish mortality table issued by Poland's central statistics office	2021 Polish mortality table issued by Poland's central statistics office
• Type of retirement	Voluntary	Voluntary	Voluntary	Voluntary
• Retirement age				
- Management	Poland's full state pension age as set at Nov. 16, 2016	Poland's full state pension age as set at Nov. 16, 2016	Poland's full state pension age as set at Nov. 16, 2016	Poland's full state pension age as set at Nov. 16, 2016
- Other				

The impact on equity of the Group's retirement benefit obligations was a negative €48 thousand (before tax) at December 31, 2023 and the amount recognized in the income statement for the year then ended corresponded to €5 million in cost (before tax).

## Note 8 Development costs

Development costs include:

- The cost of designing new products, adapting existing products to the Internet, and researching or creating databases for new applications. These costs are primarily incurred by Freebox.
- Development costs for remote data processing and/or data storage by Scaleway.
- The technological development costs incurred in the mobile telephony business, notably concerning the network's architecture and functionalities. These costs are primarily incurred by Free Mobile.

Development costs incurred in 2023 are presented net of any related research tax credits.

<i>In € millions</i>	2023	2022
Capitalized development costs	(26)	(28)
Development costs recognized directly in the income statement	0	0
<b>Total</b>	<b>(26)</b>	<b>(28)</b>

## Note 9 Other income and expenses from operations, net

Other income from operations breaks down as follows:

<i>In € millions</i>	2023	2022
Income from partnerships*	353	428
Customer contract termination fees	13	11
Other	89	32
<b>Total other income from operations</b>	<b>455</b>	<b>471</b>

\* Corresponds mainly to income related to the partnerships with Cellnex concerning the sale of mobile infrastructure.

Other expenses from operations can be analyzed as follows:

<i>In € millions</i>	2023	2022
Costs related to partnerships*	(136)	(161)
Royalties and similar fees	(55)	(48)
Bad debts	(5)	0
Other	(36)	(13)
<b>Total other expenses from operations</b>	<b>(232)</b>	<b>(221)</b>

\* Corresponds mainly to costs related to the partnerships with Cellnex concerning the sale of mobile infrastructure.

<i>In € millions</i>	2023	2022
<b>Other income and expenses from operations, net</b>	<b>223</b>	<b>250</b>

## Note 10 Depreciation, amortization, provisions and impairment

The following tables show the breakdown between the various components of depreciation, amortization, provisions and impairment:

### Depreciation, amortization and impairment of non-current assets

<i>In € millions</i>	2023	2022
• Depreciation and amortization expense:		
Intangible assets	(645)	(697)
Property, plant and equipment	(1,412)	(1,202)
• Impairment of non-current assets:		
Property, plant and equipment	(65)	(9)
• Depreciation/amortization of investment grants:		
Intangible assets	0	0
Property, plant and equipment	0	0
<b>Total</b>	<b>(2,122)</b>	<b>(1,909)</b>

### Additions to and reversals from provisions for contingencies and charges and impairment of current assets

<i>In € millions</i>	2023	2022
Provisions for contingencies and charges	(1)	(6)
Impairment of inventories	(9)	(2)
Impairment of trade receivables	(62)	(77)
<b>TOTAL</b>	<b>(72)</b>	<b>(84)</b>

## Note 11 Other operating income and expense, net

This item breaks down as follows:

<i>In € millions</i>	2023	2022
Gains and losses on asset disposals	79	310
Other operating expenses	(50)	(44)
<b>TOTAL</b>	<b>28</b>	<b>267</b>

### Gains and losses on asset disposals

The gain on disposals of Group assets in 2022 primarily relates to the sale of the residual 30% interest in On Tower France (€330 million).

The figure for 2023 mainly concerns the gain on the sale of the residual 30% interest in On Tower Poland (€99 million).

### Other operating expenses

In 2023 this item included a €41 million expense related to costs for hedging electricity supply costs in Italy. As this hedge was set up in the third quarter of 2022, in a highly speculative environment, the related costs were accounted for as non-recurring expenses and were therefore recognized under “Other operating income and expense, net”.

“Other operating expenses” also includes miscellaneous costs and other expenses incurred by the Group in connection with operations launched and/or completed in 2022 and 2023.



## Note 12 Financial income and expenses

Financial income and expenses can be analyzed as follows:

<i>In € millions</i>	2023	2022
Income from cash and cash equivalents	30	0
Finance costs, gross:		
Interest on borrowings	(538)	(313)
<b>Finance costs, net</b>	<b>(508)</b>	<b>(313)</b>
Other financial income		
Translation adjustments	42	0
Other	53	0
<b>Sub-total - Other financial income</b>	<b>95</b>	<b>0</b>
Other financial expenses		
Translation adjustments/Hedging expenses	0	5
Discounting expense	(24)	(40)
Other	(6)	(15)
<b>Sub-total - Other financial expenses</b>	<b>(30)</b>	<b>(50)</b>
<b>Other financial income and expense, net</b>	<b>64</b>	<b>(50)</b>
<b>Interest expense on lease liabilities</b>	<b>(237)</b>	<b>(213)</b>
<b>Net financial expense</b>	<b>(680)</b>	<b>(576)</b>

Net financial expense primarily concerns the costs of the Group's various sources of financing (see Note 30) as well as discounting expense.

Finance costs, gross, mainly comprise interest on borrowings.

Other financial income in 2023 included a €53 million impact from the remeasurement of the Group's call option on eir shares, which brought the carrying amount of the option to €90 million at December 31, 2023.

Discounting expense mainly concerns trade payables with maturities of more than one year.

Interest expense on lease liabilities relates to the Group's application of IFRS 16.

## Note 13 Corporate income tax

### Analysis of the corporate income tax charge

The Group's corporate income tax charge breaks down as follows:

<i>In € millions</i>	2023	2022
Current taxes		
• on income	(431)	(432)
• on value added (CVAE)	(14)	(27)
<b>CURRENT INCOME TAX CHARGE</b>	<b>(445)</b>	<b>(458)</b>
Deferred taxes		
• on income	45	126
• on value added (CVAE)	0	0
<b>DEFERRED INCOME TAX BENEFIT/(CHARGE)</b>	<b>45</b>	<b>126</b>
<b>TOTAL TAX CHARGE</b>	<b>(400)</b>	<b>(332)</b>

### Tax group

As a result of the acquisition in 2021 of more than 95% of iliad's capital by Holdco 2, the tax consolidation group set up in 1998 with iliad as parent company was disbanded with effect from December 31, 2021.

Since 2022, iliad S.A. has been part of the tax group headed by iliad Holding.

The following rules apply within the tax group:

- Each company in the tax group records in its accounts the amount of tax that it would have paid on a stand-alone basis.
- Tax savings arising on the Group's use of tax losses generated by a Group company are allocated to the parent.
- Tax credits that are refundable (research tax credit, training tax credit, etc.) are recorded at the level of the subsidiaries.
- Any tax charges or benefits relating to adjustments to total earnings, as well as any tax credits for loss-making companies, are recorded at the level of the parent.
- No payments in relation to these matters may be due by the parent when a company leaves the tax group.

### Description of deferred tax assets/liabilities and tax loss carryforwards

The Iliad Group's deferred tax assets and liabilities mainly arise on non-current assets and on tax loss carryforwards.

At December 31, 2023, deferred tax assets arising on tax loss carryforwards related solely to Italy and amounted to €277 million, unchanged from December 31, 2022. The Group estimates that these tax loss carryforwards will be used within five to six years.

The tax losses in Italy can be carried forward indefinitely.

The Group expects these losses to be absorbed within a period of approximately five years.

### Tax proof

The table below reconciles:

- the Group's theoretical tax rate
- with the effective tax rate calculated on consolidated profit from continuing operations before tax.

<i>In € millions</i>	2023	2022
Profit for the period	318	758
• Corporate income tax	400	332
• Share of profit of equity-accounted investees	(79)	
<b>Consolidated profit from continuing operations before tax</b>	<b>639</b>	<b>1,090</b>
Theoretical tax rate	25.83%	25.83%
• Net impact of permanent differences	19.25%	-7.85%
• Impact of unrecognized tax loss carryforwards	-0.43%	0.00%
• Impact of different tax rates	-3.40%	12.51%
• Deferred taxes on unrecognized tax loss carryforwards	21.33%	0.00%
• Other impacts	0.00%	0.00%
<b>Effective tax rate</b>	<b>62.58%</b>	<b>30.49%</b>

### Unrecognized deferred tax assets

Unrecognized deferred tax assets concern:

- Tax loss carryforwards of companies outside the tax group that have been in a loss-making position for several years and are not expected to return to profit in the near future.
- Tax loss carryforwards that are not expected to be utilized in view of the projected future earnings of the companies concerned based on the information available at the reporting date, or when the companies concerned have been historically loss-making and their turnaround is in progress.

Unrecognized deferred tax assets totaled €117 million at December 31, 2023 and mainly related to Italy. At December 31, 2022 they amounted to €256 thousand.

## Note 14 Earnings per share

### Basic earnings per share:

<i>Number of shares used for the calculation</i>	2023	2022
• Number of shares at the year-end	59,720,238	59,720,238
• Weighted average number of shares	59,178,249	58,902,092

### Diluted earnings per share

<i>In € millions</i>	2023	2022
Profit for the period attributable to owners of the Company	318	754
Diluted profit for the period attributable to owners of the Company	318	754
• Weighted average number of shares outstanding (see above)	59,178,249	58,902,092
• Number of share equivalents	174,091	331,564
Maximum weighted average number of shares after dilution	59,352,340	59,233,656
<b>Diluted earnings per share (in €)</b>	<b>5.36</b>	<b>12.73</b>

## Note 15 Consolidated statement of cash flows

### Cash flows from operating activities

Net cash generated from operating activities is determined by the indirect method, which consists of adding back to or deducting from profit for the period:

- all non-cash transactions;
- deferrals or adjustments concerning past or future cash inflows or outflows related to operations; and
- all cash flows relating to investing or financing activities.

### Change in operating working capital requirement

The change in operating working capital requirement in 2023 and 2022 can be analyzed as follows:

<i>In € millions</i>	Note	At Dec. 31, 2022	Net debits	Net credits	Impact of changes in scope of consolidation	Other	At Dec. 31, 2023
Net inventories	23	324	307	0	0	(119)	511
Net trade receivables	24	1,163	138	0	2	21	1,324
Net other receivables	24	1,153	73	0	1	62	1,289
Trade payables (suppliers of goods and services)	31	(1,226)	0	(179)	(2)	(267)	(1,674)
Other payables		(1,395)	0	(507)	0	(105)	(2,007)
<b>TOTAL</b>		<b>18</b>	<b>518</b>	<b>(686)</b>	<b>0</b>	<b>(409)</b>	<b>(557)</b>
<b>Change in operating working capital requirement in 2023</b>				<b>(168)</b>			

The change in "Other payables" in 2023 primarily relates to the €310 million received by Iliad at the beginning of the year following the first-instance ruling in the legal proceedings between Free and Bouygues Telecom regarding the bundling of smartphone sales and mobile plans (so-called "subsidized" offers) (see Note 2.1 for further details).

<i>In € millions</i>	Note	At Dec. 31, 2021	Net debits	Net credits	Impact of changes in	Other	At Dec. 31, 2022
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	scope of consolidation						
Net inventories	23	66	179	0	0	78	324
Net trade receivables	24	995	151	0	4	13	1,163
Net other receivables	24	1,234	8	0	5	(95)	1,153
Trade payables (suppliers of goods and services)	31	(949)	0	(144)	(77)	(56)	(1,226)
Other payables		(1,071)	0	(127)	(17)	(180)	(1,395)
<b>Total</b>		<b>275</b>	<b>339</b>	<b>(271)</b>	<b>(85)</b>	<b>(240)</b>	<b>18</b>
<b>Change in operating working capital requirement in 2022</b>			<b>68</b>				

## Other receivables

<i>In € millions</i>	Note	Dec. 31, 2023	Dec. 31, 2022
Trade and other receivables:	24	2,613	2,315
Trade receivables	24	(1,324)	(1,163)
<b>Other receivables</b>		<b>1,289</b>	<b>1,153</b>

## Other payables

<i>In € millions</i>	Note	Dec. 31, 2023	Dec. 31, 2022
Trade and other payables:	31	4,219	3,195
Suppliers of goods and services	31	(1,674)	(1,226)
Suppliers of non-current assets	31	(1,153)	(1,147)
Other		615	573
<b>Other payables</b>		<b>2,007</b>	<b>1,394</b>

## Acquisitions of property, plant and equipment and intangible assets

This item can be analyzed as follows:

<i>In € millions</i>	Note	2023	2022
Acquisition of intangible assets	17	314	303
Acquisition of property, plant and equipment	20	2,163	2,165
Suppliers of non-current assets (excl. VAT)			
At January 1		1,147	2,225
Newly consolidated company		0	0
At December 31		(1,153)	(1,147)
Other		(66)	(197)
<b>Total</b>		<b>2,405</b>	<b>3,349</b>

## Cash and cash equivalents

<i>In € millions</i>	Note	Cash and cash equivalents at Dec. 31, 2023	Cash and cash equivalents at Dec. 31, 2022
Cash (including currency hedges)	26	927	516
Marketable securities	26	259	6
<b>Sub-total</b>		<b>1,186</b>	<b>521</b>
Bank overdrafts	31	(18)	(2)
<b>TOTAL</b>		<b>1,168</b>	<b>519</b>

## Note 16 Goodwill

<i>In € millions</i>	2023	2022
Carrying amount at January 1	717	562
• Acquisition of UPC	0	1,275
• Allocation of goodwill relating to UPC Polska	0	(301)
• Reclassification of the UPC Polska goodwill as "Assets held for sale"	0	(847)
• Other	77	31
• Disposals	0	0
• Translation adjustments	31	(4)
<b>CARRYING AMOUNT AT DECEMBER 31</b>	<b>825</b>	<b>717</b>

The year-on-year increase in the amount recorded under "Other" mainly relates to the acquisition of several ISPs (Internet Service Providers) in Poland.

## Note 17 Intangible assets

Intangible assets break down as follows:

<i>In € millions</i>	December 31, 2023			December 31, 2022		
	Gross	Amortization and impairment	Net	Gross	Amortization and impairment	Net
• Licenses - France	2,290	883	1,407	2,188	718	1,470
• Licenses - Italy	2,063	526	1,537	2,068	367	1,700
• Licenses - Poland	773	298	476	669	357	313
• Other intangible assets	2,792	1,002	1,790	2,649	637	2,012
<b>Internally-generated intangible assets:</b>						
• Development costs	173	96	77	125	70	56
<b>TOTAL</b>	<b>8,091</b>	<b>2,805</b>	<b>5,286</b>	<b>7,699</b>	<b>2,149</b>	<b>5,551</b>

### France:

At end-2023, the Group had a portfolio of 67.5 MHz duplex with balanced coverage across Metropolitan France, in the 700 MHz, 900 MHz, 1,800 MHz, 2.1 GHz and 2.6 GHz frequency bands, as well as 70 MHz in the 3.5 GHz band.

Since late 2016, the Group has also had a balanced frequency portfolio in Guadeloupe, French Guiana, Martinique, Saint-Barthélemy and Saint-Martin, in the 800 MHz, 900 MHz, 1,800 MHz, 2.1 GHz and 2.6 GHz bands.

### Italy:

The Group has a balanced portfolio of 45 MHz duplex in the 700 MHz, 900 MHz, 1,800 MHz, 2.1 GHz and 2.6 GHz frequency bands covering the whole of Italy, as well as 20 MHz in the 3.6 GHz-3.8 GHz band and 200 MHz in the 26.5 GHz-27.5 GHz band.

### Poland:

The Group has a balanced portfolio of 60 MHz duplex in the 800 MHz, 900 MHz, 1,800 MHz, 2.1 GHz and 2.6 GHz frequency bands covering the whole of Poland, as well as an additional 5 MHz in the 2.1 GHz band.

Since end-2023, the Group also has a balanced portfolio of 100 MHz duplex in the 3,500 MHz-3,600MHz bands.

## Group:

Borrowing costs capitalized in previous years relating to the Group's licenses represented a gross amount of €88 million at December 31, 2023.

There are no restrictions on the legal title of the Group's intangible assets and none of these assets have been pledged as security for borrowings.

Movements in net intangible assets can be analyzed as follows:

<i>In € millions</i>	2023	2022
Net at January 1	5,551	5,472
Additions:		
• newly-consolidated company	4	377
• acquisitions	314	303
• asset remeasurements	0	0
• internally-generated intangible assets	19	35
Reclassifications	(89)	69
Other	0	0
Translation adjustments	132	(8)
Amortization, provisions and impairment	(645)	(697)
<b>NET AT DECEMBER 31</b>	<b>5,286</b>	<b>5,551</b>

## Intangible assets in progress

The carrying amount of intangible assets in progress is included in the carrying amounts of the various categories of intangible assets, as follows:

<i>In € millions</i>	Dec. 31, 2023	Dec. 31, 2022
Licenses	39	39
Other	44	132
<b>TOTAL</b>	<b>83</b>	<b>171</b>

## Note 18 Impairment tests on goodwill and intangible assets

Goodwill and intangible assets not yet available for use are tested for impairment on an annual basis at the year-end (December 31) or whenever there is an indication that they may be impaired.

Intangible assets with finite useful lives are tested for impairment whenever there is an indication that they may be impaired.

### Impairment tests

At December 31, 2023, the Group carried out its annual impairment tests on all of its CGUs, i.e., France, Italy, and Poland.

<i>In € millions</i>	France	Italy CGU	Poland CGU
<b>Goodwill</b>	<b>306</b>	<b>0</b>	<b>519</b>

The tests were performed by comparing each CGU's recoverable amount against its carrying amount.

No impairment losses were recognized against any of the assets allocated to the Group's CGUs following the impairment tests performed at end-2023.

The assumptions used for calculating the recoverable amounts of the Group's CGUs were as follows at

December 31, 2023:

	France CGU	Italy CGU	Poland CGU
Post-tax discount rate	6.8%	8.0%	8.2%
Perpetuity growth rate	1.5%	2.0%	2.4%

### Sensitivity of recoverable amounts

At December 31, 2023, the Group performed a sensitivity analysis on its France, Italy and Poland CGUs. The sensitivities tested reflect the range of estimations and assumptions deemed reasonably possible by the Group. No significant risk of impairment was identified as a result of this analysis.

The analysis of the three CGUs measured the sensitivity of their recoverable amounts to each of the following variables:

- A 0.5% increase in the discount rate.
- A 0.5% decrease in the perpetual growth rate.
- A 5% decrease in cash flows in the last year of the business plan.

## Note 19 Right-of-use assets and lease liabilities

### Accounting principles

The Group has applied IFRS 16, Leases, since January 1, 2019.

IFRS 16 requires lessees to recognize a lease liability in the balance sheet representing the present value of future lease payments, with a corresponding right-of-use asset recognized and depreciated over the lease term. The actual payments made for these rights of use are recorded in "Repayments of lease liabilities" in the statement of cash flows under cash flows from financing activities. In accordance with this standard, wherever possible, the Group has separated out the non-lease components (including service components) of its lease contracts in order to only include the lease components for measuring its lease liabilities.

The lease term used to measure lease liabilities generally corresponds to the initial negotiated term of the lease, without taking into account any early termination or extension options, except for specific cases.

The accounting method used for leases when the Group is a lessor is the same as under IAS 17.

The Group elected to use the modified retrospective approach for its first-time application of IFRS 16, under which lease liabilities were measured as the present value of lease payments that had not been paid at the transition date (i.e. January 1, 2019).

The Group did not elect to apply the exemptions available in IFRS 16 relating to leases with terms of 12 months or less or for which the underlying asset is of low value.

The Group has identified three main types of leases, which relate to:

- Networks, corresponding mainly to (i) rentals of the local loop for Fixed subscribers, including the rental of the FTTH loop from IFT (see Note 21), (ii) rentals of dark fiber, and (iii) rentals of sites (land, building roofs, pylons, etc.) used for setting up the Group's active and passive mobile network infrastructure, including the rental of assets sold by the Group to Cellnex in 2019 in France and Italy and in 2021 in Poland. In most cases, the lease term corresponds to the remaining contractual duration, except for local loop rentals, for which the lease term under IFRS 16 corresponds to the estimated duration of the subscriber's use of the local loop concerned.
- Real estate (land and buildings), corresponding to leases for the Group's head offices, stores and technical premises. In most cases, the lease term corresponds to the remaining contractual duration without taking into account any potential early termination.
- Other (including vehicles). In most cases, the lease term corresponds to the remaining contractual duration.

The weightings of the three main categories of lease are as follows:

	Networks	Real estate	Other
December 31, 2022	91.9%	7.6%	0.5%
December 31, 2023	91.6%	7.7%	0.6%

The carrying amount of right-of-use assets breaks down as follows:

<i>In € millions</i>	Networks	Real estate	Other	Total
<b>Carrying amount at December 31, 2022</b>	<b>4,012</b>	<b>333</b>	<b>22</b>	<b>4,367</b>
Acquisitions (new assets)	1,279	105	26	1,409
Disposals	(108)	(2)	0	(111)
Reclassification to assets held for sale	0	(1)	0	(1)
Impact of changes in scope of consolidation	55	0	1	56
Translation adjustments	62	3	0	66
Other	5	0	0	4
Depreciation, amortization and impairment of non-current assets	(797)	(57)	(18)	(872)
<b>Carrying amount at December 31, 2023</b>	<b>4,506</b>	<b>381</b>	<b>30</b>	<b>4,918</b>

Lease liabilities break down as follows:

<i>In € millions</i>	December 31, 2023				December 31, 2022			
	Networks	Real estate	Other	Total	Networks	Real estate	Other	Total
Non-current	4,285	243	8	4,536	3,749	195	8	3,951
Current	710	34	10	754	593	32	10	634
<b>TOTAL</b>	<b>4,995</b>	<b>277</b>	<b>18</b>	<b>5,290</b>	<b>4,341</b>	<b>226</b>	<b>18</b>	<b>4,586</b>

Breakdown of the Group's undiscounted lease liabilities at December 31, 2023:

<i>In € millions</i>	December 31, 2023	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
<b>Undiscounted lease liabilities</b>	<b>7,760</b>	979	2,564	4,217

## Note 20 Property, plant and equipment

Property, plant and equipment can be analyzed as follows:

<i>In € millions</i>	December 31, 2023			December 31, 2022		
	Gross	Depreciation	Net	Gross	Depreciation	Net
• Land and buildings	99	23	76	101	19	82
• Network usage rights	170	121	49	171	116	54
• Service access fees	560	375	185	604	399	205
• Network equipment	15,044	6,975	8,070	13,013	5,829	7,183
• Other	1,086	392	694	898	290	607
<b>TOTAL</b>	<b>16,960</b>	<b>7,886</b>	<b>9,074</b>	<b>14,786</b>	<b>6,654</b>	<b>8,132</b>



There are no restrictions on the legal title of the Group's property, plant and equipment and none of these assets have been pledged as security for borrowings.

Movements in net property, plant and equipment can be analyzed as follows:

<i>In € millions</i>	<b>2023</b>	<b>2022</b>
Net at January 1	8,132	7,403
Acquisitions	2,163	2,165
Disposals	(212)	(228)
Reclassification to assets held for sale	(21)	(221)
Other	98	2
Impact of changes in scope of consolidation	319	205
Translation adjustments	52	(7)
Depreciation, provisions and impairment	(1,458)	(1,187)
<b>NET AT DECEMBER 31</b>	<b>9,074</b>	<b>8,132</b>

During 2023, the Group kept up its capital spending drive for growth projects. This particularly included the following:

- A step-up in the pace of investments for the FTTH network rollout, with a particular acceleration in rollouts in averagely populated and rural areas, and an increase in the number of subscribers connected up to fiber.
- Mobile-related capital expenditure, reflecting the significant progress made in the mobile network rollout in France, Italy and Poland, along with technological upgrades, particularly for 4G/4G+ and 5G/5G-ready.
- Capital expenditure related to the launch of new boxes.
- Other capital expenditure related to the Fixed business in the three countries.
- Investment in the hosting business, which is growing rapidly.

Disposals in 2023 mainly related to sales of certain fiber connection assets in France.

### Impairment of property, plant and equipment

Property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. In 2023, no such events or circumstances were identified that had a material effect on the carrying amount of these assets.

### Assets under construction

The carrying amount of assets under construction is included in the carrying amounts of the various categories of property, plant and equipment, as follows:

<i>In € millions</i>	<b>Dec. 31, 2023</b>	<b>Dec. 31, 2022</b>
• Land and buildings	46	35
• Network usage rights	3	2
• Network equipment	1,253	1,094
• Other	21	1
<b>Total</b>	<b>1,322</b>	<b>1,131</b>

## Note 21 Equity-accounted investees

The Iliad Group has three main equity-accounted investees:

- **NJJ Boru**

On April 6, 2018, Iliad acquired a 49% interest in NJJ Boru SAS for approximately €316 million, as part of the Eir transaction. On the same date, NJJ Boru acquired a 64.5% interest in Eir. As of December 31, 2023, NJJ Boru holds a 59.48% interest in Eir.

The Group therefore holds a 29.15% indirect interest in Eir – Ireland's incumbent telecom operator – alongside NJJ (Xavier Niel's private holding company).

- **Société de participations et d'investissements dans le numérique (SPIN), which owns Investissement dans la fibre des territoires (IFT)**

On February 28, 2020, the Iliad Group sold a majority stake in IFT to InfraVia.

Formed specifically for the purpose of the partnership with InfraVia, IFT is a company dedicated to actively managing fiber lines. In particular, it is tasked with acquiring and operating Iliad's co-financed FTTH tranches outside very densely populated areas of France. The company rents subscriber lines between ONs and shared access points to Free, its main customer, and other commercial operators.

On November 28, 2023, IFT reorganized its shareholding base in order to develop B2B operations with third parties. For this purpose, a company called "Société de Participation et d'Investissement dans le Numérique" ("SPIN") was set up. At the close of the transaction, the shareholders who previously held the capital of IFT became shareholders of SPIN based on the same procedures for allocating rights to shares and voting rights, with SPIN holding all of the capital and voting rights of IFT.

Based on the rights it exercises with respect to SPIN, the Group considers it exercises joint control over the company.

- **Polski Światłowód Otwarty sp. z o.o ("PŚO")**

On June 19, 2022, the Group signed an agreement with InfraVia V Invest S.A.R.L. (an InfraVia Capital Partner Group company) to sell a 50% stake in Polski Światłowód Otwarty sp. z o.o. ("PŚO", formerly FiberForce sp. z o.o.), an Iliad Group dedicated entity.

On March 1, 2023, through a spin-off of activities carried out by UPC Polska sp. z o.o. ("UPC"), Play transferred some of UPC's activities to the dedicated entity, including network infrastructure representing 3.7 million HFC and FTTH connections. Polski Światłowód Otwarty sp. z o.o. will make its network available to other operators (including Play and UPC) based on the wholesale price model.

The transaction was completed on March 31, 2023. The dedicated entity is jointly controlled by InfraVia and Play and is accounted for in the Group's consolidated financial statements under "Investments in equity-accounted investees".

The Group's share of profit of equity-accounted investees in 2023 and 2022 can be analyzed as follows:

<i>In € millions</i>	2023	2022
Share of profit of equity-accounted investees before tax	94	57
Share of tax of equity-accounted investees	(15)	(14)
<b>Share of profit of equity-accounted investees after tax</b>	<b>79</b>	<b>43</b>

The Group's 2022 results included its share of On Tower Poland's profit for the full year. The Group sold its residual 30% stake in On Tower Poland on June 30, 2023. This investment was included in "Assets held for sale" at December 31, 2022.

Movements in the Group's investments in equity-accounted investees were as follows in 2023 and 2022:

<i>In € millions</i>	<b>2023</b>	<b>2022</b>
At January 1	749	1,243
Share of net assets of equity-accounted investees	0	0
Goodwill	0	0
<b>Investments in equity-accounted investees at January 1</b>	<b>749</b>	<b>1,243</b>
<b>Movements:</b>		
Share of profit/(loss) of equity-accounted investees	79	43
Share of OCI of equity-accounted investees	(43)	109
Dividends paid	(88)	(251)
Translation adjustments	(8)	(8)
Capital increase	11	0
Acquisitions and changes in scope of consolidation	413	0
Reclassifications to assets held for sale	0	(387)
Other	(261)	0
<b>INVESTMENTS IN EQUITY-ACCOUNTED INVESTEEES AT DECEMBER 31</b>	<b>852</b>	<b>749</b>

The main movements in investments in equity-accounted investees concern the following:

- In 2022: an exceptional dividend payment from NJJ Boru (€243 million) linked to the sale of 49.99% of the fiber operations of eir (Fibre Networks Ireland) to InfraVia during the year, as well as an increase in the share of OCI of equity-accounted investees linked to changes in the actuarial assumptions used to measure eir's net pension liability. Movements also included the reclassification of the Group's remaining 30% interest in On Tower Poland from "Investments in equity-accounted investees" to "Assets held for sale".
- In 2023: an increase in the share of OCI of equity-accounted investees linked to changes in the actuarial assumptions used to measure eir's net pension liability. Movements also included the first-time consolidation of Polski Światłowód Otwarty sp. Z o.o. ("PŚO"). The amount recorded under "Other" primarily corresponds to the purchase of IFT shares by SPIN.

The table below sets out the key financial information of the NJJ Boru sub-group, based on its most recent consolidated financial statements prepared in accordance with IFRS:

<i>In € millions</i>	<b>Dec. 31, 2023</b>	<b>Dec. 31, 2022</b>
Non-current assets	4,957	4,695
Current assets	495	836
Non-current liabilities	(3,619)	(3,793)
Current liabilities	(648)	(629)
<b>TOTAL NET ASSETS</b>	<b>1,185</b>	<b>1,109</b>

The table below sets out the key financial information of Polski Światłowód Otwarty sp. Z o.o. ("PŚO"), based on the company's most recent financial statements prepared in accordance with IFRS:

<i>In € millions</i>	<b>Dec. 31, 2023</b>
Non-current assets	1,159
Current assets	74
Non-current liabilities	(373)
Current liabilities	(44)
<b>TOTAL NET ASSETS</b>	<b>816</b>

The table below sets out the key financial information of SPIN, based on the company's most recent financial statements prepared in accordance with IFRS:

<i>In € millions</i>	Dec. 31, 2023
Non-current assets	2,902
Current assets	14
Non-current liabilities	(2,589)
Current liabilities	0
<b>TOTAL NET ASSETS</b>	<b>327</b>

The consolidated financial statements include transactions carried out by the Group with equity-accounted investees as part of its routine business. These transactions are conducted on arm's length terms.

The Group has no off-balance-sheet commitments relating to equity-accounted investees.

## **Note 22** Other financial assets

Other financial assets break down as follows by nature:

<i>In € millions</i>	Dec. 31, 2023	Dec. 31, 2022
<b>Other long-term financial assets</b>		
• Other investment securities	54	48
• Loans, receivables and other	37	114
• eir option	90	37
• Guarantee deposits	23	27
<b>Total other long-term financial assets</b>	<b>204</b>	<b>226</b>
<b>Other short-term financial assets</b>		
• Loans and receivables	11	27
<b>Total other short-term financial assets</b>	<b>11</b>	<b>27</b>
<b>Total other financial assets</b>	<b>215</b>	<b>253</b>

- Non-current assets

- NJJ Tara has granted the Group a call option, exercisable in 2024 and 2025, which covers 80% of NJJ Tara's interest in NJJ Boru (i.e. 41% of NJJ Boru and, indirectly, 24.27% of eir's capital). The option will be exercisable at a price representing a 12.5% discount to fair market value, as determined by an independent valuer, but with a floor calculated based on an annual yield of 2%.

This call option was recognized in "Other financial assets" in an initial amount of €16 million, which was increased to €22 million at end-2020 and to €56 million at end-2021, and subsequently reduced to €37 million at end-2022. At December 31, 2023 it was remeasured again and its carrying amount in the consolidated statement of financial position has been €90 million since that date.

- In connection with the Group's strategic partnership set up with InfraVia through the joint-venture IFT, a non-recourse financing arrangement was put in place which included a shareholder contribution commitment under which the Group undertook to contribute (based on the proportion of its interest in IFT) to financing the fast-paced development of IFT during the company's first five years. At December 31, 2022, the cumulative amount of contributions made in this respect amounted to €87 million. These contributions were repaid in full in 2023.

- Current assets

Other short-term financial assets correspond to the portion of receivables with a maturity of less than one year.

Other financial assets break down as follows by function:

<i>In € millions</i>	<b>Dec. 31, 2023</b>	<b>Dec. 31, 2022</b>
• Financial assets carried at fair value through profit or loss	138	178
• Financial assets carried at fair value through OCI	54	48
• Financial assets carried at amortized cost	23	27
<b>Total other financial assets</b>	<b>215</b>	<b>253</b>

Movements in net other financial assets can be analyzed as follows:

<i>In € millions</i>	<b>2023</b>	<b>2022</b>
Carrying amount at January 1	253	210
Acquisitions	33	52
Fair value adjustments	30	5
Redemptions and repayments	0	0
Impact of changes in scope of consolidation	0	0
Disposals	(92)	6
Additions to provisions	(10)	(19)
<b>CARRYING AMOUNT AT DECEMBER 31</b>	<b>215</b>	<b>253</b>

## **Note 23** Inventories

Inventories break down as follows:

<i>In € millions</i>	<b>Dec. 31, 2023</b>	<b>Dec. 31, 2022</b>
Raw materials	0	1
Work-in-progress	92	26
Finished products	437	309
<b>Inventories – gross</b>	<b>529</b>	<b>336</b>
Impairment:		
• raw materials	0	0
• finished products	(18)	(11)
<b>Total impairment</b>	<b>(18)</b>	<b>(11)</b>
<b>Inventories – net</b>	<b>511</b>	<b>324</b>

The increase in inventories of finished products is mainly due to the recognition in inventories of passive mobile infrastructure intended for sale, in the context of the partnership with Cellnex in France, Italy and Poland. The minimum number of sites to be transferred was defined in the agreement signed with Cellnex in 2019 for France and Italy and in 2021 for Poland. Sites intended for sale in excess of this minimum number of sites to be sold are recognized within the finished products inventory. The year-on-year rise in finished products inventories also reflects higher inventories of mobile phones.

## Note 24 Other assets

Other non-current assets break down as follows:

<i>In € millions</i>	Dec. 31, 2023	Dec. 31, 2022
Other receivables recorded under other non-current assets:		
Other receivables	327	267
<b>TOTAL - GROSS</b>	<b>327</b>	<b>267</b>
Amortization and impairment of other receivables	(285)	(215)
<b>Net other receivables (other non-current assets)</b>	<b>42</b>	<b>52</b>

Other receivables recorded under other non-current assets solely relate to contract assets (customer acquisition costs) recognized in accordance with IFRS 15.

Trade and other receivables break down as follows:

<i>In € millions</i>	Dec. 31, 2023	Dec. 31, 2022
Trade and other receivables recorded under current assets:		
Trade receivables	1,430	1,258
Advances and prepayments	8	16
Tax receivables (VAT)	328	320
Contract acquisition costs	232	190
Customer contract assets	430	368
Other receivables	252	267
Prepaid expenses	182	113
<b>TOTAL - GROSS</b>	<b>2,864</b>	<b>2,532</b>
Impairment of trade receivables	(106)	(96)
Impairment of customer contract assets	(114)	(94)
Impairment of contract acquisition costs	(30)	(25)
Impairment of other receivables	(1)	(1)
<b>Net trade and other receivables (current assets)</b>	<b>2,613</b>	<b>2,315</b>
Net trade receivables	1,324	1,163
Net other receivables	1,289	1,153

Other receivables include approximately €150 million in receivables from the tax authorities relating to disputed VAT paid by the Group but for which the Group has filed a repayment claim.

Although it is difficult to predict the final decisions taken by the competent courts in relation to these cases, the Group is confident that the receivables will be recovered.

The maturity schedule of net trade receivables was as follows as December 31, 2023 and 2022:

<i>In € millions</i>	Dec. 31, 2023	Dec. 31, 2022
Not yet past due or less than 1 month past due	1,171	987
Between 1 and 6 months past due	120	132
Between 6 and 12 months past due	9	5
More than 12 months past due	23	38
<b>Total</b>	<b>1,324</b>	<b>1,163</b>

## Note 25 Assets and liabilities held for sale

Assets and liabilities held for sale break down as follows:

<i>In € millions</i>	<b>Dec. 31, 2023</b>	<b>Dec. 31, 2022</b>
Assets held for sale	184	1,470
Liabilities held for sale	(11)	(19)
<b>TOTAL</b>	<b>173</b>	<b>1,451</b>

Assets held for sale primarily comprised the following at December 31, 2023:

- The carrying amount of passive mobile telecommunications infrastructure to be sold in Poland under the build-to-suit program with Cellnex.
- The carrying amount of fiber connection infrastructure due to be sold to IFT.

Assets held for sale primarily comprised the following at December 31, 2022:

- The carrying amount of assets held for sale under the agreement signed with InfraVia V Invest S.A.R.L. for the sale of 50% of its stake in Polski Światłowód Otwarty sp. z o.o. (formerly FiberForce sp. z o.o), corresponding to €847 million.
- The Group's remaining interest in On Tower Poland, corresponding to a 30% stake with a carrying amount of €387 million.
- The carrying amount of passive mobile telecommunications infrastructure to be sold in Poland under the build-to-suit program with Cellnex.

## Note 26 Cash and cash equivalents

Cash and cash equivalents can be analyzed as follows:

<i>In € millions</i>	<b>December 31, 2023</b>		<b>December 31, 2022</b>	
	<b>Carrying amount</b>	<b>Fair value</b>	<b>Carrying amount</b>	<b>Fair value</b>
Mutual funds (UCITS), net	259	259	6	6
Cash (excluding bank overdrafts)	927	927	516	516
<b>TOTAL - NET</b>	<b>1,186</b>	<b>1,186</b>	<b>521</b>	<b>521</b>

The Group's policy is to invest its cash in instruments that qualify as cash equivalents under IAS 7. As a result, these investments:

- have a short maturity;
- are highly liquid;
- are readily convertible into a known amount of cash; and
- are subject to an insignificant risk of changes in value.

Consequently, the Company invests its surplus cash in UCITs that fall into the "euro monetary" classification of the French securities regulator (AMF).

## Note 27 Equity

### Share capital

At December 31, 2023, no stock options granted by the Group were still exercisable.

At December 31, 2023, the Group held 541,989 iliad shares.

At that date, iliad's ownership structure was as follows:

Shareholder	Number of shares	%
Holdco II	58,728,482	98.34%
Other shareholders	449,767	0.75%
Treasury shares	541,989	0.91%
<b>Total</b>	<b>59,720,238</b>	<b>100%</b>

## Dividends

At the Annual General Meeting held on May 11, 2023, the Company's shareholders resolved to pay a dividend of €5 per share for 2022, representing a total payout of €294,511 thousand.

This dividend was paid on May 26, 2023.

Dividends paid in 2023:

- Exceptional dividend: None
- Dividend paid in 2023 for 2022: €294,511 thousand
- Interim dividend paid in 2023 for 2023: €413,419 thousand

The total dividend payout in 2023 therefore amounted to €707,930 thousand

At the next Annual General Meeting, the shareholders will be asked to approve a dividend payment of €3 per share in 2024.

## Note 28 Stock option and share grant plans

### Share grant plans

All of the share grant plans set up by the Group contain a "continued presence" vesting condition.

This condition is met when the beneficiary has uninterrupted served as an employee or officer of The main outstanding share grant are described below.

the entity that set up the plan (or any other Group entity) until the end of the plan's vesting period or, if the plan is divided into several tranches, until the end of the vesting period of the tranche concerned.

### iliad

#### 2017 Plan

The Annual General Meeting of May 19, 2016 authorized a share grant plan comprising shares representing up to 0.5% of iliad's share capital.

Pursuant to this authorization, a share grant plan representing 0.5% of iliad's share capital was set up in 2017 for 61 Group employees and executive officers.

The shares granted under the plan vest in four unequal tranches between 2020 and 2023, subject to performance conditions specific to each tranche and provided that the beneficiary is still with the Group on the vesting date ("continuous service" condition). The vesting dates and performance conditions are as follows for each tranche:

- October 30, 2020: 40% of the shares were due to vest if the EBITDA margin in France for 2019 (excluding sales of devices) was higher than the EBITDA margin in France for 2017.
- October 30, 2021: 10% of the shares were due to vest if the EBITDA margin in France (excluding sales

of devices) for 2020 was higher than 40%.

- October 30, 2022: 10% of the shares were due to vest if the total number of fiber subscribers was higher than 1.7 million at October 1, 2022.
- October 30, 2023: 40% of the shares were due to vest if the total number of fiber subscribers was higher than 2.5 million at October 1, 2023.

On September 2, 2020, iliad's Board of Directors placed on record that the performance conditions for the first tranche of the plan had been met. Consequently, on October 30, 2020, the Company delivered to the plan's beneficiaries 117,344 iliad shares that it held in treasury.

On September 28, 2021, iliad's Board of Directors placed on record that the performance conditions for the second tranche of the plan had been met. Consequently, on October 30, 2021, the Company delivered to the plan's beneficiaries 26,978 iliad shares that it held in treasury.



On September 30, 2022, the Board of Directors placed on record that the performance conditions for the third tranche of the plan had been met. Consequently, on October 31, 2022, the Company delivered to the plan's beneficiaries 26,840 Iliad shares that it held in treasury.

On August 29, 2023, the Board of Directors placed on record that the performance conditions for the last tranche of the plan had been met. Consequently, on October 30, 2023, the Company delivered to the plan's beneficiaries 107,360 Iliad shares that it held in treasury.

The expense recognized for this plan amounted to €11,162 thousand in 2022 and €2,993 thousand in 2023.

## 2018 Plan

The Annual General Meeting of May 16, 2018 authorized a share grant plan to be set up comprising shares representing up to 1% of Iliad's share capital.

Pursuant to this authorization, an initial share grant plan representing 0.5% of Iliad's share capital was set up in 2018 for 122 Group employees and executive officers.

The vesting of these shares - in four equal tranches between 2021 and 2024 - is subject to (i) a continued presence condition, and (ii) the following performance conditions for each tranche:

- September 30, 2021: end of the vesting period for Tranche 1, representing 25% of the shares granted:
  - 50% Tranche 1 shares were due to vest if EBITDA less capex for France (excluding B2B operations) was €1 billion or more at December 31, 2020.
  - 50% of Tranche 1 shares were due to vest if the EBITDA margin for France (excluding sales of devices) was higher than 40% for the year ended December 31, 2020.
- September 30, 2022: end of the vesting period for Tranche 2, representing 25% of the shares granted: all Tranche 2 shares were due to vest if the EBITDA margin for France (excluding sales of devices) for the year ended December 31, 2021 was equal to or higher than the EBITDA margin for France (excluding sales of devices) for the year ended December 31, 2020.
- September 30, 2023: end of the vesting period for Tranche 3, representing 25% of the shares granted:
  - 50% of Tranche 3 shares vest if the number of fiber subscribers in France is 3 million or more at September 1, 2023;
  - 50% of Tranche 3 shares vest if the number of mobile subscribers in Italy is 6 million or more at September 1, 2023.
- September 30, 2024: end of the vesting period for Tranche 4, representing 25% of the shares granted:

- 50% of Tranche 4 shares vest if the number of fiber subscribers in France is 3.5 million or more at September 1, 2024;
- 50% of Tranche 4 shares vest if the Group's revenues in Italy are €500 million or more at June 30, 2024.

On September 28, 2021, the Board of Directors placed on record that 50% of the performance conditions for the first tranche of the plan had been met. Consequently, on September 30, 2021, the Company delivered to the plan's beneficiaries 29,909 Iliad shares that it held in treasury.

On September 30, 2022, the Company's Board of Directors placed on record that the performance condition for the second tranche of the plan had been met. Consequently, on this date the Company delivered to the plan's beneficiaries 58,464 Iliad shares that it held in treasury.

On August 29, 2023, the Board of Directors placed on record that the performance conditions for the third tranche of the plan had been met. Consequently, on September 29, 2023, the Company delivered to the plan's beneficiaries 57,977 Iliad shares that it held in treasury.

The expense recognized for this plan amounted to €5,406 thousand in 2022 and €3,224 thousand in 2023.

## 2019 Plan

Following an authorization given at the May 16, 2018 Annual General Meeting, during 2019 a second share grant plan involving shares representing almost 0.5% of Iliad's share capital was set up for 184 Group employees and executive officers.

The vesting of these shares - in three unequal tranches between 2021 and 2023 - is subject to (i) a continued presence condition, for all of the shares to be granted, and (ii) performance conditions for 41% of the shares granted. The performance conditions applicable to each tranche at the end of the vesting periods are as follows:

- November 30, 2021: end of the vesting period for Tranche 1, representing 30% of the total shares granted: the shares were due to vest if consolidated EBITDAaL less capex (excluding payments for frequencies) in 2020 was at least equal to consolidated EBITDAaL less capex (excluding payments for frequencies) for 2019;
- November 30, 2022: end of the vesting period for Tranche 2, representing 40% of the total shares granted:
  - 50% of Tranche 2 shares were due to vest if the number of fiber subscribers was 3 million or more at June 30, 2022.
  - 50% of Tranche 2 shares were due to vest if consolidated EBITDAaL margin for 2021 was equal to or higher than consolidated EBITDAaL margin for 2019.
- November 30, 2023: end of the vesting period for

Tranche 3 (representing 30% of the shares granted): the shares were due to vest if the total number of fiber subscribers was 3.7 million or more at June 30, 2023.

On September 28, 2021, iliad's Board of Directors placed on record that the performance conditions for the first tranche of the plan had been met. Consequently, on November 30, 2021, the Company delivered to the plan's beneficiaries 79,680 iliad shares that it held in treasury.

On September 30, 2022, the Company's Board of Directors placed on record that the performance conditions for the second tranche of the plan had been met. Consequently, on November 30, 2022, the Company delivered to the plan's beneficiaries 102,080 iliad shares that it held in treasury.

On August 29, 2023, the Board of Directors placed on record that the performance conditions for the last tranche of the plan had been met. Consequently, on November 30, 2023, the Company delivered to the plan's beneficiaries 75,540 iliad shares that it held in treasury.

The expense recognized for this plan amounted to €7,003 thousand in 2022 and €2,097 thousand in 2023.

#### 2020 Plan

The Annual General Meeting of July 21, 2020 authorized a share grant plan comprising shares representing up to 2% of iliad's share capital.

Pursuant to this authorization, in 2020, a first share grant plan representing almost 0.16% of iliad's share capital was set up for 268 Group employees and executive officers.

The vesting of these shares - in three unequal tranches between 2022 and 2024 - is subject to a continued presence condition. The vesting dates for the plan's three tranches are as follows:

- December 9, 2022: end for the vesting period for Tranche 1, representing 30% of the shares granted.
- November 30, 2023: end of the vesting period for Tranche 2, representing 40% of the shares granted.
- November 30, 2024: end of the vesting period for Tranche 3, representing 30% of the shares granted.

On December 9, 2022, the Company delivered to the plan's beneficiaries 27,162 iliad shares that it held in treasury.

#### iliad 78

The Annual General Meeting of January 31, 2020 authorized a share grant plan to be set up involving shares representing up to 5% of iliad 78's share capital.

Pursuant to this authorization, on the same date, a share grant plan representing 2.95% of iliad 78's share capital was set up for four of its employees and executive officers.

On November 30, 2023, the Company delivered to the plan's beneficiaries 35,280 iliad shares that it held in treasury.

The expense recognized for this plan amounted to €5,170 thousand in 2022 and €3,364 thousand in 2023.

#### 2022 Plans

Following the authorization given at the July 21, 2020 Annual General Meeting, in 2022, two other free share grant plans, representing 0.20% of iliad's share capital, were set up for 430 Group employees.

The shares granted under the plans will vest after a period of one year, subject to a continued presence condition:

- June 1, 2024: all of the shares granted vest for the beneficiaries under the first plan.
- June 1, 2025: all of the shares granted vest for the beneficiaries under the second plan.

The aggregate expense recognized for these plans amounted to €6,773 thousand in 2022 and €7,883 thousand in 2023.

#### 2023 Plans

Following the authorization given at the May 11, 2023 Annual General Meeting, in 2023, four other free share grant plans, representing 0.25% of iliad's share capital, were set up for 497 Group employees and executive officers.

The shares granted under the plans will vest on the dates set out below, subject to (i) a continued presence condition and (ii) performance conditions applicable to all or some of the shares granted:

- December 15, 2025: all of the shares granted under the first and second plans, and one third of the shares granted under the fourth plan.
- May 30, 2026: all of the shares granted under the third plan.
- December 15, 2026: one third of the shares granted under the fourth plan.
- December 15, 2027: one third of the shares granted under the fourth plan.

The expense recognized for these plans amounted to €474 thousand in 2023.

The vesting of these shares - in three unequal tranches between 2023 and 2025 - is subject to (i) a continued presence condition, and (ii) the following performance conditions for each tranche:

- March 31, 2023: end of the vesting period for Tranche 1, representing 40% of the shares granted:

- 50% of Tranche 1 shares were due to vest if iliad 78's revenues were higher than €3 million in the year ended December 31, 2022.
- 50% of Tranche 1 shares were due to vest if the number of transactions using the company's payments services in the 12 months preceding March 31, 2023 represented more than €30 million.
- March 31, 2024: end of the vesting period for Tranche 2, representing 40% of the shares granted:
  - 50% of Tranche 2 shares vest if iliad 78's EBITDA is higher than €1.5 million for the year ended December 31, 2023.
  - 50% of Tranche 2 shares vest if the company has opened a payments service outside France.
- March 31, 2025: end of the vesting period for Tranche 3, representing 20% of the shares granted:
  - 50% of Tranche 3 shares vest if iliad 78's revenues are higher than €10 million in the year ended December 31, 2024.
  - 50% of Tranche 3 shares vest if the number of transactions using the company's payments services in the 12 months preceding March 31, 2025 represents more than €60 million.

On March 31, 2023, the Company delivered 17,120 new iliad 78 shares to the beneficiaries under the plan.

The expense recognized for this plan amounted to €100 thousand in 2022 and €64 thousand in 2023.

## Scaleway

The Annual General Meeting of September 30, 2020 authorized a share grant plan to be set up, comprising shares representing up to 5% of Scaleway's share capital for allocation to employees and executive officers of Scaleway.

Pursuant to this authorization, on the same date, a share grant plan representing 3% of Scaleway's share capital was set up for two of its employees and executive officers.

The vesting of these shares - in three unequal tranches between 2024 and 2026 - is subject to a continued presence condition. The vesting dates for

the plan's three tranches are as follows:

- September 30, 2024: end of the vesting period for Tranche 1, representing 35% of the shares granted.
- September 30, 2025: end of the vesting period for Tranche 2, representing 30% of the shares granted.
- September 30, 2026: end of the vesting period for Tranche 3, representing 35% of the shares granted.

The expense recognized for this plan amounted to €185 thousand in 2022 and €740 thousand in 2023.

## iliad Purple

On December 10, 2020, the sole shareholder of iliad Purple authorized a share grant plan comprising shares representing up to 9.82% of iliad Purple's share capital for allocation to employees and executive officers of iliad Purple and to employees of Play.

Pursuant to this authorization, on May 22, 2023 and then on December 12, 2023, seven share grant plans representing an aggregate 2.96% of iliad Purple's share capital were set up for employees and executive officers of iliad Purple and its Polish subsidiaries.

The vesting periods of these plans are staggered between May 2024 and May 2027, and the vesting of the shares is subject to (i) a continued presence condition for each beneficiary and (ii) for some of the plans, the achievement of performance conditions.

The expense recognized for these plans amounted to €7,912 thousand in 2023.

## JT Holding

On April 14, 2023, the sole shareholder of JT Holding authorized a share grant plan comprising shares for allocation to employees and executive officers of JT Holding and its subsidiaries.

Pursuant to this authorization, on the same date, two share grant plans representing 3.35% of JT Holding's share capital were set up for seven employees and executive officers of JT Holding and its subsidiaries.

The vesting of these shares - in three unequal tranches between 2024 and 2026 - is subject to a continued presence condition and the achievement of performance conditions for each tranche.

The expense recognized for these plans amounted to €2,100 thousand in 2023.

## Play

PCSA - which has since been merged into iliad Purple - set up long-term incentive plans for Play

employees. The plans provide that, given that the 80% threshold was exceeded following the public

tender offer launched by Iliad Purple on PCSA shares, instead of the shares they should have received, plan beneficiaries will be granted additional cash compensation equal to the per-share offer price multiplied by the number of shares they should have received each year. This amount will be paid in

tranches at the end of the lock-up periods provided for under the plans, subject to performance conditions and to the criterion that the beneficiary still forms part of the Group at that date. The expense recognized for this plan amounted to €141 thousand in 2022 and €152 thousand in 2023.

## Note 29 Provisions

The provisions for contingencies and charges recognized at December 31, 2023 are intended to cover costs resulting from the Group's business risks, litigation risks, tax reassessment risks, employee-related risks and expenses on long-term contracts that have become onerous.

These provisions break down as follows:

<i>In € millions</i>	Dec. 31, 2023	Dec. 31, 2022
<b>Total long-term provisions</b>	119	109
<b>Total short-term provisions</b>	115	78
<b>Total provisions for contingencies and charges</b>	<b>235</b>	<b>187</b>

Provisions are considered to be long-term when the Group does not expect to use them within 12 months of the reporting date. In all other cases they are deemed to be short-term.

Movements in provisions for contingencies and charges were as follows in 2023:

<i>In € millions</i>	At Dec. 31, 2022	Additions in 2023	Reversals in 2023 (utilizations)	Reversals in 2023 (surplus provisions)	Impact of changes in scope of consolidation	Other	At Dec. 31, 2023
Provisions for contingencies and charges	187	62	(69)	(4)	12	47	235
<b>TOTAL</b>	<b>187</b>	<b>62</b>	<b>(69)</b>	<b>(4)</b>	<b>12</b>	<b>47</b>	<b>235</b>

## Note 30 Financial liabilities

Financial liabilities can be analyzed as follows:

<i>In € millions</i>	Dec. 31, 2023	Dec. 31, 2022
Bank borrowings	4,987	5,757
Bonds	4,175	4,253
Finance lease liabilities	0	0
Other	22	1
<b>Total long-term financial liabilities</b>	<b>9,185</b>	<b>10,011</b>
Bank borrowings and short-term marketable securities	800	745
Bonds	685	0
Financial liabilities carried at fair value	0	0
Bank overdrafts	18	2
Cash flow hedges	0	0
Other	740	579
<b>Total short-term financial liabilities</b>	<b>2,244</b>	<b>1,326</b>
<b>TOTAL</b>	<b>11,429</b>	<b>11,337</b>

Financial liabilities are classified as short-term when their contractual maturity or early repayment date is within one year and as long-term when their contractual maturity is beyond one year.

All Group borrowings are denominated in euros and Polish zlotys.

The table below summarizes movements in financial liabilities in 2023 and 2022:

<i>In € millions</i>	<b>2023</b>	<b>2022</b>
<b>At January 1</b>	<b>11,337</b>	<b>8,716</b>
New borrowings	4,403	5,842
Repayments of borrowings	(4,627)	(3,272)
Change in bank overdrafts	16	0
Impact of cash flow hedges	66	8
Impact of changes in scope of consolidation	0	0
Translation adjustments	191	(19)
Other	44	61
<b>Total financial liabilities at December 31</b>	<b>11,429</b>	<b>11,337</b>

### **Main movements in bond debt and private placements during the year at iliad**

On February 8, 2023 iliad successfully placed €500 million worth of bonds, maturing in seven years and paying interest at 5.625% per year. These bonds will be redeemed at face value at maturity on February 15, 2030.

On May 22, 2023, iliad redeemed an aggregate amount of €419 million for the fixed and variable rate tranches of the €500 million worth of four-year notes placed in 2019 under a Schuldscheindarlehen (“Schuldschein”) issue.

On December 6, 2023 iliad successfully placed €650 million worth of bonds, maturing in just over five years and paying interest at 5.375% per year. These bonds will be redeemed at face value at maturity on February 15, 2029. The proceeds from the issue were mainly used to finance the buyback, by way of an approximately €570 million tender offer announced on the same day, of iliad’s existing bonds, with €365 million allocated to its outstanding bonds due February 2024 and €205 million to those due October 2024.

### **Main movements in bank borrowings during the year at iliad**

On February 20, 2023, following the aforementioned bond issue on February 8, 2023, iliad repaid the full amount of the €200 million drawn down at that date on its mid-term facility.

On July 20, 2023, iliad carried out an “amend & extend” for its mid-term facility, reducing the amount available under the facility from €750 million to €650 million, extending its maturity to January 21, 2025 from January 1, 2024, and obtaining more favorable lending conditions throughout the facility’s term.

On July 27, 2023, iliad exercised its first option to extend its €2 billion revolving credit facility (RCF) by one year, to July 2028.

On December 19, 2023, the European Investment Bank (EIB) granted the Group a new €300 million loan to help finance the design and rollout of its 5G network in France. The final terms and conditions of the loan will be determined when it is first drawn down. Interest can either be at a fixed rate or a variable rate and the loan can either be repaid in a single payment at the end of an eight-year term or in installments over a period of twelve years (commencing from the first drawdown). No drawdowns had been made on this loan at December 31, 2023.

### **Short- and medium-term commercial paper program**

On June 6, 2023, the Group renewed its €1,400 million short-term NEU CP program.

At December 31, 2023, €510 million of the program had been used.

### **€700 million trade receivables securitization program**

On November 27, 2023, the Group amended this program, mainly in order to raise the maximum amount to €700 million.

At December 31, 2023, €630 million of the program had been used.

## Main movements in bank borrowings during the year at Play

On March 31, 2023, Play drew down approximately PLN 60 million under its bilateral loan set up in October 2021 with Bank Gospodarstwa Krajowego SA (the "BGK Financing"). The amount drawn down bears fixed interest at 1.93% and is repayable in successive quarterly installments of equal amounts, with a final maturity date of September 20, 2028.

Play drew down an additional PLN 85 million on this loan on May 31, 2023, and the remaining PLN 69 million on July 31, 2023. Therefore, at December 31, 2023 the loan had been drawn down in full.

On May 22, 2023, Play repaid in advance PLN 1.4 billion of its PLN 5.5 billion acquisition loan set up in December 2021.

It then repaid an additional PLN 700 million of this loan on August 24, 2023

and a further PLN 400 million on October 25, 2023, reducing its total outstanding amount to PLN 3 billion at December 31, 2023.

## Guarantees given

The Iliad Group has not given any specific financial guarantees in return for its existing borrowing facilities with banks.

## Breakdown of borrowings by type of rate

Borrowings after hedging at the year-end can be analyzed as follows by type of rate:

<i>In € millions</i>	<b>Dec. 31, 2023</b>	<b>Dec. 31, 2022</b>
Fixed-rate borrowings <sup>1</sup>	6,929	6,727
Variable-rate borrowings	4,500	4,610
<b>Total financial liabilities at December 31</b>	<b>11,429</b>	<b>11,337</b>

### Notes:

<sup>1</sup> Excluding notional amount of interest rate hedging (see Note 34).

## Breakdown of committed financing facilities by maturity

The following table presents a breakdown of the Group's total committed financing facilities by nature and contractual maturity/early repayment date at December 31, 2023:

<i>In € millions</i>	<b>Due within 1 year</b>	<b>Due in 1 to 5 years</b>	<b>Due beyond 5 years</b>	<b>Total</b>
Bank borrowings	290	4,290	4	4,584
<i>Schuldscheindarlehen</i> notes	20	684	30	734
Bonds	670	3,028	1,150	4,848
Short-and medium-term marketable securities	510	0	0	510
Securitization	630	0	0	630
Bank overdrafts	18	0	0	18
Other	105	0	0	106
<b>Total borrowings</b>	<b>2,244</b>	<b>8,002</b>	<b>1,183</b>	<b>11,429</b>
Trade payables	2,197	303	327	2,827
<b>Total committed financing facilities</b>	<b>4,441</b>	<b>8,305</b>	<b>1,510</b>	<b>14,256</b>



## Breakdown of the Group's debt

The Group's bonds and private placements break down as follows:

					Dec. 31, 2023
Contract	Issue date	Maturity	Currency	Nominal rate	Outstanding amount (€m)
iliad - SUN <sup>1</sup>	Oct. 12, 2017	Oct. 14, 2024	EUR	1.500%	445
iliad - SUN	April 25, 2018	April 25, 2025	EUR	1.875%	650
iliad - SUN	June 17, 2020	June 17, 2026	EUR	2.375%	650
iliad - SUN	Feb. 11, 2021	Feb. 12, 2024	EUR	0.750%	235
iliad - SUN	Feb. 11, 2021	Feb. 11, 2028	EUR	1.875%	700
iliad - SUN	Dec. 12, 2022	June 14, 2027	EUR	5.375%	750
iliad - SUN	Feb. 15, 2023	Feb. 15, 2030	EUR	5.625%	500
iliad - SUN	Dec. 15, 2023	Feb. 15, 2029	EUR	5.375%	650
iliad - SSD <sup>2</sup> 2019					
Tranche 3	May 22, 2019	May 22, 2026	EUR	1.845%	40
Tranche 4	May 22, 2019	May 22, 2026	EUR	1.700% + Euribor	25
Tranche 5	May 22, 2019	May 24, 2027	EUR	2.038%	10
Tranche 6	May 22, 2019	May 24, 2027	EUR	1.800% + Euribor	6
iliad - SSD 2021					
Tranche 1	June 30, 2021	June 30, 2025	EUR	1.150%	50
Tranche 2	June 30, 2021	June 30, 2025	EUR	1.150% + Euribor	135
Tranche 3	June 30, 2021	June 30, 2026	EUR	1.400%	51
Tranche 4	June 30, 2021	June 30, 2026	EUR	1.400% + Euribor	212
Tranche 5	June 30, 2021	June 30, 2028	EUR	1.700%	8
Tranche 6	June 30, 2021	June 30, 2028	EUR	1.700% + Euribor	22
Tranche 7	June 30, 2021	June 30, 2027	EUR	1.400%	15
Tranche 8	June 30, 2021	June 30, 2027	EUR	1.400% + Euribor	8
iliad - SSD 2022					
Tranche 1	May 27, 2022	June 30, 2026	EUR	2.732%	27
Tranche 2	May 27, 2022	June 30, 2026	EUR	1.400% + Euribor	45
Tranche 3	May 27, 2022	June 30, 2027	EUR	1.400% + Euribor	40
<b>Total - iliad</b>					<b>5,273</b>
Play - SUN	Dec. 13, 2019	Dec. 11, 2026	PLN	1.750% + Wibor	173
Play - SUN	Dec. 29, 2020	Dec. 29, 2027	PLN	1.850% + Wibor	115
<b>Total - Play</b>					<b>288</b>
<b>TOTAL</b>					<b>5,561</b>

### Notes:

<sup>1</sup>SUN: Senior Unsecured Notes

<sup>2</sup>SSD: Schuldschein (non-guaranteed private placements under German law)

The Group's bank borrowings break down as follows:

						Dec. 31, 2023	
Contract	Issue date	Maturity	Type of repayment	Currency	Nominal rate <sup>1</sup>	Outstanding amount (€m)	Amount available (€m)
iliad - EIB loans <sup>2</sup>							
2016	Dec. 8, 2016	Sept. 19, 2030	Install.	EUR	1.621%	140	-
2018 - T1	Dec. 14, 2018	Feb. 1, 2033	Install.	EUR	1.921%	200	-
2018 - T2	Dec. 14, 2018	April 8, 2033	Install.	EUR	1.602%	100	-
2020 - T1	Nov. 9, 2020	Nov. 23, 2028	At maturity	EUR	0.835%	150	-
2020 - T2	Nov. 9, 2020	March 29, 2029	At maturity	EUR	1.004%	150	-
2022	Dec. 13, 2022	June 13, 2030	At maturity	EUR	Not set	-	300
2023	Dec. 19, 2023	Not set	Not set	EUR	Not set	-	300
iliad - KFW Loans							
2017	Dec. 13, 2018	June 13, 2029	Install.	EUR	1.100% + Euribor	50	-
2019	April 26, 2020	Oct. 9, 2030	Install.	EUR	1.100% + Euribor	105	-
iliad - RCF	July 27, 2022	July 27, 2027	At maturity	EUR	1.000% + Euribor	-	2,000
iliad - Term Loan	Dec. 18, 2020	Dec. 18, 2025	At maturity	EUR	1.400% + Euribor	900	-
iliad - Mid-Term	July 2, 2022	Jan. 21, 2025	At maturity	EUR	1.700% + Euribor	-	650
iliad - Term Loan	July 27, 2022	July 27, 2027	At maturity	EUR	1.500% + Euribor	1,000	-
<b>Total - iliad</b>						<b>2,795</b>	<b>3,250</b>
Play - Term Loan	March 29, 2021	March 29, 2026	At maturity	PLN	2.000% + Wibor	807	-
Play - RCF	March 29, 2021	March 29, 2024	At maturity	PLN	2.000% + Wibor	-	461
Play - BGK Loan	Oct. 15, 2021	Sept. 20, 2028	Install.	PLN	1.930%	109	-
Play - ECA Loan	Dec. 22, 2021	Dec. 22, 2026	Install.	PLN	0.450% + Wibor	80	-
Play - Term Loan	Dec. 10, 2021	March 26, 2026	At maturity	PLN	2.000% + Wibor	691	-
Play - EIB Loan <sup>2</sup>	Jan. 14, 2022	Jan. 13, 2034	Install.	PLN	6.272%	54	54
<b>Total - Play</b>						<b>1,742</b>	<b>515</b>
<b>TOTAL</b>						<b>4,536</b>	<b>3,765</b>

**Notes:**

*Rates applicable at December 31, 2023, which can vary depending on the leverage ratio of the iliad Group and Play respectively.*

<sup>2</sup> For iliad, the nominal rate shown is the rate set following a rider signed on January 20, 2023 amending certain financial terms. The maturity date for the 2022 loan agreement is indicative and depends on the drawdown date(s) and the maturity chosen. The final interest rate is set at each drawdown. For Play, the interest rate shown corresponds to the average rate of the two fixed-rate tranches as well as the interest rate comprising the 2.32% margin plus Wibor at 5.82%, after the first interest rate setting for the variable tranche on December 19, 2022.



## First public rating for iliad SA's senior unsecured notes

On May 20, 2022 iliad SA received the first public rating of its EUR senior unsecured notes from Moody's Investor Services ("Moody's"), Standard and Poor's ("S&P") and Fitch Ratings ("Fitch"), which respectively assigned Ba2/BB/BB ratings with a stable outlook, applicable to the existing issues. While the corporate rating of iliad SA is in line with that of iliad Holding, i.e., Ba3/BB/BB with a stable outlook, S&P and Fitch have assigned iliad SA a standalone credit profile of bb+.

## Note 31 Trade and other payables

This item breaks down as follows:

<i>In € millions</i>	Dec. 31, 2023	Dec. 31, 2022
<b>Trade and other payables recorded under other non-current liabilities</b>		
Trade payables	630	499
Accrued taxes and employee-related payables	22	15
Other payables	0	0
<b>Sub-total</b>	<b>652</b>	<b>514</b>
<b>Trade and other payables</b>		
Trade payables	2,197	1,874
Advances and prepayments	91	27
Accrued taxes and employee-related payables	613	489
Other payables	324	28
Deferred income	342	262
<b>Sub-total</b>	<b>3,568</b>	<b>2,681</b>
<b>TOTAL</b>	<b>4,219</b>	<b>3,195</b>

Total trade payables can be analyzed as follows:

<i>In € millions</i>	Dec. 31, 2023	Dec. 31, 2022
Suppliers of goods and services	1,674	1,226
Suppliers of non-current assets	1,153	1,147
<b>TOTAL</b>	<b>2,827</b>	<b>2,373</b>

## Note 32 Related party transactions

### Transactions with key management personnel

Persons concerned:

- Under IAS 24, key management personnel are those persons who have authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly. For the iliad Group, these persons correspond to members of the Board of Directors of iliad S.A. and members of the Management Committee.

Compensation paid to the 11 members of the Group's key management personnel in 2023 and 2022 breaks down as follows:

<i>In € millions</i>	2023	2022
• Total compensation	3	3
• Share-based payments	9	8
<b>TOTAL</b>	<b>12</b>	<b>11</b>

No liabilities have been recognized in the balance sheet in relation to compensation payable to key management personnel.

## Impact of share grant plans

Details of the Group's share grant plans are provided in Note 28.

## Transactions with On Tower Poland

Within the scope of the Group's strategic partnership with Cellnex concerning its passive mobile telecommunications infrastructure in Poland, On Tower Poland provides the Group with access services for its passive mobile infrastructure in Poland. The partnership also provides for the construction of new sites which will be sold by the Group to On Tower Poland. On June 30, 2023, Iliad sold its residual 30% stake in On Tower Poland. As a result, On Tower Poland no longer met the definition of a related party at December 31, 2023.

## Transactions with NJJ Boru

The Group performs various services on behalf of NJJ Boru (49%-owned by Iliad), the parent company of Eir, and NJJ Galway, a company controlled by a party related to the Iliad Group. The amount recognized in revenues for those services in 2023 was €2,850 thousand.

## Transactions with Monaco Telecom

Iliad has signed an agreement with Monaco Telecom, a Monaco-based company controlled by a party related to the Group, to lease sites at which the Group's equipment is installed. The amount invoiced by Monaco Telecom for making these sites available totaled €1,500 thousand in 2023.

## Transactions with IFT

IFT has entered into a very long-term service agreement (with no volume commitment) with Free, under which it provides Free with all access and information services for co-financed FTTH sockets.

## Transactions with Iliad Holding and Holdco II

Holdco II is a holding company that is over 95% controlled by Iliad Holding (formerly called Holdco), which in turn is wholly owned by Xavier Niel.

Following the share buyback offer and capital increase transactions carried out in January 2020, the control exercised over Iliad by Xavier Niel through his personal holding company, Iliad Holding (formerly Holdco) was strengthened.

This strengthening of control was further confirmed on July 30, 2021 when Holdco II launched a simplified public tender offer for Iliad's shares, which resulted in the Company being delisted on October 14, 2021.

Since January 2020, Iliad Holding has taken on the role of management holding company for the Iliad Group and has set up a Strategy Committee comprising the Iliad Group's key executives and chaired by Xavier Niel. Iliad Holding is therefore now involved in determining the Iliad Group's strategy and ensuring that it is effectively implemented.

In 2023, Iliad Holding invoiced €1,132 thousand to Iliad for the management services it provided during the year.

## Transaction with Polski Światłowód Otwarty sp. z o.o. ("PŚO")

PŚO has entered into a very long-term service agreement with Play (with no volume commitment), under which it provides Play with network infrastructure access services.

## Note 33 Financial instruments

### Reconciliation by class of instrument and accounting category

Derivative instruments are measured at fair value, with the fair value measurements categorized in Level 2 of the fair value hierarchy defined in IFRS 13.

Cash and marketable securities are measured at fair value, with the fair value measurements categorized in Level 1 of the fair value hierarchy defined in IFRS 13.

<i>In € millions</i>	Assets and liabilities carried at fair value through profit or loss	Assets carried at fair value through OCI	Assets carried at amortized cost	Liabilities carried at amortized cost	Carrying amount	Fair value
<b>At December 31, 2023</b>						
Cash	927				927	927
Marketable securities	259				259	259
Trade receivables			1,324		1,324	1,324
Other short-term financial assets	11				11	11
Other long-term financial assets	127	54	23		204	204
Long-term financial liabilities				(9,185)	(9,185)	(9,185)
Short-term financial liabilities				(2,244)	(2,244)	(2,244)
Current lease liabilities	(754)				(754)	(754)
Non-current lease liabilities	(4,536)				(4,536)	(4,536)
Other non-current liabilities				(630)	(630)	(630)
Other current liabilities				(2,197)	(2,197)	(2,197)
<b>TOTAL</b>	<b>(3,966)</b>	<b>54</b>	<b>1,347</b>	<b>(14,256)</b>	<b>(16,821)</b>	<b>(16,821)</b>

<i>In € millions</i>	Assets and liabilities carried at fair value through profit or loss	Assets carried at fair value through OCI	Assets carried at amortized cost	Liabilities carried at amortized cost	Carrying amount	Fair value
<b>At December 31, 2022</b>						
Cash	516				516	516
Marketable securities	6				6	6
Trade receivables			1,163		1,163	1,163
Other short-term financial assets	27				27	27
Other long-term financial assets	151	48	27		226	226
Long-term financial liabilities				(10,011)	(10,011)	(10,011)
Short-term financial liabilities				(1,326)	(1,326)	(1,326)
Current lease liabilities	(634)				(634)	(634)
Non-current lease liabilities	(3,951)				(3,951)	(3,951)
Other non-current liabilities				(499)	(499)	(499)
Other current liabilities				(1,874)	(1,874)	(1,874)
<b>Total</b>	<b>(3,886)</b>	<b>48</b>	<b>1,190</b>	<b>(13,710)</b>	<b>(16,358)</b>	<b>(16,358)</b>

The main components of each financial instrument category and the applicable measurement methods are as follows:

- Assets carried at fair value through profit or loss primarily comprise cash and cash equivalents, which are measured by reference to a quoted market price in an active market where such a market exists.
- Assets carried at fair value through OCI mainly comprise investment securities.
- Receivables carried at amortized cost chiefly concern loans, deposits and guarantees and trade receivables.
- Liabilities carried at amortized cost - calculated using the effective interest method - essentially correspond to borrowings and trade payables.
- Derivative instruments are carried at fair value with changes in fair value recognized either directly in the income statement or in equity when hedge accounting is applied.

The fair value of financial assets and liabilities is primarily determined as follows:

- The fair value of trade receivables and payables and other short-term receivables and payables corresponds to their carrying amount in view of their very short maturities.
- The fair value of bonds is estimated at each reporting date.
- The fair value of lease liabilities corresponds to their carrying amount in view of their differing forms and maturities.

## **Note 34** Financial risk management

### Market risks

#### Foreign exchange risk

The Iliad Group's functional currencies are mainly the euro and, for its subsidiary Play (a stakeholder in UPC Polska since April 1, 2022), the Polish zloty. However, it purchases certain goods and services in currencies other than its functional currencies and is therefore exposed to foreign exchange risk, mainly in relation to the US dollar.

Detailed forecasts of the Group's future purchases denominated in US dollars are drawn up as part of the budget process. These transactions are regularly hedged over a maximum period of two years.

The Group has chosen to hedge part of its exposure to foreign exchange risk through purchases of currency futures and options in order to obtain a partial guaranteed floor rate.

The Group's residual exposure after hedging foreign exchange risk on US dollar-denominated transactions was partly contained in 2023.

Since the acquisition of Play in November 2020, Play's income statement and balance sheet, originally denominated in Polish zloty (PLN) have been consolidated in the Iliad Group's financial statements. Similarly, intra-group transactions with Play (dividends etc.) may be denominated in PLN.

However, the currency risk relating to Play's consolidation is structurally limited. First, the fact that Play's local debt is denominated in PLN in its balance sheet provides a natural hedge for part of the foreign exchange risk, meaning that the residual exposure is reduced to the amount of its net assets. Second, the EUR/PLN rate is fairly stable, even in an unsettled geopolitical environment as a result of the war in Ukraine, with an average annual exchange rate of 4.43 in 2020, rising 3.1% to 4.57 in 2021, and then again by 2.6% to 4.69 in 2022, before decreasing by 3.1% in 2023 to 4.54, representing an average annual increase of 1% over this four-year period. Nevertheless, the Group may from time to time enter into specific cash flow hedging transactions in response to fluctuations in the EUR/PLN exchange rate.

The Iliad Group continues to monitor and assess its foreign exchange exposure over time.

At local level, Play also has its own hedging policy for foreign exchange risk, as some of its operating costs are denominated in currencies other than the PLN (Play's functional currency) – primarily the euro, and, to a lesser extent, XDR, USD and GBP. Play uses forward purchases, swaps and options on foreign currencies.

At December 31, 2023, all of the Group's currency hedges qualified as cash flow hedges under IFRS 9.

They had a positive €18 million impact on equity at that date.

#### Interest rate risk

As a significant portion of the Group's medium- and long-term borrowings denominated in euros is at fixed rates (notably its bonds and EIB loans), this provides a natural hedge for part of its exposure in this currency. In addition, in previous years the Group put in place interest rate hedging contracts for its euro- and zloty-denominated debt.

With respect to its euro-denominated debt, the Group entered into interest rate swaps with several counterparties in October and November 2022. These swaps take effect in March 2023 and have a final expiry date of September 2032. At December 31, 2023, these swaps hedged a total notional amount of €1 billion, representing almost 11% of the Group's total euro-denominated debt.

With regard to zloty-denominated debt contracted by Play, measures have been taken since November 2021 to hedge the corresponding interest rate risk, also using swaps. At December 31, 2023, these swaps hedged a total notional amount of PLN 7.5 billion, representing nearly 76.6% of the Group's total zloty-denominated debt.

In addition, as interest received by the Group on its cash and cash equivalents is mainly at variable rates, this symmetrically reduces its risk exposure to variable interest rates on its borrowings.

The table below shows the Group's net interest rate exposure at December 31, 2023.

<i>In € millions</i>	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	Total
Financial liabilities	2,244	8,002	1,183	11,429
Financial assets	11	90	114	215
<b>Net position before hedging</b>	<b>2,233</b>	<b>7,912</b>	<b>1,069</b>	<b>11,214</b>
Off-balance sheet position				
<b>Net position after hedging</b>	<b>2,233</b>	<b>7,912</b>	<b>1,069</b>	<b>11,214</b>

A sensitivity analysis of the Group's overall net debt after hedging shows that a 1% increase or decrease in euro interest rates at the reporting date would have resulted in a €30,012 thousand increase or decrease in profit for the period.

### Equity risk

The Group does not hold any listed equities in its investment portfolio apart from non-material stakes in two companies.

It does, however, hold some of its own shares, but in view of the very low number concerned any change in the Iliad share price would have a negligible impact on the Group's profit and equity (see Note 27).

### Commodity risk

Owing to the electricity consumed by its businesses, the Group is exposed to fluctuations in the price of electricity on the spot and forward markets, depending on the purchase terms negotiated with its electricity suppliers. Electricity market prices, which historically have been stable, saw unprecedented volatility in 2022 amid a global rally in consumer spending, the unavailability of part of France's nuclear capability and especially the impact of the war in Ukraine. Against this backdrop, the Group is closely monitoring the electricity markets and has set up financial hedging contracts based on electricity price swaps for electricity consumed in Italy (up to 2025), in addition to the forward purchases already entered into directly through its suppliers in France and Poland.

### Liquidity risk

The Iliad Group draws on its solid profitability, available cash and bank credit facilities, as well as its access to various sources of financing (banks, bond markets and money markets) to ensure that it has the requisite funds to finance its business development.

At December 31, 2023, the Iliad Group's borrowings as described above were not subject to any liquidity risk and it had not breached any of the covenants applicable to its various bank credit facilities (including the EIB loans, the KfW IPEX-Bank loans and its syndicated facilities), at the level of both Iliad and Play.

Overall, the Group was not exposed to any liquidity risk at that date in view of the profitability of its operations, the maturity schedule of its debt (see Note 30), its access to financing, and its level of debt.

At December 31, 2023, the covenants applicable to iliad (which take the form of financial ratios), as provided for in the various loan and credit facility agreements described in Note 30 were as follows:

	Applicable financial ratios	Consequence of breach	Actual ratios at December 31, 2023
• €2,000 million RCF (borrower - iliad)	iliad Group leverage ratio <3.75	Early repayment	Leverage ratio: 3.0
• 650 million mid-term loan (borrower - iliad)			
• €1,000 million term loan (borrower - iliad)			
• €900 million term loan (borrower - iliad)			
• €200 million EIB loan - 2016 (borrower - iliad)			
• €300 million EIB loan - 2018 (borrower - iliad)			
• €300 million EIB loan - 2020 (borrower - iliad)			
• €300 million EIB loan - 2022 (borrower - iliad)			
• €300 million EIB loan - 2023 (borrower - iliad)			
• €90 million KFW loan - 2017 (borrower - iliad)			
• €150 million KFW loan - 2019 (borrower - iliad)			

At December 31, 2023, the covenants applicable to Play (which take the form of financial ratios), as provided for in Play's various loan and credit facility agreements, were as follows:

	Applicable financial ratios	Consequence of breach	Actual ratios at December 31, 2023
• PLN 3,500 million term loan (borrower - P4)	Play's leverage ratio <3.25	Early repayment	Leverage ratio: 2.5
• PLN 2,000 million RCF (borrower - P4)			
• PLN 5,500 million facility (borrower - P4)			
• PLN 470 million EIB facility (borrower - P4)			
• PLN 500 million BGK facility (borrower - P4)			
• PLN 464 million ECA facility (borrower - P4)			

The Group's financial covenants (leverage) included in its lending agreements relate to its ratio of net debt to consolidated EBITDAaL for the period, as presented in the financial statements, with adjustments to EBITDAaL as defined in the lending agreements.

Lastly, in some of its bank loan agreements, the iliad Group has undertaken to keep the Play sub-group's leverage ratio below 3.25, calculated using the same method as that for iliad's bank covenant, as set out above.

## Credit and counterparty risk

The Group's financial assets primarily comprise cash and cash equivalents - particularly short-term investments - as well as trade and other receivables (see Note 33).

The financial assets that could expose the Group to credit or counterparty risk chiefly correspond to:

- Trade receivables: at December 31, 2023, trade receivables represented a gross amount of €1,430 million and a net amount of €1,324 million (see Note 24). The Group's exposure to customer credit risk is monitored daily through cash collection and debt recovery processes. Debt collection agencies are used to recover any receivables that remain unpaid after the reminder process.
- Short-term investments: other than the sight deposits used for its routine cash requirements, the Group's policy is to invest its surplus cash in (i) short-term money market instruments, generally for a period of less than one month, or (ii) certificates of deposit with a maturity of no more than three months, in compliance with the rules of diversification and counterparty quality.

## Analysis of trade receivables

At December 31, 2023 trade receivables totaled €1,430 million and provisions for doubtful receivables amounted to €106 million.

At the same date, most past-due receivables were classified as doubtful. The amount of past-due trade receivables that had not been written down at the year-end was not material. The amount of past-due trade receivables that had not been written down at the year-end was not material.

## Concentration risk

The Group is not exposed to any concentration risk in view of its high number of customers (subscribers).

## Note 35 Off-balance sheet commitments and contingencies

### 35.1 Commitments related to telecom licenses

#### France:

#### 900 MHz – 1,800 MHz – 2,100 MHz license

On January 14, 2018, the Group (through its subsidiary, Free Mobile), along with France's other mobile operators, entered into an agreement with the French government aimed at improving the national coverage of ultra-fast mobile networks through increased use of active and passive RAN sharing. By way of this agreement, the Group undertook to (i) deploy 2,000 four-operator RAN sharing sites in "white spots", (ii) deploy 3,000 sites in "gray spots" (located in priority roll-out areas), and (iii) increase its mobile radio-telephone coverage level by end-2029 to 99.6% of the population (indoor coverage equivalent). These commitments were reflected in the obligations set out in the renewal of the 900 MHz, 1,800 MHz and 2,100 MHz licenses (Decision No. 2018-0681 and No. 2018-1391). The commitments were supported by various government measures, notably stability of annual license fees for the 900, 1,800 and 2,100 MHz licenses and the five-year exemption of sites deployed in white and gray spots from the "IFER" network tax until the end of 2022.

#### 2,600 MHz license

By way of decision 2011-1169 dated October 11, 2011, ARCEP authorized Free Mobile to use a block of frequencies in the 2.6 GHz band in Metropolitan France in order to set up and operate a mobile communications network for public use. The obligations imposed on Free Mobile under this authorization – which has been given for a period of 20 years – required the Free Mobile network to provide very high-speed mobile broadband coverage to 75% of France's population by 2023. This milestone had already been reached at the end of 2020.

#### 1,800 MHz license

By way of decision 2014-1542 dated December 16, 2014, ARCEP authorized Free Mobile to use a block of frequencies in the 1,800 MHz band in Metropolitan France in order to set up and operate a mobile communications network for public use. The obligations imposed on Free Mobile under this authorization – which has been given for a period of 20 years – required the Free Mobile network to provide very high-speed mobile broadband coverage to 75% of France's population by October 2023. This milestone had already been reached at the end of 2020.

#### 700 MHz license

By way of decision 2015-1567 dated December 8, 2015, ARCEP authorized Free Mobile to use 10 MHz in the 700 MHz band in Metropolitan France in order to set up and operate a mobile communications network for public use, subject to rollout and coverage obligations. One of these obligations is that the Free Mobile network is required to provide very high-speed mobile broadband coverage to 98% of France's population by January 2027 (milestone already reached) and to 99.6% by 2030.

#### 5G license: 3,400-3,800 MHz

By way of decision 2020-1255 dated November 12, 2020, ARCEP authorized Free Mobile to use 70 MHz in the 3,400-3,800 MHz band in Metropolitan France to set up and operate a mobile communications network for public use. The rollout and wholesale offer obligations imposed under this authorization – which has been



given for a 15-year period that can be renewed for a further five years – notably require Free Mobile to emit the allocated frequencies from 3,000 sites by December 31, 2022 (milestone achieved), from 8,000 sites by December 31, 2024, and from 10,500 sites by December 31, 2025, and meet reasonable requests for supplies of services for vertical markets.

### Licenses for French overseas *départements* and *collectivités*

By way of decisions 2017-1037 dated September 5, 2017 and 2023-1622 and 2023-1989 dated July 25, 2023, ARCEP authorized Free Caraïbe to use the following frequencies:

- Guadeloupe and Martinique:
  - Frequencies in the 800 MHz, 1,800 MHz, 2.1 GHz and 2.6 GHz bands.
- French Guiana:
  - Frequencies in the 700 MHz, 900 MHz, 1,800 MHz, 2.1 GHz, 2.6 GHz and 3.5 GHz bands.
- Saint-Barthélemy and Saint Martin:
  - Frequencies in the 700 MHz, 800 MHz, 900 MHz, 1,800 MHz, 2.1 GHz, 2.6 GHz and 3.5 GHz bands.

These decisions contained a number of obligations for the Group concerning (i) network rollouts and coverage, (ii) compliance with the terms of the cross-border coordination agreements entered into with France's neighboring countries, and (iii) regional economic development, employment and investment. For the 700 MHz and 3.5 GHz bands these commitments also included rollout obligations and obligations to develop new services on the mobile network (e.g., VO-WiFi or fixed access to mobile Internet).

Following the auctions in which the company is a bidder and if it is selected, Free Caraïbe will be required to enter into additional commitments in 2024 in connection with the allocation of 5G frequencies in Martinique and Guadeloupe (mainly 700 MHz and 3.5 GHz).

### Italy

The decision issued on November 4, 2016 by the Italian Ministry of Economic Development (since renamed the Ministry for Business and Made in Italy) approving the transfer to Iliad Italia (an Iliad Group subsidiary) of the licenses to use a portfolio of 35 MHz (duplex) frequencies specifies the coverage obligations relating to these licenses. Under these obligations, Iliad Italia had to:

- Provide 2.1GHz (or 900 MHz) coverage to the main towns and cities of Italy's regions by June 30, 2022 and those of the provinces by December 31, 2024.
- Provide 2.6GHz coverage to:
  - 14% of Italy's population by June 30, 2020;
  - 28% of Italy's population and 5% of the population of each Italian region by June 30, 2022.

By way of decision no. 231/18/CONS, the Italian telecoms regulator, AGCOM, set out the coverage obligations applicable to the operators allocated 5G frequencies in Italy. The requirements applicable to Iliad Italia under this decision were/are to:

- For the 3.6 GHz and 3.8 GHz licenses:
  - Roll out its network and use the frequencies in each Italian region by December 2020.
  - Cover at least 5% of the population of each Italian region by end-June 2022. By way of decision no. 185/23/CONS dated July 20, 2023, AGCOM increased the coverage obligation for the 3.6-3.8 GHz band by 2.5% of the population for each Italian region within 12 months of the license being granted. This additional obligation has to be met for as long as the joint operation agreement provides that Iliad is authorized to use, through that joint operation, the frequencies in the 3.4-3.6 GHz band.
- For the 700 MHz license: individual obligations (that must be met by June 30, 2025):
  - Cover 80% of Italy's population, with 90% population coverage for towns and cities with more than 30,000 inhabitants and all regional capitals.
  - Cover 90% of the 149 tourist regions assigned to Iliad.



- For the 700 MHz license: collective obligations:
  - Cover 99.4% of Italy's population by end-December 2026, with 90% population coverage for 120 municipalities located in rural areas (listed in Appendix A to decision no. 231/18/CONS).
  - Cover the main transport routes by end-December 2025 (railways and stations, highways, 351 sea ports and 42 airports). This obligation will be considered met if at least one of the license-holders provides the required service.
- 26 GHz licenses: no coverage obligation, but an obligation to roll out the mobile network and use the frequency band in all of Italy's provinces by December 31, 2022.

## Poland

### 2,100 MHz and 900 MHz licenses

At the publication date of these financial statements, the Group considers that it has fulfilled its coverage obligations imposed in the decisions relating to the allocation of frequencies in the 2,100 MHz and 900 MHz bands.

#### 1,800 MHz license

The June 14, 2013 decision to allocate frequencies in the 1,800 MHz band to the Group contained several regulatory obligations to be met by the Group. These primarily concerned making investments in the telecom network, corresponding to 3,200 sites within no more than 24 months of being allocated the frequencies. 50% of the overall investments had to be made in rural or suburban areas or in towns with fewer than 100,000 inhabitants. Additionally, the Group had to start providing services using the 1,800 MHz frequencies within no more than 12 months of the date on which they were allocated. At the publication date of these financial statements, the Group had fulfilled all of these obligations.

#### 800 MHz license

The January 25, 2016 decision to allocate frequencies in the 800 MHz band to the Group – which was replaced by a decision dated June 23, 2016 – contains several regulatory obligations that the Group has to meet. These primarily concern making investments in the telecom network covering (i) 83% of the municipalities defined as “white spots” in Appendix 2 of the decision, within no more than 24 months of the date on which the frequencies were allocated, (ii) 90% of the municipalities referred to in Appendix 3 of the decision, within no more than 36 months of said decision, and (iii) 90% of the municipalities referred to in Appendix 4 of the decision, within no more than 48 months of said decision. Additionally, the Group had to start providing services using the 800 MHz frequencies within no more than 12 months of the date on which they were allocated. At the publication date of these financial statements, the Group had fulfilled these investment obligations.

#### 2,600 MHz license

Four decisions dated January 25, 2016 allocating frequencies in the 2,600 MHz band to the Group require the Group to start providing services using those frequencies within no more than 36 months of their allocation date. The Group has met this requirement.

#### 3,500-3,600 MHz licenses

The December 19, 2013 decision to allocate frequencies in the 3,500-3,600 MHz band to the Group contained several regulatory obligations to be met by the Group. These primarily concerned making investments in the telecom network, corresponding to 3,800 sites within no more than 48 months of being allocated the frequencies. 37% of the overall investments had to be made in rural or suburban areas or in towns with fewer than 100,000 inhabitants. Additionally, the Group had to start providing services using the 3,500-3,600 MHz frequencies within no more than four months of the date on which they were allocated.

## 35.2 Partnerships with Cellnex

Under the industrial partnership agreements entered into with Cellnex in 2019 for France and Italy and in 2021 for Poland, the Iliad Group has undertaken to build site infrastructure and sell it to Cellnex pursuant to a build-to-suit program.

The Group's minimum commitments under this partnership are at least 2,500 base stations for France, 1,000 base stations for Italy and 1,871 base stations for Poland. At December 31, 2023, the minimum commitment had been reached for France and Italy.

### 35.3 Other commitments

At December 31, 2023, the Group had received commitments giving it access to:

- A €2,000 million revolving credit facility, none of which had been used at December 31, 2023.
- A PLN 2,000 million revolving credit facility, none of which had been used at December 31, 2023.
- A €650 million mid-term credit facility, none of which had been used at December 31, 2023.
- Two EIB loans amounting to €300 million each, none of which had been drawn down at December 31, 2023.

In connection with the strategic partnership entered into with InfraVia through the dedicated entity, SPIN (see Note 21), the Group has given the following commitments:

- A pledge of financial securities, covering the securities account opened in Iliad's name in SPIN's books.
- A pledge of receivables, covering any receivables owed to Iliad, or that may be owed to it in the future, by SPIN under the intra-group loan agreement.

At December 31, 2023:

- Other commitments given by the Group amounted to €175 million and mainly corresponded to Iliad Italia's bank guarantee concerning 900 MHz and 2,100 MHz frequencies.
- Other commitments received by the Iliad Group totaled €1 million.

### 35.4 Collateralized debt

None of the Group's other assets have been used as collateral for any debt.

### 35.5 Claims and litigation

The Group is involved in a number of labor, regulatory, tax and commercial disputes in connection with its business.

The main legal proceedings currently in progress are as follows:

#### France – Dispute with UFC

On March 11, 2019, the French consumer group, UFC, used the powers granted to it under Article 623-1 of the French Consumer Code to file a petition against Free Mobile with the Paris District Court (*Tribunal de Grande Instance*). UFC is claiming that Free Mobile failed to respect its contractual obligations because it charged nine subscribers for not returning their rented phones, whereas the subscribers had allegedly provided proof that they had sent back the devices in accordance with Free Mobile's General Terms and Conditions of Subscription. UFC requested the

court to order Free Mobile (i) to reimburse the expenses wrongly charged, and (ii) publish the requisite information to make the consumers concerned aware of their right to compensation. UFC's claims were dismissed on December 13, 2022, as the court ruled that the rental of a mobile phone is excluded from the scope of the group's proceedings. UFC was ordered to pay €8,000 under Article 700 of the French Civil Procedure Code. It appealed the decision and the proceedings are still ongoing.

#### France – Tax disputes

The Iliad Group has filed a claim with the competent authorities for the refund of VAT payments following a dispute with the tax authorities (see note 24).

In addition, the Group has been the subject of tax audits for the period covering the years from 2019 to 2022, and some of its subsidiaries have received

tax deficiency notices. The proposed adjustments have been contested in their entirety and additional responses have been provided to the tax authorities. However, in accordance with accounting principles, the Group has made a best estimate of these risks in the financial statements at December 31, 2023.

## Poland – Antitrust proceedings

In June 2015, Play applied to the Warsaw District Court claiming PLN 316 million from Orange Polska, Polkomtel and T-Mobile Polska. This amount comprises PLN 231 million in damages for unfair competition – arising from the defendants applying excessive costs for voice connections with the Play network for the period from July 1, 2009 through March 31, 2012 – plus capitalized interest. In July 2018, Play extended its application by claiming an additional PLN 314 million (including PLN 258 million in damages plus capitalized interest) for the subsequent period from April 1, 2012 through December 31, 2014. On December 27, 2018, the court rejected Play's initial claim for PLN 316

million. Play appealed this decision and in a ruling dated December 28, 2020, the Warsaw Court of Appeal overturned the judgment of the first instance court and ordered the case to be judged again. The claim for PLN 316 million and the claim for the additional PLN 314 million are still in progress before the Warsaw District Court. In September 2019, Play withdrew its claims against T-Mobile but maintained those against Orange and Polkomtel. As it is not certain that Play will receive the amounts it has claimed, the Iliad Group has not recognized any related income in its consolidated financial statements.

## Poland – Call termination charges

### Claim lodged by Polkomtel

In December 2018, Polkomtel lodged a claim for the Polish Treasury or Play to be ordered (on a joint and several basis) to pay it (i) the call termination charges that Polkomtel would have received from Play if the UKE (the Polish telecoms regulator) had not reduced the call termination rate by way of a

decision that was subsequently canceled by a court as it was held to be unlawful, and (ii) accumulated interest as from the date the claim was lodged. At this stage of the proceedings it is difficult to assess the legal risk relating to this claim.

## Poland – UOKiK/UKE/Other

Play is involved in a number of proceedings, including procedures launched by the President of the UKE and the President of the UOKiK (the Polish Office of Competition and Consumer Protection) as well as proceedings resulting from appeals against decisions made by those regulatory bodies. On September 2, 2016, the President of the UOKiK launched proceedings against UPC regarding unfair clauses concerning price increases, a guaranteed a minimum offer of TV programs, technician fees and contract termination fees. On July 17, 2019, the President of the UOKiK issued a decision prohibiting the application of the above-mentioned clauses, ordering UPC to pay a fine of PLN 32 million and imposing on it an obligation to compensate customers. UPC appealed the decision before the Warsaw District Court. On

November 23, 2022, the Warsaw District Court confirmed its decision as to the obligation to compensate customers, which had been overturned. At the same time, the Supreme Court revised the fine downwards to PLN 28.6 million – an amount that had already been paid. UPC has further appealed this decision.

On December 1, 2022, the President of the UOKiK launched proceedings against P4 regarding practices against the collective interest of consumers, which in the opinion of the UOKiK President consist of the application of a contractual clause canceling the application of a discount on subscriptions in case of late payment by customers.

## Note 36 Events after the reporting date

### Investment in Tele2

On February 26, 2024, the Iliad Group announced that Freya Investissement, an investment vehicle jointly owned by Iliad and NJJ Holding (“Freya”), had entered into a binding agreement with Kinnevik AB (publ) (“Kinnevik”) to acquire approximately 19.8% of the share capital comprising shares of both Class A and Class B in Tele2, one of the leaders in the Swedish and Baltics telecom markets, for a total cash consideration of approximately SEK 13 billion (approximately €1.16 billion). After the acquisition is approved by the relevant authorities and the transaction closes, Freya will become Tele2's main shareholder.

## Note 37 List of main consolidated companies at December 31, 2023

The following table includes the Group's main legal holdings.

	Registration number	Head office	Percentage ownership at Dec. 31, 2023	Percentage ownership at Dec. 31, 2022	Consolidation method in 2023
<b>iliad</b> 16 rue de la Ville l'Évêque 75008 Paris, France	342 376 332	Paris	100.00%	100.00%	Full
<b>Assunet</b> 16 rue de la Ville l'Évêque 75008 Paris, France	421 259 797	Paris	89.96%	89.96%	Full
<b>Centrapel</b> 57 Boulevard Malesherbes 75008 Paris, France	434 130 860	Paris	100.00%	100.00%	Full
<b>Certicall</b> 40 avenue Jules Cantini 13006 Marseille, France	538 329 913	Marseille	100.00%	100.00%	Full
<b>Connexy</b> 3 rue Paul Brutus 13015 Marseille, France	848,895,173	Marseille	100.00%	100.00%	Full
<b>Equaline</b> 18 rue du Docteur G. Pery 33300 Bordeaux, France	538 330 358	Bordeaux	100.00%	100.00%	Full
<b>F Distribution</b> 8 rue de la Ville l'Évêque 75008 Paris, France	528 815 376	Paris	100.00%	100.00%	Full
<b>Fibre Inc</b> 1209 Orange Street, Wilmington, New Castle County, 19801 Delaware, USA	/	Wilmington	100.00%	100.00%	Full
<b>Freebox</b> 16 rue de la Ville l'Évêque 75008 Paris, France	433 910 619	Paris	98.92%	97.99%	Full
<b>Free Caraïbe</b> 3 rue de la carrière 97200 Fort-de France, Martinique	808 537 641	Fort-de France	100.00%	100.00%	Full
<b>Free</b> 8 rue de la Ville l'Évêque 75008 Paris, France	421 938 861	Paris	100.00%	100.00%	Full
<b>Free Fréquences</b> 16 rue de la Ville l'Évêque 75008 Paris, France	529 917 833	Paris	/	100.00%	N.D.
<b>Free Mobile</b> 16 rue de la Ville l'Évêque 75008 Paris, France	499 247 138	Paris	100.00%	99.86%	Full
<b>Free Pro</b> 3 rue Paul Brutus 13015 Marseille, France	439 099 656	Marseille	100.00%	75.54%	Full
<b>Free Réseau</b> 16 rue de la Ville l'Évêque 75008 Paris, France	419 392 931	Paris	100.00%	100.00%	Full

	Registration number	Head office	Percentage ownership at Dec. 31, 2023	Percentage ownership at Dec. 31, 2022	Consolidation method in 2023
<b>IH</b> 8 rue de la Ville l'Évêque 75008 Paris, France	441 532 173	Paris	100.00%	100.00%	Full
<b>iliad 10</b> 16 rue de la Ville l'Évêque 75008 Paris, France	844 880 492	Paris	100.00%	100.00%	Full
<b>iliad 17</b> 16 rue de la Ville l'Évêque 75008 Paris, France	982 150 864	Paris	100.00%	/	Full
<b>iliad 18</b> 16 rue de la Ville l'Évêque 75008 Paris, France	982 165 912	Paris	100.00%	/	Full
<b>iliad 19</b> 16 rue de la Ville l'Évêque 75008 Paris, France	982 109 688	Paris	100.00%	/	Full
<b>iliad 6</b> 16 rue de la Ville l'Évêque 75008 Paris, France	834 309 486	Paris	100.00%	100.00%	Full
<b>IFT</b> 31 rue de la Baume 75008 Paris, France	852 619 352	Paris	/	48.98%	N.D.
<b>IFW</b> 8 rue de la Ville l'Évêque 75008 Paris, France	400 089 942	Paris	/	100.00%	N.D.
<b>iliad 78</b> 16 rue de la Ville l'Évêque 75008 Paris, France	834 315 673	Paris	89.00%	78.45%	Full
<b>iliad Customer Care</b> Viale Restelli Francesco 1/A Milan, Italy	/	Milan	100.00%	100.00%	Full
<b>iliad Italia Holding S.p.A</b> Viale Restelli Francesco 1/A Milan, Italy	/	Milan	100.00%	100.00%	Full
<b>iliad Investments</b> 16 rue de la Ville l'Évêque 75008 Paris, France	919 740 605	Paris	40.85%	40.85%	Equity
<b>iliad Italia S.p.A</b> Viale Restelli Francesco 1/A Milan, Italy	/	Milan	97.78%	97.73%	Full
<b>iliad Purple</b> 16 rue de la Ville l'Évêque 75008 Paris, France	537 915 050	Paris	92.02%	92.57%	Full
<b>Immobilière iliad</b> 16 rue de la Ville l'Évêque 75008 Paris, France	501 194 419	Paris	100.00%	100.00%	Full
<b>IRE</b> 16 rue de la Ville l'Évêque 75008 Paris, France	489 741 645	Paris	100.00%	100.00%	Full
<b>Jaguar Network Suisse</b> rue des Paquis 11 1201 Geneva, Switzerland	/	Geneva	100.00%	100.00%	Full
<b>JT Holding</b> 3 rue Paul Brutus 13015 Marseille, France	801 382 300	Marseille	100.00%	100.00%	Full

	Registration number	Head office	Percentage ownership at Dec. 31, 2023	Percentage ownership at Dec. 31, 2022	Consolidation method in 2023
<b>Madiacom</b> 44 rue Henri Becquerel Jarry 97122 Baie-Mahault, France	880 041 397	Baie-Mahault	50.00%	50.00%	Joint Operation
<b>MCRA</b> 57 Boulevard Malesherbes 75008 Paris, France	532 822 475	Paris	100.00%	100.00%	Full
<b>Newco 25M</b> 16 rue de la Ville l'Évêque 75008 Paris, France	910 077 478	Paris	49.50%	49.50%	Equity
<b>NJJ Boru</b> 16 rue de la Ville l'Évêque 75008 Paris, France	833 797 467	Paris	49.00%	49.00%	Equity
<b>On Tower Poland</b> Wynalazek 1, 02-677 Warsaw, Poland	/	Poland	/	27.77%	N.D.
<b>Online Immobilier</b> 16 rue de la Ville l'Évêque 75008 Paris, France	537 915 019	Paris	97.58%	97.58%	Full
<b>Opcore</b> 16 rue de la Ville l'Évêque 75008 PARIS	891 405 227	Paris	100%	/	I.G.
<b>P4 SP. Z.O.O</b> Wynalazek 1, 02-677 Warsaw, Poland	/	Poland	92.02%	92.57%	Full
<b>Predictiv Pro S.A.S.</b> 3 rue Paul Brutus 13015 Marseille, France	880 472 683	Marseille	100.00%	100.00%	Full
<b>Protelco</b> 8 rue de la Ville l'Évêque 75008 Paris, France	509 760 948	Paris	100.00%	100.00%	Full
<b>Resolution Call</b> 7 Bld Mohamed V 20800 Mohammedia, Morocco	/	Morocco	100.00%	100.00%	Full
<b>Réseau Optique de France (formerly Free Infrastructure)</b> 16 rue de la Ville l'Évêque 75008 Paris, France	488 095 803	Paris	100.00%	100.00%	Full
<b>Scaleway</b> 8 rue de la Ville l'Évêque 75008 Paris, France	433 115 904	Paris	97.58%	97.58%	Full
<b>Scaleway US Corporation</b> C/O IMS - 1700 W Irving Park, Suite 302 Chicago, IL 606013, United States	/	Chicago	97.58%	97.58%	Full
<b>Solid 19</b> 16 rue de la Ville l'Évêque 75008 Paris, France	790 148 944	Paris	100.00%	100.00%	Full
<b>Société Part. Invest. Numérique</b> 14 rue Cambacérès 75008 Paris, France	980 465 108	Paris	48.98%	/	Equity

	Registration number	Head office	Percentage ownership at Dec. 31, 2023	Percentage ownership at Dec. 31, 2022	Consolidation method in 2023
<b>Telecom Academy « Privé »</b> Lotissement Attaoufik Lot n° 9 & 10 Immeuble Le Shadow Sidi Maarouf Casablanca, Morocco	/	Morocco	100.00%	100.00%	Full
<b>Telecom Réunion Mayotte</b> 16 rue de la Ville l'Évêque 75008 Paris, France	812 123 214	Paris	50.00%	50.00%	Equity
<b>Trax</b> 16 rue de la Ville l'Évêque 75008 Paris, France	850 134 388	Paris	98.00%	98.00%	Full
<b>Total Call</b> Technoparc - Route de Nouceur Sidi Maar Casablanca, Morocco	/	Morocco	100.00%	100.00%	Full
<b>Université F 233</b> 16 rue de la Ville l'Évêque 75008 Paris, France	891 401 507	Paris	100.00%	100.00%	Full
<b>Zefiro.net</b> Via Giotto, 7 Cormano, Italy	/	Cormano	50.00%	/	Joint Operation

## Note 38 Audit fees

In accordance with the disclosure requirements of standards 2016-08, 2016-09, 2016-10 and 2016-11 issued by France's accounting standards authority (the "ANC"), the table below sets out the amount of fees paid to the statutory auditors of Iliad S.A and its fully consolidated subsidiaries, not including fees invoiced by the statutory auditors' network firms:

(in € thousands)	PricewaterhouseCoopers		Deloitte & Associés		Total	
	2023	2022	2023	2022	2023	2022
Statutory audit services	447	423	392	363	839	786
Non-audit services	158	118	66	50	224	168
<b>TOTAL FEES</b>	<b>605</b>	<b>541</b>	<b>458</b>	<b>413</b>	<b>1,063</b>	<b>954</b>

Services other than audit work provided during the year mainly concern:

- Verifying the consolidated non-financial information statement presented in the Iliad Group's management report.
- Reviewing asset sale transactions.
- Providing various statements.