



Financial release



QUARTERLY REPORT FIRST QUARTER 2024

MANAGEMENT REPORT

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CONSOLIDATED FINANCIAL STATEMENTS AND NOTES



MANAGEMENT REPORT

ANALYSIS OF THE GROUP'S BUSINESS AND RESULTS

a. KEY CONSOLIDATED FINANCIAL DATA

<i>In € millions</i>	Q1 2024	Q1 2023
INCOME STATEMENT		
Total revenues	2,431	2,186
<i>EBITDAaL</i>	878	783
Profit from ordinary activities	338	279
Profit for the period	93	59
BALANCE SHEET		
	Mar. 31, 2024	Dec. 31, 2023
Non-current assets	22,039	21,800
Current assets ¹	4,304	4,347
<i>Of which cash and cash equivalents</i>	1,092	1,186
Assets held for sale	32	184
Total assets	26,374	26,330
Total equity	4,935	4,798
Non-current liabilities	14,891	14,970
Current liabilities ¹	6,546	6,709
Liabilities held for sale	2	11
Total equity and liabilities	26,374	26,330
Net debt²	10,210	10,243
CASH FLOWS		
	Q1 2024	Q1 2023
Cash flows from operations	1,093	873
Right-of-use assets and interest expense on lease liabilities - IFRS 16 impact	(270)	(226)
Capital expenditure excluding payments for frequencies - Group	(418)	(553)
Payments for frequencies - Group	(115)	(38)
Income tax paid	(91)	(23)
Net interest paid	(92)	(62)
Other (including impact of changes in scope of consolidation)	(3)	285
Net change in cash and cash equivalents - Group (excluding change in net debt and dividends paid to owners of the Company)	56	302
Dividends paid to owners of the Company	-	-

1 Excl. assets and liabilities held for sale

2 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 49.2 million subscribers, €9.5 billion in revenues over the last 12 months and over 18,000 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. 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).

2 KEY FIGURES FOR THE FIRST THREE MONTHS OF 2024

The key figures for the first three months of 2024 are as follows:

<i>In € millions</i>	Q1 2024	Q1 2023	% change
Consolidated revenues	2 431	2,186	+11,2%
o.w. France	1 586	1,442	+10,0%
o.w. Italy	272	241	+12,8%
o.w. Poland	577	507	+13,8%
Consolidated EBITDAaL	878	783	+12,2%
o.w. France	573	498	+15,2%
o.w. Italy	71	64	+11,7%
o.w. Poland	233	221	+5,5%
Consolidated capex³	418	553	-24,4%
o.w. France	278	442	-37,1%
o.w. Italy	80	59	+34,7%
o.w. Poland	60	52	+16,2%
Operating free cash flow (EBITDAaL less capex)	460	229	+100,5%
o.w. France	295	55	+433,4%
o.w. Italy	(8,3)	5	-275,9%
o.w. Poland	173	169	+2,2%
Profit for the period	93	59	+56.2%
<i>In € millions</i>	Mar. 31, 2024	Dec. 31, 2023	Change
Net debt	10,210	10,243	(33)
LTM ⁴ EBITDAaL	3,539	3,444	96
Leverage ratio (LTM EBITDAaL)	2.9x	3.0x	-0.1x

EUR/PLN exchange rate: 4.33334 for Q1 2024 and 4.68935 for Q1 2023.

³ Excluding payments for frequencies

⁴ Last Twelve Months

3 COMPARISON OF RESULTS FOR Q1 2024 AND Q1 2023

<i>In € millions</i>	Q1 2024	Q1 2023	% change
Revenues	2,431	2,186	+11.2%
Purchases used in production	(668)	(612)	+9.2%
Payroll costs	(172)	(153)	+12.4%
External charges	(419)	(382)	+9.5%
Taxes other than on income	(123)	(99)	+24.4%
Additions to provisions	(36)	(27)	+33.7%
Other income and expenses from operations, net	89	66	+33.8%
Depreciation of right-of-use assets	(223)	(197)	+13.4%
EBITDAaL	878	783	+12.2%
EBITDAaL margin	36.1%	35.8%	+30bps
Share-based payment expense	(12)	(9)	+35.5%
Depreciation, amortization and impairment of non-current assets	(528)	(495)	+6.7%
Profit from ordinary activities	338	279	+21.3%
Other operating income and expense, net	4	(11)	NM
Operating profit	343	268	+27.7%
Finance costs, net	(128)	(127)	+0.4%
Other financial income and expense, net	(10)	(13)	-23.1%
Interest expense on lease liabilities	(66)	(57)	+16.0%
Corporate income tax	(60)	(24)	+150.1%
Share of profit of equity-accounted investees	14	12	+14.3%
PROFIT FOR THE PERIOD	93	59	+56.2%

3.1 Analysis of consolidated results

1. Key indicators⁵

France (figures in thousands)	Q1 2024	Q4 2023	QoQ change
Number of Mobile subscribers	15,217	15,005	+212
- o.w. 4G/5G package (incl. French overseas DOM/TOM)	11,345	11,106	+239
% of the Mobile subscriber base on the 4G/5G Free Mobile plan	74.6%	74.0%	+60bps
- o.w. voice-based plan	3,872	3,899	-27
Number of Broadband and Ultra-Fast Broadband subscribers	7,499	7,414	+85
- o.w. Fiber	5,748	5,516	+232
Fiber take-up rate	76.6%	74.4%	+220bps
Number of connectible Fiber sockets (in millions)	36.2m	35.3m	+0.9m
Total number of subscribers – France	22,716	22,419	+297
	Q1 2024	Q1 2023	YoY change
Broadband and Ultra-Fast Broadband ARPU (in €)	36.3	34.4	+5.6%
Mobile ARPU billed to subscribers (in €) ¹	12.2	11.8	+3.3%

Italy (figures in thousands)	Q1 2024	Q4 2023	QoQ change
Number of mobile subscribers	11,006	10,730	+280
Number of fiber subscribers	245	207	+38
Total number of subscribers – Italy	11,251	10,937	+318

POLAND (figures in thousands)	Q1 2024	Q4 2023	QoQ change
Number of active mobile subscribers	13,172	13,099	+73
- Of which on plans	9,443	9,381	+62
- Of which prepaid	3,729	3,718	+11
Number of Fixed subscribers	2,073	2,059	+14
Total number of subscribers – Poland⁵	15,245	15,158	+87
	Q1 2024	Q1 2023	YoY change
Mobile ARPU billed to subscribers (in PLN)	30.4	29.1	+4.6%

GROUP (figures in thousands)	Q1 2024	Q4 2024	QoQ change
Number of mobile subscribers	39,395	38,834	+561
Number of Fixed subscribers	9,817	9,681	+137
TOTAL NUMBER OF SUBSCRIBERS	49,212	48,515	+698

⁵ See glossary for definitions

2. Quarterly consolidated revenues

<i>In € millions</i>	Q1 2024	Q1 2023	% change
Consolidated revenues	2,431	2,186	+11,2%
Services revenues ⁶	2,220	2,020	+9.9%
Equipment revenues	217	172	+26.5%
<i>Intra-group revenues⁵</i>	(6)	(5)	+14,8%
Revenues – France	1,586	1,442	+10,0%
- Services ⁴	1,489	1,376	+8.2%
- Equipment	99	67	+47,1%
- <i>Intra-group sales</i>	(2)	(2)	+23,7%
Revenues – Italy	272	241	+12,8%
- Services	270	239	+13,0%
- Equipment	2	3	-10,0%
Revenues – Poland⁶	577	507	+13,8%
- Services	461	405	+13,8%
- Equipment	116	102	+13,8%

3. Analysis of results – Group

a) Revenues

Consolidated revenues grew 11.2% year-on-year in the first quarter of 2024 driven by revenue increases in all three of our geographies (13.8% in Poland, 12.8% in Italy and 10.0% in France). Excluding the impact of the appreciation of the Polish zloty, consolidated revenues would have grown by 9.1% (€42 million impact).

b) Purchases used in production

Purchases used in production increased by 9.2% to €668 million with the implementation of the MSA with PSO in Poland being the main factor of the increase.

c) Payroll costs

Payroll costs rose 12.4% (or €19 million) with France contributing more than half of the increase as we increase our distribution network and continue expanding our B2B operations.

d) External charges

External charges rose by 9.5% year-on-year to €419 million. The increase was mainly attributable to higher rent costs in our 3 geographies partially offset by lower energy costs.

⁶ Service revenues before eliminations

⁵ Intra-group sales including France intersegment sales

⁶ EUR/PLN exchange rate: 4.33334 for Q1 2024 and 4.68935 for Q1 2023

e) Taxes other than on income

Taxes other than on income totaled €123 million, up 24.4% year-on-year, as a result of the larger number of mobile sites in France leading to a double digit increase in IFR tax payments.

f) Additions to provisions

Additions to provisions for bad debts, impairment of inventories and contingencies amounted to €36 million in Q1 2024, down €11 million year-on-year.

g) Other income and expenses from operations, net

This item represented net income of €89 million in Q1 2024, a 33.8% year-on-year increase. The increase mainly reflects the higher recognition of gains generated from the sale of sites in connection with build-to-suit programs in our three geographies.

h) Depreciation of right-of-use assets

Depreciation of right-of-use assets totaled €223 million in Q1 2024, a 13.4% year-on-year increase. This item results from the Group's application since January 1, 2019 of IFRS 16, Leases and part of the increase reflects the migration from the unbundling / copper business model to FTTH and the related MSA with IFT.

i) Profit for the period

Profit for the period augmented by 56.2% to €93 million in the first quarter of 2024 as the increase of the operating profit (+27.7% or €75 million) more than offset the increase of corporate income tax (+€36 million) whilst net financial costs were broadly stable.

4. Analysis of results – France

<i>In € million</i>	Q1 2024	Q1 2023	% change
Revenues	1,586	1,442	+10.0%
- Service revenues	1,489	1,376	+8.2%
o.w. Fixed services ⁷	871	796	+9.5%
o.w. Mobile services	618	580	+6.5%
o.w. billed to subscribers	558	510	+9.5%
o.w. others	60	71	-15.5%
- Equipment revenues	99	67	+47.1%
<i>Intersegment revenues⁷</i>	(2)	(2)	-

a) Revenues

Revenues in France rose 10.0% in Q1 2024 to €1.59 billion. The main factors underlying this performance were as follows:

- **Services revenues generated by Fixed services increased 9.5%⁷ in Q1 2024 to €871 million, driven by subscriber base growth, a 5.6% rise in ARPU and a continuation of the strong dynamic of our B2B activities (FreePro, Scaleway, OPCORE):**
 - in a market experiencing a slower dynamic than in the previous quarters, the fixed broadband commercial performance has been excellent with 85 000 net new subscribers with a clear success of the Freebox Ultra launched end-January;
 - the take up of Free Fiber remained strong with 232,000 net new subscribers during the quarter, bringing the total number of Free Fiber subscribers to 5.75 million, representing 76.6% of the overall subscriber base;
- **Mobile services revenues growth reached 6.5% to €618 million in Q1 2024:**
 - with 212,000 net adds, Free Mobile delivered a strong commercial performance, driven in particular by the success of its 4G/5G plan registering 239,000 net adds. The 4G/5G subscriber base accounts now for close to 75% of the total mobile subscriber base in France.
 - The growth in mobile services revenues billed to subscribers (€558 million) accelerated in Q1 2024 to 9.5% (8.5% in Q4 2023). This is driven by the gain in new subscribers and by the increase of the ARPU billed to subscribers (+3.3% year-on-year at €12.2) and driven by a favorable mix effect.
 - Other Mobile revenues (mainly corresponding to income from voice and SMS/MMS interconnections) decreased by 15.5% year-on-year to €60 million. After a 27% cut in mobile termination rates in 2023 (from 0.55 euro cents to 0.40 euro cents), a new 50% cut was implemented on January 1, 2024 (from 0.40 euro cents to 0.20 euro cents).

⁷ The mix between France Service revenues and intersegment revenues for H1 / Q2 2023 has been adjusted to factor in a correction and a new internal accounting treatment of intersegment revenues, with no impact on France revenues.

- Sales of devices maintained their strong momentum, rising by 47.1% to €99 million, led notably by the success of the Free Flex offering.

<i>In € millions</i>	Q1 2024	Q1 2023	% change
EBITDAaL	573	498	+15.2%
<i>as a % of revenues</i>	36.2%	34.5%	+170bps
Capital expenditure (excluding payments for frequencies)	278	442	-37.1%
OCF (EBITDAaL minus capital expenditure)	295	55	+433.4%

b) EBITDAaL

EBITDAaL generated in France rose 15.2% to €573 million and the margin improved by 1.7 percentage points to 36.2%. The improvement of the EBITDAaL and EBITDAaL margin is mainly driven by the positive operating leverage from the €113 million increase of service revenues, especially from mobile billed to subscribers and, to a lower extent, by the lower energy costs and the higher contribution from the proceeds from the sale of mobile sites in connection with the build-to-suit program. These elements more than offset the increase of staff costs (+9%) and external charges increasing by 6%.

c) Capex (excluding payments for frequencies)

Capex excluding payments for frequencies decreased by 13.3% year-on-year in the first quarter to €278 million. The build-up of inventories last year enabled to absorb the strong demand for our Freebox and B2B solutions. The first quarter also benefited from a disposal of non-core fiber assets. Over the last twelve months, Iliad France's capex intensity reached 22% (total capex expenditure excluding frequencies of €1.34 billion).

Population coverage

At end-March 2024, the Group's population coverage rates in Metropolitan France were 99.6% for 4G and 94.8% for 5G (46.6% with 3.5 GHz frequencies).

At end-March 2024, Free Fiber passed 36.2 million homes in France, including 7.2 million homes in very dense areas (98.7% coverage⁸) and 28.9 million outside very dense areas (95.4% coverage⁷).

⁸ as % of the total number of FTTH lines rolled-out in the area

5. Analysis of results- Italy

<i>In € million</i>	Q1 2024	Q1 2023	% change
Revenues	272	241	+12.8%
- Service revenues	270	239	+13.1%
o.w. mobile billed to subscribers ⁹	228	201	+14.2%
o.w. other (Fibre, interco, Zefiro)	42	37	+7.3%
- Equipment revenues	2	3	-13.3%

a) Revenues

Revenues generated in Italy rose 12.8% in Q1 2024 to €272 million of which €228 million (+14.2%) from mobile services billed to subscribers and roaming-in (other revenues include mobile termination whose rates, like in France, were reduced by 50% on January 1st). The main factors underlying this performance were as follows:

- **iliad Italia added 276,000 net new mobile subscribers over the quarter (B2C and B2B), a strong commercial performance in a very competitive market.** Based on the latest AGCOM data available (end-December 2023), we estimate that our market share in Italy was around 14.0% at the end of the quarter.
- **The take-up of our Fiber offer accelerated with 38,000 net new subscribers in the first quarter, bringing the total subscriber base to 245,000 at end-March 2024.**

<i>In € millions</i>	Q1 2024	Q1 2023	% change
EBITDAaL	71	64	+11.7%
<i>as a % of revenues</i>	26.2%	26.5%	-30bps
Capital expenditure (excluding payments for frequencies)	80	59	+34.7%
OCF (EBITDAaL minus capital expenditure)	(8)	5	-275.9%

b) EBITDAaL

EBITDAaL for Italy increased 11.7% in the first quarter, the EBITDAaL margin declining marginally (-30bps) to 26.2%. Unlike France, the effect of lower energy costs was marginal for our Italian operation this quarter due to a different hedging strategy. The main factors supporting the EBITDAaL growth remain the contribution of the operating leverage related to the €27 million increase in iliad Italia's mobile services billed to subscribers and roaming in and the lower MOCN costs offsetting the lower contribution from the BTS program and our 50% share of Zerifo's operating costs.

c) Capex (excluding payments for frequencies)

Capex (excluding frequencies) increased by €31 million year-on-year to €80 million with the acceleration of the commercial momentum in Fiber and a catch-up of the network expansion by Zefiro (our 50/50 JV with WindTre in the less dense areas).

⁹ Roaming-in revenue have been reclassified into Other – previous numbers adjusted

6. Analysis of results – Poland

<i>In PLN million</i>	Q1 2024	Q1 2023	% change
Revenues	2,499	2,377	+5.2%
- Service revenues	1,999	1,900	+5.2%
o.w. mobile billed to subscribers	1,198	1,116	+7.4%
o.w. interconnection & other services ⁽¹⁾	296	308	-4.0%
o.w. Fixed	505	477	+5.9%
- Equipment revenues	501	476	+5.1%

(1) Mainly interconnection, wholesale and B2B services.

a) Revenues

Revenues in Poland increased 5.2% to PLN 2.50 billion in Q1 2024. Like in France and Italy, there was a 50% decrease in mobile termination rates in Poland at January 1, 2024. Excluding interconnection revenues, the revenue growth was 7.5%. The main factors underlying this performance were as follows:

- The active mobile subscriber base grew in the first quarter by 73,000 with the number of subscribers on plans increasing by 62,000 and the number of subscribers with prepaid cards rebounding by 11,000;
- The ARPU billed to subscribers continued to progress well, up by 4.6% in Q1 2024. The decline of other services revenues (mainly from interconnections and Play's subsidiary, 3S) slowed down to 4.0% in the first quarter compared to -6.3% in the previous quarter;
- In the Fixed segment, the subscriber base grew by 14,000 net adds in the first quarter in a competitive market.

<i>In PLN millions</i>	Q1 2024	Q1 2023	% change
EBITDAaL	1,011	1,038	-2.5%
<i>EBITDAaL margin</i>	40.5%	43.7%	-320bps
Capex (excluding payments for frequencies)	261	243	+7.4%
OFCF (EBITDAaL less Capex excluding payments for frequencies)	750	794	-5.6%

b) EBITDAaL

EBITDAaL for the Poland segment decreased by 2.5% year-on-year in the first quarter. The positive effects from the operating leverage (PLN110 million increase in mobile billed to subscribers and fixed service revenues), the slightly lower energy costs and a higher contribution from BTS gains were offset by the implementation in April 2023 of the MSA related to our 50/50 JV with InfraVia (PŚO) which did not impact the EBITDAaL in Q1 2023. The impact will start normalize from Q2 2024.

c) Capex (excluding payments for frequencies)

Capex increased by 7.4% as Play intensified the 5G upgrades of the mobile network. The Group has continued its mobile network roll out, and at the quarter-end had 11,757 base stations, representing an additional 136 sites over the quarter.

PŚO, the fiberco jointly controlled by Play and InfraVia, was covering, end-March 2024, 3.8 million households.

3.2 Consolidated cash flows and capital expenditure

<i>In € millions</i>	Q1 2024	Q1 2023	% change
Consolidated cash flows from operations	1,093	873	25.3%
Right-of-use assets and interest expense on lease liabilities – IFRS 16 impact	(270)	(226)	19.1%
Change in working capital requirement	(49)	47	NM
Operating free cash flow after IFRS 16	774	693	11.8%
Consolidated capital expenditure¹	(418)	(553)	-24.4%
Capital expenditure – France ¹	(278)	(442)	-37.1%
Capital expenditure – Italy ¹	(80)	(59)	34.7%
Capital expenditure – Poland ¹	(60)	(52)	16.2%
Income tax paid	(91)	(23)	291.7%
Net interest paid	(92)	(62)	48.7%
Other (including impact of changes in scope of consolidation)	(3)	285	NM
Consolidated free cash flow (excluding payments for frequencies, financing activities and dividends)	171	340	-49.9%
Payments for frequencies – Group	(115)	(38)	NM
Payments for frequencies – France	(6)	0	NM
Payments for frequencies – Italy	(38)	(38)	-1.5%
Payments for frequencies – Poland	(70)	0	NM
Consolidated free cash flow (excluding financing activities and dividends paid to owners of the Company)	56	302	-81.5%
Dividends paid to owners of the Company	-	-	-

(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:

- €1.09 billion in consolidated cash flows from operations, up 25.3% year-on-year, before €270 million (up 19.1% year-on-year) in lease payments and interest expense on lease liabilities recognized due to the application of IFRS 16;
- €49 million in working capital outflow mainly due to lower trade payables and BTS cash outflow in Italy and Poland;
- Consolidated capital expenditure decreased by 24.4% during the first quarter to €418 million. The increase in Italy (driven by the expansion of the mobile network) and in Poland (7% increase in local currency) are offset by a reduction of 37% in France driven mostly by the disposal of non-core fiber network assets but as well by lower Freebox spending (inventories built in 2023);
- €91 million in income tax paid, up from €23 million in Q1 2023, due to a phasing effect;
- €92 million paid in the first quarter of 2024, up from €62 million in the first quarter of 2023, in net interest paid reflecting the increase in the costs of debt.

3.3 Consolidated debt

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

At March 31, 2024, the Group had gross debt of €11,303 million and net debt of €10,210 million (excluding IFRS 16 lease liabilities). At the same date, it had sufficient liquidity to finance its operations, with €1,092 million in consolidated cash and cash equivalents and €3.1 billion in undrawn credit facilities¹⁰.

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 March 31, 2024 – corresponding to the ratio of consolidated net debt to €3,539 million in EBITDAaL – was 2.9x EBITDAaL.

Gross debt at March 31, 2024 primarily comprised the borrowings described on the following page.

¹⁰ includes (i) syndicated revolving credit facilities held by Iliad and Play, and (ii) the €600 million in aggregate of bilateral loans set up respectively in December of 2022 and 2023 with the EIB, none of which had been used at March 31, 2024

Summary of the Group's borrowings due beyond one year at March 31, 2024 (final maturities)

<i>In € millions</i>	Amount available	2024	2025	2026	2027 and beyond	Type of repayment/redemption
<u>MAIN BORROWINGS - ILIAD</u>						
<u>Bank borrowings</u>						
€200m EIB loan - 2016	-	20	20	20	80	In installments
€300m EIB loan - 2018	-	10	30	30	210	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
€2,000m syndicated revolving credit facility - 2022	2,000	-	-	-	2,000	At maturity
€900m syndicated term loan - 2020	-	157	743	-	-	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
€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 Schuldschein issue - 2019	-	-	-	65	16	At maturity
€500m Schuldschein issue - 2021	-	-	185	263	53	At maturity
€112m Schuldschein issue - 2022	-	-	-	72	40	At maturity
<u>MAIN BORROWINGS - PLAY*</u>						
<u>Bank borrowings</u>						
PLN 3,500m term loan - 2021	-	-	-	812	-	At maturity
PLN 2,000m revolving credit facility - 2021	464	-	-	464	-	At maturity
PLN 500m BGK bilateral loan - 2021	-	17	23	23	41	In installments
PLN 464m ECA bilateral loan - 2021	-	27	27	27	-	In installments
PLN 5,500m acquisition loan - 2021	-	-	-	696	-	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%	-	-	-	174	-	At maturity
PLN 500m bond issue - 2020 @ Wib + 1.85%	-	-	-	-	116	At maturity

*Converted at the EUR/PLN spot rate at March 28, 2023: 4.3123

I. MAIN MOVEMENTS IN BORROWINGS - ILIAD

a. Borrowings due within one year

■ €1.4 billion NEU CP program

On June 6, 2023, the Group renewed its €1.4 billion short-term NEU CP program

€393 million of this program had been used at March 31, 2024.

■ €700 million trade receivables securitization program

On March 5, 2024, the Group amended the documentation of its receivables' securitization program, mainly in order to integrate additional financing parties to the program.

€655 million of this program had been used at March 31, 2023.

■ €445 million remaining worth of bonds issued in October 2018

The remaining €445 million outstanding under the initial €650 million bonds issued in October 2018 are due on October 14, 2024.

b. Borrowings due beyond one year

Bank borrowings:

■ €2 billion mid-term facility set up in July 2022

On January 9, 2024, iliad cancelled in whole its undrawn €650 million Mid-term facility.

Bond issues and private placements

■ €235 million remaining worth of bonds issued in February 2021

On February 12, 2024, iliad repaid the remaining outstanding amount of €235 million in principal of its originally €600 million Bond issued in February 2021.

II. MAIN MOVEMENTS IN BORROWINGS - PLAY

Bank borrowings

■ A PLN 2 billion Revolving Credit Facility ("RCF") set up in March 2021

On March 15, 2024, Play extended its RCF by two years. The final maturity is March 26, 2026. As of March 31, 2024, the facility was undrawn.

3.4 Events after the reporting date

€500 million bond issue in May 2024 by Iliad SA and tender offer on existing bonds due 2024 and 2025

On April 22, 2024, Iliad successfully placed a €500 million bond issue with a 7-year maturity. The bonds will be issued on May 2, 2024, are redeemable at maturity on May 2, 2031, and pay interest at 5.375% per year. The proceeds from the issue were mainly used to finance an approximately €482 million tender offer announced on the same day, on Iliad's existing bonds, with c. €135 million allocated to its outstanding bonds due October 2024 and c. €346 million to those due April 2025.

3.5 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 Fixed subscribers – Poland: Represents, at the end of a given period, the number of subscribers who have subscribed to a fixed Broadband, or a fixed Ultra-Fast Broadband plan, or a fixed telephony line, 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 (B2C and B2B) 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.



UNAUDITED CONSOLIDATED FINANCIAL
STATEMENTS FOR THE THREE-MONTH PERIOD
ENDED MARCH 31, 2024

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CONSOLIDATED INCOME STATEMENT

<i>In € millions</i>	Note	Three months to Mar. 31, 2024	Three months to Mar. 31, 2023
REVENUES		2,431	2,186
Purchases used in production		(668)	(612)
Payroll costs		(172)	(153)
External charges		(419)	(382)
Taxes other than on income		(123)	(99)
Additions to provisions		(36)	(27)
Other income and expenses from operations, net	4	89	66
Depreciation of right-of-use assets	9	(223)	(197)
EBITDAaL		878	783
Share-based payment expense		(12)	(9)
Depreciation, amortization and impairment of non-current assets		(528)	(495)
Profit from ordinary activities		338	279
Other operating income and expense, net	5	4	(11)
Operating profit		343	268
Income from cash and cash equivalents		9	0
Finance costs, gross	6	(137)	(127)
Finance costs, net		(128)	(127)
Interest expense on lease liabilities	6	(66)	(57)
Other financial income and expense, net	6	(10)	(13)
Corporate income tax	7	(60)	(24)
Share of profit of equity-accounted investees	11	14	12
Profit for the period		93	59
Profit for the period attributable to:			
• Owners of the company		91	59
• Minority interests		2	0
• Basic earnings per share		1.53	1.00
• Diluted earnings per share		1.53	1.00

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>In € millions</i>	Three months to Mar. 31, 2024	Three months to Mar. 31, 2023
PROFIT FOR THE PERIOD	93	59
• Items that may be subsequently reclassified to profit:		
Fair value remeasurement of interest rate and currency hedging instruments	38	(40)
Tax effect	(10)	10
Value adjustments to equity investments	(3)	0
Tax effect	1	0
Share of OCI of equity-accounted investments that may be subsequently reclassified to profit	1	0
Tax effect	(0)	0
Change in translation adjustments	7	6
Total	33	(24)
• Items that will not be reclassified to profit:		
Post-employment benefit obligations (IAS 19 revised): impact of changes in actuarial assumptions	0	(7)
Tax effect	(0)	1
Share of OCI of equity-accounted investments that will not be reclassified to profit	(6)	0
Tax effect	1	0
Total	(6)	(6)
Other comprehensive income/(expense) for the period, net of tax	27	(30)
Total comprehensive income for the period	120	29
Total comprehensive income for the period attributable to:		
• Owners of the Company	116	30
• Minority interests	4	(0)

CONSOLIDATED BALANCE SHEET – ASSETS

<i>In € millions</i>	Note	Mar. 31, 2024	Dec. 31, 2023
Goodwill		823	825
Intangible assets		5,230	5,286
Right-of-use assets	9	5,106	4,918
Property, plant and equipment	10	9,150	9,074
Investments in equity-accounted investees	11	869	852
Other financial assets	12	202	204
Deferred income tax assets		606	598
Other non-current assets		52	42
TOTAL NON-CURRENT ASSETS		22,039	21,800
Inventories		583	511
Current income tax assets		50	26
Trade and other receivables		1,239	1,324
Other current assets		1,327	1,289
Other financial assets	12	13	11
Assets held for sale	13	32	184
Cash and cash equivalents		1,092	1,186
TOTAL CURRENT ASSETS		4,335	4,531
TOTAL ASSETS		26,374	26,330

CONSOLIDATED BALANCE SHEET – EQUITY AND LIABILITIES

<i>In € millions</i>	Note	Mar. 31, 2024	Dec. 31, 2023
Share capital		15	15
Additional paid-in capital		510	510
Retained earnings and other reserves		4,410	4,273
TOTAL EQUITY		4,935	4,798
Attributable to:			
• Owners of the company		4,974	4,853
• Minority interests		(39)	(55)
Long-term provisions		122	119
Long-term financial liabilities	15	9,149	9,185
Non-current lease liabilities	9	4,759	4,536
Deferred income tax liabilities		327	321
Other non-current liabilities		534	652
TOTAL NON-CURRENT LIABILITIES		14,891	14,813
Short-term provisions		84	115
Taxes payable		15	28
Trade and other payables		3,532	3,568
Short-term financial liabilities	15	2,154	2,244
Current lease liabilities	9	761	754
Liabilities held for sale	13	2	11
TOTAL CURRENT LIABILITIES		6,548	6,719
TOTAL EQUITY AND LIABILITIES		26,374	26,330

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
BALANCE AT JANUARY 1, 2023	15	510	(110)	79	4,755	5,248	(36)	5,213
Movements in 2023								
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
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD				(17)	318	301	8	308
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)
BALANCE AT DECEMBER 31, 2023	15	510	(62)	25	4,365	4,853	(55)	4,798

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
BALANCE AT JANUARY 1, 2024	15	510	(62)	25	4,365	4,853	(55)	4,798
Movements in 2024								
Profit for the period					91	91	2	93
Impact of interest rate and currency hedges				27		27	1	29
Impact of changes in fair value of investments in subsidiaries and affiliates				(3)		(3)		(3)
Impact of post-employment benefit obligations				(5)		(5)		(5)
Impact of changes in translation adjustments				6		6	1	7
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD				25	91	116	4	120
Change in share capital of iliad S.A.						0		0
Dividends paid by iliad S.A.						0		0
Dividends paid by subsidiaries						0		0
Purchases/sales of own shares						0		0
Impact of stock options				10		10	0	10
Impact of changes in minority interests in subsidiaries				(11)		(11)	11	0
Other				6		6	0	6
BALANCE AT MARCH 31, 2024	15	510	(62)	55	4,456	4,974	(39)	4,935

CONSOLIDATED STATEMENT OF CASH FLOWS

<i>In € millions</i>	Note	Three months to Mar. 31, 2024	Three months to Mar. 31, 2023
Profit for the period (including minority interests)		93	59
+ / - Depreciation, amortization and provisions, net (excluding for current assets)		740	685
-/+ Unrealized gains and losses on changes in fair value		(6)	0
+/- Non-cash expenses and income related to stock options and other share-based payments		10	7
-/+ Other non-cash income and expenses, net		66	50
-/+ Gains and losses on disposals of assets	4/5	17	(66)
-/+ Dilution gains and losses		0	0
+/- Share of profit of equity-accounted investees	11	(14)	(12)
- Dividends (investments in non-consolidated undertakings)		0	0
Cash flows from operations after finance costs, net, and income tax		905	722
+ Finance costs, net	6	128	126
+/- Income tax expense (including deferred taxes)	7	60	24
Cash flows from operations before finance costs, net, and income tax (A)		1,093	873
- Income tax paid (B)		(91)	(23)
+/- Change in operating working capital requirement (incl. employee benefit obligations) (C)		(49)	47
= Net cash generated from operating activities (E) = (A) + (B) + (C)		953	896
- Acquisitions of property, plant and equipment and intangible assets (capex)		(653)	(592)
+ Disposals of property, plant and equipment and intangible assets (capex)		120	1
- Acquisitions of investments in non-consolidated undertakings		0	(8)
+ Disposals of investments in non-consolidated undertakings		0	365
+/- Effect of changes in scope of consolidation - acquisitions	8	(64)	(62)
+/- Effect of changes in scope of consolidation - disposals		17	0
+ Dividends received (from equity-accounted investees and non-consolidated undertakings)		3	0
+/- Change in outstanding loans and advances	12	(1)	(8)
- Cash outflows for leasehold rights		0	0
+ Cash inflows related to assets held for sale	13	51	0
- Cash outflows related to assets held for sale		(1)	(2)
= Net cash used in investing activities (F)		(528)	(306)
+ 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		0	0
. Dividends paid to minority shareholders of consolidated companies		0	0
+ Proceeds from new borrowings (excluding finance leases)	15	28	1,151
- Repayments of borrowings	15	(376)	(692)
- Repayments of lease liabilities	9	(232)	(201)
- Net interest paid	6	(92)	(62)
- Interest paid on lease liabilities		(35)	(29)
= Net cash generated from/(used in) financing activities (G)		(707)	167
+/- Effect of exchange-rate movements on cash and cash equivalents (H)		(7)	0
= Net change in cash and cash equivalents (E + F + G + H)		(289)	757
+ / - Impact of foreign exchange conversion of cash and cash equivalents (opening & closing rates)		0	(0)
Cash and cash equivalents at beginning of year		1,168	519
Cash and cash equivalents at year-end		879	1,277

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 Accounting principles and policies

“iliad” refers to iliad SA, a *société anonyme* (joint stock company) registered in France.

The “iliad Group” or “the Group” refers to iliad and its consolidated subsidiaries.

iliad Group is one of Europe’s leading electronic communications players, with 49.2 million active subscribers, €9.5 billion in revenues over the last twelve months and over 17,700 employees.

These unaudited interim condensed consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting.

The interim consolidated financial information has been prepared in accordance with the same accounting policies as those applied to prepare the annual financial statements for the year ended December 31, 2023, except for the following policies which are specific to interim financial statements:

- Corporate income tax for the period has been calculated by applying the estimated average effective tax rate for the three-month period ended March 31, 2024 profit before tax.
- Post-employment benefit obligations for the period have been estimated based on the actuarial calculations performed for full-year 2023.

The new IFRS standards and interpretations required as of 1 January 2024 are the following ones:

- **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.
- **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.
- **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.
- **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% in France 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.

Sales and EBITDAaL are not subject to strong seasonal fluctuations, excluding IFRIC 21 impact in Q1 figures. IFRIC 21 clarifies when an entity recognizes a liability for levies imposed by a government other than specified levies such as income taxes.

Note 2 Significant events and scope of consolidation

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.

As of March 31, 2024, Freya Investissements holds a 4.5% of the capital and 3.5% of the voting rights of Tele2.

As of March 31, 2024, the dedicated entity, Freya Investissement, is accounted within "Investments in equity accounted investees".

Note 3 Segment information

The Group has 3 operating segments which are:

- France
- Italy
- Poland

- THREE-MONTH TO MARCH 31, 2024 REVENUES

<i>In € millions</i>	France	Italy	Poland	Eliminations between activities	Total
Revenues					
Fixed	882	13	128	(3)	1,020
Mobile	706	259	449	(1)	1,413
Intra-group sales	(2)	0	0	(0)	(2)
Total	1,586	272	577	(4)	2,431

- THREE-MONTH TO MARCH 31, 2023 REVENUES

<i>In € millions</i>	France	Italy	Poland	Eliminations between activities	Total
Revenues					
Fixed	796	6	112	(2)	913
Mobile	644	236	395	(0)	1,274
Intra-group sales	(1)	0	0	(0)	(1)
Total	1,442	241	507	(3)	2,186

- THREE-MONTH TO MARCH 31, 2024 EARNINGS

<i>In € millions</i>	France	Italy	Poland	Total
Earnings				
EBITDAaL	573	71	233	878
Share-based payment expense	(9)	(0)	(2)	(12)
Depreciation, amortization and provisions for impairment	(323)	(113)	(92)	(528)
Profit/(loss) from ordinary activities	241	(42)	140	338
Corporate income tax	(47)	4	(17)	(60)
Profit/(loss) for the period	104	(61)	49	93

- THREE-MONTH TO MARCH 31, 2023 EARNINGS

<i>In € millions</i>	France	Italy	Poland	Total
Earnings				
EBITDAaL	498	64	221	783
Share-based payment expense	(8)	(0)	(1)	(9)
Depreciation, amortization and provisions for impairment	(302)	(105)	(88)	(495)
Profit/(loss) from ordinary activities	188	(41)	132	279
Corporate income tax	(28)	19	(15)	(24)
Profit/(loss) for the period	123	(98)	35	59

- ASSETS AT MARCH 31, 2024

<i>In € millions</i>	France	Italy	Poland	Total
Non-current assets				
Goodwill	306	0	517	823
Intangible assets (carrying amount)	1,450	1,775	2,005	5,230
Right-of-use assets (carrying amount)	3,305	737	1,064	5,106
Property, plant and equipment (carrying amount)	7,303	1,119	728	9,150
Investments in equity-accounted investees	452	0	417	869
Current assets (excluding cash and cash equivalents, financial assets and tax assets)	1,827	315	1,038	3,181
Cash and cash equivalents	1,055	6	31	1,092

- ASSETS AT DECEMBER 31, 2023

<i>In € millions</i>	France	Italy	Poland	Total
Non-current assets				
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
Current assets (excluding cash and cash equivalents, financial assets and tax assets)	1,923	348	1,037	3,308
Cash and cash equivalents	1,119	18	50	1,186

- LIABILITIES AT MARCH 31, 2024, EXCLUDING FINANCIAL LIABILITIES AND TAXES PAYABLE

<i>In € millions</i>	France	Italy	Poland	Total
Non-current liabilities				
Other non-current liabilities	298	233	3	534
Current liabilities				
Trade and other payables	2,428	533	571	3,532

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

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

Note 4 Other income and expenses from operations, net

Other income and expenses from operations can be analyzed as follows:

<i>In € millions</i>	Three months to Mar. 31, 2024	Three months to Mar. 31, 2023
Net income from partnerships*	76	67
Customer contract termination fees	9	8
Royalties and similar fees	(10)	(14)
Other	14	5
Other income and expenses from operations, net	89	66

*Corresponds mainly to net profit (excluding tax effect) related to the partnerships with Cellnex concerning the sale of mobile passive infrastructure sites ("BTS").

Note 5 Other operating income and expense, net

Other operating income and expenses can be analyzed as follows:

<i>In € millions</i>	Three months to Mar. 31, 2024	Three months to Mar. 31, 2023
Gains and losses on asset disposals	6	0
Other operating expenses	(1)	(11)
TOTAL	4	(11)

Other operating expenses included, for the three-month ended March 31, 2023, €8 million expense related to hedging cost on electricity in Italy.

Note 6 Financial income and expenses

Financial income and expenses can be analyzed as follows:

<i>In € millions</i>	Three months to Mar. 31, 2024	Three months to Mar. 31, 2023
Income from cash and cash equivalents	9	0
Finance costs, gross:		
Interest on borrowings	(137)	(127)
Finance costs, net	(128)	(127)
Other financial income :		
Translation adjustments	0	0
Other	0	3
Sub-total - Other financial income	0	3
Other financial expenses :		
Translation adjustments/Hedging expense	(0)	5
Discounting expense	(6)	(6)
Other	(5)	(15)
Sub-total - Other financial expenses	(10)	(16)
Other financial expense, net	(10)	(13)
Interest on lease liabilities	(66)	(57)
Net financial expense	(204)	(197)

Net financial expense primarily concerns the costs of the Group's various sources of financing (see Note 15) as well as discounting expense.

Note 7 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>	Three months to Mar. 31, 2024	Three months to Mar. 31, 2023
Tax charge		
• on income	(58)	(20)
• on value added (CVAE)	(2)	(4)
Total tax charge	(60)	(24)

Note 8 Changes in scope of consolidation

"Effect of changes in scope of consolidation - acquisitions" line in the cash-flow statement equal to €64 million for the three-month period ended March 31, 2024 mainly include a portion of the acquisition of 50% of Zefiro shares (Ran Sharing JV in Italy).

"Effect of changes in scope of consolidation - acquisitions" line in the cash-flow statement equal to €62 million for the three-month period ended March 31, 2023 mainly included a portion of the acquisition of 50% of Zefiro shares for €60 million.

Note 9 Right-of-use assets and lease liabilities

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

	Networks	Real estate	Other	TOTAL
Carrying amount at January 1, 2024	4,506	381	30	4,918
Acquisitions (new assets)	415	30	6	451
Disposals	(33)	(12)	(1)	(45)
Reclassification to assets held for sale	0	(0)	0	0
Impact of changes in scope of consolidation	0	0	0	0
Translation adjustments	6	0	0	6
Other	0	0	(0)	0
Depreciation, amortization and impairment of non-current assets	(208)	(12)	(5)	(225)
Carrying amount at March 31, 2024	4,687	387	31	5,106

Lease liabilities break down as follows at March 31, 2024:

In € millions	March 31, 2024				December 31, 2023			
	Networks	Real Estate	Others	Total	Networks	Real Estate	Others	Total
Non-Current	4,483	261	15	4,759	4,285	243	8	4,536
Current	694	53	13	761	710	34	10	754
TOTAL	5,177	314	28	5,520	4,995	277	18	5,290

Note 10 Property, plant and equipment

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

In € millions	Mar. 31, 2024	Dec. 31, 2023
Net at January 1	9,074	8,132
Acquisitions	420	2,163
Disposals	(121)	(212)
Reclassification to assets held for sale	1	(21)
Other	125	98
Impact of changes in scope of consolidation	0	319
Translation adjustments	4	52
Depreciation, provisions and impairment	(354)	(1,458)
Net End of Period	9,150	9,074

Property, plant and equipment acquisitions are mainly related to network equipment acquisitions.

Disposals in 2023 and as of March 31, 2024 are mainly related to sales of certain fiber connection assets in France.

Note 11 Equity-accounted investees

The Iliad Group has four main equity-accounted investees:

- **NJJ Boru** (49% of interest in NJJ Boru SAS that holds 59.48% interest in eir, the Irish operator);
- **Société de Participations et d'Investissements dans le Numérique (SPIN)** The Group holds 49% stake in SPIN;
- **PŚO**. The Group holds 50% stake in PŚO that owns the former UPC network infrastructure in Poland;
- **Freya** The Group holds 50% stake in Freya (see Note 2).

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

<i>In € millions</i>	Three months to Mar. 31, 2024	Three months to Mar. 31, 2023
Share of profit/(loss) of equity-accounted investees before tax	18	16
Share of tax of equity-accounted investees	(4)	(4)
Share of profit/(loss) of equity-accounted investees after tax	14	12

Note 12 Other financial assets

Movements in other financial assets can be analyzed as follows:

	Mar. 31, 2024	Dec. 31, 2023
Carrying amount at beginning of period	215	253
Acquisitions	1	33
Fair value adjustments	2	30
Redemptions and repayments	(1)	0
Impact of changes in scope of consolidation	1	0
Disposals	(0)	(92)
Additions to provisions	(3)	(10)
Carrying amount at period-end	215	215

Note 13 Assets and liabilities held for sale

Assets and liabilities held for sale break down as follows:

<i>In € millions</i>	Mar. 31, 2024	Dec. 31, 2023
Assets held for sale	32	184
Liabilities held for sale	(2)	(11)
TOTAL	30	173

Assets held for sale primarily comprised the following at March 31, 2024:

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

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.

Note 14 Share grant plans

During the three-month period ended March 31, 2024, no free share allocation plan has been set up.

Other share grant plans described in the notes to the financial statements for the year ended December 31, 2023 are still valid.

Note 15 Financial liabilities

Financial liabilities can be analyzed as follows:

<i>In € millions</i>	Mar. 31, 2024	Dec. 31, 2023
Bank borrowings	4,926	4,987
Bonds	4,173	4,175
Finance lease liabilities	0	0
Cash flow hedges	49	0
Other	0	22
Total long-term financial liabilities	9,149	9,185
Bank borrowings and short-term marketable securities	679	800
Bonds	441	685
Financial liabilities carried at fair value	0	0
Bank overdrafts	213	18
Cash flow hedges	17	0
Other	803	740
Total short-term financial liabilities	2,154	2,244
TOTAL	11,303	11,429

All Group borrowings are denominated in euros and Polish zlotys (PLN).

The table below summarizes movements in financial liabilities during the three-month period ended March 31, 2024:

<i>In € millions</i>	Mar. 31, 2024	Dec. 31, 2023
Carrying amount at beginning of period	11,429	11,337
New borrowings	28	4,403
Repayments of borrowings	(376)	(4,627)
Change in bank overdrafts	196	16
Impact of cash flow hedges	(21)	66
Impact of changes in scope of consolidation	0	0
Translation adjustments	13	191
Other	34	44
Carrying amount at period-end	11,303	11,429

Main movements in bonds and private placements during the period

On February 12, 2024, iliad repaid the remaining outstanding amount of €235 million in principal on its originally €600 million Bond issued in February 2021.

Main movements in bank borrowings at iliad level during the period

On January 9, 2024, iliad cancelled in whole its undrawn €650 million Mid-term facility.

Short-and medium-term marketable securities program

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

At March 31, 2024, €393 million of the program had been used.

€700 million trade receivables securitization program

On March 5, 2024, the Group amended the documentation of its receivables' securitization program, mainly in order to integrate additional financing parties to the program.

At March 31, 2024, the utilization of this program was at €655 million.

Main movements in bank borrowings at Play level during the period

On March 15, 2024, Play extended its RCF (Revolving Credit Facility) by two years. The final maturity is on March 26, 2026.

Guarantees given

The 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 can be analyzed as follows by type of rate:

<i>In € millions</i>	Mar. 31, 2024	Dec. 31, 2023
Fixed-rate borrowings ¹	6,897	6,929
Variable-rate borrowings	4,406	4,500
Total financial liabilities at period-end	11,303	11,429

Notes:

¹ Excluding notional amount of interest rate hedging

Breakdown of the Group's debt

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

					Mar. 31, 2024
Contract	Issue date	Maturity	Currency	Nominal rate	Outstanding amount (€m)
iliad – SUN ¹	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. 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 ² 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
Total – iliad					5,038
Play – SUN	Dec. 13, 2019	Dec. 11, 2026	PLN	1.750% + Wibor	174
Play – SUN	Dec. 29, 2020	Dec. 29, 2027	PLN	1.850% + Wibor	116
Total – Play					290
TOTAL					5,327

Notes:

¹SUN: Senior Unsecured Notes

²SSD: Schuldschein (non-guaranteed private placements under German law)

The Group's bank borrowings break down as follows:

						Mar. 31, 2024	
Contract	Issue date	Maturity	Type of repayment	Currency	Nominal rate ¹	Outstanding amount (€m)	Amount available (€m)
iliad – EIB loans ²							
2016	Dec. 8, 2016	Sept. 19, 2030	Install.	EUR	1.621%	140	-
2018 – T1	Dec. 14, 2018	Feb. 1, 2033	Install.	EUR	1.921%	180	-
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, 2028	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 – Term Loan	July 27, 2022	July 27, 2027	At maturity	EUR	1.500% + Euribor	1,000	-
Total – iliad						2,775	2,600
Play – Term Loan	March 29, 2021	March 29, 2026	At maturity	PLN	2.000% + Wibor	812	-
Play – RCF	March 29, 2021	March 26, 2026	At maturity	PLN	2.000% + Wibor	-	464
Play – BGK Loan	Oct. 15, 2021	Sept. 20, 2028	Install.	PLN	1.930%	104	-
Play – ECA Loan	Dec. 22, 2021	Dec. 22, 2026	Install.	PLN	0.450% + Wibor	81	-
Play – Term Loan	Dec. 10, 2021	March 26, 2026	At maturity	PLN	2.000% + Wibor	696	-
Play – EIB Loan ²	Jan. 14, 2022	Jan. 13, 2034	Install.	PLN	6.272%	54	54
Total – Play						1,747	518
TOTAL						4,521	3,118

Notes:

¹Rates applicable at March 31, 2024, which can vary depending on the leverage ratio of the iliad group and Play respectively, except for under the EIB loan contracts signed in 2020.

²For iliad, the nominal rate shown is the rate set following a waiver 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 6.00%, after the first interest rate setting for the variable tranche on December 19, 2022.

Note 16 Off-balance sheet commitments and contingencies

There have been no other material changes in iliad Group off-balance sheet commitments and contingencies liabilities during the three-month period ended March 31, 2024.

Note 17 Events after the reporting date

Issue of a €500 million bond in May 2024 and tender offer on existing bonds due 2024 and 2025

On April 22, 2024, iliad successfully placed a €500 million bond issue with a 7-year maturity. The bonds will be issued on May 2, 2024, are redeemable at maturity on May 2, 2031, and pay interest at 5.375% per year. The proceeds from the issue were mainly used to finance an approximately €482 million tender offer announced on the same day, on iliad's existing bonds, with c. €135 million allocated to its outstanding bonds due October 2024 and c. €346 million to those due April 2025.