



Financial release



FINANCIAL REPORT
FIRST NINE-MONTH
PERIOD ENDED
SEPTEMBER 30, 2024

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 (in € millions)

INCOME STATEMENT	9M 2023	9M 2024
Total revenues	6,797	7,456
<i>EBITDAaL</i>	2,545	2,892
Profit from ordinary activities	1,000	1,242
Profit for the period	377	450
BALANCE SHEET	Dec. 31, 2023	Sept. 30, 2024
Non-current assets	21,800	22,108
Current assets ¹	4,347	4,603
<i>Of which cash and cash equivalents</i>	<i>1,186</i>	<i>1,263</i>
Assets held for sale	184	1
Total assets	26,330	26,713
Total equity	4,798	5,081
Non-current liabilities	14,813	14,938
Current liabilities ¹	6,709	6,693
Liabilities held for sale	11	0
Total equity and liabilities	26,330	26,713
Net debt²	10,243	10,303
CASH FLOWS	9M 2023	9M 2024
Operating Cash Flow after IFRS 16 impact	2,912	3,533
Capital expenditure excluding payments for frequencies – Group	(1,643)	(1,489)
Payments for frequencies – Group	(133)	(147)
Income tax paid	(464)	(319)
Net interest paid	(300)	(319)
Other (including impact of changes in scope of consolidation)	1,152	(21)
Consolidated free cash flow (excluding financing activities and dividends paid to owners of the Company)	1,240	198
Dividends paid to owners of the Company	(471)	(178)

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 50 million subscribers, €9.9 billion in revenues over the last 12 months and close to 18,200 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 NINE MONTHS OF 2024

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

<i>In € millions</i>	9M 2023	9M 2024	% change
Consolidated revenues	6,797	7,456	+9.7%
o.w. France	4,457	4,865	+9.2%
o.w. Italy	764	843	+10.4%
o.w. Poland	1,588	1,761	+10.9%
<i>Intra-group sales</i>	(12)	(16)	+30.9%
Consolidated EBITDAaL	2,543	2,889	+13.6%
o.w. France	1,734	1,943	+12.1%
o.w. Italy	189	232	+22.7%
o.w. Poland	620	713	+15.1%
Consolidated capex³	1,643	1,489	-9.3%
o.w. France	1,262	1,081	-14.4%
o.w. Italy	194	191	-1.5%
o.w. Poland	186	217	+17.0%
Operating free cash flow (EBITDAaL less capex)	900	1,399	+55.4%
o.w. France	471	862	+83.0%
o.w. Italy	(5)	41	-949.2%
o.w. Poland	434	496	+14.3%
Profit for the period	303	347	+14.5%
<i>In € millions</i>	Dec. 31, 2023	Sept. 30, 2024	Change
Net debt	10,243	10,303	+60
LTM ⁴ EBITDAaL	3,444	3,790	+347
Leverage ratio (LTM EBITDAaL)	3.0x	2.7x	(0.3x)

EUR/PLN exchange rate: 4.30532 for 9M 2024 and 4582 for 9M 2023.

3 Excluding payments for frequencies

4 Last Twelve Months

3 COMPARISON OF RESULTS FOR 9M 2024 AND 9M 2023

<i>In € millions</i>	9M 2023	9M 2024	% change
Revenues	6,797	7,456	+9.7%
Purchases used in production	(1,940)	(2,059)	+6.1%
Payroll costs	(445)	(513)	+15.3%
External charges	(1,170)	(1,226)	+4.7%
Taxes other than on income	(165)	(192)	+16.5%
Additions to provisions	(68)	(87)	+27.5%
Other income and expenses from operations, net	171	209	+22.3%
Depreciation of right-of-use assets	(634)	(697)	+10.0%
EBITDAaL	2,545	2,892	+13.6%
EBITDAaL margin	37.5%	38.8%	130bps
Share-based payment expense	(26)	(29)	+13.0%
Depreciation, amortization and impairment of non-current assets	(1,519)	(1,620)	+6.7%
Profit from ordinary activities	1,000	1,242	+24.2%
Other operating income and expense, net	48	2	-96.7%
Operating profit	1,048	1,243	+18.7%
Finance costs, net	(375)	(384)	+2.3%
Other financial income and expense, net	(31)	14	-144.4%
Interest expense on lease liabilities	(176)	(198)	+12.8%
Corporate income tax	(139)	(243)	+74.8%
Share of profit of equity-accounted investees	51	18	-64.8%
PROFIT FOR THE PERIOD	377	450	+19.3%

3.1 Analysis of consolidated results

I. Key indicators⁵

France (figures in thousands)	Q2 2024	Q3 2024	QoQ change
Number of Mobile subscribers	15,337	15,468	+131
- o.w. 4G/5G package (incl. French overseas DOM/TOM)	11,530	11,716	+186
% of the Mobile subscriber base on the 4G/5G Free Mobile plan	75.2%	75.7%	+57bps
- o.w. voice-based plan	3,807	3,752	-55
Number of Broadband and Ultra-Fast Broadband subscribers	7,539	7,564	+25
- o.w. Fiber	5,937	6,074	+137
Fiber take-up rate	78.7%	80.3%	+160bps
Number of connectible Fiber sockets (in millions)	37.0m	37.6m	+0.6m
Total number of subscribers – France	22,877	23,032	+155
	Q3 2023	Q3 2024	YoY change
Broadband and Ultra-Fast Broadband ARPU (in €)	35.3	36.6	+3.7%
Mobile ARPU billed to subscribers (in €)	12.5	12.5	+0.5%

Italy (figures in thousands)	Q2 2024	Q3 2024	QoQ change
Number of mobile subscribers	11,285	11,447	+162
Number of fiber subscribers	280	316	+36
Total number of subscribers – Italy	11,565	11,763	+198

POLAND (figures in thousands)	Q2 2024	Q3 2024	QoQ change
Number of active mobile subscribers	13,301	13,318	+17
- Of which on plans	9,505	9,563	+58
- Of which prepaid	3,796	3,755	-41
Number of Fixed subscribers	2,090	2,097	+7
Total number of subscribers – Poland	15,391	15,416	+24
	Q3 2023	Q3 2024	YoY change
Mobile ARPU billed to subscribers (in PLN)	30.4	32.6	+7.2%

GROUP (figures in thousands)	Q2 2024	Q3 2024	QoQ change
Number of mobile subscribers	39,924	40,233	+310
Number of Fixed subscribers	9,909	9,977	+68
TOTAL NUMBER OF SUBSCRIBERS	49,833	50,211	+377

⁵ See glossary for definitions

II. Quarterly consolidated revenues

<i>In € millions</i>	Q3 2023	Q3 2024	% change	9M 2023	9M 2024	% change
Consolidated revenues	2,354	2,554	+8.5%	6,797	7,456	+9.7%
Services revenues ⁶	2,165	2,353	+8.7%	6,270	6,862	+9.4%
Equipment revenues	196	209	+6.7%	543	613	+12.9%
<i>Intra-group revenues</i> ⁷	(7)	(11)	+69.9%	(16)	(19)	+17.7%
Revenues – France	1,539	1,669	+8.4%	4,457	4,865	+9.2%
- Services ⁶	1,455	1,564	+7.5%	4,241	4,587	+8.2%
- Equipment	86	106	+23.3%	220	283	+28.6%
- <i>Intra-group sales</i>	(2)	(1)	-19.4%	(4)	(5)	+12.9%
Revenues – Italy	269	291	+8.4%	764	843	+10.4%
- Services	265	288	+8.7%	753	835	+11.0%
- Equipment	4	3	-18.8%	11	8	-29.1%
Revenues – Poland⁸	552	601	+8.9%	1,588	1,761	+10.9%
- Services	445	501	+12.4%	1,277	1,440	+12.8%
- Equipment	106	100	-5.8%	311	321	+3.3%

III. Analysis of results – Group

a) Revenues

Consolidated revenues grew 9.7% year-on-year in the nine months of 2024 (+8.5% in Q3) with the three geographies contributing to the sales dynamic: +10.9% (+8.9% in Q3) in Poland, +10.4% (+8.4% in Q3) in Italy and +9.2% (+8.4% in Q3) in France. Excluding the impact of the appreciation of the Polish zloty, consolidated revenues would have grown by 8.1% (7.2% in Q3) with Poland revenues growing 4.2% (3.6% in Q3) in local currency.

b) Purchases used in production

Purchases used in production increased by 6.1% to €2,059 million with the implementation of the MSA with PSO in Poland being the main factor of the increase.

c) Payroll costs

Payroll costs rose 15.3% (or €68 million) with France contributing more than two-thirds of the increase as we continue to expand our distribution network, improve our customer service experience with Free Proxi and enlarge the scope of our B2B operations.

d) External charges

External charges rose by 4.7% year-on-year to €1.23 billion. The increase was mainly attributable to higher rent costs and maintenance in our 3 geographies partially offset by lower energy costs.

⁶ Service revenues before eliminations

⁷ Intra-group sales including France intersegment sales

⁸ EUR/PLN exchange rate: 4.30532 for 9M 2024 and 4.582 for 9M 2023

e) Taxes other than on income

Taxes other than on income totaled €192 million, up 16.5% year-on-year, mainly 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 €87 million at end-September 2024, up €19 million year-on-year.

g) Other income and expenses from operations, net

This item represented net income of €209 million in the first nine months 2024, a 22.3% 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 €697 million at the end-September 2024, a 10.0% year-on-year increase. This item results from the application since January 1, 2019 of IFRS 16 on Leases. 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 increased by 19.3% to €450 million in the first nine months of 2024 as the increase of the profit from ordinary activities (+24.2% or €242 million) more than offset the increase of corporate income tax (+€104 million), and the lower income from associates (down €33 million), the higher interest expenses on lease liabilities (up by 22 million) and slightly higher financial costs (+€9 million).

IV. Analysis of results – France

<i>In € million</i>	Q3 2023	Q3 2024	% change	9M 2023	9M 2024	% change
Revenues	1,539	1,669	+8.4%	4,457	4,865	+9.2%
- Service revenues	1,455	1,564	+7.5%	4,241	4,587	+8.2%
o.w. Fixed services	832	920	+10.6%	2,442	2,698	+10.5%
o.w. Mobile services	623	644	+3.4%	1,798	1,889	+5.0%
o.w. billed to subscribers	554	586	+5.9%	1,588	1,711	+7.8%
- Equipment revenues	86	106	+23.3%	220	283	+28.6%
<i>Intersegment revenues⁷</i>	(2)	(1)	-19.4%	(4)	(5)	+12.9%

<i>In € millions</i>	9M 2023	9M 2024	% change
EBITDAaL	1,736	1,947	+12.1%
<i>as a % of revenues</i>	39.0%	40.0%	<i>+110bps</i>
Capital expenditure (excluding payments for frequencies)	1,262	1,081	-14.4%
OFCF (EBITDAaL minus capital expenditure)	474	866	+82.8%

Revenues in France rose 9.2% in the first nine months of 2024 to €4.9 billion and 8.4% in Q3 24 to €1.67 billion. Services revenues increased respectively by 8.2% and 7.5% in Q3 24.

In Fixed broadband, in a market continuing to experience low volumes and with more promotional activities from our main competitors, **the sales performance was solid with 25,000 net new subscribers and 137,000 in Fiber.** The ARPU grew by +3.7% year-on-year to €36.6 driven by the mix effect in our base and a higher front book. The dynamic of our B2B activities improved sequentially in the third quarter with revenues growing 34% in Q3 compared to 28% in Q2 notably thanks to Scaleway and FreePro.

In Mobile, services revenues grew by 5.0% to €1,889 million in 9M 2024 and by 3.4% to €644 million in Q3. **With 131,000 net adds, the sales performance is good, particularly in light of the intensified competition since the end of Q2. Free Mobile registered 186,000 net adds on its 4G/5G plans, improving the ratio of 4G/5G subscribers on the total mobile subscribers' base to 75.7%** and leading to a 0.5% ARPU growth, the ARPU growth being progressively impacted by the convergence discount. Therefore, mobile services revenues billed to subscribers increased by 5.0% year-to-date and 3.4% in Q3 (€1,889 million and €644million respectively). Equipment sales maintained a strong momentum, rising by 28.6% in the first nine months of 2024 and 23.3% in the third quarter with a steady demand for our Free Flex offering and the growth of our mobile subscribers' base.

EBITDAaL rose 12.1% to €1,947 million thanks to the positive operating leverage generated by the €379 million increase of revenues from Fixed and Mobile billed to subscribers and, to a lower extent, by the lower energy costs (-17% YoY) and a 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 (+14%), taxes (+16%) and amortization of right-of-uses (+10%).

Net capex (excluding payments for frequencies) decreased by 14.4% year-on-year in the first nine months to €1.1 billion whilst gross capex amounted to €1.2 billion. Over the last twelve months, iliad France's capex intensity reached 20% (total capex expenditure excluding frequencies of €1.32 billion).

At end-September 2024, the updated population coverage rates in Metropolitan France were 99.5% for 4G and 94.1% for 5G (52.0% with 3.5 GHz frequencies) and Free Fiber passed 37.6 million homes in France.

V. Analysis of results– Italy

<i>In € million</i>	Q3 2023	Q3 2024	% change	9M 2023	9M 2024	% change
Revenues	269	291	+8.4%	764	843	+10.4%
- Service revenues	265	288	+8.8%	753	835	+11.0%
o.w. mobile billed to subscribers ⁷	217	240	+10.6%	622	701	+12.8%
o.w. other (Fibre, interco, Zefiro)	47	48	+0.4%	131	134	+2.3%
- Equipment revenues	4	3	-18.8%	11	8	-29.1%

<i>In € millions</i>	9M 2023	9M 2024	% change
EBITDAaL	189	232	+22.7%
<i>as a % of revenues</i>	24.8%	27.5%	+280 bps
Capital expenditure (excluding payments for frequencies)	194	191	-1.5%
OFCF (EBITDAaL minus capital expenditure)	(5)	41	NM

Revenues generated in Italy rose 10.4% in the first nine months of 2024 to €843 million (+8.4% in Q3 to €291 million) of which €701 million (+12.8%) from mobile services billed to subscribers (other revenues include notably mobile termination whose rates, like in France, were reduced by 50% on January 1st, revenues from Fiber subscribers and roaming-in). The main factors underlying this performance were a solid commercial performance in mobile, despite a fierce competitive landscape, with 162,000 net new mobile subscribers, representing the 26th consecutive quarter as net adds leader in Italy, and in fiber with 36,000 net new subscribers bringing the total subscriber base to 316,000 at end-September 2024. Based on the latest AGCOM market statistics available⁸, Iliad Italia has now a 14.4% market shares of the Italian mobile market.

EBITDAaL for Italy increased 22.6% in the first nine months, the EBITDAaL margin increasing (+280bps) to 27.5%. The main factors supporting the EBITDAaL growth remain the positive operating leverage related to the €79 million revenue increase mainly from Iliad Italia's mobile services billed to subscribers and the lower MOCN costs offsetting the lower contribution from the BTS program and our 50% share of Zerifo's operating costs.

Net capex (excluding payments for frequencies) slightly decreased (-€3 million) at €191 million. The majority of the investments are directed towards the mobile network densification and expansion, and to a lower extent towards our Fiber activity.

⁷ Roaming-in revenue have been reclassified into Other – previous numbers adjusted

⁸ Market shares calculated using Market statistics for June 2024 published on October 25th, 2024

VI. Analysis of results – Poland

<i>In PLN million</i>	Q3 2023	Q3 2024	% change	9M 2023	9M 2024	% change
Revenues	2,484	2,573	+3.6%	7,276	7,584	+4.2%
- Service revenues	2,006	2,144	+6.9%	5,850	6,199	+6.0%
o.w. mobile billed to subscribers	1,183	1,302	+10.0%	3,440	3,745	+8.9%
o.w. interconnection & other services ⁹	328	330	+0.6%	952	927	-2.7%
o.w. Fixed	495	513	+3.7%	1,457	1,528	+4.9%
- Equipment revenues	478	429	-10.4%	1,426	1,384	-3.0%

<i>In PLN millions</i>	9M 2023	9M 2024	% change
EBITDAaL	2,839	3,075	+8.3%
<i>EBITDAaL margin</i>	<i>39.0%</i>	<i>40.6%</i>	<i>+160 bps</i>
Capex (excluding payments for frequencies)	852	936	+9.9%
OFCF (EBITDAaL less Capex excluding payments for frequencies)	1,987	2,139	+7.6%

Revenues in Poland increased 4.2% to PLN 7.6 billion in the first 9M 2024 (+3.6% in Q3 to PLN 2.6 billion) of which PLN 3.7 billion (+8.9%) from mobile services billed to subscribers and PLN 1.5 billion (+4.9%) from Fixed (+10.0% and +3.7% respectively in Q3). Like in France and Italy, there was a 50% decrease in mobile termination rates in Poland at January 1, 2024. The main factors underlying this performance were the 182,000 postpaid mobile net adds year-to-date (and to a lower extent the 37,000 net adds in prepaid) with a stable performance across the first three quarters of 2024, the growth in mobile ARPU billed to subscribers (+7.2% in Q3 after +6.1% in Q2 and +4.6% in Q1) and the moderate growth of the Fixed subscriber base grew (38,000 net adds year-to-date) in a market remaining very intense in competition.

EBITDAaL for the Poland segment increased by 8.3% year-on-year in the first nine months to PLN 3.1 billion, with the EBITDAaL margin increasing (+160bps) to 40.6%. This growth is supported the strong increase of incremental revenues (+PLN 375 million in mobile billed to subscribers and fixed service revenues) partially offset by higher payroll expenses and by an unfavourable basis of comparison (as the MSA related to our 50/50 JV with InfraVia (PŚO) was implemented from April 2023 and did not impact the Q1 2023 EBITDAaL).

Net capex (excluding payments for frequencies) increased by 9.9% notably with the network roll out and the 5G upgrades. The Group had at end-September 12,106 base stations, representing an additional 199 sites in Q3 2024. PŚO, the fiberco jointly controlled by Play and InfraVia, was covering, end-September 2024, 3.8 million households.

⁹ Mainly interconnection, wholesale and B2B services.

3.2 Consolidated cash flows and capital expenditure

<i>In € millions</i>	9M 2023	9M 2024	% change
Consolidated cash flows from operations	2,912	3,533	21.3%
Right-of-use assets and interest expense on lease liabilities – IFRS 16 impact	(727)	(825)	13.4%
Change in working capital requirement	301	(241)	NM
Operating free cash flow after IFRS 16	2,486	2,468	-0.7%
Consolidated capital expenditure¹	(1,643)	(1,489)	-9.3%
Capital expenditure – France ¹	(1,262)	(1,081)	-14.4%
Capital expenditure – Italy ¹	(194)	(191)	-1.5%
Capital expenditure – Poland ¹	(186)	(217)	17.0%
Income tax paid	(464)	(319)	-31.3%
Net interest paid	(300)	(319)	6.4%
Other (including impact of changes in scope of consolidation)	1,152	(21)	NM
Consolidated free cash flow (excluding payments for frequencies, financing activities and dividends)	1,240	344	-72.2%
Payments for frequencies – Group	(133)	(147)	9.8%
Payments for frequencies – France	(30)	(38)	27.8%
Payments for frequencies – Italy	(38)	(38)	-1.5%
Payments for frequencies – Poland	(65)	(71)	8.2%
Consolidated free cash flow (excluding financing activities and dividends paid to owners of the Company)	1,107	198	-82.1%
Dividends paid to owners of the Company	(295)	(178)	-39.7%

(1) Excluding payments for frequencies.

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

- €3.53 billion in consolidated cash flows from operations, up 21.3% year-on-year, before €825 million (up 13.4% year-on-year) in lease payments and interest expense on lease liabilities recognized due to the application of IFRS 16;
- €241 million in working capital outflow mainly due to BTS cash outflow and lower trade payables. The cash inflow in the 9M 2023 was mainly driven by €310 million of damages paid by Bouygues Telecom to Iliad relative to a dispute concerning mobile phone and smartphone bundle offers (so-called subsidized offers);
- Consolidated capital expenditure decreased by 9.3% during the first nine months to €1.49 billion, mainly due to France driven by the disposal of non-core assets but as well by lower Freebox spending (inventories built in 2023);
- €319 million in income tax paid, down from €464 million in 9M 2023, due to a phasing effect;
- €319 million in net interests paid, up €19 million year-on-year, reflecting the increase in the costs of debt;
- A large decline in “Other”, from a €1.15 billion cash inflow to a €21 million cash outflow reflecting last year’s disposals (30% stake in OTP, 50% stake in PŚO).

4 Consolidated debt

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

At September 30, 2024, the Group had gross debt of €11,566 million and net debt of €10,303 million (excluding IFRS 16 lease liabilities). At the same date, it had sufficient liquidity to finance its operations, with €1,263 million in consolidated cash and cash equivalents and €2.7 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 September 30, 2024 – corresponding to the ratio of consolidated net debt to €3,790 million in EBITDAaL – was 2.7x EBITDAaL.

Gross debt at September 30, 2024 primarily comprised the borrowings described on the following page.

¹⁰ includes (i) undrawn amounts under syndicated revolving credit facilities held by iliad and Play, and (ii) the €300 million bilateral loan set up in December of 2023 with the EIB, which remained undrawn at September 30, 2024

Summary of the Group's borrowings due beyond one year at September 30, 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	80	In installments
€300m EIB loan - 2018	-	-	30	30	210	In installments
€300m EIB loan - 2020	-	-	-	-	300	At maturity
€300m EIB loan - 2022	-	-	-	-	300	At maturity
€300m EIB loan - 2023	300	-	-	-	300	Not set
€90m KFW loan - 2017	-	5	9	9	23	In installments
€150m KFW loan - 2019	-	8	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%	-	310	-	-	-	At maturity
€650m bond issue - 2018 @ 1.875%	-	-	304	-	-	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
€500m bond issue - 2024 @ 5.375%	-	-	-	-	500	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	-	-	-	818	-	At maturity
PLN 2,000m revolving credit facility - 2021	432	-	-	35	-	At maturity
PLN 500m BGK bilateral loan - 2021	-	6	23	23	41	In installments
PLN 464m ECA bilateral loan - 2021	-	14	27	27	-	In installments
PLN 5,500m acquisition loan - 2021	-	-	-	701	-	At maturity
PLN 470m EIB bilateral loan - 2022	-	-	13	15	81	In installments
<u>Bond debt</u>						
PLN 750m bond issue - 2019 @ Wib + 1.75%	-	-	-	175	-	At maturity
PLN 500m bond issue - 2020 @ Wib + 1.85%	-	-	-	-	117	At maturity

*Converted at the EUR/PLN spot rate at September 30, 2024: 4.2788

I. MAIN MOVEMENTS IN BORROWINGS – ILIAD

a. Borrowings due within one year

■ €1.4 billion NEU CP program

On June 11, 2024, the Group renewed its €1.4 billion short-term NEU CP program.

€438 million of this program had been used at September 30, 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.

€670 million of this program had been used at September 30, 2024.

■ €310 million remaining worth of bonds issued in October 2018

The remaining €310 million outstanding under the initial €650 million bonds issued in October 2018 are due on October 14, 2024.

■ €304 million remaining worth of bonds issued in April 2018

The remaining €304 million outstanding under the initial €650 million bonds issued in April 2018 are due on April 25, 2025.

■ €185 million worth of Schuldscheindarlehen (SSD) issued in June 2021

Two tranches totaling €185 million under the initial €500 million SSD issued in June 2021 are due on June 30, 2025.

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.

■ €300 million European Investment Bank ("EIB") facility set up in December 2022

On June 13, 2024, iliad drew the full amount of €300 million available under its EIB financing signed in 2022. This facility has a final maturity set on June 13, 2030 and pays a variable interest which can be revised or changed to fixed interest on June 13, 2027.

■ €2 billion Revolving Credit Facility and €1 billion Term Loan set up in July 2022

On July 23, 2024, iliad amended the contracts of its Revolving Credit Facility ("RCF") and its Term Loan, both initially signed in July 2022, to incorporate Corporate Social Responsibility ("CSR") performance indicators. These performance indicators focus

on the reduction of the Group's carbon footprint in order to meet its 2030 targets (Scope 1, 2 and 3) validated by the Science Based Targets initiative (SBTi) in early 2024 and on promoting gender diversity among new employees, with a particular focus on recruiting women within the Group. The two credit lines are as of the date thereof considered to be Sustainability-Linked Loans ("SLLs").

On July 25, 2024, iliad also extended its RCF by one year to a final maturity date of July 24, 2029.

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.

■ €500 million worth of bonds issued in May 2024

On May 2, 2024, iliad issued a €500 million bond with a 7-year maturity, redeemable at maturity on May 2, 2031, and paying interest at 5.375% per year. The proceeds from the issue were mainly used to finance an approximately €482 million tender offer on May 3, 2024, 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.

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. On May 16, 2024, Play drew down PLN 747 million under its available RCF. As of June 30, 2024, the amount drawn under the RCF was PLN 600 million following repayments.

■ A PLN 470 million bilateral loan set up in January 2022

On May 31, 2024, Play drew an additional PLN 235 million under its bank facility signed with EIB ("EIB Loan") leading to this facility being fully drawn as of June 30, 2024.

5 Events after the reporting date

Issue of an inaugural €500 million green bond in October 2024 and tender offer on existing bonds due 2025 and 2026

On October 22, 2024, iliad successfully placed its first ever green bond for an amount of €500 million with a slightly over 5-year maturity. The green bonds will be issued on October 29, 2024, are redeemable at maturity on December 15, 2029, and pay interest at 4.25% per year. The proceeds from the issue will be used to finance, and in part refinance, eligible expenditure described in the Group's Green Financing Framework published on October 21, 2024 on iliad's website.

Concurrently to this new issue, iliad announced a tender offer on its existing bonds maturing in April 2025 and June 2026 with a total amount of €300 million having been tendered, of which €121 million allocated to its outstanding bonds due April 2025 and €179 million to those due June 2026. The amounts due under the tender offer have been repaid on October 31, 2024.

Cyberattack targeting a management tool

In October 2024, Free was the victim of a cyberattack targeting a management tool. This cyberattack resulted in unauthorized access to part of the personal data associated with the accounts of certain subscribers. No operational impact was noted on the group's activities and services. In accordance with regulation, Free notified the incident to the National Commission for Information Technology and Liberties (Cnil) as well as to the National Information System Security Agency (Anssi). In response to this cyberattack, Free also filed a criminal complaint with the public prosecutor.

6 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 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 NINE-MONTH PERIOD
ENDED SEPTEMBER 30, 2024

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CONSOLIDATED INCOME STATEMENT

<i>In € millions</i>	Note	Nine months to Sep. 30, 2024	Nine months to Sep. 30, 2023
REVENUES		7,456	6,797
Purchases used in production		(2,059)	(1,940)
Payroll costs		(513)	(445)
External charges		(1,226)	(1,170)
Taxes other than on income		(192)	(165)
Additions to provisions		(87)	(68)
Other income and expenses from operations, net	4	209	171
Depreciation of right-of-use assets	9	(697)	(634)
EBITDAaL		2,892	2,545
Share-based payment expense		(29)	(26)
Depreciation, amortization and impairment of non-current assets		(1,620)	(1,519)
Profit from ordinary activities		1,242	1,000
Other operating income and expense, net	5	2	48
Operating profit		1,243	1,048
Income from cash and cash equivalents		29	17
Finance costs, gross	6	(413)	(393)
Finance costs, net		(384)	(375)
Interest expense on lease liabilities	6	(198)	(176)
Other financial income and expense, net	6	14	(31)
Corporate income tax	7	(243)	(139)
Share of profit of equity-accounted investees	11	18	51
Profit for the period		450	377
Profit for the period attributable to:			
• Owners of the company		446	374
• Minority interests		3	3
• Basic earnings per share		7.59	6.35
• Diluted earnings per share		7.58	6.30

<i>In € millions</i>	Q3 2024	Q3 2023
REVENUES	2,554	2,354
Purchases used in production	(704)	(699)
Payroll costs	(170)	(145)
External charges	(408)	(392)
Taxes other than on income	(39)	(37)
Additions to provisions	(24)	(25)
Other income and expenses from operations, net	64	53
Depreciation of right-of-use assets	(240)	(205)
EBITDAaL	1,033	903
Share-based payment expense	(7)	(10)
Depreciation, amortization and impairment of non-current assets	(555)	(511)
Profit from ordinary activities	471	382
Other operating income and expense, net	(1)	(16)
Operating profit	470	366
Income from cash and cash equivalents	11	9
Finance costs, gross	(139)	(123)
Finance costs, net	(128)	(114)
Interest expense on lease liabilities	(66)	(59)
Other financial income and expense, net	5	(24)
Corporate income tax	(88)	(39)
Share of profit of equity-accounted investees	5	16
Profit for the period	198	146
Profit for the period attributable to:		
• Owners of the company	198	145
• Minority interests	1	0

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>In € millions</i>	Nine months to Sep. 30, 2024	Nine months to Sep. 30, 2023
PROFIT FOR THE PERIOD	450	377
• Items that may be subsequently reclassified to profit:		
Fair value remeasurement of interest rate and currency hedging instruments	29	(51)
Tax effect	(7)	13
Value adjustments to equity investments	4	0
Tax effect	(1)	0
Share of OCI of equity-accounted investments that may be subsequently reclassified to profit	(2)	0
Tax effect	0	0
Change in translation adjustments	19	46
Total	42	8
• Items that will not be reclassified to profit:		
Post-employment benefit obligations (IAS 19 revised): impact of changes in actuarial assumptions	(1)	(19)
Tax effect	0	2
Share of OCI of equity-accounted investments that will not be reclassified to profit	(25)	0
Tax effect	3	0
Total	(22)	(16)
Other comprehensive income/(expense) for the period, net of tax	20	(9)
Total comprehensive income for the period	470	368
Total comprehensive income for the period attributable to:		
• Owners of the Company	464	364
• Minority interests	6	4

In € millions

	Q3 2024	Q3 2023
PROFIT FOR THE PERIOD	198	146
• Items that may be subsequently reclassified to profit:		
Fair value remeasurement of interest rate and currency hedging instruments	(40)	15
Tax effect	10	(4)
Value adjustments to equity investments	9	0
Tax effect	(2)	0
Share of OCI of equity-accounted investments that may be subsequently reclassified to profit	(3)	0
Tax effect	0	0
Change in translation adjustments	1	(47)
Total	(24)	(36)
• Items that will not be reclassified to profit:		
Post-employment benefit obligations (IAS 19 revised): impact of changes in actuarial assumptions	(1)	(14)
Tax effect	0	2
Share of OCI of equity-accounted investments that will not be reclassified to profit	(8)	0
Tax effect	1	0
Total	(8)	(12)
Other comprehensive income/(expense) for the period, net of tax	(31)	(48)
Total comprehensive income for the period	167	97
Total comprehensive income for the period attributable to:		
• Owners of the Company	166	102
• Minority interests	1	(4)

CONSOLIDATED BALANCE SHEET – ASSETS

<i>In € millions</i>	Note	Sep. 30, 2024	Dec. 31, 2023
Goodwill		824	825
Intangible assets		5,015	5,286
Right-of-use assets	9	5,137	4,918
Property, plant and equipment	10	9,353	9,074
Investments in equity-accounted investees	11	875	852
Other financial assets	12	251	204
Deferred income tax assets		619	598
Other non-current assets		35	42
TOTAL NON-CURRENT ASSETS		22,108	21,800
Inventories		649	511
Current income tax assets		78	26
Trade and other receivables		1,371	1,324
Other current assets		1,235	1,289
Other financial assets	12	8	11
Assets held for sale	13	1	184
Cash and cash equivalents		1,263	1,186
TOTAL CURRENT ASSETS		4,604	4,531
TOTAL ASSETS		26,713	26,330

CONSOLIDATED BALANCE SHEET – EQUITY AND LIABILITIES

<i>In € millions</i>	Note	Sep. 30, 2024	Dec. 31, 2023
Share capital		15	15
Additional paid-in capital		510	510
Retained earnings and other reserves		4,556	4,273
TOTAL EQUITY		5,081	4,798
Attributable to:			
• Owners of the company		5,119	4,853
• Minority interests		(38)	(55)
Long-term provisions		85	119
Long-term financial liabilities	15	9,142	9,185
Non-current lease liabilities	9	4,865	4,536
Deferred income tax liabilities		314	321
Other non-current liabilities		532	652
TOTAL NON-CURRENT LIABILITIES		14,938	14,813
Short-term provisions		81	115
Taxes payable		17	28
Trade and other payables		3,381	3,568
Short-term financial liabilities	15	2,424	2,244
Current lease liabilities	9	790	754
Liabilities held for sale	13	0	11
TOTAL CURRENT LIABILITIES		6,693	6,719
TOTAL EQUITY AND LIABILITIES		26,713	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					446	446	3	450
Impact of interest rate and currency hedges				19		19	1	20
Impact of changes in fair value of investments in subsidiaries and affiliates				3		3		3
Impact of post-employment benefit obligations				(22)		(22)		(22)
Impact of changes in translation adjustments				18		18	1	19
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	0	0	0	18	446	464	6	470
Change in share capital of iliad S.A.						0		0
Dividends paid by iliad S.A.					(178)	(178)		(178)
Dividends paid by subsidiaries						0	(28)	(28)
Purchases/sales of own shares			18			18		18
Impact of stock options				9		9	0	9
Impact of changes in minority interests in subsidiaries				(39)		(39)	39	0
Other				(8)		(8)	0	(8)
BALANCE AT SEPTEMBER 30, 2024	15	510	(44)	4	4,634	5,119	(38)	5,081

CONSOLIDATED STATEMENT OF CASH FLOWS

In € millions

	Note	Nine months to Sep. 30, 2024	Nine months to Sep. 30, 2023
Profit for the period (including minority interests)		450	377
+ / - Depreciation, amortization and provisions, net (excluding for current assets)		2,277	2,125
-/+ Unrealized gains and losses on changes in fair value		(23)	2
+/- Non-cash expenses and income related to stock options and other share-based payments		27	20
-/+ Other non-cash income and expenses, net		154	150
-/+ Gains and losses on disposals of assets	4/5	38	(225)
-/+ Dilution gains and losses		0	0
+/- Share of profit of equity-accounted investees	11	(18)	(51)
- Dividends (investments in non-consolidated undertakings)		0	0
Cash flows from operations after finance costs, net, and income tax		2,906	2,397
+ Finance costs, net	6	384	375
+/- Income tax expense (including deferred taxes)	7	243	139
Cash flows from operations before finance costs, net, and income tax (A)		3,533	2,912
- Income tax paid (B)		(319)	(464)
+/- Change in operating working capital requirement (incl. employee benefit obligations) (C)		(241)	301
= Net cash generated from operating activities (E) = (A) + (B) + (C)		2,973	2,749
- Acquisitions of property, plant and equipment and intangible assets (capex)		(1,758)	(1,785)
+ Disposals of property, plant and equipment and intangible assets (capex)		122	9
- Acquisitions of investments in non-consolidated undertakings		(2)	(21)
+ Disposals of investments in non-consolidated undertakings		20	8
+/- Effect of changes in scope of consolidation – acquisitions	8	(89)	(110)
+/- Effect of changes in scope of consolidation – disposals		41	635
+ Dividends received (from equity-accounted investees and non-consolidated undertakings)		25	66
+/- Change in outstanding loans and advances	12	(76)	(38)
- Cash outflows for leasehold rights		0	0
+ Cash inflows related to assets held for sale	13	128	653
- Cash outflows related to assets held for sale		(5)	(7)
= Net cash used in investing activities (F)		(1,594)	(590)
+ 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		(178)	(471)
. Dividends paid to minority shareholders of consolidated companies		(28)	(31)
+ Proceeds from new borrowings (excluding finance leases)	15	1,098	2,805
- Repayments of borrowings	15	(1,035)	(3,142)
- Repayments of lease liabilities	9	(719)	(636)
- Net interest paid	6	(319)	(300)
- Interest paid on lease liabilities		(105)	(91)
= Net cash generated from/(used in) financing activities (G)		(1,286)	(1,867)
+/- Effect of exchange-rate movements on cash and cash equivalents (H)		(1)	(3)
= Net change in cash and cash equivalents (E + F + G + H)		93	288
+ / - Impact of foreign exchange conversion of cash and cash equivalents (opening & closing rates)		0	2
Cash and cash equivalents at beginning of year		1,168	519
Cash and cash equivalents at year-end		1,261	810

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 50 million active subscribers, €9.9 billion in revenues over the last twelve months and over 18,200 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 consolidated 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 nine-month period ended September 30, 2024 to profit before tax.
- Post-employment benefit obligations for the period have been estimated based on the actuarial calculations performed for fiscal-year 2023.

The new IFRS standards and interpretations required as of January 1, 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. The impact on iliad Group is immaterial.
- **Amendments to IAS 12 – International Tax Reform – Pillar Two Model Rules:** The OECD’s international tax reform, known as “Pillar Two”, 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 ("Freya"), an investment vehicle jointly owned by Iliad and NJJ Holding, 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 has been approved by the relevant authorities and the transaction closed, Freya became Tele2's main shareholder.

As of September 30, 2024, Freya Investissement holds 19.8% of the capital and 26.98% of the voting rights of Tele2. 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

- NINE-MONTH TO SEPTEMBER 30, 2024 REVENUES

<i>In € millions</i>	France	Italy	Poland	Eliminations between activities	Total
Revenues					
Fixed	2,704	41	392	(10)	3,128
Mobile	2,166	802	1,369	(5)	4,333
Intra-group sales	(5)	0	0	0	(5)
Total	4,865	843	1,761	(14)	7,456

- NINE-MONTH TO SEPTEMBER 30, 2023 REVENUES

<i>In € millions</i>	France	Italy	Poland	Eliminations between activities	Total
Revenues					
Fixed	2,450	21	349	(8)	2,812
Mobile	2,010	743	1,239	(4)	3,988
Intra-group sales	(3)	0	0	0	(3)
Total	4,457	764	1,588	(12)	6,797

- NINE-MONTH TO SEPTEMBER 30, 2024 EARNINGS

<i>In € millions</i>	France	Italy	Poland	Total
Earnings				
EBITDAaL	1,946	232	713	2,892
Share-based payment expense	(23)	(1)	(6)	(29)
Depreciation, amortization and provisions for impairment	(1,008)	(336)	(276)	(1,620)
Profit/(loss) from ordinary activities	916	(105)	432	1,242
Corporate income tax	(208)	10	(46)	(243)
Profit/(loss) for the period	459	(168)	159	450

- NINE-MONTH TO SEPTEMBER 30, 2023 EARNINGS

<i>In € millions</i>	France	Italy	Poland	Total
Earnings				
EBITDAaL	1,736	189	620	2,545
Share-based payment expense	(23)	(0)	(2)	(26)
Depreciation, amortization and provisions for impairment	(923)	(332)	(264)	(1,519)
Profit/(loss) from ordinary activities	790	(143)	353	1,000
Corporate income tax	(153)	71	(56)	(139)
Profit/(loss) for the period	468	(257)	166	377

- ASSETS AT SEPTEMBER 30, 2024

<i>In € millions</i>	France	Italy	Poland	Total
Non-current assets				
Goodwill	306	0	518	824
Intangible assets	1,378	1,675	1,961	5,015
Right-of-use assets	3,334	732	1,071	5,137
Property, plant and equipment	7,484	1,106	762	9,353
Investments in equity-accounted investees	458	0	417	875
Current assets (excluding cash and cash equivalents, financial assets and tax assets)	1,887	290	1,078	3,255
Cash and cash equivalents	1,218	8	37	1,263

- ASSETS AT DECEMBER 31, 2023

<i>In € millions</i>	France	Italy	Poland	Total
Non-current assets				
Goodwill	306	0	519	825
Intangible assets	1,509	1,755	2,023	5,286
Right-of-use assets	3,182	720	1,016	4,918
Property, plant and equipment	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 SEPTEMBER 30, 2024, EXCLUDING FINANCIAL LIABILITIES AND TAXES PAYABLE

<i>In € millions</i>	France	Italy	Poland	Total
Non-current liabilities				
Other non-current liabilities	298	233	1	532
Current liabilities				
Trade and other payables	2,211	566	605	3,381

- 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>	Nine months to Sep. 30, 2024	Nine months to Sep. 30, 2023
Net income from partnerships*	214	180
Customer contract termination fees	18	13
Royalties and similar fees	(46)	(42)
Other	22	20
Other income and expenses from operations, net	209	171

*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>	Nine months to Sep. 30, 2024	Nine months to Sep. 30, 2023
Gains and losses on asset disposals	16	90
Other operating income and expenses	(14)	(42)
TOTAL	2	48

Other operating expenses include €12 million expense related to hedging cost on electricity in Italy for the nine-month ended September 30, 2024. They included €31 million for the nine-month period ended September 30, 2023.

Gains on asset disposals included, for the nine-month ended September 30, 2023, €99 million corresponding to the profit recognized on the sale of the residual 30% shares in On Tower Poland.

Note 6 Financial income and expenses

Financial income and expenses can be analyzed as follows:

<i>In € millions</i>	Nine months to Sep. 30, 2024	Nine months to Sep. 30, 2023
Income from cash and cash equivalents	29	17
Finance costs, gross:		
Interest on borrowings	(413)	(393)
Finance costs, net	(384)	(375)
Other financial income :		
Translation adjustments/Hedging expense	11	0
Other	15	0
Sub-total - Other financial income	26	0
Other financial expenses :		
Translation adjustments/Hedging expense	0	1
Discounting expense	(12)	(20)
Other	(1)	(13)
Sub-total - Other financial expenses	(12)	(31)
Other financial income/expense, net	14	(31)
Interest on lease liabilities	(198)	(176)
Net financial expense	(568)	(582)

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>	Nine months to Sep. 30, 2024	Nine months to Sep. 30, 2023
Tax charge		
• on income	(236)	(134)
• on value added (CVAE)	(7)	(5)
Total tax charge	(243)	(139)

Note 8 Changes in scope of consolidation

"Effect of changes in scope of consolidation - acquisitions" line in the cash-flow statement equal to €89 million for the nine-month period ended September 30, 2024 mainly include a portion of the acquisition of 50% of Zefiro shares (Ran Sharing JV in Italy) for €64 million.

"Effect of changes in scope of consolidation - acquisitions" line in the cash-flow statement equal to €110 million for the nine-month period ended September 30, 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)	917	65	15	997
Disposals	(56)	(29)	(1)	(85)
Reclassification to assets held for sale	0	0	0	0
Impact of changes in scope of consolidation	0	0	0	0
Translation adjustments	14	1	0	14
Other	(5)	0	(0)	(5)
Depreciation, amortization and impairment of non-current assets	(643)	(44)	(14)	(701)
Carrying amount at September 30, 2024	4,733	373	30	5,137

Lease liabilities break down as follows at September 30, 2024:

In € millions	September 30, 2024				December 31, 2023			
	Networks	Real Estate	Others	Total	Networks	Real Estate	Others	Total
Non-Current	4,581	270	14	4,865	4,285	243	8	4,536
Current	724	52	13	790	710	34	10	754
TOTAL	5,305	323	27	5,654	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	Sep. 30, 2024	Dec. 31, 2023
Net at January 1	9,074	8,132
Acquisitions	1,377	2,163
Disposals	(9)	(212)
Reclassification to assets held for sale	9	(21)
Other	16	98
Impact of changes in scope of consolidation	0	319
Translation adjustments	10	52
Depreciation, provisions and impairment	(1,124)	(1,458)
Net End of Period	9,353	9,074

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

Disposals in 2023 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 a 49% stake in SPIN;
- **PŚO**. The Group holds a 50% stake in PŚO that owns the former UPC network infrastructure in Poland;
- **Freya** The Group holds a 50% stake in Freya Investissement, the holding company which holds 19.8% of the capital of Tele 2 and 26.98% of the voting rights of Tele2 (see Note 2).

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

<i>In € millions</i>	Nine months to Sep. 30, 2024	Nine months to Sep. 30, 2023
Share of profit/(loss) of equity-accounted investees before tax	37	62
Share of tax of equity-accounted investees	(19)	(11)
Share of profit/(loss) of equity-accounted investees after tax	18	51

Note 12 Other financial assets

Movements in other financial assets can be analyzed as follows:

	Sep. 30, 2024	Dec. 31, 2023
Carrying amount at beginning of period	215	253
Acquisitions	78	33
Fair value adjustments	(3)	30
Redemptions and repayments	(22)	0
Impact of changes in scope of consolidation	1	0
Disposals	(14)	(92)
Additions to provisions	4	(10)
Carrying amount at period-end	259	215

Note 13 Assets and liabilities held for sale

Assets and liabilities held for sale break down as follows:

<i>In € millions</i>	Sep. 30, 2024	Dec. 31, 2023
Assets held for sale	1	184
Liabilities held for sale	0	(11)
TOTAL	1	173

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 nine-month period ended September 30, 2024, no free share allocation plan has been set up.

Other share grant plans described in the notes to the consolidated 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>	Sep. 30, 2024	Dec. 31, 2023
Bank borrowings	5,033	4,987
Bonds	4,048	4,175
Cash flow hedges	60	22
Other	1	0
Total long-term financial liabilities	9,142	9,185
Bank borrowings and short-term marketable securities	955	800
Bonds	609	685
Financial liabilities carried at fair value	0	0
Bank overdrafts	2	18
Cash flow hedges	19	20
Other ¹	839	720
Total short-term financial liabilities	2,424	2,244
TOTAL	11,566	11,429

Notes:

¹ Mainly trade receivables securitization program

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

The table below summarizes movements in financial liabilities during the nine-month period ended September 30, 2024:

<i>In € millions</i>	Sep. 30, 2024	Dec. 31, 2023
Carrying amount at beginning of period	11,429	11,337
New borrowings	1,098	4,403
Repayments of borrowings	(1,026)	(4,627)
Change in bank overdrafts	(16)	16
Impact of cash flow hedges	(10)	66
Impact of changes in scope of consolidation	0	0
Translation adjustments	29	191
Other	60	44
Carrying amount at period-end	11,566	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.

On May 2, 2024, iliad issued a €500 million bond with a 7-year maturity, redeemable at maturity on May 2, 2031, and paying interest at 5.375% per year. The proceeds from the issue were mainly used to finance an approximately €482 million tender offer on May 3, 2024, 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.

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.

On June 13, 2024, iliad drew the full amount of €300 million available under its EIB financing signed in 2022. This facility has a final maturity set on June 13, 2030 and pays a variable interest which can be revised or changed to fixed interest on June 13, 2027.

On July 23, 2024, iliad amended the contracts of its Revolving Credit Facility ("RCF") and its Term Loan, both initially signed in July 2022, to incorporate Corporate Social Responsibility ("CSR") performance indicators. These performance indicators focus on the reduction of the Group's carbon footprint in order to meet its 2030 targets (Scope 1, 2 and 3) validated by the Science Based Targets initiative (SBTi) in early 2024 and on

promoting gender diversity among new employees, with a particular focus on recruiting women within the Group. The two credit lines are as of the date thereof considered to be Sustainability-Linked Loans (“SLLs”).

On July 25, 2024, iliad also extended its RCF by one year to a final maturity date of July 24, 2029.

Short-and medium-term marketable securities program

On June 11, 2024, the Group renewed its €1,400 million short-term NEU CP program.

At September 30, 2024, €438 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 September 30, 2024, the utilization of this program was at €670 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. On May 16, 2024, Play drew down PLN 747 million under its available RCF. As of September 30, 2024, the amount drawn under the RCF was PLN 150 million following repayments.

On May 31, 2024, Play drew an additional PLN 235 million under its bank facility signed with EIB (“EIB Loan”) leading to this facility being fully drawn as of September 30, 2024.

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>	Sep. 30, 2024	Dec. 31, 2023
Fixed-rate borrowings ¹	6,989	6,929
Variable-rate borrowings	4,577	4,500
Total financial liabilities at period-end	11,566	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:

					Sep. 30, 2024
Contract	Issue date	Maturity	Currency	Nominal rate	Outstanding amount (€m)
iliad – SUN ¹	Oct. 12, 2017	Oct. 14, 2024	EUR	1.500%	310
iliad – SUN	April 25, 2018	April 25, 2025	EUR	1.875%	304
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 – SUN	May 02, 2024	May 02, 2031	EUR	5.375%	500
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					5,056
Play – SUN	Dec. 13, 2019	Dec. 11, 2026	PLN	1.750% + Wibor	175
Play – SUN	Dec. 29, 2020	Dec. 29, 2027	PLN	1.850% + Wibor	117
Total – Play					292
TOTAL					5,348

Notes:

¹SUN: Senior Unsecured Notes

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

The Group's bank borrowings break down as follows:

						Sep. 30, 2024	
Contract	Issue date	Maturity	Type of repayment	Currency	Nominal rate ¹	Outstanding amount (€m)	Amount available (€m)
iliad - EIB loans							
2016	Dec. 8, 2016	Sept. 19, 2030	Install.	EUR	1.621%	120	-
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%	90	-
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	0.982% + Euribor	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	45	-
2019	April 26, 2020	Oct. 9, 2030	Install.	EUR	1.100% + Euribor	98	-
iliad - RCF	July 27, 2022	July 24, 2029	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						3,033	2,300
Play - Term Loan	March 29, 2021	March 29, 2026	At maturity	PLN	2.000% + Wibor	818	-
Play - RCF	March 29, 2021	March 26, 2026	At maturity	PLN	2.000% + Wibor	35	432
Play - BGK Loan	Oct. 15, 2021	Sept. 20, 2028	Install.	PLN	1.930%	93	-
Play - ECA Loan	Dec. 22, 2021	Dec. 22, 2026	Install.	PLN	0.450% + Wibor	68	-
Play - Term Loan	Dec. 10, 2021	March 26, 2026	At maturity	PLN	2.000% + Wibor	701	-
Play - EIB Loan ²	Jan. 14, 2022	May 31, 2034	Install.	PLN	6.914%	110	-
Total - Play						1,825	432
TOTAL						4,858	2,732

Notes:

¹ Rates applicable at September 30, 2024, which can vary depending on the leverage ratio of the iliad group and Play respectively, except for the EIB loan contracts signed in 2020. For iliad's RCF and Term Loan signed in July 2022 specifically, rates may vary depending on the validation of yearly targets linked to CSR performance indicators.

² For Play, the interest rate shown corresponds to the average rate of fixed-rate tranches as well as the interest rate comprising the margin plus Wibor for the variable tranches.

Note 16 Off-balance sheet commitments and contingencies

There have been no material changes in iliad Group off-balance sheet commitments and contingencies liabilities during the nine-month period ended September 30, 2024.

Note 17 Events after the reporting date

Issue of an inaugural €500 million green bond in October 2024 and tender offer on existing bonds due 2025 and 2026

On October 22, 2024, iliad successfully placed its first ever green bond for an amount of €500 million with a slightly over 5-year maturity. The green bonds will be issued on October 29, 2024, are redeemable at maturity on December 15, 2029, and pay interest at 4.25% per year. The proceeds from the issue will be used to finance, and in part refinance, eligible expenditure described in the Group's Green Financing Framework published on October 21, 2024 on iliad's website.

Concurrently to this new issue, iliad announced a tender offer on its existing bonds maturing in April 2025 and June 2026 with a total amount of €300 million having been tendered, of which €121 million allocated to its outstanding bonds due April 2025 and €179 million to those due June 2026. The amounts due under the tender offer have been repaid on October 31, 2024.

Cyberattack targeting a management tool

In October 2024, Free was the victim of a cyberattack targeting a management tool. This cyberattack resulted in unauthorized access to part of the personal data associated with the accounts of certain subscribers. No operational impact was noted on the group's activities and services. In accordance with regulation, Free notified the incident to the National Commission for Information Technology and Liberties (Cnil) as well as to the National Information System Security Agency (Anssi). In response to this cyberattack, Free also filed a criminal complaint with the public prosecutor.