

Financial information for the fourth quarter and full year 2020

Strong commercial and financial results despite COVID-19 crisis 2020 guidance achieved

- Mobile postpaid customer base +2.4% yoy / Cable customer base +26.3% yoy
- Q4 Revenues -7.2% yoy / Q4 Retail service revenues +3.0% yoy
- Q4 EBITDAaL +7.9% yoy
- Proposed stable dividend at €0.50 per share

Q4 Operational Highlights

- **Orange Belgium delivered positive commercial results** despite the continued COVID-19 measures (shops opened with limited capacity) and aggressive subsidy campaigns by the competition.
- **GO portfolio continued to be successful despite a highly competitive environment.** During the quarter, 26k new mobile postpaid customers were added, reaching 2.6m subscribers (+2.4% yoy).
- **Cable net adds were strong with 22k new customers, back to pre-lockdown levels.** The naked broadband offer introduced at the beginning of the quarter showed positive results and Love Duo continues to represent one third of gross adds. Convergent mobile subscribers now represent 20.3% of mobile postpaid customers, up 435 bp vs Q4'19.
- **B2C convergent ARPO decreased by 4.0% yoy to €73.6**, due to the growing Love Duo customer base with a lower price point, which already represents more than 20% of the customer base, as well as discounts on mobile tariff plans in convergence.
- **Mobile only postpaid ARPO declined by 3.1% yoy to €19.8**, due to the decrease in out-of-bundle revenues from roaming and mobile data, partly offset by customers migrating to higher tariff plans in the new GO portfolio.

Orange Belgium: key operating figures

	Q4 2019	Q4 2020	change
Mobile postpaid customer base (in '000)	2,579	2,641	2.4%
Net adds (in '000)	31	26	-16.4%
Mobile only postpaid ARPO (€ per month)	20.4	19.8	-3.1%
Cable customer base (in '000)	258	326	26.3%
Net adds (in '000)	25	22	-14.9%
B2C convergent ARPO (€ per month)	76.7	73.6	-4.0%
Convergent mobile customer as % mobile contract customer base	15.9%	20.3%	435 bp

Q4 Financial Highlights

- **Revenues reached €343.0m, down 7.2% yoy.** Retail service revenues continued to grow by 3.0%, mainly thanks to higher convergence services (+20.0% yoy). As in former quarters, COVID-19 impacted wholesale revenues (-17.3% yoy) mainly due to lower incoming SMS revenues (-€13.8m, offset by lower SMS costs).
- **EBITDAaL grew 7.9% yoy to €85.9m**, driven by higher retail service revenues, but also due to lower costs (-11.3% yoy –mainly SMS, roaming, labour and equipment costs). The **Bold Inside transformation plan has produced structural cost efficiencies again with a 2.5% reduction in indirect costs.** Cable EBITDAaL was positive at €7.0m (+€3.7m yoy).
- **eCapex increased 16.1% yoy to €70.9m**, mainly explained by a catch-up from previous quarters.
- **Debt closed at €144.9m with gearing at 0.5x.**

Orange Belgium Group: key financial figures

in €m	reported	comparable ¹	Q4 2020	comparable	reported	reported	comparable	FY 2020	comparable	reported
	Q4 2019	Q4 2019		change	change	FY 2019	FY 2019		change	change
Revenues	369.5	369.5	343.0	-7.2%	-7.2%	1,340.8	1,363.1	1,314.9	-3.5%	-1.9%
Retail service revenues	222.8	222.8	229.5	3.0%	3.0%	857.3	878.7	905.9	3.1%	5.7%
EBITDAaL	79.6	79.6	85.9	7.9%	7.9%	300.1	299.2	323.5	8.1%	7.8%
margin as % of revenues	21.5%	21.5%	25.1%	350 bp	350 bp	22.4%	21.9%	24.6%	266 bp	222 bp
eCapex	-61.1	-61.1	-70.9	16.1%	16.1%	-180.2	-180.2	-177.7	-1.4%	-1.4%
Operating cash flow²	18.6	18.6	15.0	-19.0%	-19.0%	120.0	119.0	145.8	22.5%	21.5%
Net financial debt	234.3		144.9			234.3		144.9		

1. Comparable base includes Upsize N.V. 2019 before acquisition

2. Operating cash flow defined as EBITDAaL – eCapex

Xavier Pichon, Chief Executive Officer, commented:

2020 has been a challenging year.

The world has been confronted with an unprecedented crisis impacting people's every-day life, as well as forcing companies to completely review their way of doing business. Over the year Orange Belgium has been in the forefront, playing an active role by helping society to deal with this crisis. We have always put the safety and health of our customers, team members and suppliers first. We managed to upgrade our network in an extremely short timeframe to cope with the increased demand for capacity which arose with the different lockdowns.

Notwithstanding these headwinds, 2020 has also been an important year, thus building the future. We created MWingz, the joint venture with Proximus, which will start implementing our mobile radio access network sharing with Nokia, enabling better network coverage, faster roll-out of the 5G network, and a structural reduction in costs. We also continued to stimulate the market by introducing our GO portfolio, being the first operator in the country to provide a mobile family offer. This has proven successful and we intend to continue migrating our customers to this new portfolio. Throughout the crisis Orange Belgium has shown strong resilience. Despite all the challenges we faced, we were able to provide our customers with the services they expected and delivered excellent commercial results, and the consequential financial outcome.

Arnaud Castille, Chief Financial Officer, stated:

Despite the challenges we were faced with during 2020, we were able to increase our retail service revenues over the year, which are the foundations of our business. In addition, through our Bold Inside transformation programme we were able to reduce our costs over the year, which will also impact the following years. We continue to simplify our processes and our offers, which will be beneficial both to our customers and cost control.

Resuming commercial activities after the lockdown enabled us to achieve our ambitions from a commercial and financial perspective. In line with our guidance, revenues over the year have decreased slightly, but this is mainly due to the decrease in low- to zero-margin activities, such as SMS interconnection revenues and handset sales. The (high-margin) retail revenues have increased more than 3% on a comparable basis.

Our results were in line with the guidance we had foreseen for 2020. Our EBITDAaL is within the mid-range of our guidance at €323.5m up 8.1%, which is a combination of increased retail service revenue and cost efficiency, thanks to our Bold Inside transformation programme. We expected a slight decrease in revenues and eCapex, which resulted in a 3.5% decrease in revenues and 1.4% reduction in eCapex.

2020 dividend

The Board of Directors will propose a stable dividend of €0.50 per share for the 2020 financial year at the Annual General Meeting.

2021 outlook

Orange Belgium expects low single-digit revenue growth in 2021. The Company targets EBITDAaL of between €320m and €340m. Total eCapex in 2021 is expected to be between €200m and €220m.

Contents

1.	Key highlights	4
1.1	Operational highlights	4
1.2	Regulatory highlights	5
2.	Comments on the financial situation	7
2.1	Consolidated figures for the Orange Belgium Group	7
2.2	Consolidated statement of comprehensive income	7
2.3	Liquidity and capital resources	8
2.4	Activities of the Orange Belgium Group by segment	9
2.4.1.	Orange Belgium	9
2.4.2.	Orange Communications Luxembourg	11
3.	Financial risks and risk management	11
4.	Disputes	11
5.	Significant event after the end of the fourth quarter of 2020	13
6.	Shareholder remuneration	13
7.	Outlook	13
8.	2021 Financial calendar	13
9.	Conference call details	13
10.	Shares	14
11.	Consolidated financial statements	15
	Consolidated statement of comprehensive income	15
	Consolidated statement of financial position	16
	Consolidated cash flow statement	17
	Consolidated statement of changes in equity	18
	Segment information	19
15.	Statutory auditor's procedures	21
16.	Glossary	22
	About Orange Belgium	24

1. Key highlights

1.1 Operational highlights

■ COVID-19 impact

Despite the decrease in measures related to COVID-19, Orange Belgium continues to be fully mobilised to ensure network and service continuity and to support its customers. Network and service continuity are critical in managing the COVID-19 crisis. The network continues to handle the increased traffic without any major issues for our customers. Technical teams permanently monitor the network and reinforce it if necessary to guarantee seamless communication at all times.

To a lesser degree, the COVID-19 measures also impacted the company's financial and operational performance during the quarter. Due to certain limitations (social distancing, hygienic measures, limited number of shoppers,...) the full capacity of the shops was limited. The limitation in customer visits also impacted the commercial performance, as well as the number of ICT projects. Due to people being more restricted in their movements, mainly roaming and SMS traffic have been impacted.

■ Orange Belgium announced a set of initiatives to help everyone stay connected when fighting the COVID-19 pandemic thanks to its strong network and committed workforce

Orange Belgium launched a series of initiatives to help the Belgian population and healthworkers face the second wave of the COVID-19 pandemic:

- Orange Belgium offered 5GB of free mobile data per month until the end of the year to all of its mobile customers, residential and businesses, small and home offices.
- All Love (Duo and Trio) as well as HOME (internet and internet with TV) offers already contain unlimited broadband.
- Those customers have always been able to work and enjoy entertainment worry-free at home. Various solutions are available to enhance and improve indoor coverage in every room of the house, should that be necessary with homeworking and homeschooling.
- Residential customers who have subscribed to a FlyBox offer received 50GB of free internet on top of their existing mobile data amount.
- Finally, Orange Belgium shops remained open.

■ Orange Belgium launched its first Internet-only offer

After disrupting the market with its Love Trio and Love Duo offer, Orange Belgium once again goes one step further by launching its Home portfolio, which allows customers to opt for the products they want, even without a mobile subscription.

To address this demand, Orange Belgium unveiled its Home portfolio, structured around 2 new major subscriptions:

- Home Internet, for high-speed unlimited broadband fixed internet only (40 euros)
- Home Internet & TV, for high-speed unlimited broadband fixed internet + TV (55 euros)

It is also possible for customers to add a fixed phone option (10€/month), and/or to opt for the Internet Boost (15€/month), which allows download speeds of 400Mbps and upload speeds of up to 40Mbps.

■ Orange Belgium launched a limited edition of GO Unlimited

From mid-November 2020 to 4 January 2021, Orange Belgium reduced its GO Unlimited price from €40 to €30.

■ Orange Belgium launched Crowdsurfer, a mobile application that lets customers check crowd density all over Belgium in real time so that they could avoid crowded places during their last-minute end of year shopping

In a unique partnership with the audio-visual & event creation company acTVty and technology group Cronos, Orange Belgium launched a new mobile application that monitors crowd density all over Belgium in real time. Orange Belgium capitalises on their proven experience in anonymizing nationwide customer data into a simple and comprehensive heat map representing crowd density.

■ The city of Bruges launched Smart Parking solutions aimed at increasing rotation in the city centre

Based on IoT sensor technology, Orange Belgium and CommuniThings smart parking solutions allow visitors to park up to 30 minutes free of charge at selected locations throughout Greater Bruges. Local authorities will leverage sensor alerts on parking overstay to monitor the mobility in their city and act swiftly to detect parking offences, thereby providing real time enforcement of their parking policy.

■ Orange Belgium selects Nokia for its future mobile radio network

Orange Belgium has selected Nokia following a thorough competitive process, based on technological, operational and financial criteria. Orange Belgium will fully upgrade its existing 2G/3G/4G radio network by 2023. Orange Belgium will also start rolling out 5G, depending on frequency availability and EMF restrictions, in order to offer the best possible connectivity and to avoid saturation on the legacy networks for its customers, but also to allow businesses to take full advantage of the industrial opportunities offered by 5G.

■ First 5G innovations proposed by Orange Belgium and its industrial partners in the Port of Antwerp: from augmented field operators to connected tugboats

Less than one year after announcing the creation of its Industry 4.0 Campus in the Port of Antwerp area, Orange Belgium and its industrial partners unveiled the actual results achieved by co-innovating on Orange Belgium's unique 5G network. The 5G network rolled out by Orange Belgium is the country's first large scale standalone network,

meaning it offers, alongside high speed and low latency, unique network slicing capabilities that make the network ultra-reliable for businesses. Those real-life applications, tailor-made for businesses, demonstrate the power of Orange Belgium's 5G network, and the range of possibilities it offers the Belgian economy.

- **Orange Belgium partners with Helicus to support the use of drones for shipping medical samples and supplies**
Orange Belgium's 5G network is used to ensure that Helicus' drones are supported by an extremely reliable connection with ground control, when shipping medical supplies or human samples.
- **Orange Belgium innovates in the ecological transition of its operations and is one of the first telecom operators worldwide to launch a SIM card made from 100% recycled plastic**
Orange Belgium is the country's first telecom operator, and one of the first worldwide, to introduce new SIM cards which are made from 100% recycled plastic. Combined with the recent launch of Half ID SIM and eSIM earlier this year, Orange Belgium strives hard to reduce its plastic consumption and overall footprint.

Moreover, these new Eco SIM cards meet the highest quality standards for residential and B2B customers, totally future-proof and offering reliable connectivity, whatever the smartphone, whatever the usage conditions. Combined with the launch earlier in 2020 of eSIMs for residential customers, which enables the SIM chip to be directly embedded into eligible smartphones, Orange Belgium can now streamline its SIM card production and significantly reduce its environmental footprint.

Also, in terms of CO2 emissions, the total switch to Eco SIM cards would result in a significant reduction of 14 tons by 2023 for SIM card logistics (raw materials and transportation). These new SIM cards are available in Orange Belgium's smart and concept stores.

- **Orange Belgium expands its Executive Committee with Isabelle Vanden Eede as Chief Brand, Communication & CSR Officer and Bart Staelens as Chief Transformation & Customer Experience Officer**
Orange Belgium's Board of Directors approved the nomination of Isabelle Vanden Eede as Chief Brand, Communication & CSR Officer and Bart Staelens as Chief Transformation & Customer Experience Officer, both starting 1 December 2020.
- **Orange Belgium's Board of Directors has taken note of Orange S.A.'s press release issued on 2 December 2020 announcing the launch of a public takeover bid**
Orange Belgium's Board of Directors has taken note of Orange S.A.'s press release issued on 2 December 2020 announcing the launch of a public takeover bid for Orange Belgium shares listed on Euronext Brussels. Orange Belgium's Board of Directors will meet as soon as possible to examine the content of the offer in accordance with legal provisions. Please refer to Chapter 5 "Significant event after the end of the fourth quarter of 2020" below for more information on this topic.

The Board of Directors also informed the market of the suspension of the liquidity agreement with a financial institution following the authorisation given by the Annual General Meeting.

1.2 Regulatory highlights

- **Orange Belgium takes note of the regulators' final decision regarding the wholesale tariffs for access to cable networks**
On 27 May 2020 the CRC published its final decision on new cable wholesale tariffs, which are slightly lower than the proposal submitted to the EC, which came into force on 1 July 2020.

Orange Belgium requests that the regulators monitor the effects of this decision on price changes for Belgian customers closely, as required by the European Commission; and initiate a review of wholesale prices as soon as there is a negative impact on retail prices so that systematic retail tariff increases can be mitigated.

It is expected that a decision on the reference offers for the cable networks will be published during Q1 2021. These decisions set out the technical and qualitative conditions for access to these networks, as well as the quality of service levels that must be met.
- **Consultation on wholesale tariffs for access to Proximus' fibre network**
On 30 September 2020, the BIPT launched a consultation on the monthly wholesale tariffs for access to Proximus' fibre network. The consultation ended on 30 October 2020 and the final decision has not yet been published.
- **Consultation on one-off charges for cable networks**
On 8 October 2020, the BIPT launched a consultation on the one-off charges related to wholesale services on cable networks. The consultation ended on 12 November 2020. The decision on the one-off charges for access to cable networks is expected during Q2 2021.
- **New spectrum allocation, renewal of existing spectrum attributions**

Extensions of the 2G and 3G licenses

In early December, the Royal Decree permitting the BIPT to extend the license duration for the 900, 1800 and 2100 MHz licenses was published. This Decree allows the BIPT to extend the license beyond the current end date of 15 March 2021. The BIPT subsequently issued a consultation on a first extension until September 2021.

Attribution of new 700/900/1400/1800/2100/3500 MHz spectrum and unclear timeframe 5G auction

On 22 January 2021 the Federal Government approved the draft Royal Decrees and Law proposal that set-up the framework for the attribution of the 5G spectrum (700, 3400-3800 and 1400 MHz) and the renewal of the 900, 1800 and 2100 MHz licenses. It contains differentiated conditions to attract a 4th full MNO. The next phase is a potential approval by the Coordination Committee for the three regions. Nevertheless, we will closely monitor that all conditions won't be considered as discriminatory conditions.

On 2 December 2020, the BIPT launched a public consultation on the preliminary draft law and the draft Royal Decree on the security of 5G networks, in particular regarding the constraints that apply to certain types of suppliers. The consultation ended on 30 December 2020.

Temporary usage rights for the 3.6GHz-3.8GHz band

In its decisions on 15 July 2020 and 13 October 2020, the BIPT granted temporary usage rights in the 3.6GHz-3.8GHz band for 5G services to the following four operators: Orange Belgium, Proximus, Telenet and Cegeka. The usage rights make commercial developments of 5G possible for the first time in this frequency band and would be valid until the start of the licenses that will be attributed by the auction. On 11 September 2020 several anti-5G action groups appealed the decisions before the Market Court of Brussels, asking to annul the decisions on the grounds of administrative and environmental law issues. Orange Belgium, Telenet and Proximus intervene in these procedures to defend and preserve their respective temporary license. A judgment is not expected before (early) Q2 2021. Meanwhile, the decisions will apply.

Usage rights for Citymesh

On 20 February 2020, the BIPT decided to auction 15 MHz duplex (2520-2535 / 2640-2655 MHz) which was still free in the 2.6 GHz band for 4G services. The license granted is valid for 15 years, from 2020 to 2035 and does not include specific coverage conditions. Proximus and Orange already own 2x20 MHz each in this band and Telenet has 2x15 MHz and were excluded from participation due to the applicable spectrum cap. By the decision of 22 September 2020, the BIPT granted the sole candidate Citymesh authorisation.

On 14 January 2021, the BIPT launched a consultation on Citymesh's user rights in the 3.5 GHz frequency band. The consultation is on Citymesh's request dated 29 December 2020 to extend the list of Citymesh's municipalities to all municipalities on the Belgian territory, excluding the municipalities of Vresse-sur-Semois, Bièvre, Gedinne and Bouillon for which user rights have already been granted to Gridmax. The consultation ends on 12 February 2021. At the end of December it was revealed that Cegeka had acquired control over Citymesh, while it acquired Gridmax earlier in 2020.

License extension request by Gridmax in the 3.5GHz

On 10 June 2020, the BIPT launched a consultation on the request of a five-year extension of Gridmax's license for spectrum in the 3.5 GHz band (allocated on 17 August 2016 and valid until 16 March 2021). The consultation ended on 11 July 2020 and the BIPT made a final decision on 12 January 2021, extending the license to use the 3.5 GHz frequency band until 6 May 2025.

Note that a specific Royal Decree, published in early December 2020, obliges Citymesh and Gridmax to relocate their spectrum use to the 3410-3450 MHz spectrum band by mid-2021 at the latest.

More generally, Orange Belgium considers that spectrum allocations should go hand-in-hand with long-term visibility, together with deployment obligations in order to ensure that operators effectively invest in networks and use spectrum in an efficient and effective way.

■ **RAN sharing agreement between Orange Belgium and Proximus**

On 25 November 2019, Orange Belgium and Proximus signed an agreement with the purpose of establishing a 50-50 joint venture on radio mobile access network sharing, covering 2G, 3G, 4G and 5G technologies. Telenet lodged a complaint with the national competition authority against this agreement. By its decision on 10 January 2020 the Competition authority provided for an additional period of 2 months during which the BIPT could further assess the agreement. The provisional measures decided by the Competition Authority expired on 16 March 2020 and Orange Belgium and Proximus have resumed works for the implementation of the project.

The procedure on the merits is on-going.

■ **BIPT Operational plan for 2021**

On 22 December 2020, the BIPT launched a consultation on the operational plan 2021. The consultation ended on 16 January 2021.

2. Comments on the financial situation

2.1 Consolidated figures for the Orange Belgium Group

Orange Belgium Group: consolidated P&L

in €m	reported Q4 2019	comparable Q4 2019	Q4 2020	comparable change	reported change	reported FY 2019	comparable FY 2019	FY 2020	comparable change	reported change
Revenues	369.5	369.5	343.0	-7.2%	-7.2%	1,340.8	1,363.1	1,314.9	-3.5%	-1.9%
Belgium	356.5	356.5	329.0	-7.7%	-7.7%	1,288.2	1,310.5	1,262.5	-3.7%	-2.0%
Luxembourg	19.4		21.1		9.0%	69.8		70.9		1.5%
Interco elimination	-6.5		-7.1		9.9%	-17.2		-18.4		7.0%
EBITDAaL	79.6	79.6	85.9	7.9%	7.9%	300.1	299.2	323.5	8.1%	7.8%
Belgium	77.0	77.0	83.0	7.8%	7.8%	292.0	291.0	312.1	7.2%	6.9%
Luxembourg	2.6		3.0		12.9%	8.1		11.4		40.1%
margin as % of revenues	21.5%	21.5%	25.1%	350 bp	350 bp	22.4%	21.9%	24.6%	266 bp	222 bp

2.2 Consolidated statement of comprehensive income

Revenues

Comparable Group revenues decreased by 7.2% to €343.0m.

Orange Belgium Group: consolidated revenues

in €m	reported Q4 2019	comparable Q4 2019	Q4 2020	comparable change	reported change	reported FY 2019	comparable FY 2019	FY 2020	comparable change	reported change
<i>Convergent service revenues</i>	48.2	48.2	57.9	20.0%	20.0%	171.6	171.6	220.8	28.6%	28.6%
<i>Mobile only service revenues</i>	150.5	150.5	144.9	-3.7%	-3.7%	613.6	613.6	585.2	-4.6%	-4.6%
<i>Fixed only service revenues</i>	13.5	13.5	16.3	21.0%	21.0%	50.5	52.1	59.6	14.4%	18.0%
<i>IT & Integration Services</i>	10.6	10.6	10.4	-1.1%	-1.1%	21.5	41.4	40.4	-2.5%	87.9%
Retail service revenues	222.8	222.8	229.5	3.0%	3.0%	857.3	878.7	905.9	3.1%	5.7%
Equipment sales	53.3	53.3	42.9	-19.5%	-19.5%	144.1	144.1	132.2	-8.3%	-8.3%
Wholesale revenues	76.6	76.6	63.4	-17.3%	-17.3%	288.9	288.9	246.2	-14.8%	-14.8%
Other revenues	16.8	16.8	7.2	-57.0%	-57.0%	50.5	51.3	30.5	-40.5%	-39.6%
Revenues	369.5	369.5	343.0	-7.2%	-7.2%	1,340.8	1,363.1	1,314.9	-3.5%	-1.9%

- **Retail service revenues** increased by 3.0% on a comparable basis to €229.5m mainly driven by revenue growth in convergence service revenues. Fixed only service revenues increased by 21.0% as a result of higher cable revenues due to an increasing customer base. IT & Integration services decreased following COVID-19 measures impacting projects.
- **Equipment sales** decreased by 19.5% to €42.9m.
- **Wholesale revenues** declined by 17.3% due to the decrease in SMS traffic and roaming.
- **Other revenues** declined by 57.0% to €7.2m, due to the decrease in handset sales through agents.

Operating costs

Total operating costs decreased by 11.3% vs last year on a comparable basis, reaching €257.1m.

in €m	reported Q4 2019	comparable Q4 2019	Q4 2020	comparable change	reported change	reported FY 2019	comparable FY 2019	FY 2020	comparable change	reported change
Direct costs	-176.0	-176.0	-148.2	-15.8%	-15.8%	-614.3	-624.2	-549.0	-12.1%	-10.6%
Labour costs	-38.8	-38.8	-35.7	-8.0%	-8.0%	-148.2	-160.3	-146.9	-8.3%	-0.8%
Indirect costs including RouA and finance lease costs	-75.1	-75.1	-73.2	-2.5%	-2.5%	-278.2	-279.4	-295.5	5.7%	6.2%
<i>of which RouA and finance lease costs</i>	-14.0	-14.0	-15.4			-49.2	-49.2	-52.5		
	-289.8	-289.8	-257.1	-11.3%	-11.3%	-1,040.7	-1,063.9	-991.4	-6.8%	-4.7%

- **Direct costs** decreased by 15.8% to €148.2m on a comparable basis. This is mainly due to a significant decrease in SMS interconnection and lower equipment costs partially offset by higher cable costs.
- **Labour costs** amounted to €35.7m, 8.0% lower than Q4'19 on a comparable basis, explained by the reduction in activity rate and a slowdown in recruitment.
- **Indirect costs** decreased by 2.5% on a comparable basis mainly driven by a decrease in general expenses.

From EBITDAaL to Net profit

Reconciliation from EBITDAaL to Net profit

in €m	reported		reported	
	Q4 2019	Q4 2020	FY 2019	FY 2020
EBITDAaL	79.6	85.9	300.1	323.5
<i>margin as % of revenues</i>	21.5%	25.1%	22.4%	24.6%
Share of profits (losses) of associates	0.3	0.1	0.9	0.2
Impairment of fixed assets	-2.1	-0.7	-2.3	-0.7
Depreciation, amortization of other intangible assets and property, plant and equipment	-62.2	-73.4	-243.4	-250.2
Other restructuring costs	-4.8	-0.9	-10.7	-5.6
Finance lease costs	0.0	0.9	0.0	2.3
Operating profit (EBIT)	10.9	11.9	44.7	69.4
Financial result	-0.8	-1.0	-4.1	-5.3
Profit (loss) before taxation (PBT)	10.1	10.8	40.7	64.1
Tax expense	0.9	1.2	-6.7	-10.1
Net profit (loss) before the period	11.0	12.2	34.0	54.0

- EBITDAaL increased by 7.9% on a reported basis to €85.9m. This improvement is mainly due to a positive result in retail service revenues as well as cost efficiencies.
- Depreciation and amortization amounted to €73.4m.
- Restructuring costs for the quarter amounted to €0.9m.
- Net financial expenses (including finance lease cost for an amount of €0.9m) amounted to €1.0m.
- The Group reported a tax expense of €1.2m in Q4'20 vs €0.9m in Q4'19.
- Orange Belgium reported a net profit of €12.2m during Q4'20 vs €11.0m in Q4'19.

2.3 Liquidity and capital resources

The Group uses Operating cash flow and Organic cash flow as the main metrics for analysing cash generation. Operating cash flow is defined as EBITDAaL less eCapex. Organic cash flow measures the net cash provided by operating activities less eCapex, plus proceeds from the disposal of tangible and intangible assets.

Operating cash flow decreased from €18.6m to €15.0m in comparison to Q4'19, due to higher EBITDAaL as well as higher eCapex.

Operating cash flow

in €m	reported		reported	
	Q4 2019	Q4 2020	FY 2019	FY 2020
EBITDAaL	79.6	85.9	300.1	323.5
eCapex	-61.1	-70.9	-180.2	-177.7
Operating cash flow	18.6	15.0	120.0	145.8

Organic cash flow amounted to -€8.5m in Q4'20.

Reconciliation to organic cash flow

in €m	reported		reported	
	Q4 2019	Q4 2020	FY 2019	FY 2020
Net profit (loss) before the period	11.0	12.2	34.0	54.0
Adjustments to reconcile net profit (loss) to cash generated from operations	78.9	87.6	321.0	337.0
Changes in working capital requirements	-11.3	-33.4	17.8	-9.3
Other net cash out	-11.5	-12.5	-33.2	-37.2
Net cash provided by operating activities	67.1	53.8	339.5	344.4
eCapex	-61.1	-70.9	-180.2	-177.7
Increase (decrease) in fixed assets payables	19.7	19.5	-0.4	4.1
Repayment of lease liabilities	-12.8	-10.9	-46.7	-48.4
Organic cash flow	13.0	-8.5	112.2	122.4

Net debt at the end of quarter stood at €144.9m, compared to €234.3m at the end of 2019. Gearing, as measured by the net debt/Reported EBITDAaL ratio, decreased to 0.5x.

Net debt

€m, period ended	31.12.2019	31.12.2020
Cash & cash equivalents		
Cash	-18.3	-32.0
Cash equivalents	-1.9	-28.8
	-20.2	-60.8
Financial liabilities		
Intercompany short-term borrowing	8.8	200.4
Third parties short-term borrowing	0.6	1.9
Intercompany long-term borrowing	245.0	3.4
	254.4	205.8
Net debt (Financial liabilities minus cash and cash equivalents)	234.3	144.9
Net debt/Reported EBITDAaL	0.8	0.5

2.4 Activities of the Orange Belgium Group by segment

The following gives a breakdown of Orange Belgium Group's activities in greater detail:

2.4.1. Orange Belgium

Cable services

Orange Belgium's cable customer base continued its growth trajectory in Q4'20. During the quarter, the convergent and fixed only offers attracted 22k new subscribers, reaching 326k cable customers. B2C customers represent 90% of the total subscriber base.

The portion of Love Duo customers keeps increasing quarter after quarter. At the end of Q4'20, Love Duo represented 20% of the customer base. This had a direct impact on the B2C convergent ARPO, which decreased by 4.0% yoy, since Love Duo has a lower price point than Love Trio, as well as the effect of the discounts on the mobile when combined with convergence.

Orange Belgium: cable services operating figures (in '000s, unless otherwise indicated)

	Q4 2019	Q4 2020	change		Q4 2019	Q4 2020
Cable customer base				Net-adds		
B2C cable customer base	231	293	26.6%	B2C cable customer base	22	20
B2B cable customer base	27	33	23.6%	B2B cable customer base	3	2
	258	326	26.3%		25	22
ARPO (in € per month)						
B2C convergent	76.7	73.6	-4.0%			

Mobile services

The company reached 2.6 million postpaid customers as it added 26k subscribers net adds in the quarter. The prepaid customer base decreased by 13.7%.

Postpaid mobile ARPO decreased by 3.1% in Q4'20 to €19.8, due to lower out-of-bundle revenues caused by reduced roaming.

Orange Belgium: mobile services operating figures (in '000s, unless otherwise indicated)

	Q4 2019	Q4 2020	change		Q4 2019	Q4 2020
Mobile customers				Net-adds		
B2C convergent	352	458	30.1%	B2C convergent	33	28
B2B convergent	59	78	31.7%	B2B convergent	6	7
Mobile only	2,168	2,105	-2.9%	Mobile only	-9	-10
Postpaid	2,579	2,641	2.4%	Postpaid	31	26
Prepaid	532	459	-13.7%	Prepaid	-21	-16
M2M	1,381	1,601	15.9%	M2M	75	70
	4,491	4,701	4.7%		85	79
MVNO customers	323	349	8.0%		2	5
Mobile only ARPO (€ per month)						
Blended	17.8	17.5	-1.4%			
Postpaid (mobile only)	20.4	19.8	-3.1%			
Prepaid	6.9	6.9	0.4%			

Financial review

Revenues in Belgium decreased by 7.7% on a comparable basis to €329.0m. The drop in SMS, roaming and handset sales were the main factors for this decrease.

Nevertheless, retail service revenues continued to grow. Retail service revenues increased by 1.7% to €216.8m thanks to increasing convergent services revenues. Convergent services revenues continued to grow with a year-on-year increase of 20.0%, showing the attractiveness of the Love offer.

Equipment sales decreased by 18.4% to €38.8m in Q4'20, as a result of the limited capacity in shops due to COVID-19 as well as the highly competitive environment.

Wholesale revenues decreased by 17.1% to €60.7m due to lower SMS revenues and roaming traffic.

Orange Belgium: key financial figures

in €m	reported Q4 2019	comparable Q4 2019	Q4 2020	comparable change	reported change	reported FY 2019	comparable FY 2019	FY 2020	comparable change	reported change
Convergent service revenues	48.2	48.2	57.9	20.0%	20.0%	171.6	171.6	220.8	28.6%	28.6%
Mobile only service revenues	143.0	143.0	134.9	-5.7%	-5.7%	579.6	579.6	549.7	-5.2%	-5.2%
Fixed only service revenues	11.2	11.2	13.6	21.1%	21.1%	41.6	43.1	50.4	16.9%	21.3%
IT & Integration services	10.6	10.6	10.4	-1.1%	-1.1%	21.5	41.4	40.4	-2.5%	87.9%
Retail service revenues	213.1	213.1	216.8	1.7%	1.7%	814.3	835.8	861.2	3.0%	5.8%
Equipment sales	47.5	47.5	38.8	-18.4%	-18.4%	129.8	129.8	118.2	-9.0%	-9.0%
Wholesale revenues	73.3	73.3	60.7	-17.1%	-17.1%	279.9	279.9	239.0	-14.6%	-14.6%
Other revenues	22.7	22.7	12.7	-44.0%	-44.0%	64.2	65.0	44.1	-32.2%	-31.3%
Revenues	356.5	356.5	329.0	-7.7%	-7.7%	1,288.2	1,310.5	1,262.5	-3.7%	-2.0%
EBITDAaL	77.0	77.0	83.0	7.8%	7.8%	292.0	291.0	312.1	7.2%	6.9%
<i>margin as % of revenues</i>	21.6%	21.6%	25.2%	362 bp	362 bp	22.7%	22.2%	24.7%	251 bp	206 bp

EBITDAaL increased by 7.8% due to higher retail service revenues and cost control during the quarter.

2.4.2. Orange Communications Luxembourg

Operating review

Orange Communications Luxembourg increased its mobile subscriber base to 205k, up by 3.2% yoy.

Orange Communications Luxembourg: mobile services operating figures (in '000s, unless otherwise indicated)

	Q4 2019	Q4 2020	change		Q4 2019	Q4 2020
Mobile customers				Net-adds		
Postpaid	114	117	2.7%	Postpaid	1	0
Prepaid	14	19	37.6%	Prepaid	-1	2
M2M	71	70	-2.5%	M2M	1	-2
	199	205	3.2%		0	0
MVNO customers	3	3	1.4%			

Financial review

Revenues during the quarter increased by 9.0% to €21.1m, mainly due to a 31.1% increase in retail service revenues offsetting the decrease in equipment sales.

EBITDAaL increased by 12.9% to €3.0m.

Orange Communications Luxembourg: key financial figures

in €m	reported Q4 2019	comparable Q4 2019	Q4 2020	comparable change	reported change	reported FY 2019	comparable FY 2019	FY 2020	comparable change	reported change
Mobile only service revenues	7.5		10.0		34.4%	34.0		35.5		4.5%
Fixed only service revenues	2.3		2.7		20.5%	9.0		9.2		2.8%
Retail service revenues	9.7		12.7		31.1%	43.0		44.7		4.1%
Equipment sales	5.8		4.1		-28.8%	14.3		14.1		-1.7%
Wholesale revenues	3.9		3.8		-2.6%	12.3		10.8		-12.2%
Other revenues	0.0		0.5			0.2		1.2		466.5%
Revenues	19.4		21.1		9.0%	69.8		70.9		1.5%
EBITDAaL	2.6		3.0		12.9%	8.1		11.4		40.1%
margin as % of revenues	13.6%		14.1%		50 bp	11.6%		16.1%		443 bp

3. Financial risks and risk management

There were no changes to the information disclosed on p.78-79 and p.120-121 in the 2019 annual report.

4. Disputes

• Telecom masts

Since 1997, certain municipalities and four provinces have adopted local taxes, on an annual basis, on pylons, masts or antennas erected within their boundaries. Orange Belgium continues to file fiscal objections against each tax assessment notice received concerning these taxes. These taxes are currently being contested in Civil Courts (Courts of First Instance - Tax Chamber and Courts of Appeal).

The mobile operators have concluded an agreement for the period 2021-2022 with the Walloon government. Orange Belgium engages itself to pay an amount of 1.78 million euros over 2 years and to invest an incremental amount of 3.6 million euros in telecom infrastructure in the Walloon region in the period 2021-2022.

• Access to Coditel Brabant (Telenet) 's cable network

After Orange Belgium paid the provision for the cable wholesale access set-up fees, Coditel Brabant (Telenet) failed to provide such access within the regulatory 6-month period. This, in combination with the lack of progress on the development of an effective wholesale service, prompted Orange Belgium to initiate legal action against Coditel/Telenet for breach of its regulatory obligations end of December 2016. Taking the implementation of a technical solution was still ongoing beginning 2018, the proceedings were put on hold. The case is reactivated and Telenet submitted briefs on 6 March 2020. The court was requested to fix a date for an intermediary hearing.

• Access to Telenet's cable network – own channel

Based on the decisions on regulated access to the cable networks Orange Belgium is entitled to offer “own channels” to its retail TV customers, i.e. channels that are not commercially offered by the cable operators. While VOO provided such own channel (Eleven Sports 3) on its network, Telenet refused to offer such access at reasonable conditions. Beginning 2018, Orange Belgium initiated proceedings against Telenet for breach of its regulatory obligations before the Commercial Court of Antwerp. On 30 May 2018 the Commercial Court of Antwerp dismissed Orange Belgium's claim.

Orange Belgium appealed this judgment. On 11 April 2019 the Court of appeal found Telenet in breach of its regulatory obligations as well as guilty of abusing its dominant position. The Court ordered Telenet to provide reasonable conditions within one month subject to penalty payment of €2500/day afterwards. Telenet appealed the decision of the Court of Appeal at the Supreme Court. Orange Belgium issued a claim of €250,000 (total amount of the penalty) against Telenet for non-compliance with the decision of the Court of Appeal. This claim was attacked by Telenet with the attachment judge who decided on 22 October 2020 that the claim of OBE was unfounded. Orange Belgium appealed the judgment on December 7 at the Court of Appeal in Antwerp. The introduction hearing to fix a calendar for the exchange of briefs, took place on 6 January 2021.

- **Access to Telenet's cable network – own internet profile**

Under the regulation of the access to the cable networks alternative operators have the right to commercialize internet profiles that are not commercialized by the regulated cable operator (“own internet profiles”), i.e. an internet profile with different upload/download speeds and/or volumes than the internet speeds and/or volumes offered by the cable operator to its own retail clients. Despite several requests made by Orange Belgium to Telenet since 2015, Telenet refused to grant such own profile until May 2018. In view of the damages incurred by Orange Belgium linked to the refusals, Orange Belgium filed a formal complaint against Telenet with the regulator in February 2018. On 22 October 2018 the regulator published its decision finding Telenet in breach with its regulatory obligation for not providing an own profile to Orange Belgium. Orange Belgium sent a formal notice to Telenet in January 2019 requesting a compensation for the damages incurred. Facing the refusal of Telenet to pay damages, Orange Belgium introduced a damage claim before the Enterprise Court. The pleadings took place on 17 January 2020. On 14 February 2020 the Enterprise Court found Telenet in breach with its regulatory obligations and granted a part of the claimed damages. Orange Belgium decided to appeal the judgement. Pleadings will take place on 1 December 2021.

- **Lycamobile**

On 19 February 2016, Lycamobile Belgium Limited and Lycamobile BVBA initiated legal proceedings against Orange Belgium (previously Mobistar) before the Brussels Commercial Court claiming damages for the alleged belated commercial launch of Lycamobile's 4G services. The case was heard on 10 March 2017. By judgement on 12 May 2017, the Brussels Commercial Court dismissed the claim and ordered Lycamobile to pay Orange Belgium €18,000 as compensation for procedural costs. The judgement was served on 3 July 2017 and Lycamobile paid the full amount. On 11 August 2017, Lycamobile filed an appeal before the Brussels Court of Appeal. An introductory hearing took place on 21 September 2017 and a calendar for the filing of trial briefs was set. Parties have exchanged trial briefs. No pleading date has been set.

- **Euphony Benelux NV in bankruptcy**

On 2 April 2015, Orange Belgium was summoned by the receivers of Euphony Benelux NV to a hearing on 17 April 2015 at the Brussels Commercial Court. The bankruptcy receivers claim that Orange Belgium should pay a provisional amount of one (1) euro for overdue commissions as well as an eviction fee. In this context, the bankruptcy receivers claim that Orange Belgium should submit all relevant documents to allow the bankruptcy receivers to calculate the amounts claimed.

On 17 April 2018, the Court dismissed the claim relating to the eviction fee and appointed an expert for the claim relating to the overdue commissions. Orange Belgium has filed an appeal at the Brussels Court of Appeals. An introductory hearing took place and the Court of Appeals has set a calendar for the filing of trial briefs. Parties have exchanged trial briefs. No pleading date has been set.

- **Fixed Termination Rates (FTR) – 3Starsnet**

On 20 November 2018, the BIPT adopted a new FTR decision. 3Starsnet attempted to get the decision annulled via the Market Court but this was rejected. 3Starsnet has turned to the Supreme Court to get the decisions of the Market Court annulled. Orange Belgium intervenes in the procedures to defend the BIPT position. Orange Belgium submitted briefs (mémoire) on 25 February 2020. The date for pleadings is not yet set.

- **RAN sharing**

The provisional measures imposed by the Belgian Competition Authority expired on 16 March 2020 and Orange Belgium and Proximus have resumed works for the implementation of the project. On 1 April 2020 both companies transferred the relevant people to the newly created joint operation “MWingz”. In parallel, a procedure on the merits has been initiated by the Belgian Competition Authority. The procedure is going on at the moment.

- **VOO**

In mid-February 2020, Orange Belgium summoned Nethys and Providence to appear in court in order to obtain from the judge in charge of interim measures the suspension of the sale of the VOO shares held by Nethys but to be transferred to Providence. An action on the merits, seeking annulment of the sale, had also been brought against the same parties.

At the end of June 2020, the judge suspended the sale of the shares, thus following Orange Belgium's arguments regarding the apparently dubious nature of the first agreement for the sale of VOO shares to Providence in May 2019, which spread to the second transaction in December 2019 after the new management of Nethys questioned the first agreement.

Nethys has indicated that it does not wish to appeal against this interim injunction and will put in place a new sale process in the course of Q2 2021, thereby activating a resolutive condition contained in the Nethys/Providence agreement having as deadline the date of 30 June 2020.

- **Temporary licenses band 3.6 – 3.8 GHz**

On 15 July 2019, the Belgian Telecom Regulator (BIPT) published the decisions granting temporary user rights in the 3600-3800 MHz frequency band to four operators: Cegeka, Orange Belgium, Proximus and Telenet. These user rights

allow these operators to enable the first 5G developments within this frequency band in Belgium. On 11 September 2020, several action groups against 5G appealed the decisions before the Market Court of Brussels, asking to annul the decisions on the grounds of administrative and environmental law issues. Orange Belgium, Telenet, Proximus and Cegeka intervened in the procedures to defend and preserve their respective temporary license. A judgment is not expected before Q2 2021.

• All Communications – GSM - repeaters

The enterprise 'All Communications' appealed a decision of the Belgian Telecom Regulator (BIPT) before the Market Court. The decision stated that All Communications cannot install GSM repeaters without the prior consent of a MNO. All MNO intervene in the procedure. Pleadings took place on 2 December 2020 and a judgment was pronounced on 23 December 2020. The Market Court found the appeal of All Communications inadmissible because the writ of summons was not complete and it found itself without jurisdiction for the claims aimed at annulling BIPT's policy because it can only annul decisions of BIPT.

5. Significant event after the end of the fourth quarter of 2020

▪ FSMA disclosed the launch of the public tender offer for all shares issued by Orange Belgium

On 21 January 2021, the FSMA disclosed the notice it received, concerning the intention of Orange S.A, to launch a voluntary and conditional public tender offer in cash for all shares issued by Orange Belgium S.A.

6. Shareholder remuneration

The Orange Belgium Group aims to balance the appropriate cash returns to equity holders maintaining a balanced and sound financial position, while leaving sufficient leeway to continue to invest in its convergent strategy, the expansion of its network and other growth opportunities.

Given the financial and commercial performance of 2020 and the mid-term outlook, the Board of Directors will propose to the Annual General Meeting of Shareholders on 5 May 2021 to distribute a gross ordinary dividend for the financial year 2020 of 0.50 euro per share. If approved, the payment of the gross ordinary dividend of 0.50 euro will be carried out on 19 June 2021 (ex-dividend date 17 June 2021; record date 18 June 2021).

7. Outlook

Due to the uncertainties linked to COVID-19, Orange Belgium expects low single-digit revenue growth in 2021 taking into account further uptake on its postpaid and cable customer base.

For 2021, the Company expects EBITDAaL between €320m and €340m. This range takes into account:

- COVID-19 impact both financial and operational
- Wholesale price stable in comparison to last year

In addition, total eCapex is expected to be between €200m and €220m. This takes into account the JV with Proximus, MWingz.

8. 2021 Financial calendar

31 March	Start of quiet period
21 April	Financial results Q1 2021 (7:00 am CET) – Press release
21 April	Financial results Q1 2021 (14:00 am CET) – Audio conference call
05 May	Annual General Meeting of Shareholders
05 July	Start of quiet period
26 July	Financial results Q2 2021 (7:00 am CET) – Press release
26 July	Financial results Q2 2021 (2:00 pm CET) – Audio conference call
30 September	Start of quiet period
21 October	Financial results Q3 2021 (7:00 am CET) – Press release
21 October	Financial results Q3 2021 (10:00 am CET) – Audio conference call

This is a preliminary agenda and is subject to changes

9. Conference call details

Date: 5 February 2021
Time: 14:00 (CET), 13:00 (UK), 08:00 (US/NY)
Conference call: [Orange Belgium FY 2020 results](#)
Please aim to access the conference call ten minutes prior to the scheduled start time.

10. Shares

Share trading volumes and closing prices are based on trades made on NYSE Euronext Brussels.

	Q4 2019	Q4 2020
Trading of shares		
Average closing share price (€)	19.4	17.1
Average daily volume	46,697	128,206
Average daily value traded (€ m)	0.9	2.2
Shares and market values		
Total number of shares (m)	60.01	60.01
Treasury shares (k)	27.0	69.7
Closing price (€)	20.7	21.8
Market capitalization (€ m)	1,242.3	1,308.3

11. Consolidated financial statements

Consolidated statement of comprehensive income

in €m	31.12.2019 (*) Restated	31.12.2020
Retail service revenues	857.3	905.9
Convergent service revenues	171.6	220.8
Mobile only service revenues	613.6	585.2
Fixed only service revenues	50.5	59.6
IT & Integration Service	21.5	40.4
Equipment sales	144.1	132.2
Wholesale revenues	288.9	246.2
Other revenues	50.5	30.5
Revenues	1,340.8	1,314.9
Purchase of material	-201.4	-167.7
Other direct costs	-408.5	-374.6
Impairment loss on trade and other receivables, including contract assets	-4.4	-6.6
Direct costs	-614.3	-549.0
Labour costs	-148.2	-146.9
Commercial expenses	-43.8	-42.9
Other IT & Network expenses	-88.8	-95.3
Property expenses	-12.7	-14.5
General expenses	-57.9	-61.5
Other indirect income	23.8	26.4
Other indirect costs	-47.2	-52.9
Depreciation of right-of-use of leased assets	-49.3	-52.5
Indirect costs	-276.0	-293.2
Other restructuring costs (**)	-10.7	-5.6
Depreciation and amortization of other intangible assets and property, plant and equipment	-244.0	-250.2
Impairment of fixed assets	-2.3	-0.7
Share of profits (losses) of associates	0.9	0.2
Operating Profit (EBIT)	46.3	69.4
Financial result	-6.3	-5.3
Financial costs	-6.3	-5.3
Financial income	0.0	0.0
Profit (loss) before taxation (PBT)	40.0	64.1
Tax expense	-6.7	-10.1
Net profit (loss) for the period (***)	33.3	54.0
Profit (loss) attributable to equity holders of the parent	33.3	54.0
Consolidated Statement of Comprehensive Income		
Net profit (loss) for the period	33.3	54.0
Other comprehensive income (cash flow hedging net of tax)	0.9	0.0
Total comprehensive income for the period	34.2	54.0
Part of the total comprehensive income attributable to equity holders of the parent	34.2	54.0
Basic earnings per share (in EUR)	0.56	0.90
Weighted average number of ordinary shares (excl. treasury shares)	59,972,759	59,905,867
Diluted earnings per share (in EUR)	0.56	0.90
Diluted weighted average number of ordinary shares (excl. treasury shares)	59,972,759	59,905,867

* The 31 December 2019 consolidated statement of comprehensive income has been restated, reflecting the impact of the purchase price allocation ("PPA") for the Upsize N.V. acquisition, which was not yet available at year-end 2019. A note will be included in the 2020 annual report with more detailed information with regard to the finalisation of this purchase price allocation.

** Restructuring costs consist of contract termination costs and redundancy charges.

*** Since there are no discontinued operations, the net profit or loss of the period corresponds to the result of continued operations

Consolidated statement of financial position

in €m	31.12.2019 (*) Restated	31.12.2020
ASSETS		
Goodwill	104.4	104.4
Other intangible assets	276.9	250.0
Property, plant and equipment	747.6	707.6
Rights-of-use of leased assets	297.3	303.8
Interests in associates and joint ventures	5.3	5.5
Non-current financial assets	3.1	2.3
Other non-current assets	0.6	0.6
Deferred tax assets	2.6	3.1
Total non-current assets	1,437.8	1,377.3
Inventories	32.0	26.7
Trade receivables	224.8	207.5
Other assets related to contracts with customers	64.8	63.2
Current financial assets	0.4	0.4
Current derivatives assets	0.5	0.3
Other current assets	5.2	7.4
Operating taxes and levies receivables	0.5	1.4
Current tax assets	1.5	0.3
Prepaid expenses	14.0	6.8
Cash and cash equivalents	20.2	60.8
Total current assets	363.8	374.7
Total Assets	1,801.6	1,752.0
EQUITY AND LIABILITIES		
Share capital	131.7	131.7
Legal reserve	13.2	13.2
Retained earnings (excl. legal reserve)	446.8	470.6
Treasury shares	-0.2	-1.5
Equity attributable to the owners of the parent	591.5	613.9
Total Equity	591.5	613.9
Non-current financial liabilities	245.0	3.5
Non-current lease liabilities	244.6	259.6
Non-current derivatives liabilities	0.8	0.0
Non-current provisions for dismantling	75.3	77.1
Other non-current liabilities	2.6	2.3
Deferred tax liabilities	12.1	8.2
Total Non-current liabilities	580.5	350.7
Current fixed assets payable	52.9	57.0
Trade payables	314.0	296.6
Current financial liabilities	9.4	202.1
Current lease liabilities	51.7	44.4
Current derivatives liabilities	1.5	0.5
Current employee benefits	35.8	33.7
Current provisions for dismantling	2.1	5.5
Current restructuring provisions	1.9	1.2
Other current liabilities	10.4	3.8
Operating taxes and levies payables	78.7	77.2
Current tax payables	3.5	4.8
Liabilities related to contracts with customers	65.7	59.0
Deferred income	2.0	1.6
Total current liabilities	629.6	787.4
Total Equity and Liabilities	1,801.6	1,752.0

* The 31 December 2019 consolidated statement of financial position has been restated, reflecting the impact of the purchase price allocation ("PPA") for the Upsize N.V. acquisition, which was not yet available at year-end 2019. A note will be included in the 2020 annual report with more detailed information with regard to the finalisation of this purchase price allocation

Consolidated cash flow statement

in €m	31.12.2019 (*) Restated	31.12.2020
Operating activities		
Consolidated net profit	33.3	54.0
Adjustments to reconcile net profit (loss) to cash generated from operations		
Operating taxes and levies	14.7	17.0
Depreciation, amortization of other intangible assets and property, plant and equipment	244.0	250.2
Depreciation of right-of-use assets	49.2	52.5
Impairment of non-current assets	2.3	0.7
Gains (losses) on disposal	-1.6	-2.7
Changes in other provisions	-1.8	-2.3
Share of profits (losses) of associates and joint ventures	-0.9	-0.2
Income tax expense	6.7	10.1
Finance costs, net	6.3	5.3
Operational net foreign exchange and derivatives	0.1	-0.1
Share-based compensation	0.4	-0.2
Impairment loss on trade and other receivables, including contract assets	4.4	6.6
	323.7	337.0
Changes in working capital requirements		
Decrease (increase) in inventories, gross	0.0	5.2
Decrease (increase) in trade receivables, gross	-27.5	10.5
Increase (decrease) in trade payables	42.3	-18.3
Change in other assets related to contracts with customers	-3.0	1.5
Change in liabilities related to contracts with customers	3.9	-6.8
Changes in other assets and liabilities	2.1	-1.3
	17.8	-9.3
Other net cash out		
Operating taxes and levies paid	-20.4	-19.4
Interest paid and interest rates effects on derivatives, net	5.8	-5.3
Income tax paid	-9.1	-12.6
	-35.3	-37.2
Net cash provided by operating activities	339.5	344.4
Investing activities		
Purchases of property, plant and equipment and intangible assets		
Purchases of property, plant and equipment and intangible assets	-180.2	-177.7
Increase (decrease) in fixed assets payables	-0.4	4.1
Cash paid for investments securities and acquired businesses, net of cash acquired	-35.1	-1.7
Decrease (increase) in securities and other financial assets	0.1	-0.1
Net cash used in investing activities	-215.5	-175.4
Financing activities		
Long-term debt redemptions and repayments	-31.7	-42.2
Repayment of lease liabilities	-46.7	-48.4
Increase (decrease) of bank overdrafts and short-term borrowings	-21.8	-6.5
Purchase of treasury shares	-0.2	-1.3
Dividends paid to owners of the parent company	-30.0	-30.0
Net cash used in financing activities	-130.4	-128.4
Net change in cash and cash equivalents	-6.4	40.6
Opening balance	26.6	20.2
o/w cash	19.9	18.3
o/w cash equivalents	6.7	1.9
Cash change in cash and cash equivalents	-6.4	40.6
Closing balance	20.2	60.8
o/w cash	18.3	32.0
o/w cash equivalents	1.9	28.8
Organic Cash Flow (**)	112.2	122.4

* The 31 December 2019 statement of financial position has been restated, reflecting the impact of the purchase price allocation ("PPA") for the Upsize N.V. acquisition, which was not yet available at year-end 2019. A note will be included in the 2020 annual report with more detailed information with regard to the finalisation of this purchase price allocation.

** Net cash flow from operations less acquisitions of tangible and intangible assets plus proceeds from disposals of tangible and intangible assets minus repayment of lease liabilities.

Consolidated statement of changes in equity

in €m	Share capital	Legal reserve	Retained earnings	Treasury shares	Total equity
Balance at 31 December 2019 (*), as previously reported	131.7	13.2	447.4	-0.2	592.1
PPA adjustment Upsize N.V.			-0.6		-0.6
Restated balance as of 31 December 2019	131.7	13.2	446.8	-0.2	591.5
Net profit for the period			54.0		54.0
Other comprehensive income			0.0		0.0
Total comprehensive income for the period			54.0		54.0
Treasury shares				-1.3	-1.3
Employee- Share-based compensation			-0.2		-0.2
Declared dividends			-30.0		-30.0
Balance as at 31 December 2020	131.7	13.2	470.6	-1.5	613.9

in €m	Share capital	Legal reserve	Retained earnings	Treasury shares	Total equity
Balance at 31 December 2018 (**), as previously reported	131.7	13.2	442.2		587.1
Adjustment due to application of IFRS 16 (net of tax)			-0.2		-0.2
Adjusted balance at 1 January 2019	131.7	13.2	442.1		587.0
Net profit for the period			33.3		33.3
Other comprehensive income			0.9		0.9
Total comprehensive income for the period (Restated)			34.2		34.2
Treasury shares				-0.2	-0.2
Employee - Share-based compensation			0.4		0.4
Declared dividends			-30.0		-30.0
Restated Balance as at 31 December 2019 (*)	131.7	13.2	446.8	-0.2	591.5

* The 31 December 2019 consolidated statement of financial position has been restated, reflecting the impact of the purchase price allocation ("PPA") for the Upsize N.V. acquisition, which was not yet available at year-end 2019. A note will be included in the 2020 annual report with more detailed information with regard to the finalisation of this purchase price allocation.

** The Group has initially applied IFRS 16 on 1 January 2019, using the modified retrospective approach. Under this approach, comparative information is not restated and the cumulative effect of initially applying IFRS 16 is recognized in retained earnings at the date of initial application.

Segment information

in €m, twelve months ended 31 December 2020	Orange Belgium	Orange Luxembourg	Interco elimination	Orange Belgium Group
Retail service revenues	861.2	44.7		905.9
Convergent service revenues	220.8	0.0		220.8
Mobile only service revenues	549.7	35.5		585.2
Fixed only service revenues	50.4	9.2		59.6
IT & Integration service revenues	40.4	0.0		40.4
Equipment sales	118.2	14.1		132.2
Wholesale revenues	239.0	10.8	-3.6	246.2
Other revenues	44.1	1.2	-14.8	30.5
Total Revenues	1,262.5	70.9	-18.4	1,314.9
Direct costs	-532.2	-35.2	18.4	-549.0
Labor costs	-139.0	-8.0		-146.9
Indirect costs, of which	-277.0	-16.2		-293.2
Operational taxes and fees	-14.5	-2.6		-17.0
Depreciation of right-of-use of leased assets	-47.9	-4.6		-52.5
Other restructuring costs	-5.2	-0.4		-5.6
Depreciation, amortization of other intangible assets and property, plant and equipment	-242.4	-7.8		-250.2
Impairment of fixed assets	-0.7	0.0		-0.7
Share of profits (losses) of associates	0.2	0.0		0.2
Operating profit (EBIT)	66.2	3.2		69.4
Net financial income (expense)	-5.6	0.3		-5.3
Profit (loss) before taxation (PBT)	60.6	3.5		64.1
Tax expense	-10.6	0.5		-10.1
Net profit (loss) for the period	50.0	4.0		54.0

in €m, twelve months ended 31 December 2019 (*) Restated	Orange Belgium	Orange Luxembourg	Interco elimination	Orange Belgium Group
Retail service revenues	814.3	43.0		857.3
Convergent service revenues	171.6	0.0		171.6
Mobile only service revenues	579.6	34.0		613.6
Fixed only service revenues	41.6	9.0		50.5
IT & Integration Service revenues	21.5	0.0		21.5
Equipment sales	129.8	14.3		144.1
Wholesale revenues	279.9	12.3	-3.3	288.9
Other revenues	64.2	0.2	-14.0	50.5
Total Revenues	1,288.2	69.8	-17.2	1,340.8
Direct costs	-594.9	-36.6	17.2	-614.3
Labor costs	-139.2	-9.0		-148.2
Indirect costs, of which	-260.1	-15.9		-276.0
Operational taxes and fees	-12.4	-2.3		-14.7
Depreciation of rights-of-use of leased assets	-45.0	-4.2		-49.2
Other restructuring costs	-10.6	-0.1		-10.7
Depreciation, amortization of other intangible assets and property, plant and equipment	-236.2	-7.8		-244.0
Impairment of fixed assets	-2.3	0.0		-2.3
Share of profits (losses) of associates	0.9	0.0		0.9
Operating profit (EBIT)	45.9	0.4		46.3
Net financial income (expense)	-6.3	0.1		-6.2
Profit (loss) before taxation (PBT)	39.6	0.5		40.1
Tax expense	-5.9	-0.8		-6.7
Net profit (loss) for the period	33.7	-0.3		33.3

* The 31 December 2019 consolidated statement of comprehensive income has been restated, reflecting the impact of the purchase price allocation ("PPA") for the Upsize N.V. acquisition, which was not yet available at year-end 2019. A note will be included in the 2020 annual report with more detailed information with regard to the finalisation of this purchase price allocation.

in €m, twelve months ended 31 December 2020	Orange Belgium	Orange Luxembourg	Interco elimination	Orange Belgium Group
EBITDAaL	312.1	11.4		323.5
Share of profits (losses) of associates	0.2	0.0		0.2
Impairment of fixed assets	-0.7	0.0		-0.7
Depreciation, amortization of other intangible assets and property, plant and equipment	-242.4	-7.8		-250.2
Other restructuring costs	-5.2	-0.4		-5.6
Finance lease costs	2.3	0.0		2.3
Operating profit (EBIT)	66.2	3.2		69.4
Financial result	-5.6	0.3		-5.3
Profit (loss) before taxation (PBT)	60.6	3.5		64.1
Tax expense	-10.6	0.5		-10.1
Net profit (loss) before the period	50.0	4.0		54.0

in €m, twelve months ended 31 December 2019 (*) Restated	Orange Belgium	Orange Luxembourg	Interco elimination	Orange Belgium Group
EBITDAaL	292.0	8.1		300.1
Share of profits (losses) of associates	0.9	0.0		0.9
Impairment of fixed assets	-2.3	0.0		-2.3
Depreciation, amortization of other intangible assets and property, plant and equipment	-236.2	-7.8		-244.0
Other restructuring costs	-10.6	-0.1		-10.7
Finance lease costs	2.0	0.2		2.2
Operating profit (EBIT)	45.9	0.4		46.3
Financial result	-6.3	0.1		-6.2
Profit (loss) before taxation (PBT)	39.6	0.5		40.1
Tax expense	-5.9	-0.8		-6.7
Net profit (loss) before the period	33.7	-0.3		33.3

* The 31 December 2019 consolidated statement of comprehensive income has been restated, reflecting the impact of the purchase price allocation ("PPA") for the Upsize N.V. acquisition, which was not yet available at year-end 2019. A note will be included in the 2020 annual report with more detailed information with regard to the finalisation of this purchase price allocation.

15. Statutory auditor's procedures

The statutory auditor, KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises, represented by Alexis Palm has confirmed that the audit procedures, which have been substantially completed, have not revealed any material misstatement in the accounting information included in the Company's annual announcement.

16. Glossary

Financial KPIs

Revenues

revenues in line with the offer	Provide Group revenues split in convergent services, mobile only services, fixed only services, IT & integration services, wholesale, equipment sales and other revenues.
retail service revenues	Revenue aggregation of revenues from convergent services, mobile only services, fixed only services, IT & integration services.
convergent services	Revenues from B2C convergent offers (excluding equipment sales). A convergent offer is defined as an offer combining at least a broadband access (xDSL, FTTx, cable or Fixed-4G (fLTE) with cell-lock) and a mobile voice contract (excluding MVNOs: Mobile Virtual Network Operator). Convergent services revenues do not include incoming and visitor roaming revenues.
mobile only services	Revenues from mobile offers (excluding B2C convergent offers and equipment sales) and M2M connectivity, excluding incoming and visitors roaming revenues.
fixed only services	Revenues from fixed offers (excluding B2C convergent offers and equipment sales) including (i) fixed broadband, (ii) fixed narrowband, and (iii) data infrastructure, managed networks, and incoming phone calls to customer relations call centres.
IT & integration services	Revenues from collaborative services (consulting, integration, messaging, project management), application services (customer relationship management and infrastructure applications), hosting, cloud computing services, security services, video-conferencing and M2M services. It also includes equipment sales associated with the supply of these services.
Wholesale	Revenues with third-party telecom operators for (i) mobile: incoming, visitor roaming, domestic mobile interconnection (i.e. network sharing and domestic roaming agreement) and MVNO, and for (ii) fixed carriers services.
equipment sales	Revenues from all mobile and fixed equipment sales, excluding (i) equipment sales associated with the supply of IT & Integration services, and (ii) equipment sales to dealers and brokers.
other revenues	Include (i) equipment sales to brokers and dealers, (ii) portal, on-line advertising revenues, (iii) corporate transversal business line activities, and (iv) other miscellaneous revenues.

Profit & Loss

Data on a comparable basis	Data based on comparable accounting principles, scope of consolidation and exchange rates are presented for previous periods. The transition from data on an historical basis to data on a comparable basis consists of keeping the results for the period ended and then restating the results for the corresponding period of the preceding year for the purpose of presenting, over comparable periods, financial data with comparable accounting principles, scope of consolidation and exchange rate. The method used is to apply to the data of the corresponding period of the preceding year, the accounting principles and scope of consolidation for the period just ended as well as the average exchange rate used for the income statement for the period ended. Changes in data on a comparable basis reflect organic business changes. Data on a comparable basis is not a financial aggregate as defined by IFRS and may not be comparable to similarly-named indicators used by other companies.
EBITDAaL (since 1 January 2019)	EBITDA after lease is not a financial measure as defined by IFRS. It corresponds to the net profit before: taxes; net interest expense; share of profit/losses from associates; impairment of goodwill and fixed assets; effects resulting from business combinations; reclassification of cumulative translation adjustment from liquidated entities; depreciation and amortization; the effects of significant litigation, specific labour expenses; review of the investments and business portfolio, restructuring costs.

Cash flow statement

Operating cash flow	EBITDAaL minus eCapex since 1 January 2019.
Organic cash flow	Organic cash flows correspond to net cash provided by operating activities decreased by capex/eCapex and the repayment of lease liabilities, increased by proceeds from sale of property, plant and equipment and intangible assets and adjusted for the payments for acquisition of telecommunications licenses.
eCapex (since 1 January 2019)	Economic Capex is not a financial measure as defined by IFRS. It corresponds to capital expenditures on tangible and intangible assets excluding telecommunication licenses and excluding investments through financial leases less proceeds from the disposal of fixed and intangible assets.
licenses & spectrum	Cash out related to acquisitions of licenses and spectrum.
change in WCR	Change in net inventories, plus change in gross trade receivables, plus change in trade payables, plus change in other elements of WCR.
other operational items	Mainly offset of non-cash items included in adjusted EBITDA, items not included in adjusted EBITDA but included in net cash provided by operating activities, and change in fixed asset payables.
net debt variation	Variation of net debt level.

Operational KPIs

Convergent

B2Cconvergent customer base	Number of B2C customers holding an offer combining at least a broadband access (xDSL, FTTx, cable or Fixed-4G (fLTE) with cell-lock) and a mobile voice contract (excluding MVNOs).
B2C convergent ARPO	Average quarterly Revenues Per Offer (ARPO) of convergent services are calculated by dividing (a) the revenues from convergent offers billed to the B2C customers (excluding equipment sales) over the past three months, by (b) the weighted average number of convergent offers over the same period. The weighted average number of convergent offers is the average of the monthly averages during the period in question. The monthly average is the arithmetic mean of the number of convergent offers at the start and end of the month. Convergent ARPO is expressed as monthly revenues per convergent offer.

Mobile

mobile customer base (excl. MVNOs)	Number of customers with active simcard, including (i) M2M and (ii) business and internet everywhere (excluding MVNOs).
Contract	Customer with whom Orange has a formal contractual agreement with the customer billed on a monthly basis for access fees and any additional voice or data use.
Prepaid	Customer with whom Orange has written contract with the customer paying in advance any data or voice use by purchasing vouchers in retail outlets for example.
M2M (machine-to-machine)	Exchange of information between machines that is established between the central control system (server) and any type of equipment, through one or several communication networks.
mobile B2C convergent customers	Number of mobile lines of B2C convergent customers.
mobile only customers	Number of mobile customers (see definition of this term) excluding mobile convergent customers (see definition of this term).
MVNO customers	Hosted MVNO customers on Orange networks.
mobile only ARPO (quarterly)	Average quarterly Revenues Per Offer (ARPO) of mobile only services are calculated by dividing (a) the revenues of mobile only services billed to the customers, generated over the past three months, by (b) the weighted average number of mobile only customers (excluding M2M customers) over the same period. The weighted average number of customers is the average of the monthly averages during the period in question. The monthly average is the arithmetic mean of the number of customers at the start and end of the month. Mobile only ARPO is expressed as monthly revenues per customer.

Fixed

number of lines (copper + FTTH)	Number of fixed lines operated by Orange.
B2C broadband convergent customers	Number of B2C customers holding an offer combining at least a broadband access (xDSL, FTTx, cable or Fixed-4G (fLTE) with cell-lock) and a mobile voice contract (excluding MVNOs).
fixed broadband only customers	Number of fixed broadband customers excluding broadband convergent customers (see definition of this term).
fixed only broadband ARPO (quarterly)	Average quarterly Revenues Per Offer (ARPO) of fixed only broadband services (xDSL, FTTH, Fixed-4G (fLTE), satellite and Wimax) are calculated by dividing (a) the revenues from consumer fixed only broadband services over the past three months, by (b) the weighted average number of accesses over the same period. The weighted average number of accesses is the average of the monthly averages during the period in question. The monthly average is the arithmetic mean of the number of accesses at the start and end of the month. ARPO is expressed as monthly revenues per access.

Consolidation perimeter

The scope of consolidation includes the following companies: Orange Belgium S.A. (100%), the Luxembourgian company Orange Communications Luxembourg S.A. (100%), IRISnet S.C.R.L. (28.16%), Smart Services Network S.A. (100%), Walcom Business Solutions S.A. (100%), A3COM S.A. (100%), A & S Partners S.A. (100%), Upsize N.V. (100%), BKM N.V. (100%), CCP@S B.V. (100%) and MWingz S.R.L. (50%).

Rounding

Due to rounding, numbers presented may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

About Orange Belgium

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

As a convergent actor, we provide mobile telecommunication services, internet and TV to private clients, as well as innovative mobile and fixed line services to businesses. Our high-performance mobile network supports 2G, 3G, 4G and 4G+ technology and is the subject of ongoing investments.

Orange Belgium is a subsidiary of Orange Group, one of the leading European and African operators of mobile telephony and internet access, as well as one of the world leaders for telecommunication services to enterprises.

Orange Belgium is listed on the Brussels Stock Exchange (OBEL).

More information on: corporate.orange.be, www.orange.be or follow us on Twitter: [@pressOrangeBe](https://twitter.com/pressOrangeBe).

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