financial communications

Universal Registration Document

2023

iliad GROUP

Contents

Universal Registration Document

April 10, 2024

On April 10, 2024, the French language version of this Universal Registration Document was submitted to the *Commission de Surveillance du Secteur Financier* (the "CSSF"), in its capacity as competent authority within the meaning of EU Regulation 2017/1129, as amended (the "Prospectus Regulation") and the Luxembourg law of July 16, 2019 on securities prospectuses. It was filed without prior approval, in accordance with Article 9 of said Regulation. This Universal Registration Document may be used for an offer of securities to the public or the admission of securities to trading on a regulated market provided it is accompanied by amendments, if applicable, and a securities note and the related summary approved in accordance with the Prospectus Regulation. Copies of this Universal Registration Document can be obtained free of charge from iliad S.A. (16, rue de la Ville l'Évêque – 75008 Paris, France – Tel.: +33 (0)1 73 50 20 00) and may also be downloaded from iliad S.A.'s website (**www.iliad.fr**) as well as from the website of the Luxembourg Stock Exchange (**www.bourse.lu**).

Note

Documents incorporated by reference into this Universal Registration Document are disclosed in a specific section "Documents incorporated by reference", page 291, which includes a cross-reference table.

1. Overview of the Group and its businesses

1.1 The iliad Group

Introduction

The iliad Group (the "**Group**") is a leading European telecommunications provider, with 48.5 million subscribers in France, Poland and Italy, €9.24 billion in revenues in 2023 and more than 17,700 employees.

Founded in 1991 in France, the Group became a major national provider of Internet access and fixed and mobile electronic communications in the early 2000s before gradually expanding to Italy in 2018 and Poland in 2020.

The Group's parent company, iliad S.A. (the "**Company**") operates under a variety of trade names, including Free, Free Pro and Scaleway in France, iliad in Italy and Play in Poland.

Since expanding outside France, the Group does business in three separate geographic segments: France, Italy and Poland.

France

France is our main market and accounted for 65% of the Group's total revenues in 2023. Free entered the Internet service provider (ISP) market in France in April 1999, with a straightforward, no-contract offering. This commercial strategy enabled it to win a large share of the dial-up market with relatively low advertising outlay compared with its competitors.

After completing the rollout of its electronic communications network and interconnecting with the incumbent operator's network in April 2001, Free was able to effectively control the cost structure of an offering based on Internet connection time, and was able to launch an attractively-priced but profitable dial-up plan.

After launching Free's ADSL Broadband offering in October 2002 and then its first mobile plans in 2012, the Group has gradually established itself as a major integrated operator in the fixed and mobile segments (Broadband and Ultra-Fast Broadband) of the French telecommunications market, by investing in local loop unbundling and the rollout of fiber network and a network of mobile masts. In January 2019, the acquisition of Jaguar Network marked the iliad Group's entry into the B2B market. More recently, in April 2023, the Group entered the cybersecurity market by acquiring a majority stake in ITrust.

For over 20 years now, the Company has successfully maintained all its distinctive features – straightforward solutions, attractive pricing and a technical quality that is widely recognized in every market segment addressed.

Italy

In 2018, the Group entered the mobile market in Italy – a country in which it had never before conducted any business – where 11% of total consolidated revenues was generated in 2023. It started deploying its own mobile network in Italy in late 2016 and added to its network coverage, first through a roaming agreement with WindTre, and then by a RAN-sharing agreement which has been in effect since early 2023 (as part of a joint venture owned on a 50/50 basis with WindTre, called Zefiro Net).

In January 2022, iliad Italia became a new entrant in the fixed broadband Internet market with the launch of a double-play Internet and telephony offering (based on wholesale offers using the Open Fiber, FiberCop and Fastweb networks). In May 2023, iliad Italia launched its B2B mobile offering.

Poland

The Group has been present in Poland since 2020, when it acquired Play, a leading nationwide operator in the country's mobile telephony market. In 2023, Poland represented 23% of the Group's revenues. Play is a national mobile operator that also provides fixed services (broadband and OTT TV).

In September 2021, the iliad Group further expanded in Poland through the acquisition of UPC Polska, whose closing on April 1, 2022 made the Group a convergence leader in the country. On April 1, 2023, the Group finalized the creation of PŚO (https://www.swiatlowodotwarty.pl/), a 50/50 joint venture held with InfraVia which is intended to become Poland's largest open-access broadband network.

1.1.1 Significant events of 2023 and key figures

- **Selected financial information – iliad Group**

(in € millions)	Dec. 31, 2023	Dec. 31, 2022
Income statement		
Total revenues	**9,241**	**8,369**
EBITDAaL	**3,444**	**3,303**
Profit from ordinary activities	1,291	1,356
Profit for the period	318	758
Balance sheet		
Non-current assets	21,800	20,333
Current assets [(a)]	4,347	3,192
of which cash and cash equivalents	*1,186*	*521*
Assets held for sale	184	1,470
Total assets	**26,330**	**24,994**
Total equity	4,798	5,213
Non-current liabilities	14,813	14,894
Current liabilities [(a)]	6,709	4,868
Liabilities held for sale	11	19
Total equity and liabilities	**26,330**	**24,994**
Net debt [(b)]	**10,243**	**10,815**
Cash flows		
Cash flows from operations	**4,114**	**3,717**
Right-of-use assets and interest expense on lease liabilities – IFRS 16 impact	(987)	(892)
Capital expenditure excluding payments for frequencies – Group	(2,016)	(2,139)
Payments for frequencies – Group	(185)	(1,185)
Income tax paid	(594)	(527)
Net interest paid	(436)	(281)
Other (including impact of changes in scope of consolidation)	1,531	42
Net change in cash and cash equivalents – Group (excluding change in net debt and dividends paid to owners of the Company)	**1,594**	**(1,333)**
Dividends paid to owners of the Company	(708)	(1,467)

(a) Excl. assets and liabilities held for sale.
(b) Short- and long-term financial liabilities less cash and cash equivalents.

Key figures for 2023

Group

Operational information

The Group's active subscriber base rose sharply in 2023, with the addition of 2.74 million new subscribers, including 2.29 million for Mobile and 454,000 for Fixed-line/Internet. At the year-end, the Group had more than 48.5 million subscribers in its three geographies, including 38.8 million for Mobile and 9.7 million for Fixed-line/Internet. Throughout 2023, the Group kept up its brisk momentum of deploying latest-generation infrastructure (FTTH, 4G and 5G) and new services, continuing the trends of previous years.

Revenues

The Group's consolidated revenues rose 10.4% to €9.24 billion in 2023, driven by solid performances in our three countries of operation: France (up 8.7%), Italy (up 14.5%) and Poland (up 13.1%). On a pro forma like-for-like basis [(1)], revenues ended the year up 8.2%.

Profitability

Consolidated EBITDAaL increased 4.2% in 2023, coming in at €3.44 billion. Profit for the period amounted to €318 million and operating cash flow (EBITDAaL less capex excluding payments for frequencies) climbed 22.6% to €1.43 billion.

Leverage

At end-2023, consolidated net debt totaled €10.24 billion, representing a €573 million decrease which primarily reflects the strong €264 million increase in operating free cash flow. This led to a 0.2x improvement in leverage, which amounted to 3.0x EBITDAaL.

France

Operational information

The total fixed-line subscriber base rose by 234,000 subscribers in 2023. Growth for Fiber remained strong, with 858,000 new subscribers over the year. The Fiber subscriber base reached 5.52 million at end-December, with the take-up rate advancing 9.5 points year on year to 74.4%. The number of connectible sockets also increased in 2023, by 4 million to 35.3 million. The Group's Fiber offerings are now available in more than 27,000 municipalities.

The number of subscribers on the unlimited 4G/5G Free Mobile Plan [(2)] continued to rise, with 916,000 net adds in 2023, thanks to the Group's strong commitment to not raising its prices before 2027. This brought the total number of subscribers on the unlimited 4G/5G Free Mobile Plan [(2)] to 11.1 million, representing 74% of Free's total mobile subscriber base. Free Mobile actively pursued its 4G and 5G mobile network rollouts across France in 2023, switching on over 2,400 new 4G sites and more than 2,175 5G sites. Free Mobile now offers very high population coverage for 5G (over 94%) as well as more than 99% for 4G. The Group intends to continue investing in network coverage and densification in order to become France's alternative operator of choice and to meet the coverage commitments it has made to ARCEP.

Financial information

In 2023, revenues in France rose by 8.7% to €6.04 billion, impelled by sustained gains in every quarter. Fixed services revenues amounted to €3.30 billion for the year, up 8.3%. ARPU over the four quarters improved by €1.40 or 4.1% year on year to €35.00. Mobile services revenues grew by 6.4% to €2.42 billion. Revenues billed to subscribers rose 9.5% over the year, lifted by the average 4.0% increase in ARPU billed to subscribers (€12.10). Other Mobile revenues (mainly corresponding to income from voice and SMS/MMS interconnections) decreased by 12.2% during the year. These revenues (which have low margins) are on a structurally downward trend as traffic is switching to digital platforms. Revenues from devices climbed 35.3% over the year to €324 million, reflecting strong subscriber demand for our Free Flex offering.

EBITDAaL in France gained 4.6% to €2.39 billion, while EBITDAaL margin narrowed by 1.6 points to 39.6% due to higher network maintenance and energy costs and the unfavorable sales mix, as device sales outpaced Services revenues. Capital expenditure (excluding payments for frequencies) rose by 0.5% in 2023 to €1.5 billion, including €64 million for the purchase of a supercomputer which has given the Group the most powerful cloud-native AI computing capacity deployed to date in Europe and is enabling Scaleway to offer a full suite of B2B cloud-native AI solutions. Other than this investment in AI, the bulk of our capex related to our 5G and Fiber network rollouts throughout France and connecting up new Fiber subscribers and B2B customers. Operating cash flow (EBITDAaL less capex excluding payments for frequencies) therefore increased by 12.1% to €891 million.

Poland

Operational information

The active mobile subscriber base grew by 336,000 in 2023, totaling almost 13.1 million subscribers at year-end. Sales performance in the Plans segment was excellent, with a net gain of 397,000 new subscribers in 2023. Mobile ARPU billed to subscribers rose 3.4% year on year to PLN 30.2.

In parallel, Play continued to execute its growth strategy in the Fixed segment (both organically and through the acquisition of small regional operators), adding 122,000 new subscribers and bringing its total number of fixed-line subscribers to almost 2.1 million at end-2023.

Financial information

Revenues generated in Poland increased by 13.2% to €2.16 billion in euros, and by 9.6% to PLN 9.80 billion in local currency (up 4% on a pro forma basis). Mobile services revenues billed to subscribers rose by 5.9% to PLN 4.62 billion, reflecting growth in the subscriber base and an increase in ARPU after refreshing our offerings. Interconnection and other revenues declined by 6.3% over the year to PLN 1.29 billion (down 8.1% on a pro forma like-for-like basis). The voice call termination charge was reduced to 0.40 euro cents on January 1, 2023 (compared with 0.55 euro cents for 2022) and to 0.20 euro cents on January 1, 2024. Revenues from devices climbed 7.6% to PLN 1.93 billion, led by a better price mix.

(1) Based on constant scope of consolidation and exchange rates.
(2) 250 GB for non-Freebox subscribers.

EBITDAaL in Poland remained stable in euros, at €805 million, but decreased by 3.1% in local currency to PLN 3.66 billion (down 8.0% on a pro forma like-for-like basis). Profit for the period contracted in 2023, mainly due to the impact of inflation on energy costs and the start-up of the line leasing agreement with PŚO (a 50/50 joint venture held with InfraVia to which Play sold its cable and fiber infrastructure in Poland). Capital expenditure was 0.5% lower year on year (7.7% on a pro forma like-for-like basis). Operating cash flow (EBITDAaL less capex excluding payments for frequencies) increased by 4.4% year on year to PLN 2.42 billion.

Italy

Operational information

In 2023, iliad Italia maintained its position as the net add leader in the Mobile market, adding 1.16 million new subscribers during the year, including 255,000 in the fourth quarter. The market environment remained highly competitive throughout 2023, with numerous aggressive price offers specifically targeted at iliad Italia.

In the Fiber segment, iliad Italia pursued its growth trajectory, with its total number of subscribers reaching 207,000 at the year-end. Thanks to two new infrastructure agreements signed with FiberCop and Fastweb and the expansion of the accessible market to the C&D zones with Open Fiber during the year, we were able to extend our coverage in Italy to 13.7 million sockets at end-2023.

Financial information

Revenues generated by iliad Italia topped the €1 billion mark in 2023, advancing 14.5% to €1.06 billion. Service revenues rose 13.8% year on year to €1.05 billion. Revenues from devices doubled (surging 104.1%) compared with 2022, coming in at €15 million for the year.

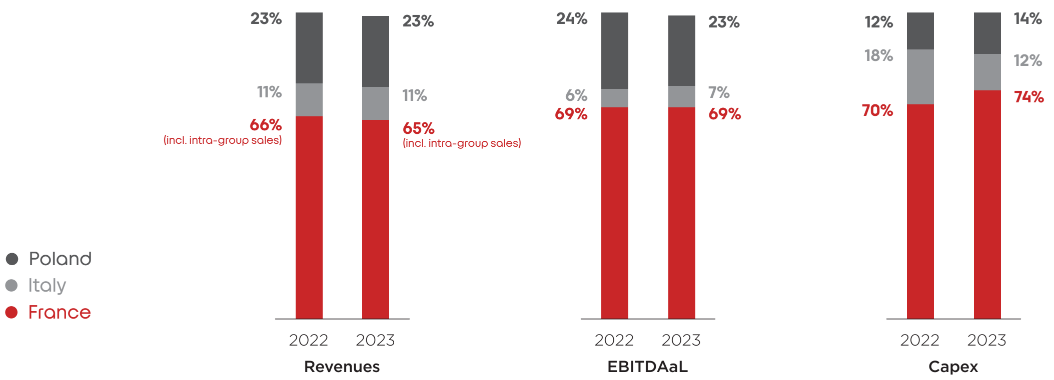
EBITDAaL jumped 17.2% to €247 million and EBITDAaL margin widened by 0.5 of a point to 23.3%. This improvement in profitability was fueled by a positive operating leverage effect, with mobile services billed to subscribers up by €109 million, and the start-up of the Zefiro Net joint venture resulting in a net reduction in network costs. Together, these two factors offset the increase in energy costs and distribution expenses. Capital expenditure (excluding payments for frequencies) was 36.3% lower year on year, totaling €243 million. The decrease was due to a less active rollout program in 2023 than in 2022, as well as the use of inventories of active 5G equipment that were built up in 2022. Operating cash flow (EBITDAaL less capex excluding payments for frequencies) moved into positive territory for the full year for the first time since iliad Italia was created, coming in at €4 million.

- **Key financial indicators**

(in € millions)	2023	2022	Change
Consolidated revenues	**9,241**	**8,369**	**+10.4%**
France	6,040	5,555	+8.7%
Italy	1,061	927	+14.5%
Poland	2,157	1,907	+13.1%
Intra-group sales	(16)	(19)	-17.1%
Consolidated EBITDAaL	**3,444**	**3,303**	**+4.2%**
France	2,392	2,287	+4.6%
Italy	247	211	+17.2%
Poland	805	805	-0.1%
Consolidated capex (a)	**2,016**	**2,139**	**-5.8%**
France	1,501	1,492	+0.5%
Italy	243	381	-36.3%
Poland	272	265	+2.7%
Operating free cash flow (EBITDAaL less capex)	**1,428**	**1,164**	**+22.6%**
France	891	795	+12.1%
Italy	4	(170)	NM
Poland	532	540	-1.4%
Profit for the period	**318**	**758**	**-58.0%**
Net debt	**10,243**	**10,815**	**-573**
EBITDAaL (b)	**3,444**	**3,303**	**+4.2%**
Leverage ratio (LTM EBITDAaL)	**3.0x**	**3.2x**	**-0.2x**

EUR/PLN exchange rate: 4.452 for 2023 and 4.686 for 2022.
(a) Excluding payments for frequencies.
(b) Including UPC for 12 months in 2022.

Breakdown of key financial indicators



- **Key operating indicators**[1]

France *(figures in thousands unless otherwise stated)*	**Q4 2023**	**Q3 2023**	**Change**	**2023**	**2022**	**Change**
Number of mobile subscribers	**15,005**	**14,792**	**+213**	**15,005**	**14,218**	**+787**
• of which on the 4G/5G Free Mobile Plan *(including Free Caraïbe)*	11,106	10,881	+226	11,106	10,190	+916
• of which on the voice-based plan	3,899	3,911	-13	3,899	4,027	-129
Number of Broadband and Ultra-Fast Broadband subscribers	**7,414**	**7,314**	**+100**	**7,414**	**7,180**	**+234**
• of which Fiber	**5,516**	5,272	+244	**5,516**	4,658	+858
Fiber take-up rate	**74.4%**	**72.1%**	**+2.3 pts**	**74.4%**	**64.9%**	**+9.5 pts**
Number of connectible Fiber sockets *(in millions)*	35.3m	34.3m	+1.0m	35.3m	31.3m	+4.0m
Total number of subscribers – France	**22,419**	**22,106**	**+313**	**22,419**	**21,398**	**+1,021**

	Q4 2023	**Q4 2022**	**Change**
Broadband and Ultra-Fast Broadband ARPU *(in €)*	35.7	34.1	+4.5%
Mobile ARPU billed to subscribers *(in €)*	12.1	11.8	+2.5%

Italy *(figures in thousands)*	**Q4 2023**	**Q3 2023**	**Change**	**2023**	**2022**	**Change**
Number of mobile subscribers	10,730	10,475	+255	10,730	9,567	+1,163
Number of Fiber subscribers	207	172	+35	207	109	+98
Total number of subscribers – Italy	**10,937**	**10,647**	**+290**	**10,937**	**9,676**	**+1,261**

(1) See glossary for definitions.

Poland *(figures in thousands unless otherwise stated)*	Q4 2023	Q3 2023	Change	2023	2022	Change
Number of active mobile subscribers	**13,099**	**13,029**	**+70**	**13,099**	**12,763**	**+336**
• of which plans	9,381	9,261	+120	9,381	8,984	+397
• of which prepaid cards	3,718	3,769	-51	3,718	3,779	-61
Number of Fixed-line subscribers [a]	**2,059**	**2,022**	**+38**	**2,059**	**1,938**	**+122**
Total number of subscribers – Poland	**15,158**	**15,051**	**+108**	**15,158**	**14,701**	**+458**

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

	Q4 2023	Q4 2022	Change
Mobile ARPU billed to subscribers *(in PLN)*	30.2	29.2	+3.4%

Group *(figures in thousands)*	Q4 2023	Q3 2023	Change	2023	2022	Change
Number of mobile subscribers	38,834	38,296	+538	38,834	36,548	+2,286
Number of Fixed-line subscribers	9,681	9,508	+173	9,681	9,227	+454
Total number of subscribers	**48,515**	**47,804**	**+711**	**48,515**	**45,775**	**+2,740**

Exceptional factors that have influenced the Group's main activities or main markets

None.

1.2 Markets and strategy

1.2.1 Principal markets

At end-2023, the Group was a convergent fixed-mobile B2C and B2B services provider in each of its three geographies: France, Poland and Italy.

1.2.1.1 The mobile telephony market in France

- **General information about the French mobile telephony market**

	2023 (at Sept. 30, 2023)	2022	2021
Revenues *(in € millions, excluding revenues from M2M cards)*	11,187 (14,874 LTM)	14,550	14,066
Number of active SIM cards *(in millions) – excluding M2M[a]*	81.1	80.4	78.5
of which active plans	*75.9*	*75.0*	*73.0*
of which active prepaid cards	*5.3*	*5.3*	*5.5*
4G active customer base *(in millions of SIM cards)*	71.9	69.5	65
5G active customer base *(in millions of SIM cards)*	12.1	6.4	3.2
Average bill [b] *(in euros per month – LTM)*	15.0	14.8	14.7
Number of Free Mobile subscribers *(in millions) – excluding Free Pro subscriptions*	15.0	14.2	13.6

(a) Machine to Machine.
(b) Revenues excluding M2M card revenues divided by average number of SIM cards (active and inactive) over the period.
Source: ARCEP.

At end-September 2023, the mobile telephony market in France comprised 81.1 million active SIM cards excluding M2M, up by a slight 0.7 million over twelve months (compared with 1.9 million growth a year earlier). The mobile telephone penetration rate [(1)] in France was 119.1% at end-September 2023, 1.1 points higher year on year.

The key facts and figures for the mobile networks services market in France in the first nine months of 2023 were as follows:

- year-on-year growth in the number of plans slowed, with a rise of just 1.1 million SIM cards in the first nine months of 2023, compared with a 2.5 million increase in the same period of 2022;
- the decline in prepaid cards continued, with an LTM decrease of 0.1 million, on the back of a 0.2 million decrease in the same period of 2022;
- the 4G subscriber base totaled 71.9 million active SIM cards at September 30, 2023 (up 3.2 million on one year earlier), representing 89% of total active SIM cards. In addition, 12.2 million SIM cards were active at least once on 5G networks (up 1.4 million in Q3 2023), representing an average increase of one million additional cards every quarter for the past two years. 5G-enabled SIM cards accounted for 15% of the total number of SIM cards in service at September 30, 2023, up 7 points year on year;
- growth in mobile roaming slowed following the post-Covid upturn, with voice roaming down 11% and SMS roaming down 7% in the first nine months of 2023. However, mobile roaming data traffic continued to rise sharply, up 26% year on year, although the pace of growth was slower than the first nine months of 2022 (when the year-on-year increase was 54%). In parallel, revenues from mobile roaming-out services contracted for the first time in two years, down 4.7% to €133 million in the first nine months of 2023, compared with a 51.7% year-on year increase in the same period of 2022;
- the volume of data traffic on mobile networks continued to increase, with average monthly data usage per active 4G subscriber corresponding to 15.5 GB in the first nine months of 2023, up 8.7% on the same period of 2022 (i.e., 1.3 GB more per active 4G subscriber);
- traditional voice and SMS/MMS pursued their structural decline over the period due to the growing use of social media apps to communicate:
  - the average number of SMS/MMS per active SIM card decreased 10.4% year on year in the first nine months of 2023, amounting to 107 SMS/MMS per user per month,
  - average monthly voice traffic retreated 4.4% year on year to almost 3 hours and 11 minutes per user per month in the first nine months of 2023.

Mobile telephony players in France

The Group's main competitors in the French mobile telephony market are:

- the other three mobile network operators: Orange, SFR and Bouygues Telecom;
- MVNOs, such as La Poste Mobile. However, now that several of these operators have been acquired by two of the three MNOs, their market share is clearly shrinking, to 7.3% of the residential market by volume at end-September 2023 in Metropolitan France from 8.3% at end-2021.

1.2.1.2 The fixed Internet access market in France

- **General information about the French Broadband and Ultra-Fast Broadband market**

	2023 (at Sept. 30, 2023)	2022	2021
Revenues *(in € millions)*	**10,058** (13,332 LTM)	**12,894**	**12,551**
Number of subscriptions *(in millions)*	**32.2**	**31.9**	**31.5**
of which Broadband	*8.6*	*10.4*	*13.1*
of which Ultra-Fast Broadband	*23.6*	*21.5*	*18.5*
of which end-to-end fiber	*20.6*	*18.1*	*14.5*
Number of Free subscriptions *(in millions)*	**7.3**	**7.2**	**6.9**

The total number of Broadband and Ultra-Fast Broadband subscriptions in France rose by 0.3 million in the first nine months of 2023.

At September 30, 2023, France had a total of 32.2 million Broadband and Ultra-Fast Broadband subscribers, one of the highest penetration rates in Europe. The sharp rise in the number of fiber users is due to the increase in the number of premises that can be connected to fiber in France (up 3.9 million at end-September 2023 versus one year earlier).

Revenues generated by Broadband and Ultra-Fast Broadband access reached €10.1 billion in the first nine months of 2023 (€13.3 billion on an LTM basis), representing 4.1% year-on-year growth versus 2.8% for the same period in 2022.

(1) Penetration rate calculated by dividing the number of active SIM cards excluding M2M at end-September 2023 by the total French population (Metropolitan + Overseas France) as stated by ARCEP in its electronic communications market report published on February 9, 2024.

With optical fiber now widely available in French households, nearly 73% of subscriptions at end-September 2023 were for Ultra-Fast Broadband (> 30 Mbps) and 87% of these were via FTTH technology (83% at end-September 2022 and 77% at end-September 2021). As a result, almost two-thirds (64%) of Broadband and Ultra-Fast Broadband subscriptions in France at September 30, 2023 were via end-to-end fiber technology, representing a 10-point jump in the space of one year (from 54% at end-September 2022) and making France the country with the most end-to-end fiber subscribers in Europe (Free has 25.6% market share).

Players in the Fixed Internet access market in France

The Group's main competitors in the French fixed Internet access market are:

- internet service providers associated with telecommunications operators: Orange, SFR and Bouygues Telecom;
- independent local access providers;
- companies offering Internet access as a means of winning customers for other services, such as banks and supermarkets.

1.2.1.3 The mobile telephony market in Poland

- **General information about the Polish mobile telephony market**

	2022	2021	2020
Revenues (mobile telephony & data) *(in PLN billions)*	14.4	13.4	12.5
Number of SIM cards *(in millions, excluding M2M)*	52.6	50.6	49.4
Number of SIM cards *(in millions, M2M only)*	6.7	6.0	4.8
Total number of SIM cards *(in millions)*	59.3	56.6	54.1
of which plans	*72.5%*	*72.7%*	*73%*
of which prepaid cards	*27.5%*	*27.3%*	*27%*
Number of active Play mobile subscribers *(in millions, including UPC Polska in 2022)*	12.8	12.1	11.9
Mobile telephony penetration rate	157%	148.7%	141.6%

Source: UKE (Polish national telecoms regulator).

As the annual report for the Polish telecoms market is published by the national regulator in June of the following year, the information currently available for the Polish market as a whole dates from 2022. In 2022, the Polish mobile telephony market counted 59.3 million subscribers (including M2M), representing a 12-month increase of 4.8%. The penetration rate was 157% at end-2022, up 8.3 points.

Total operator revenues rose by 7.6% in 2022 to PLN 14.4 billion, while M2M services saw a 13% increase in revenues for the year. Revenues from postpaid plan fees rose by 31%, driven by a rapid increase in the number of SIM cards and M2M SIMs, and higher ARPU. The steady growth in the mobile segment by value attests to its importance in the Polish telecommunications market, where mobile accounted for 35.2% of total revenues.

Mobile telephony players in Poland

The Group's main competitors in the Polish mobile telephony market are:

- the other three mobile network operators (and their sub-brands): Orange Polska, Polkomtel and T-Mobile, which together with Play accounted for over 96% of mobile subscriptions in 2022;
- independent MVNOs such as Lycamobile, Canal+, Vectra and others.

1.2.1.4 The Broadband and Ultra-Fast Broadband market in Poland

- **General information about the Polish Broadband and Ultra-Fast Broadband market**

	2022	2021	2020
Penetration rate for Fixed Internet in Poland	**63.2%**	**59.8%**	**56.7%**
Fixed Broadband and Ultra-Fast Broadband Internet market [a] *(in PLN billions)*	**5.4**	**4.9**	**4.5**
Cable	22%	22%	23%
xDSL	17%	21%	26%
FTTH	39%	34%	27%
WLAN	7%	8%	9%
LAN-Ethernet	6%	6%	7%
Other	10%	9%	9%
Fixed Internet ARPU *(in PLN per month)*	**49.3**	**47.5**	**45.4**
Number of Fixed Internet subscriptions *(in millions)*	**9.2**	**8.7**	**8.2**
Number of Play Fixed-line subscribers *(in millions, including UPC Polska in 2022)*	**2.0**	**0.3**	**0.1**

(a) Source: UKE, 2022 Annual Report – calculations excluding mobile access.

The Polish fixed Broadband and Ultra-Fast Broadband market represented around PLN 5.4 billion in 2022. Compared to the European average, the household penetration rate is relatively low, at 63.2%. The penetration rate per 100 inhabitants is the lowest in the EU, at 22.8% versus the European average of 35.8%. This reflects the frequent use of mobile technology for fixed Internet connections in Poland, where fixed infrastructure has very low coverage. The three main fixed technologies, FTTH, cable and xDSL, respectively account for 38.9%, 21.7% and 17.3% of the market in terms of revenue and 38.3%, 32.5% and 14% in terms of volume. The number of fiber users is growing rapidly, from 5% at end-2017 to almost 40% at end-2022.

Players in the Fixed Broadband and Ultra-Fast Broadband market in Poland

According to telecoms regulator UKE's latest annual report (figures at end-2022), Orange Polska is the dominant operator in the xDSL market with a 78.4% market share. UPC Polska (acquired by iliad at the end of 2021) and Vectra account for 67.7% of the country's overall cable market. The fiber market is more fragmented, with three operators (Orange Polska, Inea and Netia) respectively holding 32.6%, 6% and 6%.

1.2.1.5 The mobile telephony market in Italy

- **General information about the Italian mobile telephony market**

	2023 (at Sept. 30, 2023)	2022	2021
Revenues *(in € billions)*	**ND**	**11.74**	**12.40**
Number of SIM cards (in millions) – excluding M2M [a]	**78.9**	**78.4**	**78.0**
of which prepaid cards	*70.8*	*70.2*	*69.2*
of which plans	*8.0*	*8.2*	*8.8*
Number of SIM cards with Internet access *(in millions)*	**57.2**	**56.6**	**57.4**
Number of iliad Italia mobile subscribers *(in millions)*	**10.5**	**9.6**	**8.5**

(a) Machine to machine communications.
Source: AGCOM. (2023: at Sept. 30, 2023 from the Osservatorio Agcom; 2022 and 2021: data from the last *Relazione annuale Agcom and Osservatorio Agcom* updated at Dec. 31).

At September 30, 2023, the mobile telephony market in Italy counted 78.9 million users (corresponding to SIM cards in use excluding M2M), a 0.5 million year-on-year increase that confirmed the trend reversal following several years of decline in SIM card volumes in the country. The mobile phone penetration rate in Italy was 134% [1].

(1) Data from the AGCOM database (updated at September 30, 2023) and population figures from ISTAT as at January 1, 2023.

The key facts and figures for the mobile networks services market in Italy in 2023 [(1)] were as follows:

- the number of prepaid cards increased by 0.9 million and the proportion of prepaid cards rose again, accounting for 89.8% of the market excluding M2M;
- the number of plans decreased by 0.5 million;
- there was a slight 0.9 million year-on-year increase in the number of SIM cards that used data;
- mobile data usage continued to rise: in the first nine months of 2023, average monthly data usage per subscriber was 0.77 GB per day per SIM card, up 22.4% year on year and up 244.7% since 2019.

At end-September 2023, iliad Italia already held 13.6% of the Mobile market in Italy excluding M2M [(2)].

Mobile telephony players in Italy

The Group's main competitors in the Italian mobile telephony market are:

- the other four mobile operators: Telecom Italia (TIM), Vodafone, WindTre and Fastweb. In Q3 2023, these operators represented a combined 59.3 million SIM cards [(3)] and held 75.1% of the market (including their sub-brands: Kena for TIM, Ho for Vodafone and Very Mobile for WindTre);
- MVNOs such as Poste Mobile, Lycamobile, Coop Voce and Tiscali. Together, they represented 9.1 million SIM cards and 11.5% of the market in third quarter 2023, with the market leader, Poste Mobile, alone accounting for 5.6%.

1.2.1.6 Fixed Internet access market in Italy

- **General information about the Italian market**

	2023 (at Sept. 30, 2023)	2022	2021
Revenues *(in € billions)*	**ND**	**15.19**	**15.45**
Total number of lines *(in millions)*	**20.08**	**20.21**	**20.05**
of which copper access	*3.76*	*4.37*	*5.47*
of which Fixed Wireless Access (FWA)	*2.07*	*1.96*	*1.70*
of which FTTC [(a)]	*9.95*	*10.26*	*10.23*
of which FTTH [(b)]	*4.30*	*3.62*	*2.65*
Number of iliad Italia Fiber subscribers *(in thousands, at December 31)*	**207**	**109**	**-**

(a) Fiber To The Cabinet.
(b) Fiber To The Home.
Source: AGCOM. (*Principali serie storiche del'Osservatorio Agcom*, September 30, 2023).

With a total of 20.1 million subscribers at September 30, 2023, the penetration rate for fixed Internet services in the Italian population is 78% [(4)].

Like in other Western European countries, during the first decade of 2000, ADSL was the technology of choice in Italy, led by the fast pace of unbundling. However, increasingly intense subscriber usage and the growing popularity of streaming platforms are driving a faster transition to fiber and other network upgrades.

Over the 9 months to September 2023 (versus end-2022), the total number of subscriptions decreased by 132,000 lines. FTTH access increased considerably, with 681,000 more sockets, and Fixed Wireless Access (FWA) connections rose by 111,000. FTTC and copper connections fell by 313,000 and 612,000 respectively.

This move to fiber has pushed up the residential connection speeds on offer. As at end-June 2023 (the most recent data available), lines with speeds of 100 Mbps or more (defined in France as Ultra-Fast Broadband) represented 69.9% of the total residential access market (versus 66.0% a year earlier).

Players in the Fixed Internet access market in Italy

The Group's competitors in the Italian fixed Internet access market are Italy's main fixed network operators, which in third- quarter 2023 held the following market shares [(5)]:

- Telecom Italia (TIM): 38.4%;
- Vodafone: 16.5%;
- WindTre: 14.2%;
- Fastweb: 13.8%;
- Tiscali/Linkem: 3.9%;
- Eolo: 3.4%.

Italy had two nationwide network access providers in 2023: (i) Telecom Italia (TIM), the vertically integrated incumbent operator, which has spun off its Fiber infrastructure wholesale business into a dedicated structure – FiberCop, which is 58% owned by TIM, 37.5% by KKR and 4.5% by Fastweb, and (ii) Open Fiber, a wholesale-only operator which, since 2016, has offered Ultra-Fast Broadband services (using FTTH technology). According to various press releases issued by TIM in 2023 and 2024, FiberCop is going to be sold to the private equity firm KKR as part of the sale of an entity encompassing FiberCop (NetCo).

(1) AGCOM data updated at September 30, 2023.
(2) Only taking into account SIM cards in service and excluding M2M (comparative data versus September 2023).
(3) Data from the AGCOM database (updated at September 30, 2023) and ISTAT (based on a population of 58.977 million and 2.3 people per household).
(4) Data from the AGCOM database (updated at September 30, 2023) and ISTAT (based on a population of 58.997 million and 2.3 people per household).
(5) Based on the total number of subscriptions.

iliad Italia launched its Fixed Internet access offering in January 2022. On its launch, this offering was based solely on Open Fiber's FTTH network, but in 2023, iliad Italia activated the agreements signed with FiberCop and Fastweb and extended its agreement with Open Fiber to the C&D zones, which increased its addressable market to 13.7 million households by end-2023. At end-2023, iliad Italia had 207,000 FTTH subscribers, representing some 5% of the FTTH market, and had a market share of 1% for all technologies combined.

1.2.1.7 Basis for statements made by the Group regarding its competitive position

The statements made in this Universal Registration Document in relation to the Group's competitive position are primarily based on market analyses published by ARCEP in France, AGCOM in Italy, and the Office of Electronic Communications (UKE) in Poland.

1.2.2 Competitive advantages

The Group believes that it has a number of competitive advantages which should enable it to sustain its profitable growth in France, continue developing its operations in Italy and envisage targeted external growth in domains that are complementary to its existing businesses.

Strong brands in each host country

Led by the success of its retail fixed and mobile offerings since its creation in 1999, Free has positioned itself in France as a major player in the Internet access market and mobile telephony. The brand is clearly associated with the concepts of freedom, cutting-edge technology, innovation, quality and attractive prices. The year 2023 saw spiraling inflation, and Free's positioning as an inflation buster thanks to our policy of not raising our prices led to increases in the brand's net promoter score (NPS) for both Fixed and Mobile services (NPS of 26 in October 2023 compared with 20 in September 2022 for the Broadband and Ultra-Fast Broadband segment, and 31 compared with 29 for Mobile – in-house study commissioned from IFOP and delivered in November 2023). The Free brand is one of the 50 most valuable brands in France, according to Brand Finance's 2023 ranking published in May 2023.

In Italy, less than a year after its launch in May 2018, iliad Italia had ridden the market success of its retail mobile plans to become a recognized brand, with a more than 90% awareness rate. Today, five years after launch, the iliad brand is still appreciated for its value-for-money, transparency and ease of use and is often cited as the most popular telecommunications brand among Italians.

In Poland, over the years, Play has steadily grown into the market's most recognized brand (number one for spontaneous awareness), thanks to a strategy of constant communication over time, backed up by high-impact advertising campaigns. At end-October 2023, the Play brand was first in the ICT category in the 2023 ranking of the 200 most valuable Polish brands published by Forbes Polska.

Technically sophisticated and attractively priced retail offerings

The Group's fixed and mobile networks enable it to design sustainable service offerings that are straightforward, technically sophisticated and attractively priced. Its fixed and mobile Broadband and Ultra-Fast Broadband offerings are among the most competitively priced in their respective markets, while providing best-in-class service.

An ultra-fast integrated national network suited to the needs of both the Fixed and Mobile businesses

In order to be able to offer high-performing and innovative services to its subscribers and to guarantee the profitability of its operations, the Group has always placed importance on rolling out its own electronic communications network, so it can control the technical aspects and pricing of its services for the routing of both data (Internet) and voice (over IP or circuit- switched). The skills and experience built up by the Group's network teams now mean that it is able to operate and maintain its networks and guarantee its subscribers high quality services and fast connection speeds. The specific technical features of the network and its high density are key factors for the success of the Group's offerings as well as its profitability, in both its Fixed and Mobile businesses. The size, design and scalable architecture of the Group's network make it capable of serving all potential subscribers.

Research and development capabilities serving retail and B2B customers

The Group's investment in research and development of both hardware and software has enabled it to position itself as a front runner in implementing innovative technological solutions for the retail market. The success of this policy stems primarily from Management's commitment to using high-quality technical equipment and retaining flexibility in its choice of hardware. This in turn has resulted in the design of hardware and software specifically suited to the Group's offerings and using cutting-edge technologies (such as the Freebox modem/DSLAMs), as well as in the development of innovative software solutions (such as billing software, the subscriber management system, interconnect software and IPTV interfaces such as OQEE). Another example of the Group's innovation capabilities is its launch in France and Italy of the first self-service kiosks for mobile subscriptions with integrated SIM-card dispensers. By relying largely on internal resources, the Group has been able to optimize its capital expenditure from the outset.

The Group is also very actively investing in research and development in the B2B segment. In launching its Free Pro solution in France in March 2021, the Group unveiled the Freebox Pro, which was entirely designed and manufactured for business use. It offers the ability to support intense usage, operate in an industrial environment, and withstand vibrations and high temperatures. In the public cloud market, Scaleway develops sovereign solutions and facilitates multi-cloud, in particular, in order to guarantee end-users' security and confidentiality of their data according to their geographical zone. At end-September 2023, the Group purchased an NVIDIA DGX SuperPOD equipped with NVIDIA DGX H100 systems, providing European AI players with the continent's most powerful cloud-native AI supercomputer via its subsidiary, Scaleway. At the same time, the Group announced the creation of an excellence lab in Paris dedicated to AI research, called Kyutai. Kyutai is a non-profit lab jointly founded by the iliad Group, CMA CGM and Schmidt Futures and is entirely dedicated to open science AI research. Its objective is to tackle the main challenges of modern AI, particularly by developing large multimodal models – using text, but also sound, images, etc. – and by inventing new algorithms to enhance their capacities, reliability and efficiency. To do this, the laboratory is using the computing power made available to it by Scaleway.

Simplicity as a watchword

In a sector well known for its complexity, the Group endeavors to propose straightforward, comprehensive plans that meet market needs. These plans are mainly distributed online. In addition, the Group has an organizational structure that is simple, horizontal, centralized and reactive. As a result, its objective of achieving simplicity can be seen at all levels of the organization and is one of the keys to the Group's success.

Control over services

Throughout its growth trajectory, the iliad Group has followed a strategy of directly controlling all of the active equipment it needs to transmit and carry data, manage its networks and supply its services (voice, audiovisual, etc.) as well as controlling its interconnections with third-party networks and its relations with Internet operators. The Group can freely develop and modify its services, improve them, enrich them and anticipate new usages. Thanks to its investments in its fixed and mobile networks, the Group is in full control of its services, which gives it all of the capacity and resources it needs to react to changes in usages and the competitive environment.

Control over distribution

The Group is one of the rare ISPs in Europe to have established itself in the Fixed market without relying on a physical distribution network, and it has long-standing, unique know-how in online distribution. Since the launch of its Mobile business in France and Italy, it has also developed a physical distribution network through its directly owned stores – Free Centers in France and iliad Stores in Italy – as well as SIM-card dispensers. In Poland, prior to its acquisition by the iliad Group, Play had built up a leading position in the Mobile market, and since its acquisition we have kept up its strong presence in physical distribution, with a network of over 700 stores. The Group has direct control over the distribution of its services, which enables it to meet the needs both of online subscribers (and adapt to changes in the e-commerce environment) and of subscribers seeking the more conventional physical store.

Control over subscriber relations

In France, the Group mainly manages its subscriber relations via a range of methods including online assistance on its portal, direct contact with advisors over the telephone, chat or video call, in its Free Centers or via Free Proxi. It designs and develops all of its internal tools and systems for managing subscriber relations and communicating with subscribers.

A Company entirely owned by its managers

iliad's managers own all of the Company's capital. This gives the Group the independence to deliver on its long-term vision, which is sometimes radically different to that of its competitors. It also enables it to be highly reactive when taking decisions and putting them into action. The management and results of the Group's projects are a daily reminder of the competitive advantage that this ownership structure gives it.

An international leadership team

For three years now, the Group's leadership team has included executives from Italy and Poland in order to add a European perspective to its strategy.

1.2.3 Strategy

From our very beginnings, we've been driven by an overriding ambition: to provide everyone, everywhere, with equal access to the same offerings. Whether you live in a big city or a remote village, you'll always pay the same price. This view of our business led us to invest massively in deploying our own infrastructure and equipment right from the outset, which means we're helping to bridge the digital divide, boost regional economies and strengthen national cohesion.

Whenever it has entered a market – the French fixed-line market in 1999, the French mobile market in 2012, and then the Italian mobile market in 2018 – the Group's competitors have always been well established operators or players with far more resources than its own. The acquisition of Play in Poland in 2020 was another major milestone for the Group, as it was its largest-ever acquisition and marked its entry into a new country. The subsequent acquisition of UPC Polska, which closed on April 1, 2022, was a further demonstration of the Group's firm foothold in Poland. In order to win subscribers and carve out long-term positions in its markets, the Group adopts an assertive competitive strategy based on innovation and differentiation through its pricing and services. To reach its objectives, the Group must be independent and therefore keep the highest possible level of control over its networks.

The Group's success is built on several pillars:

Control over networks

In both the Fixed and Mobile sectors, our investments in networks give us real commercial autonomy, which allows us to propose differentiated services offerings and optimize our profitability.

Having moved fast in the early 2000s in unbundling the incumbent operator's local loop, we were also naturally very proactive in rolling out fiber across France, either directly in very densely populated areas or via IFT (*https://www.ifterritoires.fr/*, our joint venture with InfraVia) in the rest of the country. In Poland, on April 1, 2023, the Group completed a deal giving rise to the creation of PŚO (https://www.swiatlowodotwarty.pl/), Poland's largest open-access broadband network. The Group contributed to PŚO UPC Polska's existing HFC network, which can currently provide up to 1 Gbps and will be upgraded to incorporate FTTH technology. Thanks to PŚO's investment program, the aim is for the open-access network to cover over 6 million households. In Italy, the infrastructure market is very different from France and Poland, with little unbundling and no cable operators. As a result, the Group has focused on developing the resale of the Open Fiber network's FTTH lines, and in 2023, it extended its addressable market via FiberCop and Fastweb.

Just as in the fixed-line market, being in control of the mobile network is a sure way of achieving differentiation and longevity. It enables a player to be independent, directly manage its offerings and service quality, and be innovative and reactive. In France, Free Mobile kept up the pace of its mobile rollouts in 2023, adding almost 2,300 new sites, which brought its total network to almost 26,100 sites at the year-end, giving 3G coverage to 99.9% of the French population, 4G coverage to 99.6% and 5G coverage to 94.7%. In Italy, iliad Italia continued its deployments and finalized its network sharing agreement with WindTre in early 2023. Including this agreement, iliad Italia's mobile network comprised more than 17,000 active sites at end-2023. In Poland, Play continued to expand its geographic coverage, adding 1,050 new active sites and ending the year with over 11,600 active sites across the country, giving it population coverage rates of 99.7% for 3G, 99.6% for 4G and 58.8% for 5G.

Innovation

Innovation is deeply embedded in the iliad Group's corporate DNA. Since launching its very first fixed-line offer in France, it has stood out for its innovation capabilities.

Technical innovation

In France, the Group's first innovation was to choose to develop its own equipment for carrying and transmitting data (e.g., DSLAMs), as well as its own software and its own boxes. No other operator in the country has made this choice, which is radically different from the general model of using third-party OEMs for all types of equipment.

Thanks to this strategy, the Group has control over the technological solutions it uses and is free to change and develop them in line with the commercial and technical choices it makes. In France, control over its equipment enabled the iliad Group to integrate VDSL2 at no extra cost to subscribers and to equip all its DSLAMs with VDSL2 within a few months in 2013. And in 2018, Free was able to independently integrate 10G fiber technology into the Freebox Delta in France. The Group has also regularly incorporated new services into its fixed and mobile offerings (4G, 5G, OQEE, FreeWifi, Femtocells, and more).

The Group's most visible and emblematic innovation is the triple-play box, which iliad invented. The Freebox not only enables the Group to develop its offering of added-value services and meet demand for new usages but also helps it stand out from the competition and foster subscriber loyalty.

In France in 2020, the Group launched the Freebox Pop, the eighth triple-play box since the first generation was launched in 2003. This box is aimed at optimizing the quality of connectivity within subscribers' households. Designed by iliad's R&D teams, the Freebox Pop offers a maximum theoretical download speed of 5 Gbps, fast, reliable, secure and highly user-friendly WiFi, plus a repeater (provided on request), which was also designed in-house and is extremely simple to configure. The launch of this box also boosted the appeal of the Freebox Delta, as Freebox Delta subscribers can have the Freebox Pop TV box at no extra cost (apart from the shipping costs for the box). With the Freebox Pop and the Freebox Delta, the Group has clearly demonstrated how it is staying ahead of the game in terms of product innovation, offering two of the boxes with the fastest speeds in the market. To develop synergies between countries, the same Freebox Pop was used to launch our Fiber offering in Italy, under the name iliadbox. More recently, on January 30, 2024, the Group launched its ninth triple-play box in France – the Freebox Ultra. This new Freebox offers unprecedented speeds for the general public in France, of up to 8 Gbps for both uploads and downloads. And although it's the most powerful Freebox ever created, the Freebox Ultra uses as little electricity as the Freebox Pop, the smallest box on the market. To make it as energy efficient as possible, our R&D teams carefully selected each component based not only on performance criteria but also on energy-saving capabilities. It also has a new sleep setting – the Total Sleep mode – so users can reduce their box's environmental footprint even further, as well as an Eco WiFi setting, which automatically adapts the WiFi 7 signal strength depending on the devices connected so that the Freebox Ultra uses just the amount of electricity it needs. When it is in Eco-WiFi mode, WiFi bands automatically switch off when they're not being used, and the Freebox Ultra uses only 9.9 W of electricity.

Sales and marketing innovation

The Group's second innovation is its sales and marketing model which allowed it to enter and become a major player in the fixed market in France. The Group has gained both fixed and mobile subscribers by offering straightforward, no-commitment plans that it constantly enriches with new services, a model that served as the basis for the launch of our operations in Italy.

In the Fixed Internet business, the Group regularly proposes new television services in its basic offering, has integrated VDSL 2 and Fiber at no extra cost, includes calls to certain destinations, and much more. In the Mobile business, it has broken away from the standard practice of the incumbent operators who make their plans more expensive whenever they add a new service. In France, the Group has included 4G and 5G in its offerings at no extra cost, and has added unlimited texts to the €2/month plan, as well as roaming and TV by OQEE to the Free Mobile Plan, and more. This same mindset enabled the Group to rapidly gain market share in Italy as a new entrant. The Group has also innovated in how it sells its mobile plans by launching the first SIM-card dispensers in France and Italy, which make it easy for subscribers to sign up and immediately receive the right SIM card for their phone.

Staying on the lookout for acquisition opportunities to drive growth

Although internal growth remains at the heart of its strategy, the Group also has a targeted external expansion policy that it puts into action if opportunities arise in areas that are a strong fit with its existing business or would result in improved use of its network and/or expertise. In line with this approach, having made its formal entry into the Polish market with the completion of the acquisition of Play in 2020, the Group seized the opportunity to acquire one of Poland's major Fixed Internet players, UPC Polska, and since 2023, we have acquired a number regional operators in Poland in order to extend our national coverage. In 2023, the Group announced that it had acquired a majority stake in ITrust, a French pure player in cybersecurity software and services. ITrust is the only player in France to offer a fully proprietary, fully sovereign cybersecurity platform.

1.3 The Group's businesses

1.3.1 France

1.3.1.1 The Mobile business in France

1.3.1.1.1 Our offerings

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

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

Revenues from devices

With a view to being as transparent as possible, Free offers phones separately from its subscriptions, which means that subscribers can opt for whichever plan and phone they prefer. Several solutions are available: (i) buying a phone and paying for it upfront in cash or (ii) leasing a phone with a purchase option (Free Flex offer). In all cases, the Group recognizes the corresponding revenue when the phone is received by the subscriber.

1.3.1.1.2 Our frequency portfolios and network rollouts

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

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

	Metropolitan France	
	Frequency portfolio at end-2023	License expiration dates
700 MHz	2 x 10 MHz	Dec. 7, 2035
900 MHz	2 x 7.6 MHz	Jan. 11, 2030 (5 MHz) March 24, 2031 (2.6 MHz) Dec. 8, 2034 (1.1 MHz)
1,800 MHz	2 x 15 MHz	Oct. 11, 2031
2.1 GHz	2 x 14.8 MHz	Jan. 11, 2030 (5 MHz) Aug. 20, 2031 (9.8 MHz)
2.6 GHz	2 x 20 MHz	Oct. 10, 2031
3.5 GHz	70 MHz	Nov. 17, 2035
Total	**2 x 67.4 MHz + 70 MHz**	

	French Guiana		Martinique/Guadeloupe	
	Frequency portfolio at end-2023	**License expiration dates**	**Frequency portfolio at end-2023**	**License expiration dates**
700 MHz	2 x 5 MHz	July 24, 2038	-	-
800 MHz	-	-	2 x 10 MHz	Nov. 21, 2036
900 MHz	2 x 4.8 MHz	Nov. 21, 2036	-	-
1,800 MHz	2 x 15 MHz	Nov. 21, 2036	2 x 20 MHz	Nov. 21, 2036
2.1 GHz	2 x 14.8 MHz	Nov. 21, 2036	2 x 14.8 MHz	Nov. 21, 2036
2.6 GHz	2 x 20 MHz	Nov. 21, 2036	2 x 15 MHz	Nov. 21, 2036
3.5 GHz	50 MHz	July 24, 2038	-	-
Total	**2 x 59.6 MHz + 50 MHz**		**2 x 59.8 MHz**	

	Saint Barthélemy (SB)/ Saint Martin (SM)	
	Frequency portfolio at end-2023	**License expiration dates**
700 MHz	2 x 5 MHz	July 24, 2038
800 MHz	2 x 10 MHz	Nov. 21, 2036
900 MHz	2 x 9.6 MHz (SB) 2 x 4 MHz (SM)	Nov. 21, 2036 April 30, 2025 (4.8 MHz SB)
1,800 MHz	2 x 20 MHz	Nov. 21, 2036
2.1 GHz	2 x 14.8 MHz	Nov. 21, 2036
2.6 GHz	2 x 15 MHz	Nov. 21, 2036
3.5 GHz	80 MHz	July 24, 2038
Total	**2 x 74.4 MHz + 80 MHz (SB)** **2 x 68.8 MHz + 80 MHz (SM)**	

Mobile network rollouts in Metropolitan France and Overseas France

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

The depreciation/amortization periods applied for the main assets brought into service by the Group are as follows:

- general equipment: 10 years;
- mobile technical equipment: 6 and 18 years;
- other equipment: 3 to 5 years;
- other assets: 2 to 10 years.

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

1.3.1.2 The Fixed business in France

1.3.1.2.1 Our offerings

B2C offerings

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

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

B2B offerings

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

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

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

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

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

1.3.1.2.2 Freeboxes, network equipment and datacenters

Freebox and network equipment

The Group has chosen to develop its own Broadband and Ultra-Fast Broadband Internet upload and download equipment in-house in order to win as many new subscribers as possible in a competitive and growing market by providing differentiated service offerings. Thanks to the technological resources of the R&D team at Freebox S.A.S., combined with an extremely selective purchasing policy, the Group has been able to optimize the cost of designing xDSL and Fiber equipment (networks and FTTH) in order to offer high value-added services at the best possible prices.

The Freebox modem – a game changer

In 2001, the iliad Group invented the concept of the "box" – a multi-service modem box offering Internet access as well as telephony (VOIP) and television services (IPTV). Developed by iliad's in-house teams, the Freebox is an easy-to-install scalable modem with multiple functions that enables householders to converge their multimedia requirements. Designed and developed by the Group's research and development teams, the Freebox modem includes components acquired from third-party suppliers and assembled by companies which are not part of the Group. At end-2023, the Freebox was in its eighth version, and a ninth version went on sale in late January 2024.

Datacenters

Via two subsidiaries – Scaleway and Free Pro – the Group directly operates several datacenters in France: five in Greater Paris, and three in other regions of France. These datacenters are used to manage fixed and mobile networks, to provide private and Public Cloud services to customers, and to offer colocation services, in particular for wholesale and hyperscale customers. Given the very high demand for colocation capacity, the Group has begun to consolidate its datacenter management activities (employees, sub-contracting and maintenance contracts, energy contracts, fixtures and fittings, etc.) within a new subsidiary called OpCore. The various certifications that our datacenters hold are detailed in Chapter 4.

1.3.1.3 Subscriber relations and physical distribution network in France

1.3.1.3.1 Support services and subscriber relations

The Group's fixed-line and mobile subscribers in France are provided with technical support and after-sales services through a telephone helpdesk platform run by iliad subsidiaries. iliad constantly focuses on strengthening and training its technical and after-sales support teams, developing new systems to optimize the services provided to subscribers, and enhancing subscriber relations.

Subscribers can contact the Group through a 7/7 phone service for help and support with sales or technical issues, or by email, fax, chat and regular mail, as well as via social media, forums and newsgroups, by video call using the Face To Free app, or in person at a Free Center or through the Free Proxi service (see below). Our video call assistance service is also available in sign language. In addition, subscriber requests can be submitted via the support pages and online help module on the Assistance website, where new FAQs, videos and tutorials are posted on a daily basis. Similarly, we have set up a Youtube channel with regularly updated video tutorials.

As well as these services, the SRD provides an online support service through the Free and Free Mobile websites, showing replies to user FAQs and via which subscribers can address questions directly to the support team via email or chat.

To assist subscribers across France, Free created Free Proxi, a support service delivered by small, locally based teams of 8 to 10 Free advisors, who are readily available online to answer any questions about Freebox and Free Mobile plans. Thanks to their local presence, the Free Proxi teams have detailed knowledge of their region's fixed and mobile network infrastructure. They can easily troubleshoot possible incidents, and even go directly to the subscriber's home to restore service or replace a device. In this way, subscriber issues can be handled from start to finish by the same team, and sometimes by the same advisor. Free Proxi is included in all the Free plans. As soon as they are eligible, subscribers contacting support are put in touch directly with their Free Proxi team. They can directly access their advisors in their subscriber area via the mobile app or online, or else by phone at 3244. Available seven days a week from 8am to 9pm, Free Proxi teams are committed to offering subscribers a solution within 15 minutes.

1.3.1.3.2 The Free Center retail network

At December 31, 2023, the Group had a network of 228 Free stores (Free Centers) located throughout France, as well as 130 Free Proxi points.

The Free Centers have four different but related objectives:

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

1.3.1.3.3 Self-service kiosks with SIM-card dispensers

The Group's research and development teams have devised self-service kiosks for mobile subscriptions with integrated SIM card dispensers. The kiosks, which are fully automated and can be used to take out a subscription or change a SIM card in minutes, are enabling the Group to expand its physical presence throughout France. They are being deployed in partnership with the Maison de la Presse, Mag Presse and Fnac-Darty network.

1.3.2 Poland

1.3.2.1 The Mobile business in Poland

1.3.2.1.1 Our offerings

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

1.3.2.1.2 Our frequency portfolio and network rollout

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

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

Expansion of the mobile network in Poland

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

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

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

1.3.2.2 The Fixed business in Poland

1.3.2.2.1 Our offerings

B2C offerings

After becoming a major player in the Polish mobile market with the acquisition of Play in November 2020, the iliad Group is now a fully convergent operator following the acquisition of UPC Polska in April 2022. Since then, the Group has extended its Fixed Internet services, built around four plans offering different download speeds (up to 300 Mbps, up to 600 Mbps, up to 1 Gbps and up to 5 Gbps) and different content (up to 182 channels, access to Netflix, HBO Max, Amazon Prime and/or Viaplay, a 4K box, a multi-room system, etc.).

B2B offerings

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

1.3.2.2.2 Our network infrastructure

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

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

On August 31, 2023, Play merged with its subsidiary UPC.

In 2023, the Group pursued its growth strategy in Poland through acquisitions of regional fiber companies. On January 31, 2023, via its subsidiary Vortanoria Investments, the Group acquired 83.55% of the shares in SferaNet (which is listed on Poland's NewConnect market), taking control of the company, and on July 13, it raised its interest to 100%. On June 2, 2023, the Group acquired the entire capital of Syrion, and on October 4, it acquired all of the shares in Fibreo.

At end-2023, the iliad Group addressed almost 7.5 million Polish households with its Broadband and Ultra-Fast Broadband Internet services. Of these, more than 3.8 million were addressed by the PŚO network and the others through the Operational Program Digital Poland (POPC), which is supporting Poland's digital transformation by funding the rollout of a fiber-to-the-subscriber access network in medium and low-density areas.

1.3.2.3 Subscriber relations and physical distribution network in Poland

1.3.2.3.1 Support services and subscriber relations

The overriding objective of the subscriber support services is to reduce churn by fostering the most satisfying customer experience possible. Our priorities are to process subscriber requests quickly, to ensure that our subscriber relationship employees have the right skills, to resolve problems at first contact whenever possible and to make our services easy to use. We have a 7/7 hotline that subscribers can call for business or technical issues, staffed with employees based in several different regions.

We offer multi-channel access, enabling subscribers to contact us by phone, email or regular mail, as well as via our directly managed app and social media.

1.3.2.3.2 Physical distribution network

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

1.3.3 Italy

1.3.3.1 The Mobile business in Italy

1.3.3.1.1 Our offerings

B2C offerings

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

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

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

B2B offerings

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

1.3.3.1.2 Our frequency portfolio and network infrastructure

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

	Frequency portfolio at end-2023	License expiration date
700 MHz	2 x 10 MHz	Dec. 31, 2037
900 MHz	2 x 5 MHz	Dec. 31, 2029
1,800 MHz	2 x 10 MHz	Dec. 31, 2029
2.1 GHz	2 x 10 MHz	Dec. 31, 2029
2.6 GHz	2 x 10 MHz	Dec. 31, 2029
3.6-3.8 GHz	1 x 20 MHz	Dec. 31, 2037
26.5-27.5 GHz	1 x 200 MHz	Dec. 31, 2037
Total	**2 x 45 MHz + 220 MHz**	

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

Rollout of a mobile network in Italy

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

Including Zefiro Net, iliad Italia's network comprises a total of over 17,000 active mobile sites. This network includes (i) an own-network of over 10,570 active mobile sites rolled out in densely and averagely densely populated areas which are home to around 73% of the population, and (ii) sites operated on a RAN sharing basis via a joint venture (Zefiro Net s.r.l.) that is 50/50 owned by iliad Italia and WindTre and which covers around 6,800 mobile sites located in non-densely populated areas.

In addition to its own network and Zefiro Net, since 2016, iliad Italia's traffic has also been carried under the MOCN agreement with WindTre. This technical solution for connecting up WindTre mobile equipment to iliad Italia's core network creates a more effective and optimal flow of traffic between the two networks compared with a "conventional" roaming solution. The original agreement offered nationwide coverage, but since January 3, 2023, it only applies to areas outside the scope of the RAN-sharing agreement.

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

1.3.3.2 The Fixed business in Italy

1.3.3.2.1 Our offerings

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

1.3.3.2.2 Our network infrastructure

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

The FTTH solution is supported by an iliadbox, the Italian version of the Freebox router developed entirely in-house and WiFi 6-enabled. In early 2023, the company launched its commercial offers on the FiberCop network and in July 2023 on the Fastweb network, enabling it to offer coverage to 13.7 million households.

1.3.3.3 Subscriber relations and physical distribution network in Italy

1.3.3.3.1 Support services and subscriber relations

The Group's mobile subscribers in Italy are provided with technical support and after-sales services through a telephone helpdesk platform run by Group service providers. iliad Italia constantly focuses on strengthening and training its technical and after-sales support teams, developing new systems to optimize the services provided to subscribers, and enhancing subscriber relations. The main objectives of the Subscriber Relations Department (SRD) are to ensure best-in-class service quality and high subscriber satisfaction rates, effectively and efficiently manage the number and length of calls as well as repeat calls, optimize the call handling process, strengthen career development measures for staff and apply them consistently across the various subscriber support sites, and lastly, launch new projects and concepts.

Subscribers can contact iliad Italia via a 7/7 phone service for help and support with either sales or technical issues, and an online support service is also available on iliad's website. This service provides responses to user FAQs and allows subscribers to address questions directly to the support team.

iliad's Subscriber Relations Department can be contacted by phone or regular mail or via social media (Facebook, Twitter and Instagram). Social media contacts are managed entirely in-house in almost real time in the aim of giving subscribers fast, competent answers to technical and sales queries. The Social Media team operates via a technological platform that agents can use to track and classify each query handled in order to improve self-assistance functions and automated processes and therefore enhance subscriber satisfaction. Service quality is assessed by subscribers themselves via questionnaires sent out at the end of each call or other form of contact with the Subscriber Relations Department. Maintaining high quality services is the support service's primary objective and is a means for iliad to stand out from its competitors in the Italian telecommunications market in terms of customer satisfaction and recommendations. Each query handled by the SRD is regarded as a way of creating close subscriber relations and enhancing the processes and services delivered.

All of the above measures contribute to the Group's overall objective of continuously building on the services offered to subscribers in order to effectively meet their current requirements while anticipating what they might need in the future. With the same aims in mind, the Group's internal processes (related to subscriber recruitment, incident tracking, service utilization, etc.) are regularly reviewed in order to make sure they are always straightforward and easy to use for subscribers.

1.3.3.3.2 Physical distribution network

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

- physical distribution:
  - a network of 57 stores in Italy's main towns and cities,
  - a network of over 2,500 SIM card dispensers ("Simboxes") located in some 1,500 kiosks in busy catchment areas. These kiosks comply with the applicable Italian legislation, particularly "Pisanu's law", which requires identification of subscribers when they take out their subscription,
  - access to a nationwide network of resellers, enabling subscribers to top up their mobile plans,
  - a network of partner shops (cafés, tobacconists, newsagents, etc.) where subscriptions can be taken out in just a few minutes,
  - a network of around 2,750 distributors, called iliad Space, launched in July 2023, mainly covering small towns in Italy;
- digital distribution:
  - online distribution accessible via mobile phone, tablet or computer, through which users can take out their mobile plan online and receive their SIM card at home by mail.

1.4 A network serving the Group's Internet and telephony operations

In line with the strategy described in Section 1.2.3 above, the Group has a focused, proactive policy of investing in its own networks in France, Poland and Italy, in order to offer subscribers optimal connectivity.

The Group's networks are based on:

- backbone transmission infrastructure in all of its host countries;
- local fixed loops obtained through unbundling and the fiber rollout (only in France at this stage);
- rollouts of mobile networks in all of its host countries.

1.4.1 Backbone transmission infrastructure

1.4.1.1 Backbone transmission network technology

France

The Group's Backbone transmission network is entirely built with optical fiber. Its optical communications technology is based on the Dense Wavelength Division Multiplexing (DWDM) technique which enables several wavelengths to be carried on the same optical fiber. Using the optical transmission equipment set up by the Group, every wave carries a signal at a very high speed (10 Gbps and 100 Gbps), and at least 32 different waves can be carried on the same optical fiber. This means that each link has a capacity of several hundred Gbps, which can be considered as practically an "infinite" transmission capacity.

The Group has full control over its transmission capacities as it has built or leased the sections of dark optical fiber it requires (see below) and operates its transmission equipment itself thanks to its investments in multiplexers.

Italy

As part of its business development project in Italy, the Group has rolled out an optical fiber Backbone network that connects up Italy's main towns and cities between themselves and to the Group's principal mobile network centers located in Milan and Rome. The network set up in Italy is interconnected at different points to the Group's long-standing Backbone network in France.

Poland

Play's transmission network is based on high-capacity (100 GE/10 GE/1 GE) redundant IP/MPLS connections, which offer fast speeds, low latency and high network stability. The link aggregation comprises four regional networks, with each regional network carrying voice traffic, text messages and data across two inter-connection points. Each main town or city has its own metropolitan network which uses redundant dark fiber networks to ensure it can handle peaks in traffic flows.

1.4.1.2 Ownership of the network

In the Group's three host countries, the network is partly owned under IRU (Indefeasible Rights of Use) contracts. Under these long-term agreements, the Group has acquired the indefeasible right to use the fibers for a given period, without having to obtain any right-of-way easements. The sections of the network that are not covered by such agreements can be either leased or owned outright, notably following joint construction projects undertaken with private operators or local authorities.

1.4.2 Fixed-line networks and local loops

1.4.2.1 Interconnection architecture between the Group's network and the incumbent operator's network in France

In order to interconnect to the incumbent operator's network in a given trunk exchange area, the Alternative operator must install a physical connection from a point-of-presence (POP) to a switch located in one of the incumbent operator's 18 digital main switching units.

The Alternative operator may also connect to the lowest hierarchical level of switches installed on the network, i.e., the digital local exchange, which is the switch closest to the user.

In turn, each user of the incumbent operator's fixed-line telephone services is connected to a digital local exchange by means of a local concentrator.

In view of the high density of the Group's network, it is directly connected to almost all of the incumbent operator's digital local exchanges in Metropolitan France.

1.4.2.2 Local loop unbundling in France

The local loop is the part of the network located between the telephone socket on the subscriber's premises and the main distribution frame (or local concentrator) to which the subscriber's line is connected. The incumbent operator must, upon request, provide any Other Licensed Operator (OLO) with direct access to the local loop. This access, which is referred to as unbundling, allows the OLOs to control access to their subscribers by operating their own equipment. Local loop unbundling enables OLOs to become largely independent from the incumbent operator's network. The recurring charges payable to the incumbent operator relate primarily to the rental of the copper pair, the splitter (only for partial unbundling) and the copper tie cable linking the subscriber's modem to the operator's DSLAM.

Transmission network and unbundling the local loop

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

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

Operating costs and capital expenditure by subscriber

The Group's main operating costs relate to:

- the boxes provided to subscribers;
- fees billed by the incumbent operator for access to unbundling services (also known as cabling costs or access fees);
- logistics and modem dispatch costs.

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

1.4.2.3 Rollout of Ultra-Fast fixed networks in France

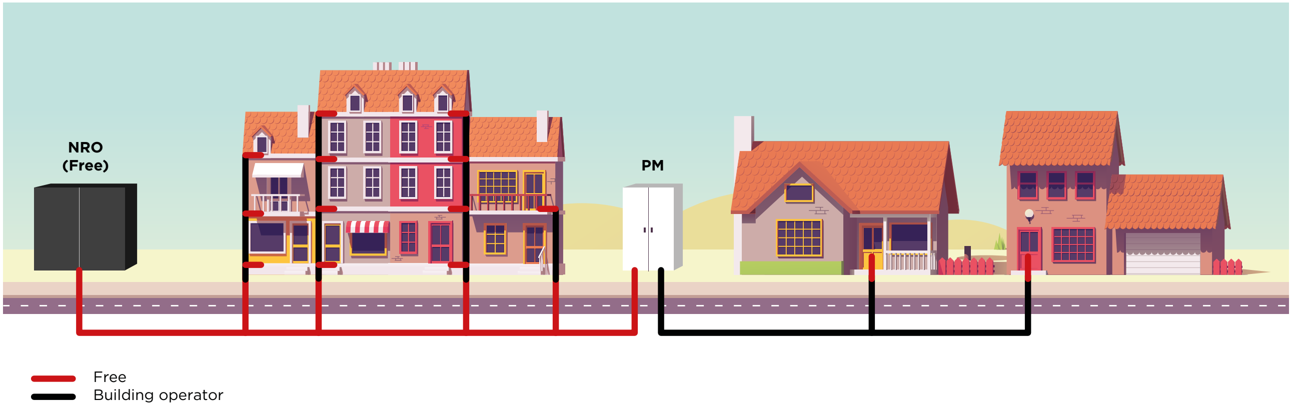
Optical fiber – which has long been used by electronic communications operators for long-distance links – has established itself as the fastest, most reliable and most powerful transmission technology available. It enables data to be transmitted at the speed of the light signal passing through the fiber and therefore offers speeds of several hundred Mbps and even much more. It is the use of this technology that has driven the surge in Internet usage worldwide. An optical fiber network with high upload and download speeds enables a variety of multimedia services to be used simultaneously.

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

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

Rollout of optical fiber local loops in very densely populated areas (approximately 7.7 million lines)

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



In view of the above ARCEP decision, the Group rolled out its own Fiber infrastructure in very densely populated areas, which involves:

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

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

Rollout of optical fiber local loops outside very densely populated areas

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

a) Private co-financed areas (approximately 16.8 million lines)

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

b) Public Initiative Networks (PINs) in the rest of France

FTTH networks are rolled out in PIN areas in a number of ways, which may require entering into agreements with the public bodies in charge of rolling out the networks or with the private entities that market them.

Strategic partnership with InfraVia

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

Fiber progress report at December 31, 2023

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

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

1.4.2.4 Rollout of Ultra-Fast fixed networks in Poland

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

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

On August 31, 2023, Play merged with its subsidiary UPC.

At end-2023, the iliad Group addressed almost 7.5 million Polish households with its Broadband and Ultra-Fast Broadband Internet services. Of these, more than 3.8 million were addressed by the PŚO network and the others through the Operational Program Digital Poland (POPC), which is supporting Poland's digital transformation by funding the rollout of a fiber-to-the-subscriber access network in medium and low- density areas.

1.4.2.5 Rollout of Ultra-Fast fixed networks in Italy

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

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

1.4.3 Rollout of 3G/4G/5G mobile networks

1.4.3.1 France

Free Mobile's Mobile network is built on a Backbone that is shared with the Group's Fixed network. This Backbone is a national network of optical fibers lit by transmission equipment. This physical layer is the basis of iliad's national IP network in France. The majority of Free Mobile's mobile masts are fiber-connected in order to minimize data flow capacity constraints and maximize the speeds offered to subscribers. In the second half of 2021, Free Mobile opened the Voice over 4G service, also known as VoLTE, which improves voice quality and reduces call connection times. It began opening the Voice over WiFi service in the first half of 2022, and this service was deployed for all mobile plans during 2023.

Since the launch of its first 3G offering in 2012, Free Mobile has invested massively in rolling out its network, and at end-2023, its population coverage rates in France were 99.9% for 3G, 99.6% for 4G and 94.7% for 5G.

Free Mobile's 5G network is initially being grafted onto its 4G network via a Non Stand Alone ("NSA") architecture, enabling the rapid rollout of 5G but with functions that continue to be 4G driven. 5G technology is being deployed using several different frequency bands to provide ultra-high speeds and wide coverage. In the second phase, when the equipment is ready and the 5G mobile network is sufficiently deployed and adopted, the architecture will be upgraded to a Stand Alone ("SA") structure so that it can offer all the functionalities of 5G technology.

Pursuant to the roaming agreement signed with France's incumbent operator, the Free Mobile network is interconnected with the Orange mobile network at four points for voice and two points for data. These interconnections between the Free Mobile and Orange France networks are necessary for carrying traffic (data, voice, text messages etc.) of subscribers in the remaining areas where the Free Mobile network rollout has not yet been completed. So that Free Mobile's 3G subscribers only have to make minimal use of roaming, the Group is continuing to roll out a large number of new mobile sites. Also, since February 2020, it deployed functionalities allowing a 4G/5G mobile to re-select Free Mobile's network as soon as the Free Mobile 4G/5G coverage was available.

1.4.3.2 Italy

Since late 2016 and the signature of the agreement with the Hutchison and VimpelCom groups, iliad has been rolling out its mobile network in Italy, which notably involves:

- rolling out the core network and interconnections with WindTre to manage traffic under the selected MOCN (MultiOperator Core Network) solution. This technical solution for connecting up WindTre's radio equipment to the Group's core network creates a more effective and optimal flow of traffic between the two networks compared with a more "conventional" roaming solution;
- in addition to 5G coverage on 700 MHz using the 3.6 GHz frequency band, with the deployment of several hundred sites despite the difficulties caused by the legal limits on electromagnetic emissions in Italy;
- leveraging synergies with the iliad Group by involving the French technical and operations teams (notably for network management and information systems) and drawing on the infrastructure and platforms already deployed in France that can be shared with the Italian business;
- building the operational skills of the teams in Italy so they can operate the network with the support of the Group's teams;
- RAN sharing, as from 2023 via a joint venture (Zefiro Net s.r.l.) owned on a 50/50 basis by iliad Italia and WindTre, providing a network that covers more than 6,700 base stations located in non-densely populated areas.

1.4.3.3 Poland

The Group stepped up the pace of its mobile network rollout in Poland in 2023 and at the year-end it had 11,621 base stations, representing 1,050 more than a year earlier. This gave it population coverage of 99.7% for 2G/3G and 99.6% and 58.8% respectively for 4G LTE and 5G DSS 2.1 GHz. Play's own-network 2G/3G/4G coverage has been broadened by the roaming services provided under an agreement with Orange (which was extended in 2021 until 2025).

1.4.4 Real estate

For the purpose of its FTTH rollouts in France, the Group acquires, either directly or under finance leases, premises to house optical nodes (ONs). The majority of the premises used by the Group are occupied under long-term lease agreements entered into with third parties, and are principally located in the Paris area.

For further details on the Group's real estate, see Note 19 to the 2023 consolidated financial statements in Chapter 6 of this Universal Registration Document.

1.5 Research and development and intellectual property

1.5.1 Research and development

The Group devotes significant resources to creating innovative products and services within the information and communication technologies sector. Its research & development ("R&D") policy is structured around two main objectives: (i) offering differentiated services to subscribers thanks to dedicated equipment, and (ii) reducing costs relating to the construction and operation of its network.

It is with these objectives in mind that the Group develops new generations of Freeboxes that incorporate the latest technical innovations, and is deploying innovative xDSL, fiber and mobile network equipment.

The Group also intends to continue its in-house development for the architecture of the equipment used both in the operation of its networks and the provision of services to its subscribers, as well as for the Linux-based software applications that are used by all Group companies.

In parallel, the Group is very active in the field of artificial intelligence, in particular through its subsidiary Scaleway and via its contribution to creating the AI research lab, Kyutai, which is described in Section 1.2.2 above.

1.5.2 Intellectual property

Patents

At the approval date of this Universal Registration Document, the Group had filed 39 patent families in the areas of optical fiber, multimedia flow distribution, PLC data transmission, femtocell boxes and hosting servers.

1.6 Regulatory framework

The Group's business activities are subject to legislation and regulations governing the electronic communications sector and the information society in France, Italy and Poland and the European Union as a whole.

1.6.1 Regulation of electronic communications networks and services in France

The regulatory framework for electronic communications

The majority of the regulatory provisions applicable in France to the telecommunications sector are contained in the French Postal and Electronic Communications Code (CPCE). This Code sets out the applicable formal legal framework and transposes the related European Union (EU) Directives into French law. The European Electronic Communications Code [1] was transposed into French law by Act No. 2020-1508 of December 3, 2020 [2] and government order no. 2021-650 of May 26, 2021, supplemented by regulatory provisions.

In 2022, Regulation (EU) 2022/612 on roaming on public mobile communications networks within the European Union extended for 10 years both the abolition of the retail roaming charges rule (also known as the "Roam like at home" rule) and the wholesale price cap mechanism (while further lowering the caps). The regulation also adds provisions aimed at maintaining the quality of roaming services and various obligations concerning transparency and information for roaming customers with regard to emergency and value-added services.

Asymmetric regulation

The analysis of markets is the cornerstone of the asymmetric regulation framework applicable to operators that occupy a dominant market position. *Ex-ante* asymmetric regulation is focused on market segments – mainly wholesale markets – in which distortion of competition and dominant market positions have been identified. ARCEP is required, under the supervision of the European Commission and on the recommendation of the French antitrust authorities, to (i) define the relevant markets applicable in France, (ii) analyze the relevant markets and identify companies which have significant market power in these markets, and (iii) decide whether or not to impose on these companies regulatory obligations commensurate with the competition problems identified.

Descriptions of each market analyzed during each phase of the process, along with a table tracking market developments, can be found on ARCEP's website. The main ARCEP decisions currently in force that are relevant to the iliad Group are the following:

- the regulation of fixed and mobile call termination: since July 1, 2021, fixed and mobile call termination charges have been regulated by the European Commission with the same rules applying to all EU operators. The Commission sets the applicable price caps based on recommendations issued by the Body of European Regulators for Electronic Communications (BEREC);
- the regulation of wholesale Broadband and Ultra-Fast Broadband markets: since December 14, 2023, unbundling in these markets is regulated by ARCEP decision 2023-2802 dated December 15, 2020 concerning (i) the definition of the relevant market for wholesale access provided at a fixed location; (ii) the designation of an operator that exercises significant power within this market; and (iii) the obligations imposed on said operator in this market. Also since December 14, 2023, Bitstream offerings are regulated by decision 2023-2804 concerning (i) the definition of the relevant market for wholesale bitstream access offers for Broadband and Ultra-Fast Broadband delivered at the sub-national level; (ii) the designation of an operator that exercises significant power within this market; and (iii) the obligations imposed on said operator in this market.

  ARCEP decision 2023-2804 related to unbundling, which has a number of implications for the Group's business in the copper broadband market segment. This decision, which is valid for five years (instead of three years which was the case for previous decisions), provides for a relaxation in the pricing obligations imposed on Orange relating to access to its legacy copper network, which up until now have been cost-based. Under the decision, there will now be three different pricing zones, the parameters of which will evolve over the five-year ARCEP analysis cycle covered by the decision. In pricing zone (1) cost-based pricing will still apply. This zone includes all copper lines in municipalities where FTTH coverage has not yet reached 95% and where the copper switch-off is not scheduled within two years. For lines in this zone (1), the wholesale charge for local loop unbundling (LLU) is €9.20 per month (excluding the IFER tax). In pricing zone (2) – which covers copper lines in municipalities with over 95% FTTH coverage – the tariffs must be "non-excessive". For lines in these municipalities, the LLU unbundling charge is capped at €9.95 per month (excluding the IFER tax) for 2024 and at €10.70 (excluding the IFER tax) per month for 2025. The "non-excessive" tariff has not yet been set for the period beyond the end of 2025, and there is no regulatory definition of "non-excessive" tariffs. In pricing zone (3) the tariff obligations have been completely lifted for copper lines in municipalities where the copper switch-off is scheduled within two years. In these municipalities, Orange can set the LLU unbundling charges it wishes.

  The provisions of this decision will result in an increase, as from 2024, in the recurring copper line rental costs borne by Free for its subscribers still on unbundled copper lines. The non-excessive tariffs could apply to most of the copper lines in France as from 2025.

  The French competition authority (*Autorité de la Concurrence*) and the European Commission were consulted on this decision, and they explicitly pointed out the rental cost risks associated with the plan to relax Orange's pricing obligations;

(1) Directive (EU) 2018/1972 of the European Parliament and of the Council of December 11, 2018 establishing the European Electronic Communications Code.
(2) Act no. 2020-1508 of December 3, 2020 containing various provisions for adapting to European Union law in economic and financial matters.

- regulation of the wholesale Broadband and Ultra-fast Broadband markets, and regulation of the wholesale market for access to physical civil engineering infrastructure for rolling out electronic communications networks. Since December 14, 2023, access to Orange's civil engineering infrastructure and related services (hosting and fiber backhaul) have been governed by ARCEP decision 2023-2801. This decision maintains all the access and cost-based pricing obligations previously in force, and reinforces the operational procedures for repairing damaged civil engineering infrastructure, within a context of widespread FTTH rollouts across the country and the shut-down of the copper network.

  By way of decision 2023-2820 dated December 14, 2023, ARCEP amended its decision 2017-1488 setting out the financial terms and conditions for accessing Orange's copper local loop civil engineering infrastructure, which will likely lead to price increases. In order for telecom operators to be able to forward plan, and to take into account the European Commission's observations on these price increases, ARCEP asked Orange to publish its provisional prices for accessing its civil engineering infrastructure for the period from 2024 to 2026. Orange published these provisional prices on January 8, 2024. This decision will lead to a price increase of between 68% and 73% in 2024 and between 23% and 28% in 2025.

Dispute resolution decisions

In October 2021, Bouygues Telecom requested that ARCEP settle a dispute with Orange over the rules governing the refund of contributions to FTTH end-point connection set-up fees in very high-density areas. On April 23, 2022 (2022-0682-RDPI), the regulator ruled in favor of Bouygues Telecom and ordered Orange to amend its contract so that the contributions are refunded when the line is canceled by the "outgoing" commercial operator and not when the line is taken over by the "incoming" commercial operator. However, ARCEP did not agree with Bouygues Telecom on the requested refund calculation method, which will need to be determined by negotiations between the parties. This decision, whose application is limited to very densely populated areas, will have a major impact on the economics of FTTH end-point connections and could set a precedent for resale right refunding procedures in other areas of the country. Given the financial stakes involved, it is likely that the decision will lead to litigation in other administrative jurisdictions in 2023.

Note that iliad Group subsidiary Free was a party in a dispute that was settled by ARCEP in 2020.

By way of decision 2020-1498-RDPI (published on the ARCEP website), ARCEP settled a dispute between Free and SFR FTTH concerning certain aspects of the co-financing agreement between the two parties relating to FTTH lines deployed by SFR FTTH in medium-populated areas of France ("AMII areas"). The dispute involved the security of the rights granted to Free in return for its co-financing obligations, tariffs, and changes in pricing over time. ARCEP's decision was mainly in Free's favor, but SFR FTTH lodged an appeal against it with the Paris Court of Appeal in November 2022. In a ruling dated April 20, 2023 (RG no. 21/01780), the Court of Appeal upheld decision 2020-1498-RDPI in its entirety and rejected all of the applications to cancel the decision made by Xp Fibre (formerly SFR FTTH), which subsequently lodged an appeal with the French Court of Cassation (*Cour de Cassation*).

Symmetric regulation

ARCEP also regulates in a "symmetric" way, i.e., by imposing the same obligations on all operators, using the regulatory powers vested in it by law. The decisions it makes in terms of symmetric regulation are approved by the French Minister for Electronic Communications. FTTH networks are regulated in a symmetric way.

For the optical fiber networks located in France's 148 most densely populated municipalities, ARCEP decision 2009-1106 regulates access to the terminal section of networks installed by operators in the risers of buildings. If they so wish, operators can co-invest in networks installed by other operators and can ask to have access to a dedicated fiber. ARCEP decision 2013-1475 dated December 10, 2013 amended the list of very densely populated municipalities that was originally defined in decision 2009-1106, reducing their number to 106. On January 11, 2014, ARCEP issued a recommendation concerning fiber rollouts for small buildings with fewer than 12 premises in very densely populated areas. For these buildings ARCEP recommends rollouts from shared access points comprising around 100 single-fiber lines located outside the private property line, using a point-to-point architecture.

ARCEP decision 2010-1312 of December 14, 2010 sets out the terms and conditions for access to ultra-fast optical fiber electronic communications lines in those parts of France other than very densely populated areas. Under this decision, operators are required to establish shared access points that are sufficiently large to enable other operators to gain access at reasonable prices. It also requires operators rolling out a network to store the active or passive network devices of other operators (such as street units, shelters, etc.) at those shared access points.

In 2015, ARCEP adopted decision 2015-0776 of July 2, 2015 related to the technical and operational processes for sharing ultra-fast optical fiber electronic communications networks. The aim of this decision is to create a regulatory framework for and to standardize the processes concerning (i) the provision of information prior to fiber rollouts (relating to rollout plans, which buildings are included in the rollouts, eligible premises, etc.) and (ii) the delivery of optical routes by building operators. The provisions of the decision came into effect in three phases, with the last phase taking place in mid-2017.

By way of decision 2020-1163 of October 22, 2020, ARCEP set the rate of return on capital employed to be used for calculating the costs and controlling the pricing of regulated fixed and mobile operations. This rate has been 4.8% (pre-tax) since 2021.

On June 24, 2018, ARCEP published a recommendation on the consistency of FTTH network rollouts and the completeness of the rollouts in the operators' coverage areas. In late 2018 ARCEP launched legal procedures against several operators, including the iliad Group, on the basis of Article L. 36-11 of the French Postal and Electronic Communications Code, relating to the non-completeness of their FTTH rollouts outside very densely populated areas.

The procedure against the iliad Group concerns rollouts launched in all or some of a dozen municipalities outside very densely populated areas. On September 13, 2019, ARCEP issued decision 2019-0939-RDPI which gave notice to Free Infrastructure to comply with its obligations in terms of the completeness of FTTH rollouts outside very densely populated areas, and providing information to third-party operators about the fiber connections up to and around certain buildings.

Lastly, as part of its 2020-2023 market analysis cycle, on December 8, 2020, ARCEP issued decision 2020-1432, which consolidates ARCEP's various recommendations and makes all building operators subject to obligations of non-discrimination for operational and technical issues. The decision also introduces restoration time guarantees for FTTH networks and sets out accounting disclosure requirements for operators.

As part of the aforementioned market analysis review cycle, ARCEP also consulted industry stakeholders on the current symmetric FTTH regulatory framework. For ARCEP, the main challenge for the symmetric framework is to ensure that FTTH networks "are capable of fulfilling their function as the standard fixed line infrastructure." It therefore questioned the effective ability of fiber networks to take over from Orange's copper network. The Authority believes that migrating users from one network to the other is a core issue and can be carried out smoothly only if Orange provides other stakeholders visibility on the process of switching off the copper network. In view of the massive investments it has made in order to use and co-finance FTTH networks over the very long term, in its contribution to the public consultation, the Group defended the benefits for the industry of a stable, predictable symmetric regulatory framework. However, the decisions adopted by ARCEP in December 2023 did not include any changes to the framework for symmetric regulation.

Roaming and shared use of mobile networks

In Opinion 13-A-08 relating to the terms and conditions of mobile network-sharing and roaming, the French antitrust authorities recommended that the national roaming agreement between Orange and Free Mobile should not be extended beyond a reasonable timeframe. It also provided for a framework for sharing mobile networks (RAN sharing). This Opinion was opened up to consultation.

In early 2014, Bouygues Telecom and SFR signed a mobile network-sharing agreement for an area covering 57% of the mainland French population. Orange referred this agreement to the French antitrust authorities, challenging its content and applying for interim protective measures. The application for interim protective measures was rejected.

In accordance with France's economic reform law (the "Macron Act"), ARCEP was assigned the power to analyze the mobile network-sharing and roaming agreements in place in France, and to require amendments to be made to such agreements where necessary (i) in order to achieve regulatory objectives, or (ii) for the parties to the agreement to respect the terms and conditions of their licenses. Pursuant to this Act, in June 2016, ARCEP adopted a set of guidelines on roaming and mobile network-sharing, following which the operators made amendments to their agreements in force. Free Mobile stated that it would gradually reduce the peak speed for its roaming subscribers from 1 Mbps in 2017 to 384 Kbps in 2020. In 2020, it extended its roaming agreement until end-2022. To date, ARCEP has not itself amended any of the operators' network-sharing or roaming agreements, including after the extension of Free Mobile's roaming agreement. Following appeals by the operators SFR and Bouygues Telecom, in late-2021, ARCEP's decision not to require amendments to the roaming agreement between Free Mobile and Orange was upheld by the French Supreme Court (*Conseil d'État*).

In 2022, Free Mobile and Orange agreed to extend the roaming sunset period to 2025. In December 2022, the extension was approved by ARCEP in an opinion.

In 2016, Free Mobile joined a program for mobile operators to provide 2G and 3G coverage in white spots, which gave Free Mobile 2G roaming and 3G and 4G RAN-sharing for the 2,400 legacy sites in white spots.

This program was replaced in early 2018 by a new governmental action plan called the "New Deal", under which France's four mobile operators undertook, among other things, to deploy 2,000 new sites in white spots and 3,000 sites in "gray spots" (areas only covered by certain operators). The aim of building the new sites in gray spots is to bring in the services of all operators. The operators have also undertaken to (i) provide better information to subscribers about sites with technical failures and (ii) to market a 4G fixed-line offering in areas where the fixed network is insufficient, and market a multi-operator indoor coverage offering. Free Mobile has published a list of its sites that are undergoing maintenance and has also published a fixed 4G offering.

These undertakings have been turned into binding commitments that are contained in the frequency licenses currently in force in Metropolitan France and will be included in the new licenses recently awarded and applicable until 2030. The new licenses were granted following a reallocation process carried out by ARCEP aimed at creating a more balanced split of frequencies between France's operators. The additional 3.8 MHz in the 900 MHz frequency band and 10 MHz in the 2,100 MHz band allocated to Free Mobile will become available on a gradual basis until 2024.

In parallel with the launch of the New Deal, ARCEP's powers to impose sanctions, as provided in Article L. 36-11 of the French Postal and Electronic Communications Code, were strengthened under Act no. 2018-1021 of November 23, 2018, notably in relation to financial sanctions that can be imposed if operators do not comply with their coverage obligations.

During 2019, ARCEP launched legal proceedings against several operators, including the iliad Group, on the basis of Article L. 36-11 of the French Postal and Electronic Communications Code, concerning compliance with their obligations under the New Deal.

Lastly, in June 2020, the iliad Group announced that it had formed a joint venture with the Digicel Group whose purpose is to hold the mobile network, i.e., infrastructure and active equipment, on behalf of the two groups in the Caribbean zone (Martinique, Guadeloupe, Saint-Martin and Saint-Barthélemy) and in French Guiana. ARCEP decided not to require any amendments to this agreement. This decision was appealed by Outremer Telecom to the French Supreme Court, which rejected it in June 2022.

Licenses to use frequencies in France

Licenses to use radio frequencies have been issued to the following Group subsidiaries:

- Free Mobile for 5 MHz in the 900 MHz band and 5 MHz in the 2,100 MHz band (ARCEP decision 2010-0043 dated January 12, 2010, amended by decision 2018-068 dated July 3, 2018);
- Free Mobile for 20 MHz in the 2,600 MHz band (ARCEP decision 2011-1169 dated October 11, 2011);
- Free Mobile for 15 MHz in the 1,800 MHz band (ARCEP decision 2014-1542 dated December 16, 2014, amended by decision 2015-1080 dated September 8, 2015 and further amended by decision 2018-068 of July 3, 2018);
- Free Mobile for an additional 3.7 MHz in the 900 MHz band and an additional 9.8 MHz in the 2.1 GHz band, which will gradually be made available between 2021 and 2024 (ARCEP decision 2018-1391 dated November 15, 2018);
- Free Mobile for 70 MHz in the 3.5 GHz band (ARCEP decision 2020-1255 dated November 12, 2020);
- Free Caraïbe for 10 MHz in the 800 MHz band, 20 MHz in the 1,800 MHz band, 14.8 MHz in the 2,100 MHz band and

15 MHz in the 2,600 MHz band (ARCEP decision 2016-1520 dated November 22, 2016) in Guadeloupe and Martinique;

- Free Caraïbe for 10 MHz in the 800 MHz band, 4 MHz in the 900 MHz, band, 20 MHz in the 1,800 MHz band, 14.8 MHz in the 2,100 MHz band and 15 MHz in the 2,600 MHz band (ARCEP decision 2016-1520 dated November 22, 2016) and 5 MHz in the 700 MHz band, 4.8 MHz in the 900 MHz band (Saint Barthélemy only) and 80 MHz in the 3.5 GHz band (ARCEP decision 2023-1627 dated July 24, 2023) in Saint Barthélemy and Saint Martin;
- Free Caraïbe for 15 MHz in the 1,800 MHz band, 14.8 MHz in the 2,100 MHz band and 20 MHz in the 2,600 MHz band (ARCEP decision 2016-1520 dated November 22, 2016) and 5 MHz in the 700 MHz band and 50 MHz in the 3.5 GHz band (ARCEP decision 2023-1622 dated July 24, 2023) in French Guiana;
- Telco OI for 10 MHz in the 800 MHz band, 10 MHz in the 1,800 MHz band, 9.8 MHz in the 2,100 MHz band and 15 MHz in the 2,600 MHz band (ARCEP decision 2016-1526 dated November 22, 2016) and 9.8 MHz in the 900 MHz band (ARCEP decision 2015-0661 dated June 25, 2015) in Reunion Island; Telco OI for 10 MHz in the 800 MHz band, 11.2 MHz in the 1,800 MHz band, 9.8 MHz in the 2,100 MHz band, and 20 MHz in the 2,600 MHz band (ARCEP decision 2016-1526 dated November 22, 2016) and 8.8 MHz in the 900 MHz band (ARCEP decision 2015-0661 dated June 25, 2015) in Mayotte;
- Telco OI for 10 MHz in the 700 MHz band, 100 MHz in the 3.4-3.8 GHz band (ARCEP decision 2022-0878 dated May 24, 2022) on Reunion Island; Telco OI for 10 MHz in the 700 MHz band and 1 MHz in the 900 MHz band (ARCEP decision 2022-0883 dated May 24, 2022) in Mayotte.

These licenses all carry obligations, including requirements related to population coverage and site deployments. Free Mobile has undertaken to roll out (i) a 3G network covering at least 90% of the French population (target achieved) and (ii) a 4G network covering 60% of the population by 2018 (target achieved), 75% by 2023 (target achieved five years ahead of schedule), 98% by 2027 and 99.6% by 2030. Free Caraïbe and Telco OI have not met the coverage obligations provided for in their licenses and ARCEP has therefore launched legal proceedings against them on the basis of Article L. 36-11 of the French Postal and Electronic Communications Code. By way of decision 2020-1455-RDPI dated December 9, 2020, ARCEP gave Free Caraïbe official notice to respect its population coverage obligations in the French West Indies and French Guiana by December 31, 2021. Pursuant to that notice, Free Caraïbe was fined €300,000 in application of Article L. 36-11 in ARCEP decision 2022-1840-FR dated September 26, 2022. In its decision 2023-2603 dated November 21, 2023, ARCEP issued another formal notice to Free Caraïbe to meet its coverage obligations relating to Saint Barthélemy and French Guiana by May 21, 2024.

Following the auction carried out by the French government for frequencies in the 3.5 GHz band, in late 2020, Free Mobile was allocated licenses to use 70 MHz out of the total 310 MHz available. As is the case with its competitors, under these licenses the Group has undertaken to roll out up to 10,500 sites using the 3.5 GHz band frequencies for 5G by 2025 and ensure harmonized 5G performance on its network by 2030. It has also agreed to several obligations related to improving (i) the competitiveness of businesses in France (provision of differentiating services, offers for vertical markets, access offers for MVNOs), (ii) indoor coverage (small-cell and DAS sharing, (iii) transparency (about network rollouts and network faults), and (iv) national coverage (coverage for roads and highways, and retail and wholesale fixed access offerings). These obligations are described in detail in the above-mentioned ARCEP decision. In 2021, ARCEP launched legal proceedings against Free Mobile on the basis of Article L. 36-11 of the French Postal and Electronic Communications Code concerning the implementation of IPV6 in connection with said decision.

An appeal against the procedure for inviting bidders for frequency attribution was filed with the French Supreme Court by a number of non-profit organizations and an Orange trade union but was rejected. At the end of the bidding procedure and after the allocation decisions had been published, further appeals were lodged with the Supreme Court by non-profit organizations, which were also rejected.

Lastly, licenses for the 3.5 GHz and 700 MHz frequencies used for 5G will be allocated in 2024 in Guadeloupe and Martinique, following spectrum auctions in which the iliad Group will be a bidder.

On Reunion Island, the licenses for the 900 MHz band frequencies will be renewed in advance following a spectrum auction that will take place in 2024 and in which Telco OI will be a bidder.

Other regulatory provisions

Interconnection

The applicable regulations provide that any operator of a network open to the public must enable any other operator that so wishes to interconnect with its voice network. Interconnection agreements are subject to private law but the main tariffs are set by the European Commission. Free, Free Mobile and Free Caraïbe have entered into IP interconnection agreements with France's three incumbent mobile operators and the main national fixed-line operators.

Free Mobile and Free Caraïbe have also signed reciprocal SMS and MMS interconnection agreements with France's three incumbent mobile operators as well as with several international operators and operators in the French overseas departments. SMS and MMS messages to operators that are not directly interconnected are carried through the BICS international transit platform. SMS and MMS prices are not regulated and the flows exchanged between operators are generally more or less symmetrical.

Free also has access to Internet interconnections provided through (i) free peering agreements (for operators with symmetrical flows of traffic), (ii) paid peering agreements (for content suppliers with more outbound than inbound traffic), and (iii) international transit agreements enabling traffic to be exchanged with all Internet users. Internet interconnection is not regulated but in accordance with French government order 2011-1012 dated August 24, 2011, ARCEP has the power to arbitrate any disputes. Additionally, by way of decision 2012-0366 dated March 29, 2012, as amended by decisions 2014-0433-RDPI and 2017-1492-RDPI, ARCEP introduced a process whereby at six-monthly intervals, it can collect information on Internet connections from ISPs and the main providers of public online communication services.

Portability

Number portability is a symmetric obligation that applies to all operators connecting end-subscribers. Free, Free Mobile and Free Caraïbe are members of three organizations – the APNF, the GIE EGP and the GPMAG – that bring together all of France's leading operators and organize the data flows required for users to retain their fixed and mobile numbers. Following its decision adopted in 2012, which strengthened the regulatory framework applicable to mobile number portability, on June 25, 2013, ARCEP issued a similar decision concerning fixed-line number portability. One of the key provisions was to extend the use of the operator identity statement (RIO) system, which had already been tried and tested in the mobile market. By way of decision 2022-2148 dated December 6, 2022, ARCEP replaced its two previous decisions on number portability with the aim of simplifying the existing processes and making portability smoother in the B2B and B2C markets as well as improving the management of phone number resources. This decision was approved by a government order dated March 21, 2023 and took full effect on December 1, 2023.

Directories and provision of subscriber lists

All fixed and mobile operators that connect end-subscribers are required to supply their subscriber lists for the purpose of publishing directories and/or providing information services. The terms and conditions governing whether or not subscribers are included in these lists depend on the type of service concerned: fixed-line subscribers have to opt out if they do not wish their details to be published whereas mobile subscribers need to opt in. ARCEP decision 06-0639 – which was approved by a government order dated March 8, 2007 – sets out the technical and pricing terms and conditions applicable to supplying subscriber lists.

The Group has an electronic directory business operated under the "ANNU" brand and has entered into agreements with France's main fixed and mobile operators under which they provide their subscriber lists for the purpose of publishing universal directories and/or providing universal information services. Likewise, Free and Free Mobile have signed an agreement with the main players operating in the universal directory and/or information service markets under which Free and Free Mobile supply a list of their subscribers (subject to any restrictive options chosen by subscribers).

Since the "Proximus" ruling by the Court of Justice of the European Union on October 27, 2022 (case C-129/21), Free and Free Mobile have also had to take into account any objections that their subscribers make to universal directory services about featuring in such directories which the universal directory services have passed on to Free and Free Mobile.

Contribution to universal service funding

The operator or operators required to guarantee the provision of the universal service are designated on the basis of calls for tender. Following a tender process carried out during 2017, on November 27, 2017, a government order was issued stating that Orange had been selected as the operator to provide – for a three-year period – the components of the universal service in France, namely connection to the telephone network and service.

When this three-year period expired Orange decided not to bid again for the role, and since then no operator has been in charge of the universal service.

In accordance with the applicable law, the cost of the universal service is shared between operators pro rata to their revenues derived from electronic communication services "excluding revenues from interconnection and access services subject to the agreements defined in paragraph I of Article L. 34-8 of the French Postal and Electronic Communications Code, and other services provided or billed on behalf of third party operators".

Broadcasting of audiovisual services

Pursuant to the French online anti-piracy Act (Act no. 2021-1382 of October 25, 2021 on the "regulation and protection of access to cultural works in the digital age"), the French broadcasting watchdog, the *Conseil supérieur de l'audiovisuel*, has been replaced by ARCOM (*Autorité de régulation de la communication audiovisuelle et numérique* – the Audiovisual and Digital Communication Regulatory Authority), which is now in charge of regulating all radio and television services. In its capacity as a provider of audiovisual services via electronic communications networks, Free is subject to the regulatory "must-carry" provisions, which involve two legal requirements: (i) the service provider (which includes Free) has to carry certain public channels, including free-to-air national and local terrestrial channels, the TV5 channel and local public channels that provide information on local activities, and (ii) the must-carry channels have to agree to be carried by the service provider, except if they consider that the service provider's service offering is incompatible with their public service objective. This must-carry obligation also requires service providers to bear the technical costs of broadcasting the channels concerned.

The online anti-piracy Act of October 25, 2021 also strengthens the powers of the new regulatory authority in relation to dispute resolution and conciliation between the various market players, particularly between audiovisual service providers and publishers. ARCOM will therefore have the power to make decisions on issues concerning access to viewing data.

Under French Act no. 2007-309, like all television distributors, broadcasters of television channels via electronic communications networks are required to pay contributions to the *Compte de Soutien à l'Industrie de Programmes Audiovisuels* ("COSIP") – via the television services tax (see above) – which is calculated based on the revenue generated by broadcasting television services. In addition, a law reforming the public audiovisual sector has set a new development framework for public service television channels in France and created a regulatory framework for new audiovisual services such as video on demand. This law also provides for a number of taxes to offset the impact of the phased ban on advertising on public channels, including a tax on electronic communications operators such as Free.

Providers of audiovisual services on demand, such as Free, are also required to pay a tax on these services, corresponding to 2% of the related revenues net of tax (10% for adult-content programs).

Network upgrades

In September 2006, the iliad Group, which owns the entire capital of Free Infrastructure (since renamed Réseau Optique de France), announced its decision to launch the rollout of a very high-speed fiber optic access network. Between 2006 and 2010, Réseau Optique de France designed, deployed and opened up to other operators its FTTH network based on a high-capacity shared access point (SAP) architecture that complied with the framework in force at the time. This architecture is used for two-thirds of the 350,000 premises covered by Réseau Optique de France's FTTH network.

In 2022, several commercial operators, who are customers of the FTTH network, lodged complaints with ARCEP about the operating conditions of the high-capacity SAP architecture network that they had been using for many years, describing them as «atypical». At the request of and in conjunction with ARCEP, as from end-2022, Réseau Optique de France set up an operational system aimed at improving the operability of the high-capacity SAP architecture network. After several months in operation, this system resulted in a number of improvements, such as reducing line set-up failure rates on Réseau Optique de France's infrastructure, but they were not sufficient for the main commercial operators using the network.

In June 2023, iliad therefore announced a plan to upgrade Réseau Optique de France's high-capacity SAP network, which will involve significantly altering its architecture in order to bring it into line with that of most of the FTTH networks deployed in France since 2012 and to stop using the high-capacity SAP model.

A test was carried out jointly with the commercial operators using the network on some fifty addresses between October and December 2023. The project will enter the industrialization phase during 2024, with the aim of completing the upgrade work by the end of 2026.

1.6.2 Regulation of electronic communications content and personal data in France

Content of online services and liability provisions for Internet market players

In French law, the liability provisions applicable to intermediary ISPs are set out in Act no. 2004-575 dated June 21, 2004 and the French Postal and Electronic Communications Code. They include the following:

- providers of online communication services must identify themselves, directly or indirectly. Access and hosting providers must keep data that could identify persons having participated in the creation of the content of the services which they provide, in order to be able to pass on such data to the legal authorities, if required;
- hosting providers can only be held civilly liable on the grounds of the activities or information stored at the request of a recipient of these services if they were aware of their unlawful nature or of any facts or circumstances making this unlawful nature obvious, or if, as soon as they became aware of such unlawful nature, they did not act promptly to withdraw the data or to prevent access to it. Publishers of websites whose content has been created without authorization and/or illegally are notified by email that such content is unacceptable and must rectified or removed;
- access providers cannot be held either civilly or criminally liable for the content to which they provide access, except in circumstances where either they have originated the request for the transmission of the content concerned, or they have selected the recipient of the transmission, or selected and/or modified the transmitted content;
- electronic communications operators are required to store certain information and personal data, including (i) information on the user's identity, (ii) the information provided by the user when they sign up to a contract, (iii) payment-related information, (iv) the technical data enabling the user's connection source to be identified or data concerning the end-equipment used, and (v) other traffic- and location-related data necessary for preventing terrorism or pursuing serious criminal charges, or for the *Autorité Nationale de la Sécurité des Systèmes d'Information* (ANSSI) or the *Haute Autorité pour la Diffusion des Œuvres et la Protection des Droits sur Internet* (HADOPI – now merged into ARCOM) to carry out their regulatory duties. In addition, French governmental decree no. 2021-1362 of October 20, 2021 – implementing paragraph II of Article 6 of Act no. 2004-575 dated June 21, 2004 on confidence in the digital economy – requires operators to conserve data that enables the identification of any person having contributed to the creation of content published online. Apart from these specific data conservation requirements, the general principle applicable to operators is that they must delete data after a communication has been made. Act no. 2009-669, adopted on June 12, 2009, promotes the dissemination and protection of online creative works and introduced a "graduated response" system in the aim of combating illegal downloads. The first stage in this system is an email sent to any Internet subscriber whose connection is used to illegally download a protected work, which informs the subscriber that they have breached the applicable law and warns them that they need to protect their Internet access to ensure it does not happen again.

These emails are managed and issued by Hadopi, a French government agency created for this purpose and since merged into the ARCOM regulatory authority. A further Act was adopted on October 29, 2009, which protects online literary and artistic property and rounds out the graduated response system by providing that in the event of repeat offenses a judge can impose a fine or even suspend the subscriber's Internet access.

These statutory provisions have been supplemented by a number of regulatory provisions related to (i) types of data and interconnection of information systems (Decree 2010-536 of March 5, 2010), (ii) the obligation for ISPs to act as a vector for the recommendations issued by the Hadopi (Decree 2010-1202 of October 12, 2010), (iii) the terms and conditions for providing compensation for the identifiable and specific additional costs borne by electronic communications operators in order to comply with the Hadopi's requirements (Decree 2017-313 of March 9, 2017), and (iv) the amount of compensation to be awarded for each identified and specific additional cost borne by electronic communications operators in order to comply with the Hadopi's requirements (governmental order dated March 23, 2017).

Lastly, the online anti-piracy Act no. 2021-1382 of October 25, 2021 provided for the CSA and HADOPI to be merged in order to create the new regulator, ARCOM. The Act has kept the above-mentioned graduated response system and has strengthened the regulator's resources for combating artistic piracy by giving it new powers to require both ISPs and online publishers to block mirror sites and sites infringing sports rights.

Statutory provisions have also been introduced in France concerning requirements for ISPs to block access to certain websites and online content (such as illegal gaming sites and child pornography), where ordered by ARJEL (France's online gaming regulator) or the Ministry of the Interior (Act no. 2010-476 of May 13, 2010 on online betting and gaming and Act no. 2011-267 of March 14, 2011 on internal security).

French Act no. 2016-1321 dated October 7, 2016 (the "French Digital Republic Act") requires providers of electronic communications services to make their services accessible to end-customers who are deaf, hard of hearing, blind or aphasic, by providing a written and visual simultaneous translation service for calls made and received. An implementing decree is scheduled to be issued to set the terms and conditions for applying this requirement. The French Digital Republic Act also introduces the right for disadvantaged people to temporarily keep their Internet connection if they fail to pay for the service. In such a case, the connection must be maintained by the provider for the time it takes for the person's application to the local authorities for financial assistance to be processed. In 2020, ARCEP launched proceedings on the basis of Article L. 36-11 of the French Postal and Electronic Communications Code (created by the French Digital Republic Act) alleging breaches of Articles L. 33-1 and D. 98-14 of said Code by Free and Free Mobile.

As part of the legislative package on digital services designed to protect online users, two new E.U. regulations have been introduced which regulate digital services players: the Digital Markets Act (DMA) dated September 14, 2022, which aims to combat anti-competitive practices by Internet giants, and the Regulation dated October 19, 2022 on a Single Market For Digital Services and amending Directive 2000/31/EC (the Digital Services Act, or DSA), which introduces measures to prevent the trade and exchange of illegal or harmful goods, services and content online. A number of Group companies are subject to new rules and obligations under the Digital Services Act as from 2024, including the requirement to publish an annual Transparency Report about their policies and actions relating to the moderation of online content. Similarly, on October 17, 2023, the French National Assembly adopted a bill aimed at securing and regulating digital space (known as the "SREN" bill) in order to provide better protection for Internet users and businesses, especially against online pornography, scams and fake news. This bill also provides for amendments to the French Act of June 21, 2004 on confidence in the digital economy (the "LCEN" Act) in order to align it with the DSA and DMA, in particular by restructuring the LCEN Act's content and updating its definitions. When the SREN bill becomes law, it will have an impact on the Group companies concerned.

Processing of personal data and protection of individuals

Act no. 2004-801 of August 6, 2004 on the protection of individuals with respect to the processing of personal data, amending Act no. 78-17 of January 6, 1978 relating to information technology, computer files and civil liberties, transposed the Framework Directive of October 24, 1995 and certain provisions of the Directive of July 12, 2002 into French law. Act no. 2004-575 of June 21, 2004 on confidence in the digital economy and Act no. 2004-669 of July 9, 2004 on electronic communications and audiovisual communication services also transposed into French law certain provisions of Directive 2002/58/EC dated July 12, 2002. Lastly, French government order 2011-1012 of August 24, 2011 transposed into French law the EU Directives adopted in November 2009.

With respect to data relating to the use of its services, the Group is required to store the following: (i) information on the user's identity, (ii) the information provided by the user when they sign up to a contract, (iii) payment-related information, (iv) the technical data enabling the user's connection source to be identified or relating to the end-equipment used, and (v) other traffic- and location-related data necessary for pursuing serious criminal charges, preventing terrorism, and/or for the regulatory authorities to carry out investigations. Apart from the information specified in decree no. 2021-1361 of October 20, 2021 – issued in implementation of Article L. 34-1 of the Postal and Electronic Communications Code – concerning the categories of data that must be stored by electronic communications operators, the principle is that operators must delete the data after one year.

The Group may be required to pass on data it has in its possession on the identification, location and connection of a user of its services but such data may only be provided to duly authorized national, legal and administrative authorities. The information passed on does not include any data concerning the content of any communications or information consulted.

In accordance with Article 100 of the French Criminal Procedure Code (*Code de procédure pénale*) and Chapter IV of the French National Security Code (*Code de la sécurité intérieure*), the Group may also be required to carry out legal interceptions of the electronic communications transmitted over its fixed and mobile networks where required by the duly authorized legal and administrative authorities. This type of interception is carried out in accordance with a strict supervisory framework by qualified professionals using equipment that is duly authorized and controlled by the relevant authorities.

The French Digital Republic Act (Act no. 2016-1321 dated October 7, 2016) (i) created new rights for individuals (confirmation of the right to control the use of personal data, confidentiality of electronic correspondence, the "right to be forgotten" for minors, the possibility for data users to determine what will happen to their personal data after their death, and the possibility for individuals to exercise their rights electronically), (ii) increased the information that electronic communications service providers have to disclose in relation to their service contracts (neutrality, information on protecting individuals' private lives and personal data and the consequences on the quality of Internet access of any limitations in terms of volume, speeds or other factors), and (iii) strengthened the responsibilities and enforcement powers of the CNIL (the French data protection authority).

Certain provisions of the Digital Republic Act were an early adoption of the requirements of EU Regulation 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (the General Data Protection Regulation, or "GDPR", which came into force on May 25, 2018). The GDPR, which repeals Directive 95/46/EC, extends the scope of the regulatory framework for personal data protection, strengthens privacy rights and increases the maximum amount of the fine that may be imposed for non-compliance to 4% of global revenue.

Subsequent to the GDPR coming into force, French Act no. 2018-493 on personal data protection and decree 2018-687 were introduced in order to amend France's previous Data Protection Act (Act no. 78-17 of January 6, 1978) and bring France's legislation into compliance with the GDPR and EU Directive 2016/680 on the protection of natural persons with regard to the processing of personal data by competent authorities for the purposes of the prevention, investigation, detection or prosecution of criminal offenses or the execution of criminal penalties, and on the free movement of such data. This Personal Data Protection Act also gave additional powers to the CNIL and removed the existing system of prior declaration to and authorization from the CNIL for personal data processing.

Following the introduction of the new French Personal Data Protection Act, on December 12, 2018 (law no. 2018-493), a government order (order no. 2018-1125) was issued to clarify the provisions of the previous Data Protection Act (Act no. 78-17) related to information technology, computer files and civil liberties. And on June 1, 2019, a decree dated May 29, 2019 came into force implementing the new French Personal Data Protection Act. This decree was the final stage of the process to bring French national law into line with the GDPR.

Its main aims were to clarify France's legal framework in this area and ensure that national regulatory provisions are consistent with EU law and the French legislation introduced in application of EU law.

In order to take into account the specific characteristics of the electronic communications sector, another EU Regulation concerning privacy and personal data protection in electronic communications is currently being drafted, which will repeal Directive 2002/58/EC (the "e-Privacy Regulation").

A proposal for a regulation to establish additional procedural rules relating to the application of the GDPR was presented by the European Commission on July 4, 2023 and is currently being drafted. This regulation was expected and should facilitate the handling of files involving the cross-border processing of personal data, as well as organizing cooperation between national data protection authorities.

Following in the footsteps of the Data Governance Act adopted on May 30, 2022, the EU is now extending data protection from personal data to include non-personal industrial data. A provisional agreement was reached between the European Council and Parliament on June 27, 2023 on a new regulation on harmonized rules on fair access to and use of data (the "Data Act"). The Data Act aims to ensure fairness in the allocation of value from data among players in the digital environment, and in particular concerning Internet of Things (IoT) technology, which generates vast volumes of data with high economic potential. As such, it will be a key regulation for the Group's projects.

Domain names

Domain names are assigned to the digital addresses of the servers connected to the Internet and constitute Internet addresses. The Group has registered a certain number of domain names in France, which have been recognized as assets. The French courts have taken measures to strengthen the protection of domain names as they consider that improper use of a domain name can infringe trademark rights.

The Group monitors registrations and the existence of domain names linked to its brands or which have been cybersquatted, in order to recover ownership either through specific legal procedures or when they fall into the public domain.

Digital carbon footprint

Act no. 2021-1485 of November 15, 2021, aimed at reducing the digital carbon footprint in France, and Act no. 2021-1755 of December 23, 2021 intended to strengthen ARCEP's environmental regulatory powers, have created new obligations for the telecom sector regarding environmental impacts, including:

- the creation of a digital carbon footprint observatory, under the aegis of ARCEP and ADEME;
- the launch of a national campaign for collecting used devices, with a "returns incentive";
- the introduction of a lower-rate private copy levy for reconditioned goods;
- the obligation for operators to inform their subscribers about offers including reconditioned products;
- recovery of waste heat in datacenters;
- the obligation for operators to publish a certain number of environmental indicators.

1.6.3 Regulation of electronic communications in Italy

On July 1, 2016, iliad S.A. entered into an agreement with the companies that control Wind Telecomunicazioni S.p.A. (VimpelCom Amsterdam B.V.) and H3G S.p. (Hutchison Europe Telecommunications S.A.R.L. and Hutchison 3G Italy Investments S.A.R.L.) in order to set out the terms and conditions applicable to (i) the implementation of the roaming and multi-operator core network (MOCN) services to be provided by Wind and H3G to iliad Italia and (ii) the transfer of sites and frequency usage licenses to iliad Italia. An addendum to this agreement was signed on July 18, 2016. The aim of the agreement was to enable iliad Italia to provide mobile services in Italy following the merger of the two Italian operators, Wind and Tre. The agreement was approved by the European Commission in its decision issued on September 1, 2016 concerning Concentration Case M.7758 – Hutchison 3G Italy/Wind/JV. Fastweb, a telecom operator, initially appealed this European Commission decision but withdrew its appeal on July 2, 2019.

On July 29, 2016, iliad was authorized by the Italian Ministry of Economic Development (MiSE) to be a mobile network operator (MNO) and therefore to provide mobile electronic communications services in Italy. This authorization was subsequently transferred to iliad Italia S.p.A., which was then registered in the register of communications operators (*Registro degli Operatori di Comunicazione*) of the Italian telecommunications regulatory authority (*Autorità per le Garanzie nelle Comunicazioni*, or "AGCOM") on September 29, 2016.

On November 4, 2016, the MiSE granted an authorization for the frequency usage licenses held by Wind and H3G to be transferred to iliad Italia S.p.A. These frequencies became available in line with the timeframe specified in the above-mentioned July 1, 2016 agreement and all of the licenses had been transferred by December 31, 2019. Consequently, iliad Italia S.p.A. now holds the licenses for the following frequencies:

- 5 MHz duplex in the 900 MHz band: this license originally expired on December 31, 2021 but in accordance with the applicable Italian regulations, the relevant authorities have granted iliad Italia an extension until December 31, 2029. The extension process is under way;
- 10 MHz duplex in the 1,800 MHz band, expiring on December 31, 2029;
- 10 MHz duplex in the 2,100 MHz band, expiring on December 31, 2029. The authorities have already set the fees for extending this license from January 1, 2022 to December 31, 2029. The price set for the 2,100 MHz frequencies could be revised, as a revision process has been launched by AGCOM, which has been appealed by iliad Italia and other operators;
- 10 MHz duplex in the 2,600 MHz band, expiring on December 31, 2029.

Taking into account the allocation by the MiSe in October 2018 of the frequencies used for 5G, iliad Italia S.p.A. now holds the licenses for the following frequencies:

- 10 MHz duplex in the 700 MHz band. These frequencies have been available since July 1, 2022 and the license expires on December 31, 2037;

- 20 MHz in the 3.6-3.8 GHz band, expiring on December 31, 2037;
- 200 MHz in the 26.5-27.5 GHz band, expiring on December 31, 2037.

On April 20, 2020, the MiSE authorized iliad to be a fixed network operator in Italy. The fixed FTTH offerings were launched on January 25, 2022, following the signing of two partnership agreements, one in July 2020 with Open Fiber, an Italian wholesale operator, and the other in August 2021 with the TIM Group via FiberCop, a TIM Group company that is building the secondary FTTH network. An agreement was also signed in September 2022 with Fastweb, which will enable iliad to extend the geographical availability of its offerings.

FiberCop's co-investment offer pursuant to Articles 76 and 79 of the European Electronic Communications Code:

FiberCop is controlled as follows: 58% by TIM, 37.5% by KKR Infrastructure and 4.5% by Fastweb. Its objective is to digitalize Italy by increasing the number of FTTH connections. FiberCop operates on the basis of a co-investment model and is the first case in Europe of nationwide application of the new European Electronic Communications Code. The company provides operators with passive access to the fiber network and advanced services. FiberCop has an active network that already offers ultra-fast connections to over 93% of Italy's fixed lines, via FTTC and FTTH technologies, and it will continue to increase its FTTH coverage, with connection speeds of over 1 Gbps. The aim is to cover 80% of households in "black" and "gray" areas by 2030.

TIM (FiberCop) submitted proposed commitments in relation to a co-investment offer pursuant to Articles 76 and 79 of the European Electronic Communications Code (the "Code"). Following a public consultation and certain requests from AGCOM, TIM submitted a new version of the offer, which was the subject of a new public consultation and a draft decision by AGCOM on lifting the regulation of FiberCop's secondary network (apart from the 29 cities that have Flash Fiber infrastructure). On April 7, 2022, AGCOM ruled that TIM's December 21, 2021 offer complied with Articles 76 and 79 of the Code and notified the European Commission of its draft decision to this effect. Subsequently, in May 2022, TIM informed AGCOM of its unilateral decision to amend its co-investment offer by including an inflation-based price escalation mechanism. Deeming this to be a substantial change in the offer, AGCOM opened a new procedure to review the amended offer's compliance with Articles 76 and 79 of the Code. In December 2023, in its decision 339/23/CONS, AGCOM stated that TIM's amended offer including the inflation-based price escalation system did not comply with Articles 76 and 79 of the Code and TIM decided to withdraw the amended offer.

Separately, Italian competition authority AGCM had opened proceedings into whether the agreements setting up FiberCop infringed Article 101 of the Treaty on the Functioning of the European Union (TFEU). In response, commitments were submitted by the parties involved (Telecom Italia, Fastweb, Teemo Bidco, FiberCop and Tiscali Italia). By decision 30002, AGCM closed the proceedings by accepting the commitments, considering them capable of removing the competition concerns by allowing more operators to provide high-capacity services.

Creation of a NetCo by TIM and binding offer from KKR:

On December 5, 2023, TIM announced[1] that Optics Bidco, a subsidiary of KKR (which has Abu Dhabi Investment Fund as a minority shareholder[2]), had confirmed its interest in continuing negotiations for the purchase of Sparkle and had requested to be allowed to carry out further due diligence processes until the end of January 2024 in order to have all the information it needed to put forward a final offer. The final offer was originally due to be submitted to TIM's Board of Directors at its meeting on December 14, 2023. On December 12, TIM announced that it had granted Optics Bidco an extension until the end of January 2024 for submitting a binding offer for Sparkle.

On November 5, 2023, TIM announced[3] that its Board of Directors had approved the binding offer submitted by KKR for the acquisition of TIM's fixed network assets (called "NetCo"), including FiberCop, by a company (Optics BidCo) controlled by KKR.

Consequently, on November 6, 2023[4], TIM signed a transaction agreement governing:

- the contribution by TIM of a business unit – consisting of primary network assets, wholesale activities and TIM's entire equity investment in its subsidiary Telenergia – to FiberCop, a company that already managed TIM's activities related to its secondary fiber and copper network, and in which KKR already held a 37.5% stake;
- the simultaneous acquisition by Optics BidCo (a vehicle controlled by KKR) of TIM's entire equity investment in FiberCop, following the above-mentioned contribution (with FiberCop becoming "NetCo" after the contribution).

The transaction agreement provides for the signing of a Master Services Agreement ("MSA") on the closing date of the transaction, which will govern the terms and conditions of the services that will be provided by NetCo to TIM and by TIM to NetCo following completion of the transaction.

According to the information disclosed by TIM, the transaction is expected to close in the summer of 2024, once the related preparatory work is completed and all the other preconditions have been met (completion of the contribution of the network assets such as the primary network, antitrust clearance, and authorizations relating to foreign subsidies distorting the E.U. internal market and the Italian Golden power legislation). KKR is expected to formally notify the European Commission by the end of January 2024 about its plan to buy NetCo.

The regulatory framework for electronic communications

The majority of the regulatory provisions applicable in Italy to the telecommunications sector are set out in the Italian and Electronic Communications Code ("ECC" – legislative decree 259/2003 and its successive amendments).

The decree transposing the European Electronic Communications Code of December 2018 into Italian law was approved and published on December 9, 2021 and entered into force on December 24, 2021. As Italy did not meet the transposition deadline, on February 3, 2021, the European Commission launched an infringement procedure (no. 2021-0056) pursuant to Articles 258 and 260 of the TFEU.

(1) https://www.gruppotim.it/en/press-archive/corporate/2023/PR-CONTINUATION-OF-DUE-DILIGENCE-FOR-THE-ACQUISITION-OF-SPARKLE.html
(2) Stake in Optics BidCo held through Azure Vista.
(3) **https://www.gruppotim.it/en/press-archive/corporate/2023/PR-5-November-def.html**
(4) https://www.gruppotim.it/en/press-archive/corporate/2023/PR-6-november.html

Government aid and national development plans for ultra-fast networks

National recovery and resilience plan (NRRP)

In response to the Covid crisis, the European Union has put in place a set of measures covering all member states in order to help them through the crisis and create a joint platform for economic and social recovery. The national recovery and resilience plan (NRRP) presented by Italy provides for substantial investment and a set of reforms representing approximately €250 billion in total, which will be funded both at EU level and nationally.

The plan is based on three strategic pillars, which are aligned with the priorities defined by the EU: digitalization and innovation, the green transition and social cohesion. One of the plan's main objectives is the digital modernization of Italy's communication infrastructure – both in public administration and the country's production system – in order to ensure that all residents, businesses, schools and hospitals throughout the country have access to broadband. The plan therefore comprises a wide range of measures to boost the creation of high-performance networks – notably fiber and 5G as well as satellite technologies – while simplifying the regulatory framework for their rollout.

Detailed mapping of national 4G and 5G network coverage and the "Italia 5G" public intervention plan

The Italia 5G Plan is designed to encourage the rollout of 5G mobile networks capable of delivering a significant leap in the quality of mobile radio connectivity through the fiber backhauling of radio base stations (RBSs) and the densification of network infrastructure to ensure speeds of at least 150 Mbps downlink and 30 Mbps uplink in areas where a network capable of providing 30 Mbps in typical peak traffic conditions does not currently exist nor is likely to be deployed in the next five years.

After the mapping was completed, in November 2021, the Italian Ministry for Technological Innovation and Digital Transition (MITD) published a public consultation on the "Italia 5G" public intervention plan and AGCOM published a public consultation on the guidelines concerning the conditions for wholesale access to the funded infrastructure.

The plan was then submitted to the European Commission for approval under EU state aid rules. On March 21, 2022, the two tenders for the development of 5G networks in Italy were issued. The two contracts, totaling €3.7 billion, concern (i) the connection of more than 10 existing mobile RBSs and (ii) the construction of new 5G mobile RBSs in more than 2,000 Italian communities. State funding will cover up to 90% of the total cost of the works. The first tender, divided into six lots covering all the regions, included investment incentives for the fiber optic backhauling of the more than 11,000 mobile RBSs to be connected by fiber by 2026. It was won by TIM for €725 million on June 13, 2022. The second tender, to build new 5G networks in regions lacking fast mobile Internet, was awarded on June 28, 2022 to the consortium formed by Inwit, Vodafone and TIM, with contracts worth around €346 million.

The "Italia a 1 Giga" public intervention plan, provided for in the "Italian strategy for ultra-fast networks – Towards a Gigabit society"

The "Italia a 1 Giga" public intervention plan calls for the allocation of around €3.8 billion. The plan's objectives are (i) to build ultra-fast infrastructure guaranteeing connectivity of at least 1 Gbps across the whole of Italy by 2026 by connecting homes that do not currently have such coverage, and (ii) in the coming five years to create a network capable of providing stable connectivity with a download speed of at least 300 Mbps. To this end, all of Italy's fixed networks were first mapped in order to identify the areas where there has been market failure and which are therefore eligible for government aid. Based on the information provided by the operators, there are around 6.2 million households requiring public intervention.

Following its approval by the European Commission, the call for bids was issued by Infratel Italia, a company that is part of the Ministry of Economic Development. Unlike the white spots plan, the "Italia a 1 Giga" plan has been designed to incentivize, with public funding covering up to 70% of the incurred expenses, leaving at least 30% to be paid by the tender winner. In accordance with AGCOM guidelines, the successful bidder will have to guarantee wholesale access to the funded infrastructure for all market operators. The first tender was issued on January 15, 2022, for a project to connect an additional seven million street addresses to high-speed broadband in 15 geographical areas (lots) across Italy. Of the lots, 14 were awarded on May 24, 2022 and the 15th on June 28, for a total of €3.4 billion. The winners were wholesale only operator Open Fiber s.p.a. and a consortium comprising TIM and FiberCop.

Mobile and fixed networks and services

5G frequencies

In application of the Italian Finance Act (Act no. 205) dated December 27, 2017, on February 26, 2018, AGCOM issued Resolution 89/18/CONS, launching a public consultation on the procedures and rules for the allocation and use of frequencies available in the 700 MHz, 3,600-3,800 GHz and 26-27 GHz bands for terrestrial electronic communication systems in order to facilitate transition to 5G technology. On May 8, 2018, AGCOM adopted its final resolution (231/18/CONS). This Resolution provided for two blocks of spectrum (corresponding to 10 MHz duplex) in the 700 MHz band to be reserved and pre-auctioned to new entrants and the remedy taker.

In July 2018, the Italian Ministry of Economic Development published a notice of calls for tender and the rules concerning the allocation of the above frequencies. The auction ran from September 10, 2018 to October 2, 2018 and iliad was allocated a block in each frequency band and the corresponding licenses:

- a block of 10 MHz duplex in the 700 MHz band, available since July 1, 2022 with a license expiring on December 31, 2037;
- a 20 MHz block in the 3,600-3,800 GHz bands and a 200 MHz block in the 26-27 GHz bands. These frequencies have been available to iliad since January 1, 2019 and their license expires on December 31, 2037.

Agreement with OF to lease iliad's 26 GHz spectrum

iliad has signed an agreement with Open Fiber – which was approved by the Italian Ministry for Business and Made in Italy (MIMIT) on December 23, 2023 – to lease 26 GHz spectrum in specific areas of Italy in order to enable Open Fiber to offer fixed wireless access (FWA) services as part of the "Italia 1 giga" contract awarded to it after an invitation to tender launched by the Italian government under its national recovery and resilience plan.

Analysis of the mobile markets

On January 22, 2019, following a public consultation, AGCOM issued Resolution 599/18/CONS concerning the sixth cycle of analysis of the market for mobile network voice termination services. In this Resolution, AGCOM confirmed:

- the identification of 12 operators that supply or will supply voice termination services on their mobile networks;
- the obligation for the 12 identified operators to provide a Reference Interconnection Offer ("RIO") for their networks;
- the use of the cost model prescribed in Resolution 60/11/CONS for setting the prices of termination services for the years 2018 to 2021, using symmetric pricing for all identified operators;
- the obligation to control prices for the supply of interconnection kits, and the removal of the cost accounting obligation imposed on Telecom Italia, Vodafone and WindTre as a result of AGCOM Resolution 497/15/CONS;
- the imposition of a price control obligation only for calls from the European Economic Area according to the following plan:
  - 2018: 0.98 euro cents/min,
  - 2019: 0.90 euro cents/min,
  - 2020: 0.76 euro cents/min,
  - 2021: 0.67 euro cents/min;
- for calls from non-European countries that have regulated prices, the obligation for the identified operators to use those regulated prices as the caps for the prices of their services.

Voice call termination charges in the EU (Eurorates)

On December 18, 2020, the European Commission adopted a Delegated Regulation setting single maximum Union-wide voice termination rates (Eurorates) in line with the European Electronic Communications Code and in time for its transposition.

The Regulation (which has been in force since July 1, 2021) sets the maximum termination rates that operators are allowed to charge each other for mobile and fixed termination services respectively. Having single maximum Union-wide rates is intended to reduce fragmentation and ensure a more competitive, cross-border environment, which will ultimately benefit European consumers through lower prices and more varied offers for fixed and mobile calls.

For mobile calls, the single maximum termination rate is 0.2 euro cents per minute which will be reached by 2024 via a plan under which the maximum rates will be gradually decreased (the "glide path"). During the interim period of 2021-2023, operators from the Member States subject to the glide path may apply different rates than the single maximum Union-wide mobile termination rate. In 2024, all European Union operators should apply the same single maximum rate, i.e., 0.20 euro cents per minute. The applicable rates under the glide path for Italy are as follows:

- 2022: 0.55 euro cents/min;
- 2023: 0.40 euro cents/min;
- 2024: 0.20 euro cents/min.

For fixed calls, the single maximum EU-wide termination rate is 0.07 euro cents per minute. Due to the considerable differences between the current fixed termination rates and the final rate, 2021 was set as a transitional period in the Regulation in order to allow for a gradual adjustment. As from 2022, all fixed operators are subject to a maximum fixed termination rate of 0.07 euro cents per minute. The current rate in Italy (0.041 euro cents/min) is lower than the Eurorate. Consequently, Italian operators will be free to raise their fixed termination rates up to the same level as the Eurorate (although there is no obligation to do so in view of the fact that the Eurorate is a maximum rate). However, almost all of Italy's fixed operators stated that they would be applying the Eurorate as from July 2021.

The Eurorates apply to calls to and from numbers in the European Union, i.e., numbers from national numbering plans corresponding to country codes E.164 for geographic zones within the European Union. The rates do not therefore apply to calls whose numbers originate from third countries (i.e., countries outside the European Union), except if the calls originate from (i) a third country operator that applies termination charges for mobile and/or fixed-line calls made to its network from EU numbers which are equal to or lower than those set by the Delegated Act, or (ii) a number originating from a third country which is listed in the Annex to the Delegated Regulation and when its termination rates are set based on the same cost model standards as those set out in Article 75 and Annex III of the EECC.

AGCOM: Public consultation on TIM's 2022-2023 wholesale access pricing

In resolution 337/22/CONS, AGCOM opened a procedure and public consultation regarding the 2022 and 2023 fees for wholesale access to TIM's fixed network. The prices for the services under review include access to TIM's civil engineering infrastructure and its copper, FTTCAB and FTTH networks, i.e., all the services governed by AGCOM decision 348/19/CONS (Market analysis and remedies for local and central access – mass market products (Mkts 3a and 3b/2014)), and AGCOM decision 333/20/CONS (market analysis and remedies for high-quality access (Mkt 4/2014)), for which wholesale prices had been defined until the end of 2021. The procedure was finalized in May 2023 with decision 132/23/CONS. The WACC (weighted average cost of capital) was reduced to 7.4% for 2023, and AGCOM updated the cost model for wholesale copper and fiber products for 2023, while keeping 2022 prices at the same levels as those set for 2021.

AGCOM: public consultation on the revision of primary IRU prices for access to Semi-Gpon services for 2023

By way of decision 36/22/CIR, AGCOM launched a public consultation on the offer proposed by TIM for Semi-Gpon access in 29 major cities (formerly Flash Fiber) and the revision of the financial terms for the IRU for access to the primary network in relation to the commitments given by TIM in connection with AGCM procedure I-850.

The decision was finalized in December 2023 with decision 45/23/CIR, resulting in a reduction in primary IRU prices for Semi-Gpon access with a positive impact for iliad.

AGCOM: new analysis of the wholesale access market for 2024-2028

By way of decision 152/23/CONS, AGCOM launched a public consultation on a new market analysis for the period from 2024 to 2028. A draft decision is expected be sent by the end of January 2024 to the antitrust authorities for their observations and will then be notified to the European Commission. The final decision is expected by the end of June 2024.

AGCOM: regulations to prevent copyright infringement

By way of decision 189/23/CONS, AGCOM adopted amendments to the regulation on copyright infringement at live sporting events, on the basis of which AGCOM has the power to issue "dynamic orders" to counter online copyright infringement, in line with the European Commission's May 4, 2023 recommendation relating to online piracy. With these new measures, it will be possible to block access to copyright-infringing content during the first 30 minutes of the live event, by blocking DNS resolution of domain names and blocking network traffic routed to IP addresses that are unambiguously used for illegitimate activities. AGCOM will also be able to intervene to block the broadcast of all live events – not just sporting events.

AGCOM: amendment to the mobile number portability procedure

To combat fraudulent SIM swapping (i.e., changing ownership of the SIM card to an unauthorized third party), AGCOM resolution 86/21/CIR amended the mobile number portability procedure so that number porting can only be requested by the original subscriber, who must provide a copy of the physical SIM card and his or her tax code.

The other measures introduced by AGCOM are aimed at preventing fraud and include pre-approval of number porting requests using a one-time passcode.

AGCOM: New consumer protection rules for electronic communications services

In December 2023, by way of decision 307/23/CONS, AGCOM approved the revised regulations on contracts between operators offering electronic communications services and end-users. The new rules increase the level of transparency and information that operators must supply to their customers, and provide for the introduction of inflation-linked price rises, which can only be introduced with the customer's express agreement (even in the case of changes to an existing contract).

European regulation on net neutrality

In application of EU Regulation 2120/2015, laying down protection measures concerning open Internet access (net neutrality), in August 2018, AGCOM adopted Resolution 348/18/CONS. This resolution establishes the right for users to freely choose the terminals they wish to use to access the Internet via fixed networks, by imposing specific obligations on operators. Consequently, operators may not (i) refuse to connect a terminal to their network if the equipment chosen by the user meets the basic requirements set down in EU law, (ii) impose additional costs on the user, or subject the user to unjustified delays, or discriminate the service quality included in their offering if the user uses a terminal of their own choice.

On March 4, 2020, AGCOM adopted Resolution 34/20/CONS in application of a ruling handed down by the Lazio regional administrative court (*TAR Lazio*). This new Resolution amends Resolution 348/18/CONS by stating that even if operators offer an Internet access device free of charge, they must also have a corresponding Internet access offer without a device, or make it optional to have the device (to ensure that users have the right to freely choose the devices they wish to use to access the Internet via a fixed network).

Increase in the electromagnetic field exposure limit

On December 30, 2023, the 2022 Annual Market and Competition Act (*Legge annuale per il mercato e la concorrenza 2022*) was published in Italy's legal gazette. It includes a provision for raising the limit on exposure to electromagnetic fields, which may be set by the government within 120 days of the Act coming into force, taking into account EU recommendations. If no decision is taken by the government setting the new limit, it will automatically be increased to 15V/m (from the current level of 6V/m) 150 days after December 30, 2023 (i.e., on May 30, 2024).

1.6.4 Regulation of electronic communications in Poland

The regulatory framework for electronic communications in Poland is largely based on EU regulations and directives adapted for the specific characteristics of the Polish telecoms market and the policies of the country's telecoms regulator, the UKE (Office of Electronic Communications).

At the national level, telecoms activities in Poland are primarily governed by the Telecommunications Act of July 16, 2004 (and its implementing regulations). This Act sets the framework for competition in the telecommunications market and reinforces consumer protection. In addition, the Law of May 7, 2010 on support for the development of telecommunications services and networks defines the forms and rules of support for investment in telecommunications, as well as the rules governing access to technical infrastructure and telecommunications infrastructure.

Telecom activities conducted in Poland are regulated and operators have to register with the regulatory authority in the Register of Telecommunications Companies. Play is registered under number 92.

A new regulatory framework came into force in January 2013, introducing various new requirements relating to issues including information provided to consumers, timeframes for number portability, access to infrastructure and the management of spectrum.

Regulatory powers are shared between the Ministry of Digital Affairs and the UKE. In its role as Poland's telecoms regulator, the UKE is vested with regulatory powers (spectrum management, numbering, market analysis, inspections and investigations, settling disputes, imposing sanctions and publishing market reports).

Powers concerning competition issues (anti-competitive practices, market concentration, etc.) and consumer protection are exercised by the UOKiK (the Office of Competition and Consumer Protection). In accordance with the Telecommunications Act, the UKE is required to cooperate with the UOKiK and vice versa, and there are systems in place for reciprocal requests for opinions in certain situations.

Polish telecoms legislation is currently undergoing in-depth revision as part of the process of transposing into Polish law the European Electronic Communications Code of December 11, 2018 (EU Directive 2018/1972).

Mobile and fixed call terminations

In accordance with the European regulatory framework, in December 2021, Play, like Poland's other mobile network operators, was classified as an operator with significant power in the market for mobile network voice termination services. It is therefore subject to a number of obligations related to issues such as non-discrimination and access. The wholesale market for text message termination has been deregulated since a decision issued by the UKE on January 31, 2017.

Mobile and fixed call termination rates were set in European Commission Delegated Regulation 2021/654 of December 18, 2020, setting a single maximum EU-wide mobile voice termination rate and a single maximum EU-wide fixed voice termination rate. As a result, from January 1, 2023:

- the mobile voice termination rate is 0.40 euro cents/min;
- the fixed voice termination rate is 0.07 euro cents/min.

Management of frequencies

The Polish strategy for frequency utilization is set by the UKE, taking into account national and social requirements as well as international agreements. Various different procedures are used for allocating frequencies depending on the rarity of the frequencies (calls for bids, beauty contests, auctions, etc.).

Frequency licenses are currently granted for fixed terms of up to 15 years (historically the terms have generally been 15 years but there has been some variation). Between four years and one year before the licenses are due to expire, the operator concerned may request that they be renewed for an additional period.

In June 2023, Play (P4) was allocated a license for spectrum in the 900 MHz band for the next 15-year period. This spectrum can be used until December 31, 2038.

In October 2023, an auction was launched to allocate the frequencies in the 3,400-3,800 MHz band. Each of the participating operators bid for a 100 MHz block, with P4 bidding for spectrum in the 3,500-3,600 MHz band. Networks built using this bandwidth must deliver speeds of 95 Mbps to 99% of Polish households (within 60 months of being allocated the spectrum), and must cover 90% of the country (within 60 months) and 95% of Poland's national and regional roads (within 84 months).

Net neutrality

Regulation (EU) 2015/2120 of the European Parliament and of the Council dated November 25, 2015 laying down measures concerning open Internet access came into force in Poland on January 1, 2017 (later than in the rest of the European Union due to derogations).

Anti-terrorism legislation

The Polish Anti-Terrorist Operations (ATO) Act came into force in July 2016. This law amended the Telecommunications Act, introducing the requirement that prepaid phone cards can no longer be anonymized.

Protection of personal data and telecommunications secrets

The Polish Telecommunications Act provides for the protection of "telecommunications secrets" (users' data, content of individual messages, transmission data, location data and data related to attempted calls).

In 2009, the Telecommunications Act was amended in order to implement the obligation to retain connection-related data introduced in the EU Data Retention Directive. This obligation applies to several categories of data necessary for establishing a connection to or from a mobile network: (i) the source of the connection; (ii) the outgoing call number; (iii) the date and time; (iv) the duration of the call; (v) the telecommunications equipment used; and (vi) the place where the connection was made. The length of time that the data must be retained varies between the EU States from six months to two years. The applicable period under Polish law is 12 months.

The GDPR (Regulation (EU) 2016/679 of the European Parliament and of the Council dated April 27, 2016) entered into force in Poland in May 2018.

Environmental protection

Waste electrical and electronic equipment

Polish telecoms operators are required to comply with environmental regulations for certain aspects of their business operations. This particularly relates to:

- packaging waste: the Polish Act of June 13, 2012 on packaging and packaging waste management sets rates for reusing and recycling packaging waste that companies are required to reach each year. If this rate is not achieved, taxes are levied;
- batteries: the Polish Act on batteries and accumulators dated April 24, 2009 sets out a number of obligations related to marketing and recycling batteries and accumulators;
- electrical and electronic equipment: the Polish Act dated September 11, 2015 – which transposes into Polish law the EU Directive on waste electrical and electronic equipment (WEEE) dated July 4, 2012 – states that companies are required to organize and finance collections from WEEE drop-off points as well as the processing of electronic waste. This obligation can be carried out by specialist third parties on behalf of the companies concerned.

Protection against electromagnetic fields

The environmental protection rules concerning electromagnetic fields are governed by the Polish Environmental Protection Act dated April 27, 2001. The maximum permissible levels of exposure to electromagnetic fields in the environment are defined in regulations issued by the Polish Health Ministry on December 17, 2019. These regulations align the limits applicable in Poland with those set in the European Council Recommendation of July 12, 1999 on the limitation of exposure of the public to electromagnetic fields. The measurement methods are regulated by the Regulation of the Minister of Climate and Environment issued on February 17, 2020 regarding the methods for tracking compliance with the permissible levels of electromagnetic fields in the environment.

Combating abuses in electronic communications

In September 2023, the Act on Combating Abuses in Electronic Communication (CAECA) came into force in Poland. This Act imposes new obligations on telecommunications companies, email providers, public entities and others, in order to prevent and combat abuse in electronic communications. The aim of the new legislation is to introduce mechanisms to protect users against forms of abuse such as smishing, spoofing and artificial traffic generation.

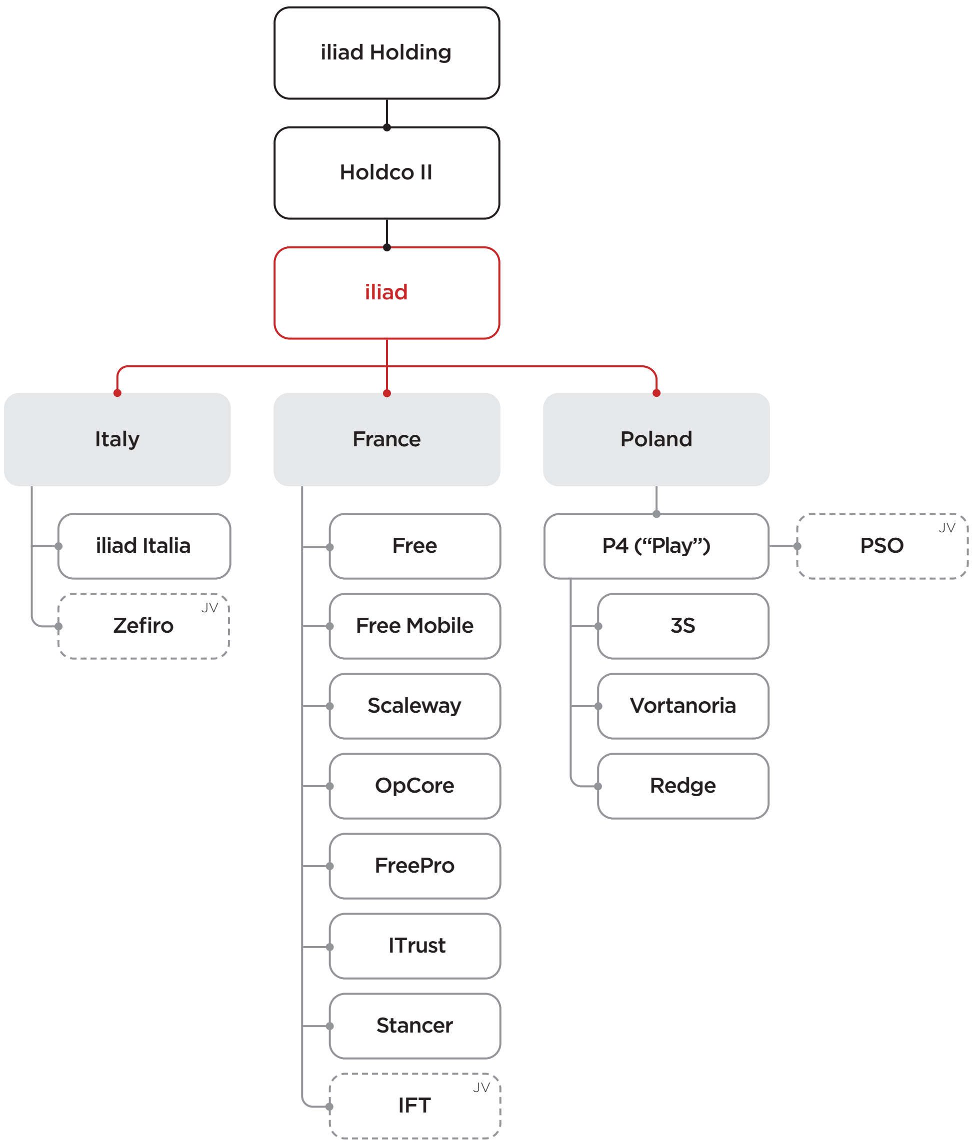
1.7 Organizational structure

Owned by Xavier Niel, iliad Holding indirectly controls the iliad Group, which it forms with iliad S.A. and their subsidiaries, and is the holding company for the Group. iliad Holding owns, through its subsidiary Holdco II, 95.83% of the Company's share capital and voting rights. With the support of Holdco II, iliad Holding controls and manages the iliad Group, playing a major role in defining its general and strategic policies.

iliad Holding is governed by its Chairman, Xavier Niel, and a Strategy Committee, chaired by Xavier Niel, and comprising, alongside him, the key executives of the iliad Group, including Maxime Lombardini, Thomas Reynaud, Cyril Poidatz, Antoine Levavasseur and Aude Durand. Under the supervision of iliad Holding's Chairman, its Strategy Committee helps draw up the Group's strategy and main organizational principles. Within this framework, the Strategy Committee is responsible, among other things, for defining the Group's main areas of business development and its commercial, economic and financial strategy. The Strategy Committee also helps identify investment opportunities for the Group in the telecoms sector both in France and abroad, as well as overseeing major acquisition projects and monitoring the integration of these investments and acquisitions within the Group.

iliad Holding's governance structure is aligned with that of the Company, which has a Board of Directors chaired by Xavier Niel and a Chief Executive Officer, Thomas Reynaud. The Board of Directors sets the direction of the Company's activities and oversees their implementation. It handles all matters concerning the smooth running of the Company and carries out any controls and verifications it deems appropriate. The Chief Executive Officer has the broadest powers to act on behalf of the Company within the scope of the corporate purpose and the powers expressly vested by law in shareholders' meetings. In accordance with best corporate governance practices, the Board of Directors' Internal Rules also set restrictions on the powers of the Chief Executive Officer by requiring the Board's prior approval for certain transactions.

This two-tier governance structure, where discussion and debate predominate, reflects a balanced approach and ensures the highest standards and efficiency in making and executing strategic decisions.



See Note 37 to the 2023 consolidated financial statements (Chapter 6 of the Universal Registration Document) for a list of the Group's consolidated companies at December 31, 2023 and Chapter 7, Section 7.2.3.4 for a list of iliad's subsidiaries and affiliates.

The financial relations between iliad Holding, iliad S.A. and its other operating subsidiaries mainly consist of (i) billings to subsidiaries for services and support provided in the areas of training, financial management, accounting, legal matters, etc. and (ii) organizing financing.

There are strong operating links between the Group's subsidiaries at several levels: (i) the Group's telecommunications network is housed within Free and Free Mobile, which are responsible for carrying the traffic of all of the Group's entities, (ii) Free and Free Mobile manage all services relating to the invoicing system for all of the Group's subsidiaries, and (iii) certain Group subsidiaries provide support services – notably telephone support – for all Group entities.

There are no significant non-controlling interests in the Group.

2. Risk factors, insurance and internal control

2.1 Risk factors

In accordance with Regulation (EU) 2017/1129 known as the Prospectus Regulation, or PD III – which came into effect on July 21, 2019 – an analysis is provided below setting out the main risk factors that could, at the approval date of this Universal Registration Document, have an adverse impact on the Group, its business, financial position, earnings and/or ability to meet its objectives.

The risk factors presented are specific to the Group and would have a significant impact if the risks actually occurred. They are grouped into four categories based on the significance of their potential impact and within these categories are ranked in decreasing order of net criticality. The net criticality of the risk factors is determined based on a combination of the probability of the risks actually occurring and their severity level, after taking into account the risk management measures put in place by the Group. iliad's assessment of this criticality may change at any time, in particular if any new internal or external facts or circumstances arise.

The risks presented have been extracted from the results of an ongoing risk mapping process, with the risk map updated in line with changes in our businesses and operating environment. The risk mapping results are reviewed annually by the Board of Directors' Audit Committee.

The risks presented are not the only ones to which the Group is exposed. Other risks of which the Group is not currently aware, or which it does not consider as being significant or specific at the approval date of this Universal Registration Document, could also have an unfavorable effect on its business, financial position, earnings and/or ability to meet its objectives.

Summary table

Risks	Net criticality
Operational risks	
Risks related to network failure, saturation, interruption or total unavailability, and network rollouts	**High**
Cybersecurity risks	**High**
Competition risks	**High**
Procurement and supplier risks	**Moderate**
Risks related to dependence on the incumbent operator	**Moderate**
Financial risks	
Liquidity and financing risks	**Moderate**
Risks related to asset impairment and provisions	**Moderate**
Risks related to inflation and energy prices	**Moderate**
Risks related to the Group's external growth	**Moderate**
Fraud risks	**Moderate**
Legal risks	
Regulatory compliance risks	**High**
Data protection risks	**Moderate**
Risks related to disputes	**Moderate**
Non-financial risks	
Environmental risks	**High**
Business ethics risks	**Moderate**
Risks related to retaining key people	**Moderate**
Health-related risks	**Low**

2.1.1 Operational risks

2.1.1.1 Risks related to network failure, saturation, interruption or total unavailability, and network rollouts

The availability of the Group's networks is absolutely essential for its operations. The accessibility, continuity and quality of these networks are what enable the Group and its subsidiaries to grow and provide subscribers with optimal fixed and mobile services. This risk is specific to the telecommunications sector.

Traffic on telecommunications networks in general, and on our networks in particular, is constantly increasing. A temporary network interruption or the total unavailability of our networks could have a critical impact on the continuity of the services we provide to subscribers. Network disruptions can be either unintentional or malicious. They can occur as a result of human error, weather events or failure of equipment or software, on all or part of the infrastructure. The extent of the service interruption depends not only on the equipment impacted, but also on the network section involved. If an optical node is affected, service may only be interrupted for a short time and only impaired at a local level. However, if a malicious act or, more generally, an unscheduled interruption were to occur on the core network, the consequences could be extremely serious and could lead to total unavailability of service. The infrastructure concerned by these risks include telecommunications equipment, mobile masts, fiber, and civil engineering infrastructure.

In order to address these risks, the Group applies specific procedures and protocols designed to guarantee continuity of service. A business continuity plan has been drawn up to enable teams to react quickly in the event of failure of critical systems or software. The Group also ensures the redundancy of its fixed and mobile equipment, particularly for its core network (*see Section 1.4 of this Universal Registration Document*). All critical equipment and sites are subject to high-level surveillance. In addition, we systematically reply to and deal with all questions and requests relating to the Declarations of Intent to Commence Work (DICT) that are required for the deployment of our services, in order to minimize inconvenience to subscribers and network outages. Lastly, the Group also works with the French government to prepare for any blackouts.

iliad's mission has always been to provide Internet and mobile network access to the widest number of people by developing its own networks. For fixed networks in France, the Group rolls out its own fiber local loop in areas classified as "very densely populated", co-finances the fiber local loop in the rest of the country, and deploys part of the backhaul network of fiber local loops. For the mobile network, the Group is rolling out its own network made up of directly owned sites and sites shared with other operators. Setting up mobile sites is subject to numerous authorizations and agreements involving regulatory authorities, local authorities and/or private owners. The deployment of the network depends on these administrative procedures going smoothly. Any accumulation of delays in administrative procedures would have an impact on quality of service. In order to mitigate these risks, the Group has set up collaborative working mechanisms between (i) the local teams who interact with the various stakeholders involved, and (ii) the national teams who coordinate and centralize the work.

Any network failure would represent a major risk for the Group. Despite the measures implemented by the Group, the probability of these incidents occurring is high, as is the severity of their impacts if they were to occur. The Group therefore classifies the net criticality of this risk as high.

2.1.1.2 Cybersecurity risks

The ever-increasing sophistication of cyber attacks is leading to greater impacts every year, and driving up the risk of service disruption. The Group can be affected by attacks on its own systems or on those of its customers. Cyber risk is intrinsically linked to our business, making it a risk specific to the Group.

The most characteristic and significant cybersecurity risks to which the Group is exposed are those related to espionage (exfiltration and theft of data in communications and infrastructure), destabilization (denial of service, theft of published data), ransomware, sabotage (networks, cables, radio equipment), and disinformation that could impact its brand image as a network operator. The occurrence of any of these risks could have a negative impact on the availability of service and on the Group's reputation.

In order to protect our products, services and equipment, as well as our customers' data, the Group has a policy of keeping R&D in-house wherever possible and has put in place incident detection surveillance systems. Our network architecture is secure in its design, and is deployed and managed in a way that limits subcontracting to strictly specific needs. Our networks are protected by complex mechanisms for managing incoming and outgoing flows which enable us to isolate our very high-risk assets. All of our critical information systems are developed in-house, following very strict partitioning rules to limit interconnections between different heterogeneous information systems. In addition, access to our networks and systems is restricted to a limited number of administrators. Our equipment is hosted in our own premises and maintenance services are carried out by our own teams of specialized engineers and technicians. These strategic choices mean that we are able to control our products and services, as well as our entire value chain. This guarantee of sovereignty is a guard against cyber threats, and also enables us to react quickly in the event of an incident or crisis.

These processes and systems are rounded out by awareness-raising policies. All employees receive specific training that takes into account their level of exposure to cyber risk. For example, telecom engineers and field service technicians are given training tailored to the specific nature of their jobs. Awareness-raising campaigns are also regularly organized among other teams to ensure that best practices become second nature.

All of these measures are tested through audits and intrusion tests carried out by our technical teams, with the support of our subsidiary, ITrust. Thanks to the expertise of ITrust - which is a French pure player in cybersecurity and has been a European leader in this domain since 2007 - the Group is able to continuously improve its cybersecurity systems. Its robust AI-driven technologies enable threats to be effectively identified and dealt with.

The Group is therefore able to develop "homegrown" systems to protect its networks and considerably limit third-party intervention, while arming itself with sovereign solutions to limit its attack surface and vulnerabilities.

Despite the robustness of our protection measures, these risks are major for the Group and their net criticality is therefore considered high.

2.1.1.3 Competition risks

Risks relating to Group's competitive environment are specific to the telecommunications sector in France and Europe, due, in particular, to the number of operators, the prices charged by these operators, and the regulations specific to the regions in which the Group operates.

The Group's principal activities – fixed-line telephony, mobile telephony, content, Internet, hosting services and B2B services – are all exposed to fierce competition in its operating countries of France, Italy and Poland. In order to meet the challenges that this competition creates and control the potential negative impacts of this environment, the appeal of its offerings (in terms of prices and services) and the technological competitiveness of its products are central components of the Group's strategy.

In the fixed and mobile markets, our rapid growth in all three of our geographies has led rival operators to launch counter-offensives. In Italy, the merger of two telecom operators that is currently under discussion could increase this risk. In the mobile subscriptions segment, the development of eSiMs also represents a major potential disintermediation risk for the Group, which could lead to a loss of revenues. However, the Group stands out from its competitors thanks to its commitment to protecting its subscribers' purchasing power. In France, for example, despite inflation we have not raised the price of existing subscribers' plans, and the prices of our most popular mobile plans – the €2 and €19.99 plans – have been frozen until 2027.

The audiovisual segment is characterized by aggressive sales and marketing strategies adopted by the various players. This is particularly the case for SVOD (Subscription Video on Demand) platforms, which are developing direct sales models that bypass intermediaries such as ISPs. TV manufacturers are also promoting their equipment that incorporates access to SVOD-type audiovisual content. This direct access to end-consumers could lead to disintermediation and a loss of revenues for the Group.

However, particularly in France, Free manages to remain one of the market leaders by including services in its plans at very competitive prices. This is the case for the latest Freebox – the Freebox Ultra – which gives subscribers access to all their content in a single, very competitively priced plan.

Competition in the hosting market is characterized by the dominance of hyperscalers (such as Amazon, Microsoft and Google), who account for 80% of Cloud infrastructure spending growth in France. This concentration creates a restricted competitive environment which is amplified by the considerable financial resources, economies of scale and extensive range of services that these corporations have. In order to reinforce French and European digital sovereignty and counter foreign interference, initiatives such as the SecNumCloud certification developed by ANSSI (France's cybersecurity agency) and "Trusted Cloud" labels have been launched. The Group's Cloud subsidiary, Scaleway, is a key player in this area, positioning itself as a sovereign alternative by offering innovative, end-to-end, attractively priced and secure Cloud solutions.

In the specific field of hosting AI computing resources, there are real risks relating to the emergence of new players (mainly American), subsidy policies adopted by certain countries, and dependence on Nvidia. In this context, Scaleway is stepping up its investments and tightening its partnership with Nvidia in order to retain its leading position in the European market.

All of the measures we have implemented to date have enabled us to further strengthen our relationship of trust with our subscribers. Thanks to these stand-out strategies, in 2023 the Group recorded the highest level of growth in the market out of Europe's top 15 telcos.

The net criticality of risks related to our competitive environment is considered to be high.

2.1.1.4 Procurement and supplier risks

Procurement, the supply chain and supplier relations are essential for the Group. There are two particularly critical risks within these areas: poor selection and monitoring of strategic suppliers, and non-compliance with regulations or our commitments in terms of sustainable procurement.

In the event of difficulties with a strategic supplier concerning quality, price negotiations, contractual terms, supply, or poor relations, the Group would be exposed to adverse consequences. It may also find itself dependent on partners for the supply of equipment or components. This risk is significant, for example, for certain radio equipment and semiconductors.

Between 2020 and 2022, the combination of several crises (the Covid pandemic and the war in Ukraine) put a strain on semiconductor production, and the Group was therefore faced with supply difficulties. The situation stabilized in 2023, with prices coming back down and supplies becoming more readily available, which enabled the Group to rebuild the buffer inventories that are crucial for its operations, particularly for making Freeboxes. However, tensions between Taiwan and China continue to pose a risk for the semiconductor market, and this risk remains significant in view of Europe's dependence on Asia for its supplies. Rising raw material costs, inflation and higher energy costs also had a negative impact on the Group's overall procurement in 2023. If these circumstances persist, they could have a non-negligible financial impact.

However, we are adapting our strategy to manage these price increases, and have been able to avoid passing them on to our subscribers (*See Section 2.1.2.3 "Risks related to inflation and energy prices"*).

In addition, problems related to logistics, transportation and customs procedures can cause delays. If such problems occur, the Group could encounter difficulties for delivering its products and services. Recent events in the Middle East, with the difficulties in accessing the Suez Canal, have put pressure on the Group's supply lead times for its purchases of equipment and components. To mitigate the risk of delays, the Group uses several means of transportation, including rail, and ensures that it has buffer inventories so it can react quickly in the event of strong demand or an incident impacting the supply chain.

Failure to meet sustainable procurement requirements is the Group's second critical supplier-related risk. Procurement is considered to be sustainable when it respects certain ethical principles in order to minimize any negative impacts on the environment, society or human rights that could result from the relationship with a supplier. If events contrary to these principles were to occur this would have negative reputational, operational and financial consequences.

With a view to minimizing difficulties with all of its suppliers and strategic partners, the Group implements a range of measures. For example, we constantly monitor the markets concerned in order to anticipate any potential problems. We also make sure we manage our supplier portfolio carefully, which helps to limit dependencies, and we develop multi-sourcing wherever possible. In parallel, we forge strategic partnerships with suppliers for our most critical equipment, and we have a system in place for assessing suppliers, from the moment a business relationship is entered into with them and right throughout the partnership. This allows us to ensure that they comply with our sustainable procurement commitments.

These risks are specific to the Group because if they were to materialize, they could have negative consequences on the sale of its products and services. Mitigation measures have been put in place to limit the probability of this risk occurring and the severity of its potential impacts. As a result, its net criticality is deemed moderate.

2.1.1.5 Risks related to dependence on the incumbent operator

The Group could face complex situations with the incumbent operator in France in its capacity not only as a main competitor but also as a leading supplier. Dependence on the incumbent operator exposes the Group to four principal risks, mainly related to the consequences of the copper network shutdown.

The most critical risk concerns the durability of the Points of Presence (POPs) housing the Group's backhaul equipment for fixed and mobile networks. As part of the copper network shutdown, some of these POPs will no longer be there, which could affect the continuity and capillarity of the backhaul network. To anticipate this risk, the Group is actively deploying its own FTTH (Fiber To The Home) backhaul network.

The second principal risk relates to the increase in copper local loop unbundling tariffs. The fixed-line market analysis (2024-2028) published by ARCEP (France's electronic communications regulatory authority) at the end of 2023 authorizes the incumbent operator to raise these tariffs in certain areas. This authorization has been highly criticized by the French Antitrust Authority and the European Commission, and the Group agrees with this criticism. However, irrespective of ARCEP's questionable choices, and in order to mitigate their ensuing financial consequences, the Group is continuing to migrate its customers to fiber, thereby limiting this risk.

Another risk related to dependence on the incumbent operator is the difficulty that some customers may face with migrating to fiber, bearing in mind that the copper network is currently being phased out and will be completely switched off by 2030. Some customers are reluctant to migrate to fiber – despite the Group's incentives – and some homes cannot receive fiber without costly work being undertaken. The Group could therefore lose subscribers, which would result in a decrease in its subscriber base. As part of its measures to plan ahead for the copper network shutdown, and in order to mitigate the related risks, the Group is trialing and assessing commercial proposals that could be deployed in the areas concerned.

The last significant risk for the Group relating to dependence on the incumbent operator concerns the termination of the national roaming agreement between the incumbent operator and the Group, which is scheduled for 2025. This could lead to a reduction in mobile coverage and a loss of access to services for subscribers who have 2G-only phones. To remedy this, the Group is looking into commercial options so that the customers concerned can access services on 4G or 5G frequencies operated by the Group.

Dependence on the incumbent operator is therefore a risk specific to the Group, with an average level of probability of occurrence and potential severity. As most of the residual risks are under control, the net criticality of risks related to dependence on the incumbent operator is considered moderate.

2.1.2 Financial risks

Information on the Group's financial risk management and a sensitivity analysis are provided in Note 34 to the consolidated financial statements in this Universal Registration Document.

2.1.2.1 Liquidity and financing risks

Liquidity and financing risks correspond to the risk that the Group will have reduced access to external financial resources, and also the risk of it being unable, when necessary, to sell assets rapidly under satisfactory terms and conditions. If these risks were to materialize, the Group may not have the necessary funds to carry out its activities and meet its operational and financial deadlines, which means they are specific risks that could have a major impact. These risks are also systemic, as in the event of a disruption in the bond markets or a contraction in the lending capacities of banks, the Group's ability to raise funds would be hampered or any funds raised would be on less favorable financial terms.

The Group's business is mainly financed by the following financial instruments: bonds, credit facilities with various banks (bilateral credit facilities and syndicated loans) and issues of short-term money market securities.

Several factors could complicate access to financing or the sale of assets. The most significant of these would be a breach of the covenants in the Group's lending agreements (particularly those relating to respecting financial ratios), poor management of available liquidity, an erosion of its solvency, or the downgrading of its public financial ratings (Moody's Investor Services, Standard and Poor's and Fitch Ratings).

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

If these risks were to materialize, the Group may be unable to access the funds required to finance its routine operations and capital expenditure and it may have to allocate a significant portion of its available liquidity to service its debt. In such a case, the Group's competitive position would be weakened and it may have to default on debt repayments.

In order to manage our financing requirements and meet our borrowing commitments, the Financing and Treasury Department monitors debt levels and ensures that the Group has permanent access to capital markets under the best possible terms and conditions. We also ensure that we always have the liquidity we need by producing and regularly updating short-, medium- and long-term cash flow forecasts, which take into account the cash inflows and outflows generated by our activities as well as the unused amounts of confirmed credit facilities. In addition, our teams monitor market conditions on a daily basis. With the aim of maximizing the breadth and depth of its access to the markets, since May 2022, the Group has been assigned public financial ratings by Moody's Investor Services, Standard & Poor's and Fitch Ratings for its senior unsecured bonds.

Given all the measures applied by the Group, the net criticality of this risk is considered moderate.

See Section 5.3.3, "Consolidated debt" of this Universal Registration Document, and Notes 30 and 34 to the consolidated financial statements in this Universal Registration Document for a description of the Group's various sources of financing and liquidity, the maturities of its debt and its debt covenants, as well as information on its commitments in terms of financial ratios and the consequences in the event of a breach or significant unfavorable change in these ratios.

2.1.2.2 Risks related to asset impairment and provisions

Changes in the economic, political and/or regulatory environment could lead to impairment in value of the Group's assets or require it to set aside provisions in relation to long-term contractual obligations. This could have a negative impact, particularly on goodwill, certain intangible assets and provisions for onerous contracts.

Impairment of assets and provisions represent risks specific to the Group due to the high value of its intangible assets and goodwill. This high value means that material impairment losses or provisions could be recognized, which would have an adverse effect on the Group's earnings. The value of intangible assets and goodwill can vary based on certain assumptions, judgments and estimates, which are used for the basis of the impairment tests. The factors taken into account include discount rates, the perpetuity growth rate, and forecast cash flows which depend on the Group's assessment of the economic and financial context (*see Note 18 to the consolidated financial statements in this Universal Registration Document*).

The carrying amounts of long-term assets, including goodwill and other non-current assets, are sensitive to changes in the Group's operating environment. The Group recognizes an impairment loss against these assets, or, where appropriate, a provision, if events or circumstances suggest that there are significant and prolonged unfavorable changes affecting the assumptions or objectives applied at the date an acquisition was completed or a contractual obligation was entered into *(see Notes 16 to 18 to the consolidated financial statements in this Universal Registration Document).*

This risk is limited by the implementation of appropriate control procedures for external growth transactions and purchases of significant intangible assets.

The Group considers the net criticality for this risk to be moderate.

2.1.2.3 Risks related to inflation and energy prices

A significant rise in energy prices and further inflation could affect the Group's ability to execute its strategy, as all of its activities are energy-dependent and both costs and revenues are impacted by inflation. Consequently, this represents a specific risk that is specific to the Group.

For almost 20 years, the Group has pursued a policy of proactively investing in its fixed and mobile networks in all of its geographies (France, Italy and Poland), underpinned by an approach focused on innovation, quality control, efficient cost management and energy efficiency.

As all of the Group's activities involve significant energy use, there are multiple associated risks. For example, spiraling electricity prices would have a direct impact on our products and services, the quality of our networks, the performance of our Freeboxes and the running of our datacenters.

The first way in which the Group seeks to mitigate these risks is by working to enhance energy efficiency, particularly in the fixed and mobile segments. For example, mobile frequencies are switched off at certain times, and the latest version of our Freebox has been designed not only with more environmentally friendly components, but also to use much less energy.

The second way we mitigate these risks is by using several levers to limit the impacts of energy price volatility. For "conventional" energy, we negotiate fixed prices set for between one and two years. For renewable energy, we set prices covering a long-term period – between 10 and 15 years – via Power Purchase Agreements (PPAs). In our Climate Plan, we set ourselves the target that by 2035, 50% of our energy in Italy and Poland will be supplied under PPAs, and 20% in France.

Inflation risk is both internal and external, as the Group is affected by inflation not only when purchasing items, such as raw materials, but also in terms of its network operating costs. In addition, higher inflation impacting household spending could lead to fewer fixed-line and mobile subscribers.

Although these risks exist, the Group has managed to significantly reduce the probability of their occurrence and their potential severity, and obtained good results in this respect in 2023. However, because the origins of these risks are external their net criticality is considered moderate. *(See Sections 2.1.4.1 "Environmental risks" and 2.1.1.3 "Competition risks").*

2.1.2.4 Risks related to the Group's external growth

The Group has established itself as a major player in the European telecommunications market, standing out for its innovative, straightforward and attractive offerings. With a view to building further on its market position and cementing its position as European leader, the Group is deploying an offensive strategy focused on winning market share in all segments. To this end, in 2018, it entered the Italian market, in 2020, it acquired Play – Poland's second-largest mobile operator – and in 2022 it acquired UPC Polska, one of Poland's leading cable operators. In 2023, the Group entered into talks to acquire or merge with leading players in several European countries. Its external growth ambitions and changes in its geographic footprint expose it to significant and specific risks.

The main risk is that changes in the political, economic, regulatory, tax and/or social environment could jeopardize the profit forecasts drawn up by the Group when it originally made the investment decision. Additionally, the complexity of international markets makes it difficult to assess target companies. Any inaccurate assessment or overestimation of the benefits associated with an external growth transaction could lead to an unprofitable investment. The main impact on the Group in such a case would be an adverse effect on debt. Future acquisitions or divestments could give rise to contingent liabilities, amortization/depreciation expenses, goodwill write-offs, and/or integration expenses, all of which could have an adverse effect on the Group's business, financial position and/or results of operations.

International acquisitions also expose the Group to exchange rate risks, which can have a negative impact on the value of an investment. These transactions are likewise vulnerable to geopolitical contexts and the instability of domestic political regimes. Finally, the Group's external growth could increase its exposure to risks related to business ethics *(See Section 2.1.4.2 "Business ethics risks"*).

In order to address these risks, the Group has set up a strict due diligence process to scrutinize potential targets prior to any acquisitions and assess the opportunities they represent in terms of profitability. The Group has also set up a governance structure enabling it to monitor and oversee business development carried out by its foreign subsidiaries and therefore assess the potential risk of these investments becoming impaired. In particular, this structure includes a process for approving the investment amounts agreed to by the Group's executives in the countries concerned.

Although the Group cannot guarantee that it will be able to develop its business in new markets in line with its plans or that it will be able to fully recover the amounts invested due to factors such as competition from other players in the countries concerned, this risk is effectively managed and its net criticality is considered to be moderate.

2.1.2.5 Fraud risks

Against a backdrop of increasingly complex technologies and ever-more new products and services, the Group is exposed to the risk of various forms of fraud. All of these potential fraud methods are specific to the Group's business and require appropriate risk prevention strategies.

Regarding subscribers – both individuals and businesses – the main risk is that they will attempt to avoid paying for products ordered or services subscribed to. This can take the form of using fraudulent payment information or disputing legitimate charges.

Another major fraud risk involves attempted intrusions into the Group's information systems or technical infrastructure, with the aim of diverting them from their intended purpose.

External fraud risks also include the risk of a partner over-billing their goods or services or falsifying documents. For example, the Group could fall victim to suppliers who charge more than the actual cost of goods or services supplied, or who intentionally supply inferior-quality goods or use falsified documents to justify higher costs.

The Group also faces risks of internal fraud. These include the risk of diversion of resources, i.e., the improper use by an employee of company resources, materials, equipment or funds in a way that is contrary to the Group's interests.

The Group implements rigorous control measures to prevent these risks. For both individual and B2B customers, identity checks are carried out and IT security measures are implemented. To prevent intrusion risks, IT and physical security measures are deployed at the Group's many sites. With regard to risks arising from our partners, the Group carries out due diligences adapted to the various types of suppliers to ensure their reliability and integrity.

In relation to accounting, controls are carried out throughout the various procedures for verifying and approving expenses and more widely for all financial transactions.

Because a corporate culture focused on ethics and transparency can play a large part in minimizing fraud risks, employees are made aware of the Group's policies on the use of resources and the behavior we expect of them in terms of business ethics. The Group also ensures that internal procedures are properly applied. Lastly, the Risk Management, Compliance and Internal Audit departments work together to detect any new fraud schemes and assess the ensuing risks.

The net criticality of fraud risks is considered moderate for the Group.

2.1.3 Legal risks

2.1.3.1 Regulatory compliance risks

Telecommunications activities are regulated and overseen by the national regulatory authorities in the Group's three geographies – France, Italy and Poland. The regulations applicable to this sector are complex, governed by European and national legislation on issues such as taxation and allocation of frequencies. As the majority of the Group's revenues are generated by its telecoms activities, any changes in the regulations applicable to the sector could have a significant impact on the Group, which therefore represents a specific risk.

A major risk for the Group in this area is the expiration of its various frequency licenses in France and Italy, which will take place over several years as from the beginning of 2029. This renewal of frequency licenses generates financial risks – linked to the cost of purchasing spectrum – as well as operational risks, i.e., of the Group not being able to renew the licenses for its full frequency portfolio and having to modify its network accordingly. The renewal of frequency licenses also represents a commercial risk, related to the possibility of the quality of service being eroded if the available spectrum is reduced. In France, the Group is conducting discussions with the government and ARCEP ahead of the expiration of its frequency licenses with a view to securing access to the spectrum concerned.

Two other risks are related to the final FTTH connection phase for homes in France. First, the Group believes that a significant proportion of homes eligible for FTTH connection cannot, in practice, be wired to fiber due to the unavailability of the in-building passive infrastructure required for connection. Some subscribers could therefore be permanently excluded from fiber and the Group's FTTH subscriber base reduced accordingly. To limit this risk, the Group offers subscribers access to the Internet via mobile networks instead of wired networks, through its 4G offering with fixed-line plans.

The second risk related to the final FTTH connection phase concerns the actual process of bringing the cable into the premises, which is currently carried out by the Group (as a commercial operator) on a sub-contracting basis for infrastructure operators. Some players think that this principle of sub-contracting could result in poor workmanship. Consequently, legislative proposals have been put forward aimed at requiring this cabling process to be carried out directly by the infrastructure operator in some cases. Such a change could destructure the sector's organization and slow down the process of switching the remaining copper subscribers to fiber. To contain this risk, the Group pays particular attention to the training it gives to technicians and the effectiveness of its quality monitoring tools.

Changes in the financial terms of access to the FTTH local loop in France also represent a risk for the Group, although the impact can be positive or negative. The stability of the financial terms of contracts with infrastructure operators can be the subject of disputes submitted to ARCEP for arbitration. To manage this risk, the Group set up a joint venture – Investissement dans la fibre des territoires (IFT) – with the French private equity fund InfraVia. IFT was created to hold the access contracts by pooling hundreds of FTTH networks, which enables the Group to more effectively manage changes in pricing conditions.

In Poland, Directive (EU) 2018/1972 establishing the European Electronic Communications Code is expected to be transposed into Polish law in the coming year. The resulting Polish legislation could have an impact on how the Group operates its activities and on its revenues, but the related risk is limited because the teams have prepared and planned for this transposition.

The European Union and any other countries in which the Group may deploy its networks could decide to restrict or prohibit the use of equipment supplied by Huawei. Replacing such equipment, and the fact that only a small number of providers can supply it – particularly in Poland – could lead to delays in rolling out mobile networks, as well as to higher rollout costs and a lower quality of service provided by the 5G network. The actual costs of such a situation would vary depending on the time needed to replace the equipment and the prevailing market supply conditions. The use of other equipment suppliers such as Ericsson or the Nokia group mitigates this risk.

To secure its investments, the Group strives to make its recommendations heard by participating in numerous public consultations organized by the various competent authorities in France, Italy and Poland, and works on creating a framework of collective decision-making. Given the uncertainties surrounding regulatory developments that could have a significant impact on the Group, the net criticality of this risk is considered high.

2.1.3.2 Data protection risks

The Group's business exposes it to risks of non-compliance with the General Data Protection Regulation (GDPR). If these risks were to materialize, they could result in the loss, disclosure and/or unauthorized communication of personal data to third parties. The data concerned could be the data of subscribers (individuals or companies), employees, suppliers, service providers or any other person, which is stored on the Group's infrastructure or that of third parties or transmitted via its networks. Given the significant volume of data processed on a daily basis, these risks are specific to the Group.

If these risks were to materialize, they would result in financial penalties and would have an impact on the Group's business development strategies and reputation, and the relationships of trust it has built up with its subscribers and partners.

The risk of a failure to respect the principles described in the applicable regulations (relating to areas such as security, data protection by default, individual rights and transparency) and/or of non-compliance with the recommendations (marketing, passwords, cookies, etc.) issued by the competent authorities and regulatory bodies, including national data protection agencies such as the CNIL in France, represent the most critical risk for the Group. Internal compliance processes have been put in place to limit the possibility of this risk occurring. For example, three Data Protection Officers (DPOs) have been appointed, in France, Italy and Poland. These DPOs keep an up-to-date documentation library comprising, among other things, registers, DPIAs (Data Protection Impact Assessments) and privacy policies. At the same time, all employees take part in awareness training adapted to their degree of exposure to personal data, and each project that the Group launches is monitored by the legal team.

The second main risk related to data protection is the risk of third-party complaints to the French, Italian and Polish data protection authorities. Any person who has relations with the Group and whose personal data it processes, may refer any alleged breach of our obligations to a regulatory authority. The Group has put in place several policies to manage requests for exercising data privacy rights, so they can be dealt with efficiently and within the applicable legal timeframes. A dedicated information system has been developed to collect and process these requests, and the overall process involves input from the Subscriber Relations and Legal departments.

The final data protection risk for the Group is inherent to its role as a telecommunications operator, which exposes it to the threat of malicious attacks on its information systems. The Group has specialized technical teams dedicated to the security of its information systems in order to prevent this risk from occurring and effectively mitigate the consequences of any incidents that do occur.

In view of all the measures implemented by the Group, the net criticality of data protection risks is considered moderate.

2.1.3.3 Risks related to disputes

The Group's entities may be involved in disputes with government agencies, civil or criminal lawsuits, arbitration proceedings with the regulatory or oversight authorities, or proceedings with consumer associations, competitors or other parties. Information about the main disputes in which the Group is currently involved or of which it has been notified is provided in *Note 35.5* to the consolidated financial statements in this Universal Registration Document.

The main disputes - which could have negative impacts and are specific to the Group's activities - relate to (i) compliance with consumer law, (ii) manifestly illicit content and (iii) legal proceedings between competitors (*see Section 2.1.3.2 for information about disputes relating to data protection*).

As an electronic communications operator offering services to end-consumers, our activities are governed by the provisions of the French Consumer Code, relating to, for example, information provided to consumers, commercial practices, and the signing and performance of contracts. Failure to comply with these provisions could have financial and legal impacts on the Group. To prevent any risk of violation of this Code, the Legal Department systematically reviews marketing offers, communication materials and the procedures for signing up to the Group's offerings.

The content hosting activities of certain Group companies mean that we are faced with the challenge of managing "manifestly illicit" content. Such content may infringe intellectual property rights, be defamatory or relate to minors or acts of violence. In France, pursuant to the law governing this issue (the "LCEN" Act on trust in the digital economy), a hosting provider can be held liable if it fails to act promptly once it becomes aware of the illicit nature of any content it is hosting.

This risk is managed through internal procedures that enable third parties to report any such content online and ensure that the reports are rapidly processed by dedicated technical teams.

Lastly, competitors and subscribers may also make claims against the Group, which could have negative legal or reputational consequences. In order to foresee and counter the risk of competitors filing lawsuits concerning our commercial practices, all communications are reviewed by the Legal Department. In parallel, to mitigate the risk of disputes with subscribers, the Group has put in place complaints procedures that are easy to access and are stated in the general terms and conditions in the documents given to subscribers when they sign up to a plan.

All of the disputes described above are specific to the Group's activities and are therefore classified as specific risks. Given the large number of stakeholders involved, the probability of occurrence of these risks is high but their potential severity is limited. Consequently, the net criticality of these risks is considered moderate.

2.1.4 Non-financial risks

2.1.4.1 Environmental risks

The environment is one of the Group's key major preoccupations. Environmental issues represent risks at every level of our business, from the choice of components in designing Freeboxes, to installing antennas for providing mobile coverage to our subscribers.

The most critical environmental risk is physical risk related to climate change. Extreme weather events (such as storms, heat waves, fires, landslides, and floods) can affect the smooth running of our networks, our operations and the people and organizations that depend on them.

In order to limit the effect of this risk if it were to materialize, the Group has set up a specific system for mobilizing resources in order to reduce the impacts and rapidly restore network service. In operational terms, and depending on how the weather event concerned evolves, managing this risk means mobilizing both material and human resources and repairing damaged equipment. After each event, the resilience of our infrastructure and operations is assessed, with a view to continuously improving our systems. The robustness of our networks and the responsiveness of our teams were clearly demonstrated following the severe storms that swept across France in 2023.

Our second major environmental risk is transition risk, particularly that associated with energy transition. Energy-related imperatives have a significant impact on the Group in terms of dependence, adaptation and cost, and also in terms of the carbon strategy it needs to deploy.

The Group has made strong commitments to reduce its carbon emissions and to transform its carbon pathway to bring it into line with the targets of the Paris Agreement. It takes action to limit the impact of its activities on the environment, and in 2021 it published its Climate Strategy based on ten ambitious pledges (see iliad's website for further details). In February 2024, the relevance of these pledges was confirmed when the Science Based Targets initiative (SBTi) validated the Group's carbon reduction pathway. The following short-term pathway (for 2030) and Net-Zero Standard pathway (for 2050) were validated (versus the base year of 2022): (i) iliad undertakes to reduce its absolute Scope 1 and Scope 2 GHG emissions by 60% and its Scope 3 GHG emissions by 46% by 2030, and (ii) iliad undertakes to reduce its absolute Scope 1, 2 and 3 GHG emissions by 90% by 2050.

The energy efficiency of our products and services is a priority for the Group. To this end, we have worked hard to minimize the electricity consumption of our Freeboxes and extend their lifespan. We are also actioning a range of measures to reduce the energy consumption of our networks, datacenters, vehicle fleet and sites.

At the same time, we have taken steps to encourage the creation of more renewable energy production capacity, by signing Power Purchase Agreements (PPAs) in strict compliance with the principle of *additionality* in each of our three geographies (*see Section 2.1.2.3 "Risks related to inflation and energy prices*"). The energy generated under our PPAs, both now and in the future, is *EKOenergy* certified and covers part of our direct electricity use, with the remaining part covered by guarantees of origin.

Complying with environmental regulations and keeping our environmental pledges are of primordial importance to the Group. Failure to comply with such regulations and/or meet these pledges could not only have an adverse legal impact, but could also affect our ability to attract investors, as banks and financial specialists closely analyze our environmental commitments and compliance with the applicable standards, in particular through the ratings given by ESG rating agencies. Our ability to secure financing and our borrowing costs will depend on our level of sustainability maturity.

The growing number of inquiries we receive about environmental issues, as well as the increasing requirements contained in ESG assessment questionnaires, are enabling us to enhance our transparency in relation to sustainability, raise awareness about our remediation approaches and improve the quality of our financing. In order to limit the risk of non-compliance with global, EU and national regulations, we constantly monitor developments and thanks to the agility of our teams we can anticipate changes and rapidly comply with new regulations. For example, in France the AGEC Act on waste prevention and the circular economy (*Anti-Gaspillage pour une Economie Circulaire*) allowed us to speed up our efforts to display the environmental footprint of our services in our subscriber areas. It also enabled us to more effectively inform our customers about the repairability index of the mobile devices they buy.

As a provider of Internet and data hosting services, these risks have a major impact on our activities and are specific to the Group.

Although the probability of occurrence of environmental risks and their potential severity are currently moderate, in view of the likely future effects of climate change their net criticality is considered to be high.

2.1.4.2 Business ethics risks

Operating in several countries, the Group is exposed to the risk of non-compliance with ethical standards in the conduct of its business and with international sanctions, which have significantly increased as a result of recent geopolitical events. Any such non-compliance could have adverse legal, reputational and financial impacts for the Group. These risks are specific to the Group in that they are inherent to the nature and diversity of its activities.

The Group is required to comply with anti-corruption regulations resulting from the Sapin II law in France, "Modello 231" in Italy and the criminal code in Poland, and is also subject to obligations relating to parent companies' duty of vigilance, the prevention of money laundering and terrorism financing, and European and national antitrust rules.

The Group has put in place strict policies to prevent any breach of these rules. Based on our ethics risk map we have put in place an anti-corruption system focused on several key measures. We have also drawn up an Anti-Corruption Code of Conduct and a Code of Ethics, which are regularly updated. All Group employees are given awareness training about ethical compliance issues, and a training plan adapted to their level of exposure is deployed in all subsidiaries. Brochures outlining the principles of the Group's Code of Ethics are also published. All of these documents are given to employees as soon as they join the Group and are available in physical and electronic form at all Group sites. In addition, the Group assesses the ethical compliance of its stakeholders by carrying out due diligence procedures prior to entering into business relationships, and constantly monitors such compliance throughout the relationship. Any conduct or situation that could represent a breach of the Code of Ethics can be reported via a whistle-blowing system. This system covers issues such as respect for human rights and fundamental freedoms, combating corruption and influence peddling, and financial, accounting and tax irregularities.

The Group is exposed to the risk of non-compliance with international sanctions due to its relations with partners and its international activities. This risk arises when a partner company, its beneficial owners or its business is targeted by an international sanction. Such a situation could require the Group to terminate the business relationship concerned, which could have negative contractual, operational and/or financial consequences. To mitigate this risk, the Group keeps a constant regulatory watch, and has set up processes and systems that enable it to check its partners and their beneficial owners against the various lists of international sanctions.

Thanks to the above measures, the Group is able to effectively manage its business ethics risks. Their net criticality is therefore considered to be moderate.

2.1.4.3 Risks related to retaining key people

The Group's success is particularly dependent on retaining certain executives and employees who have specific skills and/or knowledge, or who occupy key posts within the organization. This risk is analyzed based on two concepts: "key" people and "critical" positions. The loss of one or more key people could affect the Group's ability to execute its strategy and achieve its objectives.

Key people are highly qualified personnel whose skills and knowledge of the Group are essential. The departure of a key person would not affect business continuity in the short term, but could have a significant impact on the Group's ability to achieve its longer-term objectives.

People identified as occupying "critical" posts are not necessarily "key" people. These people carry out work that is crucial to the Group's business continuity, and hold rare technical skills (skills in network architecture, certain technologies, computer servers, etc.). If no successor is identified beforehand, the departure of a person occupying a critical post could have a direct impact on the Group's business continuity in the short and/or medium term.

The Group applies several measures to limit the impact of these risks. First, it carries out specific analyses to identify all "key" people and people occupying critical posts and to define a level of departure risk for each of them (people reviews, talent reviews and individual appraisals). Measures are also put in place for career pathways so as to limit the impact of any such departures (e.g., creating talent pools and drawing up succession plans) as well as employee retention programs.

Actions to retain "key" personnel are implemented with the aim of reducing the risk of departure. For example, regarding compensation, the Group has set up plans giving key people a share in the capital of the Company and/or its subsidiaries. In relation to training and skills development, certain employees are offered individual career development plans and mentoring programs. And lastly, the Group has a strong culture of belonging.

These risks are considered to be specific to the Group as any failure to effectively identify talent could have a major impact on its operations.

All the above-described measures help to limit the probability of the risks occurring and reduce the severity of their potential impacts. Their net criticality is therefore considered to be moderate.

2.1.4.4 Health-related risks

In order to work, wireless telecommunication equipment generates an electromagnetic field that travels through the environment in the form of waves. It is a legitimate question to ask what the impact of exposure to these electromagnetic waves has on people's health. While the scientific community agrees that there is no health risk, the Group nonetheless has to deal with the fears expressed by public opinion and sometimes by local authorities, as well as the actions of certain activists opposed to the installation of mobile masts.

There are also some lobbying groups that claim electromagnetic waves have a negative impact on health, alleging they cause symptoms such as continual headaches. The majority of fears are centered on 5G technology, and may have found a friendly ear among certain conspiracy theorists who widely relayed their ideas at the time of the Covid pandemic. Although these fears generally have no direct effect on the Group's activities and services, in recent years we have been faced with a large number of incidents of sabotage.

Since 2022, numerous scientific publications have concluded that, based on current knowledge, there are no health risks associated with 5G installations. Internationally recognized health authorities largely agree that there is no proven health risk for exposures that are below the exposure limits recommended by the International Commission for Non-Ionizing Radiation Protection (ICNIRP). These standards are based on scientific research, particularly research carried out by health authorities such as the World Health Organization (WHO). The Group strictly complies with all regulations adopted in this area by the public authorities.

Despite this broad scientific consensus and the scrupulous application of the ICNIRP's technical recommendations, misgivings still persist and can sometimes turn into hostility. The concerns of local populations and authorities, as well as the actions of certain activists, represent critical risks for the Group.

The Group applies a particularly proactive policy for managing these risks. Our teams constantly monitor the situation and engage in continuous and constructive dialog with local authorities. Transparency is our goal and to achieve it, we share up-to-date information based on scientific data. iliad also holds internal seminars and participates in discussion forums at the European, national, regional and departmental levels. However, if it were to be established in the future that electromagnetic waves do have a harmful effect on health, or if the applicable laws and regulations become stricter, this could adversely impact the Group's activities.

The risks associated with certain stakeholders' apprehensions about the health impact of electromagnetic waves are specific to mobile activities.

For 2023, based on current knowledge, the net criticality of these risks is considered to be low.

2.2 Insurance and risk coverage

The Group's insurance strategy is aimed at taking out insurance with external firms to cover certain risks. The Group believes that its coverage under its current insurance policies covers a wide range of identified risks, and that the costs of the policies are in line with the prices currently offered in the insurance market. Uninsured risks are either those for which there is no cover available, or those for which the ratio between cover and proposed cost is such that it is not worth insuring the risk externally.

The Group has taken out cross-business third-party liability coverage. Any loss or damage caused to third parties, such as employees or agents, is covered by an operating liability policy. Regarding professional liability, the Group has taken out specific insurance policies tailored to each business. For example, we have specific policies in place to cover our fixed and mobile electronic telecommunications activities and our equipment hosting activities. The Group also has directors and officers ("D&O") liability insurance that protects individuals from personal losses if they are sued as a result of serving as a director or officer of the Group.

iliad has also taken out "single risk" insurance to cover, for example, any additional operating costs for all of its fixed network sites (such as optical nodes and POPs). Under this coverage we would be able to continue to operate the activity concerned in the event of fire, water damage or theft. These policies are backed up by "industrial risk" policies for certain assets, such as warehouses and datacenters.

We adapt our insurance strategy when necessary, in line with changes in our business, with the assistance of Assunet, an insurance brokerage that is an iliad subsidiary. Assunet negotiates most of the Group's insurance policies.

2.3 Internal control

In order to keep pace with the often rapidly changing risks and opportunities that the Group faces, we are committed to maintaining highly effective risk management and internal control systems and to continuously improving them. This section describes the internal control organization and practices we have put in place to ensure the efficiency of our operations and the reliability of our financial information.

2.3.1 Internal control organization

Objectives

Internal control is a process implemented by the Group's Executive Management team and the leadership teams of its subsidiaries with a view to achieving the following objectives:

- guaranteeing the reliability and accuracy of financial and accounting information;
- guaranteeing the effectiveness and efficiency of operations, with a view to continuously improving performance;
- safeguarding the Group's assets, human resources, financial resources and reputation;
- preventing risks of non-compliance and fraud, by promoting a culture of ethics and transparency.

Internal control and risk management participants

Committees of the Board of Directors

The internal control system is underpinned by a structure of committees adapted to all of the Group's risk management issues, at all levels, ranging from the most strategic to the most local and sector-specific.

At Board level, two Committees play a major role in the internal control system – the Audit Committee and the CSR Committee. The Audit Committee is responsible for examining the integrity of the financial statements and the effectiveness of the internal control system. The CSR Committee, in collaboration with the Audit Committee, is responsible for analyzing non-financial risks and for overseeing the Group's ESG objectives, action plans and achievements.

Executive Management and Committees reporting to Executive Management

The Group's Executive Management team defines the Group's overall risk management policy and principles at the highest level of the organization, and is responsible for ensuring that an effective internal control system is in place, which is appropriate and proportionate to the nature of the risks and imperatives identified. To this end, Executive Management sets internal control objectives and allocates the human and material resources required in order for the teams concerned to achieve those objectives. Executive Management has therefore structured the Risk Management, Compliance and Internal Audit functions so that they not only have the appropriate resources to carry out their duties but also so that they report directly to the Group's General Counsel. This position within the Group's organization chart gives those corporate functions the independence from the operational functions that they need to carry out their work, while at the same time ensuring that they are close enough to them to continuously improve processes.

The Group's Executive Management team has several operational and corporate committees, which are responsible for overseeing all of the Group's activities, and work in collaboration with the management teams in its various host countries.

The Finance Department

The Finance Department plays a key role in the internal control system. It is responsible for implementing accounting policies and procedures designed to ensure the reliability of financial information and the accuracy of the financial statements (*see Section 2.1.2.1. "Liquidity and financing risks"*). The Finance Department also oversees the financial information system and administers the automated and/or tracing controls that this system carries out. The Accounting and Treasury teams work with the Finance Department in the process of verifying and approving expenses.

Risk, Audit and Compliance Department

- **Risk Management**

The role of the Risk Management function is to define the framework for identifying, assessing, rating and ranking the risks faced by the Group. In practice, this involves drawing up and updating the Group's risk map, including not only an assessment of financial risks, but also a wider analysis of all operational, legal, non-compliance and reputational risks that could have a negative impact on the Group's activities.

The Risk Management function assists all of the Group's teams with detecting, assessing and preventing new risks. It continually updates the risk mapping system in line with new challenges and trends identified, particularly as a result of its daily monitoring processes, so that Executive Management has the fullest possible information about risks.

In addition to the Group-wide risk mapping, more sector-specific and local risk maps are drawn up, enabling risk scenarios to be matched as closely as possible to the operations concerned. These mapping exercises are used to size and scale the control systems in place.

- **Ethics & Compliance**

The Ethics & Compliance Department deploys a business ethics program based on a proactive risk-mapping methodology that complies with France's Sapin II Act on anti-corruption and transparency. This program is designed to help identify, assess and manage risks at all levels of the organization, and covers not only the prevention of corruption risks, but also combating money laundering and terrorism financing (AML/CFT), and compliance with antitrust rules.

The Group also has a stakeholder assessment system, which gives it an in-depth understanding of the risks associated with any collaboration with a partner, and helps prevent fraud attempts and/or any incidents related to the integrity and knowledge of our partners.

By continuously raising awareness – a central pillar of our overall risk approach – the Group can widely relay anti-corruption principles, which contributes to preventing corruption in all its forms.

Lastly, the Group's whistle-blowing system provides a confidential channel for employees and external partners to report any behavior that breaches its Code of Ethics. This system reinforces the compliance culture within the organization and helps to identify and stop behavior that could cause risks. The Ethics & Compliance Department is also responsible for carrying out any investigations launched by the Ethics Committee, which can involve issues such as internal or external fraud.

- **Internal Audit**

The main role of the Internal Audit Department is to coordinate and implement an audit plan. This plan – which is approved by Executive Management – provides for several audit assignments each year relating to topics that take into account, among other things, the findings of the risk mapping exercises. For each of these assignments, the Internal Audit Department organizes and oversees the processes related to collecting and reviewing relevant information, identifying and assessing the associated risks, implementing specific controls and analyses, and drawing up findings and recommendations.

The Internal Audit Department is also tasked with monitoring improvement measures recommended by the Statutory Auditors during their annual statutory audit work. The Internal Audit Department supports and advises the operations and corporate staff involved in implementing these measures.

Leadership teams in the subsidiaries

Working together with the Group, the leadership teams of iliad's subsidiaries set up their own risk management and oversight systems. The Polish and Italian subsidiaries have dedicated risk management and compliance committees. Operational monitoring of activities is also carried out locally, via specific committees for each of the Group's business scopes: fixed, mobile and hosting.

2.3.2 Controlling the reliability of financial information

The following procedures have been set up to implement controls over the Group's financial management and ensure that the accounting data produced is correct.

Control procedures relating to financial communications

The Company is required to keep its shareholders and all of the Group's lenders – bondholders and banks – informed about its financial position.

All financial information – which is drawn up by the Finance Department – including press releases, management reports, and financial statements, is reviewed on a cross-business basis by Executive Management.

In order to limit the risks relating to erroneous or contradictory information, our internal procedures provide that the Press Relations Officer centralizes all communications published by the Group, whether strategic, commercial, financial or technical. Similarly, the Press Relations Officer attends all interviews, in all forms, granted by any Group representative in order to ensure the consistency and integrity of the information communicated.

Budget process

Each year, the leadership teams and finance departments in each of the Group's operating countries or entities draw up an annual budget, which is presented to Group Executive Management and the Group Finance Department. Once the country- or entity-level budgets have been validated by Group Executive Management, they are consolidated by the Group Finance Department. The consolidated budget is then presented to and approved by iliad's Board of Directors.

Monthly reporting/monitoring process

A monthly reporting schedule is drawn up by the Group's financial units, incorporating the main operating and financial indicators related to the Group's sales activities and the rollout of its fixed and mobile networks. The reports prepared by the financial controllers are transmitted to the Finance Department and incorporated into the Group's overall reporting schedule, which contains the key data used for monitoring its operations and results. This process forms one of the cornerstones of the internal control and financial information systems.

The Board of Directors is informed of the latest available indicators during its meetings.

Accounts-closing process

The Group's Finance Department performs a monthly close for each Group company and ensures that the accounting principles, methods and treatment applied to the Group's operations are consistent. Local finance departments in Poland and Italy deploy the Group's systems and procedures and contribute to maintaining an effective internal control environment.

Quarterly consolidated financial data are presented to the Board of Directors.

Specific procedures relating to the preparation and processing of accounting and financial information

The internal control procedures in force within the Group relating to the major operating functions are as follows:

- **Sales:** the revenues of each Group company are controlled by the Finance Department in conjunction with the operating teams concerned, by carrying out tests on sales movements, valuations and invoicing of communications and subscriptions, as well as on payment collection and debt recovery processes;
- **Capital expenditure:** controls on the outlay for and management of assets making up the Group's telecommunication network are performed through a validation procedure based on pre-determined authorized thresholds and budgets;
- **Purchases:** purchases other than capital expenditure are also controlled based on authorized thresholds, as well as by segregating tasks, with controls of Internet operating costs and fixed telephony operating costs carried out each month based on a reconciliation of actual usage and bills issued;
- **Cash flows:** control over cash management is performed through bank reconciliations, secure means of payment, specific signature authorizations, including for off-balance sheet commitments, and daily, weekly, monthly and quarterly reporting. Cash flow hedging operations are subject to specific authorization and monitoring procedures;
- **Payroll:** employees' pay is controlled through a procedure that is based on segregating the controls performed by line managers.

These procedures are controlled by the Finance Department with the help of operations staff, based on tests that are regularly performed by the Company, with a view to ensuring that the verification procedures set up within the Group are effective.

3. Corporate governance

This chapter of the Universal Registration Document constitutes the Board of Directors' report on corporate governance required under Article L.225-37 of the French Commercial Code (*Code de commerce*). The main purposes of the Board of Directors' report on corporate governance, drawn up as part of the overall preparation of the financial statements for the year ended December 31, 2023, are to disclose (i) information on the preparation and organization of the work of the Board of Directors, (ii) the powers of the Chief Executive Officer, and (iii) the other information required in the report pursuant to Articles L.225-37 *et seq.* of the French Commercial Code.

This report was drawn up by the Board of Directors based on work carried out by various departments within the Company, notably the General Counsel's Department.

It was approved by the Board of Directors on March 13, 2024 and will be presented to the Company's shareholders at the 2024 Annual General Meeting.

Following the successful simplified public tender offer initiated by Holdco II S.A.S. for iliad's shares, the subsequent squeeze-out procedure and the shares' delisting from Euronext Paris on October 14, 2021, the Company is no longer required to officially refer to a corporate governance code. However, despite this fact, the Company intends to maintain, and continue to implement, high standards of corporate governance.

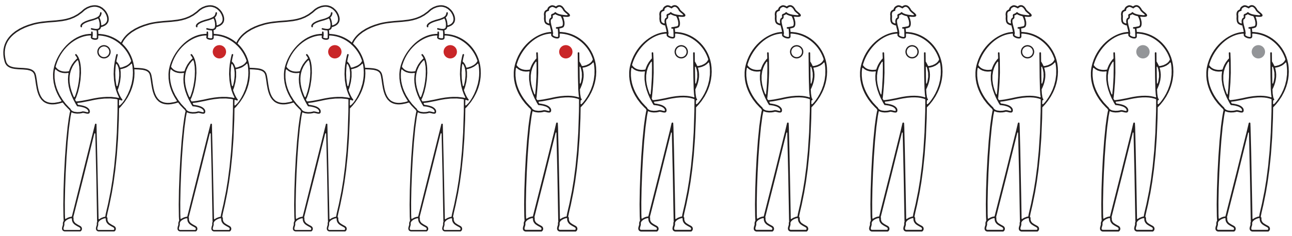
3.1 Membership structure of the Company's administrative and management bodies

3.1.1 Membership structure of the Board of Directors and general principles

3.1.1.1 Membership structure of the Board of Directors

11
members

6
meetings



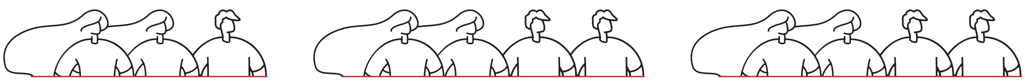
44% women

● **4** Independent members

● **2** employee representative directors

At the date this report was drawn up, the Board of Directors had eleven members, including four independent directors and two employee representative directors. The proportion of independent directors was 44% (excluding the employee representative directors, who are not taken into account in the calculation). The Board of Directors comprises one executive director and ten non-executive directors. Its membership structure has not changed since December 31, 2023. The proportion of women on the Board of Directors was 44% (excluding the employee representative directors, who are not taken into account when calculating the proportion of women on the Board). The profiles of the Board's members are set out in Section 3.1.1.3 below. The Committees that assisted the Board of Directors with its work during the year ended December 31, 2023 are presented below.

3
Board Committees



Audit Committee
3 members

CSR Committee
4 members

Compensation Committee
4 members

3.1.1.2 Summary table of the members of the Board of Directors and its Committees at December 31, 2023

	Age	Date first elected as a director	Expiration of current term	Number of years on the Board	Audit Committee	Compen-sation Committee	CSR Committee
Executive directors							
Xavier Niel Chairman of the Board of Directors *French nationality*	56	Dec. 12, 2003	2025 AGM	20			
Maxime Lombardini Vice-Chairman of the Board of Directors *French nationality*	58	May 29, 2007	2026 AGM	17	✓		
Thomas Reynaud Chief Executive Officer and a director *French nationality*	50	May 29, 2008	2024 AGM[(a)]	16			
Directors qualified as independent by the Board							
Bertile Burel *French nationality*	54	May 17, 2017	2025 AGM	7			✓
Céline Lazorthes *French nationality*	41	July 21, 2020	2024 AGM[(a)]	4	✓	✓	
Jacques Veyrat *French nationality*	61	July 21, 2020	2024 AGM[(a)]	4		Chair	Chair
Esther Gaide *French nationality*	62	June 2, 2021	2025 AGM	3	Chair		
Non-independent directors							
Cyril Poidatz *French nationality*	62	Dec. 12, 2003	2024 AGM[(a)]	20			
Virginie Calmels *French nationality*	52	June 23, 2009	2025 AGM	15		✓	✓
Employee representative directors							
Ilan Dahan *French nationality*	43	Nov. 18, 2015	Dec. 18, 2024[(b)]	8		✓	
Saad Boudjadi[(c)] *French nationality*	46	Dec. 17, 2020	Dec. 17, 2024	3			✓
Number of meetings in 2023				**6**	**5**	**5**	**1**
Average attendance rate				**97%**	**100%**	**95%**	**100%**

(a) At its meeting on March 13, 2024, the Board of Directors decided that, at the Annual General Meeting to be held in 2024, it would put forward Thomas Reynaud, Céline Lazorthes, Jacques Veyrat and Cyril Poidatz for re-election as directors.
(b) Ilan Dahan's term of office was renewed on November 18, 2023.
(c) At its meeting on March 13, 2024, the Board of Directors appointed Saad Boudjadi, an employee representative director, as a member of the CSR Committee.

3.1.1.3 Profiles of the Company's directors

Xavier Niel

Chairman of the Board of Directors

Xavier Niel is a self-taught entrepreneur and has worked in the Internet and telecommunications industry since the late 1980s. In 1993, he co-founded France's first ISP and in 1999, he created Free – France's first free-access ISP. He co-invented triple-play and the concept of the box, launching the Freebox in 2002 – a unique, state-of-the-art, multiservices box combining broadband Internet access with telephony and television.

Xavier has invested in telecom operators in a personal capacity in many countries outside France, including Switzerland, Ireland, Senegal and Monaco.

In 2013, he co-founded "42", a not-for-profit organization based in Paris that delivers free coding training based on peer-to-peer learning. This training is given via a network of international partner campuses with 37 campuses in 22 countries and is delivered to more than 12,000 students worldwide. In 2017, the "42" school in Paris was voted the best coding school in the world.

In 2016, together with Matthieu Pigasse and Pierre-Antoine Capton, he created Mediawan, a special purpose acquisition company (SPAC) focused on media and entertainment. Xavier is also the founder of Station F – the world's largest start-up campus – which opened its doors in 2017 and hosts a thousand start-ups in a former railway station in Paris occupying 34,000 sq.m. In addition, as a figure-head for start-ups, Xavier supports entrepreneurs through his investment fund, Kima Ventures.

Besides his other interests, Xavier is a shareholder of the *Le Monde* newspaper and the *Télérama, Courrier International, L'Obs, Nice-Matin, La Provence, France Antilles* and *Paris Turf* magazines.

Xavier is also a member of the Supervisory Board of Unibail-Rodamco-Westfield and one of its main shareholders.

In the fall of 2020, alongside Matthieu Pigasse and Moez-Alexandre Zouari, Xavier co-founded Teract (formerly 2MX Organic), a SPAC whose purpose is to invest in the consumer goods sector, with a particular focus on sustainability.

In February 2021, Xavier co-founded Hectar, an ecosystem for agriculture, entrepreneurship and tech based at a 1,500-acre site just outside Paris, which groups together a training campus, a start-up accelerator for agricultural ventures and a teaching center for schoolchildren and young people.

In September 2023, Xavier co-founded Kyutai – a non-profit, open science AI research lab based in Paris – alongside Rodolphe Saadé (Chairman and CEO of CMA CGM) and Eric Schmidt (former Chief Executive Officer and Chairman of Google).

Main positions and directorships held

Within the Group

- **French companies**
  - Chairman of Freebox S.A.S.
  - Chairman of iliad Holding S.A.S.
  - Chairman of the Strategy Committee of iliad Holding S.A.S.

Outside the Group

- **French companies**
  - Legal Manager of Élysées Capital S.C.I.
  - Chairman of SE 51 S.A.S.
  - Chairman of Bidco 22 S.A.S.
  - Chairman of NJJ Vosges S.A.S.
  - Member of the Supervisory Board of La Société Éditrice du Monde S.A.
  - Member of the Supervisory Board of Le Nouvel Observateur du Monde S.A.
  - Member of the Supervisory Board of Mediawan S.A.S.
  - Member of the Supervisory Board of Unibail-Rodamco-Westfield SE (1)
  - Chairman of Invest SB S.A.S.
  - Chairman of NJJ Holding S.A.S.
  - Chairman of NJJ Immobilier S.A.S.
  - Chairman of NJJ Strategy S.A.S.
  - Chairman and member of the Supervisory Board of NJJ Boru S.A.S.
  - Chairman of NJJ Telecom Europe S.A.S.
  - Chairman of La Compagnie des Immeubles Parisiens S.A.S.
  - Legal Manager of Paris Grenelle S.C.I.
  - Member of the Supervisory Board of Teract S.A.
  - Permanent representative of NJJ Capital S.A.S, itself a director of Teract
- **Non-French companies**
  - Member of the Board of Salt Mobile AG (Switzerland)
  - Member of the Board of Monaco Telecom (Monaco)
  - Member of the Board of Eircom Holdings Ireland Limited (Ireland)
  - Member of the Board of Toohil Telecom Holdings Limited (Ireland)
  - Member of the Board of Carraun Telecom Holdings Limited (Ireland)
  - Member of the Board of KKR Management LLC (USA)
  - Member of the Board of Telma Comores Holding (Comores)

(1) Listed company.

Positions and directorships that have expired in the past five years

Within the Group

- **French companies**
  - Deputy Chief Executive Officer of iliad S.A.
  - Vice-Chairman of the Board of Directors of iliad S.A.

Outside the Group

- **French companies**
  - Member of the Supervisory Board of Le Monde S.A.
  - Director of Groupe Nice Matin S.A.S.
  - Chairman of Sons Holdco S.A.S.
  - Chairman of NJJ Animation S.A.S.
  - Chairman of NJJ Project Four S.A.S.
  - Chairman of Flatmates S.A.S.
  - Legal Manager of OH4S SNC
  - Legal Manager of Lagny Immobilier SARL
  - Chairman of Golf du Lys Chantilly S.A.S.
  - Chairman of the Supervisory Board of BlackPills S.A.S.
  - Chairman of NJJ Capital S.A.S.
  - Chairman of NJJ Market S.A.S.
  - Chairman of NJJ Capital Monaco Acquisition S.A.S.
  - Chairman of NJJ Indian Ocean S.A.S.
  - Chairman of NJJ Invest Tel S.A.S.
  - Chairman of NJJ Medias S.A.S.
  - Chairman of NJJ Suisse Acquisition S.A.S.
  - Chairman of NJJ Investco S.A.S.
  - Chairman of NJJ North Atlantic S.A.S.
  - Chairman of NJJ Kaba S.A.S.
  - Chairman of NJJ Project Three S.A.S.
  - Chairman of NJJ Exclusive S.A.S.
  - Chairman of NJJ Innovation S.A.S.
  - Chairman of NJJ Presse S.A.S.
  - Chairman of NJJ Tara S.A.S.
  - Chairman of NJJ Galway S.A.S.
  - Chairman of NJJ Télécom S.A.S.
  - Chairman of NJJ Project Five S.A.S.
  - Chairman of SEHF S.A.S.
  - Chairman of IT Solutions Factory S.A.S.
  - Chairman of Kima Ventures S.A.S.
  - Chairman of Kima Ventures II S.A.S.
  - Chairman of Station F S.A.S.
  - Chairman of Square Vergennes S.A.S.
  - Joint Legal Manager of Diderot S.A.S.
  - Joint Legal Manager of Kléber Levallois S.N.C
  - Co-manager of SCI Light CF
- **Non-French companies**
  - Member of the Board of Salt Network S.A. (Switzerland)

Maxime Lombardini

Vice-Chairman of the Board of Directors

Maxime Lombardini began his career in 1989 with the Bouygues group, where he held successive positions as General Secretary of TPS (satellite television), Development Director of TF1 and Chief Executive Officer of TF1 Production. He then held the position of Chief Executive Officer of the iliad Group from 2007 through 2018. On May 21, 2018, he was appointed as Chairman of iliad's Board of Directors. Since March 16, 2020, he has served as the Vice-Chairman of the Board of Directors, alongside Xavier Niel. Maxime is a graduate of Sciences Po Paris and holds a postgraduate degree in business and tax law from the University of Paris II.

Main positions and directorships held

Within the Group

- **French companies**
  - Chairman of F Distribution S.A.S.
  - Chairman of Free S.A.S.[(a)]
  - Chairman of Free Fréquences S.A.S.
  - Chairman of Réseau Optique de France S.A.S.
  - Chairman of Free Réseau S.A.S.
  - Chairman of IFW S.A.S.
  - Chairman of IH S.A.S.
  - Chairman of IRE S.A.S.
  - Legal Manager of Immobilière iliad S.A.S.
  - Chairman of Protelco S.A.S.
  - Chairman of Online Immobilier S.A.S.
  - Chairman of Solid-19 S.A.S.
  - Chairman of Free Dial S.A.S.
  - Chairman of Free Caraïbe S.A.S.
  - Director of TRM S.A.S.
  - Member of the Supervisory Board of NJJ Boru
  - Deputy Chief Executive Officer of Holdco II
  - Member of the Strategy Committee of iliad Holding S.A.S.
  - Chairman of iliad 6 S.A.S.
  - Chairman of iliad 9 S.A.S.
  - Chairman of iliad 10 S.A.S.
  - Chairman of iliad 14 S.A.S.
  - Chairman of iliad 15 S.A.S.
  - Chairman of iliad 16 S.A.S.
  - Chairman of iliad 17 S.A.S.
  - Chairman of iliad 18 S.A.S.
  - Chairman of iliad 19 S.A.S.
  - Chairman of Université F233 S.A.S.
  - Chairman of Op Core S.A.S.
- **Non-French companies**
  - Chairman of the Board of Directors of iliad Italia Holding S.p.A. (Italy)
  - Chairman of the Board of Directors of iliad Italia S.p.A. (Italy)

Outside the Group

- **Non-French companies**
  - Director of Carraun Telecom Holdings Limited (Ireland)
  - Director of Play Finance 1 (Luxembourg)
  - President and Chief Operating Officer of Millicom (Luxembourg)

Positions and directorships that have expired in the past five years

Within the Group

- **French companies**
  - Chief Executive Officer of iliad S.A.
  - Chairman of the Board of Directors of iliad S.A.
  - Member of the Supervisory Board of JT Holding
  - Chairman of iliad Purple S.A.S.
  - Chairman of iliad 8 S.A.S.
  - Chairman of iliad 11 S.A.S.
  - Chairman of iliad 13 S.A.S.
  - Chairman of Free Mobile S.A.S.
  - Chairman of Scaleway S.A.S.
  - Chairman of IFT S.A.S.
- **Non-French companies**
  - Director of Play Communications S.A. (Luxembourg)

(a) By way of the decisions of March 6, 2023, the sole shareholder of Free S.A.S. placed on record Maxime Lombardini's resignation from his position as Chairman and appointed Nicolas Thomas as the new Chairman.

Thomas Reynaud

Chief Executive Officer and a director

Thomas Reynaud joined iliad in 2007, tasked with structuring the Group's growth. He first served as Head of Business Development before becoming Chief Financial Officer in 2008 and then a Deputy Chief Executive Officer in 2010. He has been the Group's Chief Executive Officer since May 2018. As part of his successive responsibilities since joining the Group in 2007, Thomas Reynaud has taken part in the major developments that have shaped the Company's growth. He notably oversaw the launch of the fourth mobile operator, Free Mobile, which revolutionized the French market, before focusing more directly on international business development in Italy and Poland. Thomas Reynaud began his career in New York in 1997. He then went on to become Managing Director in charge of the Telecoms, Media and Technology sector at Société Générale, where he advised European companies on their business development, and notably iliad at the time of its IPO. He is a graduate of HEC business school and New York University.

Main positions and directorships held

Within the Group

- **French companies**
  - Chief Executive Officer of Holdco II S.A.S.
  - Member of the Strategy Committee of iliad Holding S.A.S.
  - Member of the Supervisory Board of SPIN S.A.S.
  - Chairman of iliad Purple S.A.S.
- **Non-French companies**
  - Director of iliad Italia Holding S.p.A (Italy)
  - Director of iliad Italia S.p.A. (Italy)
  - Director of Play Finance 1 (Luxembourg)[(a)]

Outside the Group

- **French companies**
  - Member of the Board of Directors of the Mozaik Foundation
  - Member of the Board of Directors of Tomato-n-co
- **Non-French companies**
  - Member of the Board of Directors of Millicom (Luxembourg)

Positions and directorships that have expired in the past five years

Within the Group

- **French companies**
  - Deputy Chief Executive Officer of iliad
  - Deputy Chief Executive Officer of Free Mobile S.A.S.
  - Member of the Supervisory Board of On Tower France S.A.S.
  - Member of the Supervisory Board of iliad 78 S.A.S.
  - Member of the Supervisory Board of JT Holding S.A.S.
  - Member of the Supervisory Board of IFT S.A.S.
- **Non-French companies**
  - Chairman of the Board of Directors of Play Communications S.A. (Luxembourg)

(a) Play Finance 1 was dissolved on December 22, 2023.

Cyril Poidatz

Director

Cyril Poidatz began his career as an auditor with Coopers & Lybrand and then worked for ten years at Cap Gemini. For several years he was Finance Director at Cap Gemini Italia, where he led the restructuring of Cap Gemini's Italian divisions. Cyril joined the iliad Group in 1998, holding several management positions, including Group General Counsel from 2018 through 2020. He is currently a member of the Strategy Committee of iliad Holding S.A.S.

Main positions and directorships held

Within the Group

- **French companies**
  - Chairman of the Board of Directors of TRM S.A.S.
  - Chairman of the Board of Directors of SEPIA S.A.S.
  - Member of the Strategy Committee of iliad Holding S.A.S.
  - Chairman and member of the Supervisory Board of iliad 78
  - Chairman of iliad 11 S.A.S.

Outside the Group

- **French company**
  - Director of Oxio S.A.S.

Positions and directorships that have expired in the past five years

Within the Group

- **French companies**
  - Chairman of Free Mobile S.A.S.
  - Chairman of Free Réseau S.A.S.
  - Chairman of IFW S.A.S.
  - Chairman of IH S.A.S.
  - Legal Manager of Immobilière iliad S.A.R.L.
  - Chairman of IRE S.A.S.
  - Chairman of Online S.A.S.
  - Chairman of Protelco S.A.S.
  - Chairman of Online Immobilier S.A.S.
  - Chairman of Free R&D S.A.S.
  - Chairman of Free Carrier S.A.S.
  - Chairman of iliad 4 S.A.S.
  - Chairman of Free Caraïbe S.A.S.
  - Chairman of iliad 6 S.A.S.
  - Chairman of iliad 7 S.A.S.
  - Chairman of the Board of Directors of iliad S.A.
  - Chairman of F Distribution S.A.S.
  - Chairman of Free S.A.S.
  - Chairman of Free Fréquences S.A.S.
  - Chairman of Réseau Optique de France S.A.S.
  - Deputy Chief Executive Officer of Free Mobile S.A.S.

Virginie Calmels

Director

Virginie Calmels is the Chair of SHOWer Company, which in turn chairs CV Education – a higher education group providing training in the professions of the future in the domains of creative industries and digital marketing. CV Education opened its first school – Futurae – in Boulogne-Billancourt near Paris, France in October 2020.

Virginie has been a director of iliad since June 2009, and a director of Assystem since March 2016. Since November 2019, she has been Chair of the Strategy Committee of the OuiCare group, and Honorary Chair of the OuiCare Foundation, which campaigns against violence against women. Virginie has also been a director of Focus Entertainment since April 2022 and of Ipsos since May 2022. She also founded the DroiteLib' think and do tank, and has served as its Chair since 2016.

Virginie began her career in 1993 with the audit firm Salustro Reydel. She then worked with the Canal+ group between 1998 and 2003, holding the positions of Finance Director of NC Numericable, Finance Director of the Canal+ group's international and development divisions and subsequently Chief Financial Officer of Canal+ S.A. before being appointed as the Deputy Chief Executive Officer and then joint Chief Operating Officer of the Canal+ television channel. She joined Endemol France in 2003 as CEO and was appointed Chair and CEO in October 2007. She then became CEO of Endemol Monde in May 2012 while remaining Chair of Endemol France, before resigning from those positions in mid-January 2013. From January 2013 through February 2017, she chaired the Supervisory Boards of Euro Disney and Euro Disney Associés S.C.A., of which she had been a member since March 2011. She was also a director of Technicolor from May 2014 through July 2016 and then a non-voting member of Technicolor's Board until May 2017.

Virginie is a graduate of Toulouse École Supérieure de Commerce (ESC) and of INSEAD, holds a postgraduate degree in accounting and finance (DESCF), and is a certified accountant and auditor. She is a member of the "Le Siècle" think-tank and has been awarded the title of Knight of the French National Order of Merit.

Main positions and directorships held

Outside the Group

- **French companies**
  - Chair of SHOWer Company S.A.S.
  - Chair of CV Education
  - Director of Assystem S.A.
  - Chair of the Strategy Committee of the OuiCare group
  - Honorary Chair of the OuiCare Foundation
  - Director of Focus Entertainment
  - Director of Ipsos

Positions and directorships that have expired in the past five years

Outside the Group

- **French companies**
  - Vice-President of the CEPS research center
  - Chair of Barnes SAS, Paris Résidence & Club and Barnes Support Services
  - Chair of the Board of Directors of SAEML Régaz
  - Director of SAEML SBEPE
  - Director of Bordeaux Mérignac airport
  - Director of BGI Bordeaux Gironde Investissement
  - Director of Aerospace Valley
  - Director of Bordeaux Aéroparc SPL
  - Deputy Mayor of Bordeaux
  - Vice-President of Bordeaux Metropole
  - President of Établissement Public d'Aménagement Bordeaux Euratlantique
  - Regional councilor for the Nouvelle Aquitaine region

Bertile Burel

Independent director

Bertile Burel graduated from Sciences Po Paris in 1996, and in 1997 earned a postgraduate degree in international business studies from Paris Dauphine University.

Bertile began her career in 1998 at WizArt Software (specialized in client/server applications), where she was responsible for operations in the Benelux region and subsequently Japan and the United States. Then in 2000, she joined TPS (a French satellite television company) as Head of Business Development. Subsequently, Bertile founded Wonderbox with her husband, James Blouzard, on their return to France from a six-month round-the-world tour. Wonderbox has grown into France's leading gift box company and now has operations in 11 countries and employs over 500 people. It is still growing strongly, driven by its constant objective of being at the cutting edge of innovation in the leisure industry.

Main positions and directorships held

Outside the Group

- **French companies**
  - Legal Manager of W Group
  - Chief Executive Officer of Wonderbox S.A.S.
  - Chair of Multipass S.A.S.
  - Chief Executive Officer of Wonderbox NewCo 1
  - Chief Executive Officer of Wonderbox NewCo 2
- **Non-French companies**
  - Branch Chief Executive Officer of Multipass Paris Zweigniederlassung Zurich (Switzerland)
  - Director of Wonderbox S.A. (Belgium)
  - Director of Wonderbox Italia SRL (Italy)
  - Director of Vivaboxes International S.A. (Belgium)
  - Director of WBX Business Support Espana SL (Spain)

Positions and directorships that have expired in the past five years

N/A

Céline Lazorthes

Independent director

An optimistic and passionate entrepreneur, Céline Lazorthes is the co-founder and co-CEO of Resilience, whose purpose is to ensure universal medical excellence to help people live better and longer lives.

She was also the founder of the Leetchi group, which she sold to Crédit Mutuel Arkea in September 2015 and headed up until June 2019.

The Leetchi group includes Leetchi.com – the leading European online money pot specialist (with over 14 million users) – and Mangopay, an online payment solution dedicated to marketplaces, crowdfunding and the collaborative economy (which processes €10 billion in annual trades for over 3,000 customers).

Highly committed to using tech for good, Céline co-founded France Digitale, France FinTech, SISTA, and, more recently, #ProtègeTonSoignant, an association of entrepreneurs and artists providing help and support to medical professionals.

She is also a member of the Board of Directors of SNCF, 101 Fund and the Génération Libre think-tank.

She is a regular speaker on the topics of the sharing economy, equal opportunities and women's empowerment, including at the following events: Wired Money (London, 2015), Noah Conference (London, 2016), TedX (Marseille, 2016), Hub Conference (Berlin, 2016) and Vivatech (Paris, 2018).

Céline is an active business angel who has invested in more than 40 companies, such as Jimmy Fairly, Talent.io, Frichti, Le Slip Français, Tacotax, Alan, Pumpkin (sold to CM Arkea), Tiller Systems, Yuka, Ivesta, Welcome to the Jungle and Dejbox.

Main positions and directorships held

Outside the Group

- **French companies**
  - Member of the Board of Directors of SNCF SA
  - Member of the Board of Directors of 101 Fund
  - Member of the Strategy Committee of Florac
  - Member of the Supervisory Board of NJJ Boru S.A.S.
  - Chair of Célavi S.A.S.
  - Chair of Sista
  - Chair of Resilience S.A.S.
- **Non-French companies**

N/A

Positions and directorships that have expired in the past five years

Outside the Group

- **French companies**
  - Chair of the Supervisory Board of Leetchi S.A.
  - Member of the Board of Directors of Oney Bank S.A.
- **Non-French companies**
  - Chair of the Supervisory Board of Mangopay (Luxembourg)

Jacques Veyrat

Independent director

Jacques Veyrat is a graduate of *École Polytechnique* and a member of the *Corps des Ponts et Chaussées* (the French civil service corps for engineering graduates of the *École Polytechnique*). He worked in the Treasury department at the French Ministry of Finance from 1989 through 1993, and then in the cabinet team of the Ministry of Equipment between 1993 and 1995.

From 1995 he held various management posts in the companies of the Louis Dreyfus group, notably Chief Executive Officer of Louis Dreyfus Armateurs SNC.

In 1998, he founded LDCom, renamed Neuf Telecom in 2004 and subsequently Neuf Cegetel in 2005. He served as Chairman and CEO of Neuf Cegetel until April 2008, when a takeover bid for the company was launched on the Paris stock exchange.

Jacques was then the Chairman and Chief Executive Officer of the Louis Dreyfus group from 2008 through 2011. Since July 2011, he has chaired Impala S.A.S., a holding entity that controls some fifteen companies. Impala is the principal shareholder of Neoen, which invests around €1 billion a year in renewable energy start-up projects.

Main positions and directorships held

Outside the Group

- **French companies**
  - Chairman of Impala S.A.S.
  - Chairman and a member of the Board of Directors of Fnac Darty
  - Member of the Supervisory Board of Pacemar
  - Non-voting member of the Board of Directors of Neoen
- **Non-French companies**
  - Guisando B.V., (Netherlands) and Groupe Bruxelles Lambert (GBL) (Belgium)

Positions and directorships that have expired in the past five years

Outside the Group

- **French companies**
  - Member of the Supervisory Board of Eurazeo
  - Member of the Board of Directors of Imerys
  - Member of the Board of Directors of HSBC France
  - Member of the Board of Directors of Nexity
  - Non-voting member of the Board of Directors of ID Logistics

Esther Gaide

Independent director

Esther Gaide graduated from ESSEC (Paris) and is a certified accountant. She began her career in 1983 working in external audit, first with PricewaterhouseCoopers (PwC) in Paris and London, then with Deloitte in Paris and the USA. In 1994, she joined the Bolloré Group where she set up the Internal Audit Department and participated both in the reorganization of the maritime department and the takeover of the Rivaud Group. Between 1996 and 2006, she successively held the posts of CFO of the Bolloré Logistics division, CFO of the Bolloré Africa Logistics division and then Group Controller, in charge of all of the Bolloré Group's central management accounting, consolidation and control functions. In 2006, she moved to Havas to take up the position of Deputy Chief Financial Officer and Director of Human Resources and served in this post for five years. In 2011, Esther joined Technicolor (formerly Thomson) as Group Controller, overseeing all management accounting, consolidation and control functions. In 2012, she was appointed Deputy Chief Financial Officer of the Technicolor group before becoming CFO and a member of the Executive Committee in 2015. Esther Gaide was Chief Financial Officer of the Elior group from 2018 to 2023. She has been a director of Eutelsat SA since 2017 and is also a member of the Board of Directors of Forvia.

Main positions and directorships held

Outside the Group

- **French companies**
  - Member of the Board of Directors of Forvia
  - Director of Eutelsat Communication S.A. since November 8, 2017
  - Director of Eutelsat S.A. since March 19, 2020
  - Chief Financial Officer of Elior Group[a]
  - Member of the Executive Committee of Elior Group[a]
  - Member of the Corporate Committee of Elior Group[a]
  - Chair and Chief Executive Officer of Elior Financement S.A.[a]
  - Chief Operating Officer of Elior Restauration et Services S.A.[a]
  - Legal Manager of Bercy Services II – BSII SARL[a]
  - Permanent representative of Elior Participations SCA as[a]:
    - Chair of Elior FA3C[a]
    - Chair of Elior Trésorerie[a]
    - Chair of Elior Gestion[a]
    - Chair of Sacores[a]
    - Chair of Egee Venture[a]
    - Chair of L'Académie By Elior[a]
    - Chair of SC2R[a]
    - Chair of Bercy Services I[a]
    - Chair of Bercy Services XXIX[a]
    - Chair of C2L[a]
    - Chair of Bercy Services XXV[a]
    - Chair of Eleat Solutions[a]
    - Chair of Elior Data RC France[a]
  - Permanent representative of Egee Venture as Chair of Bercy Services XXVII[a]
  - Permanent representative of Elior Restauration et Services on the Board of Directors of Elres SAS and Elior Entreprises SAS[a]
  - Permanent representative of Elior Participations as a director of Ducasse Développement[a]
- **Non-French companies**
  - Representative of Elior Restauration et Services as a director of Serunion S.A.[a]
  - Director of Elior UK Holding Limited[a]
  - Director of Elior UK Plc[a]
  - Director of Waterfall Elior Limited[a]
  - Director of Edwards and Blake Limited[a]

Positions and directorships that have expired in the past five years

Outside the Group

- **Non-French companies**
  - Director of Gemeaz Elio S.p.A.
  - Director of Elichef Holding S.p.A.
  - Director of My Chef Ristorazione Commerciale

(a) Esther Gaide resigned from these positions on April 19, 2023.

Ilan Dahan (1)

Employee representative director

Ilan Dahan has been an employee representative director since November 2015. He joined iliad in 2003 as a call center operator and subsequently developed his career within the Group, successively serving as a technician, a network operations supervisor and then Deployment Project Manager and Engineering Project Manager in the Group's Fiber rollout team. He headed up the Group's FTTH design office from 2012 through September 2017, and from the end of 2017 until December 2023, he was Head of Production Operating Methods for the overall FTTH project, responsible for liaising between the Group's various entities in order to optimize connection processes. In January 2024, he joined the iliad Group's performance and cross-business projects department as head of cross-business projects in France. In his capacity as an employee representative director, Ilan has followed a training course on the basics of finance at the French Institute of Directors (IFA).

Saad Boudjadi (2)

Employee representative director

Saad Boudjadi has been an employee representative director since December 2020 and a member of the CSR Committee since March 13, 2024. He joined iliad in 2011 as a works supervisor at Réseau Optique de France and was subsequently appointed head of the design office at Free Réseau. Prior to joining iliad, Saad was a works supervisor at NGI and Dumez Sud within the Vinci Group. Saad is a qualified civil engineer and holds a Master's degree in regional planning from the University of Montpellier. In his capacity as an employee representative director, Saad Boudjadi has followed two training courses at the French Institute of Directors (IFA), one on directors' civil and criminal liability and the other on the basics of finance.

For the purposes of their directorships, all of the above directors are domiciled at the Company's registered office (16, rue de la Ville L'Évêque, 75008 Paris, France).

3.1.2 Governance structure

In accordance with French law, the Company's executive management function can be carried out either by the Chairman of the Board of Directors, who then has the title of Chairman and Chief Executive Officer, or by another person appointed by the Board of Directors who has the title of Chief Executive Officer. On December 12, 2003, the Board of Directors decided to separate the roles of Chairman of the Board and Chief Executive Officer with a view to ensuring transparency of corporate governance within the Company. This separation of roles was confirmed on May 21, 2018 when Thomas Reynaud was appointed Chief Executive Officer.

By separating the roles of the Chairman and the Chief Executive Officer, the Board is able to operate more effectively, as it means that its Chairman is exclusively devoted to that position and it gives the Board greater supervisory authority over executive management functions.

Having a two-tier governance structure also ensures a clear distinction between strategic, decision-making and control duties (which fall within the remit of the Board of Directors) and operational and executive duties (which fall within the remit of the Chief Executive Officer).

As at the date of this Universal Registration Document, the Board of Directors is chaired by Xavier Niel, the iliad Group's founder and majority shareholder (appointed as Chairman of the Board on March 16, 2020), and Thomas Reynaud is the Chief Executive Officer.

As Chairman of the Board of Directors, Xavier Niel organizes and oversees the Board's work and reports on that work to the Annual General Meeting. He ensures that the Company's administrative and management bodies operate effectively and that the directors are able to fulfill their duties.

In his capacity as a director and Chief Executive Officer of the Company, Thomas Reynaud has the broadest powers to act on behalf of the Company in all circumstances, within the scope of the corporate purpose and except for those matters which, by law, may only be dealt with in Shareholders' Meetings or by the Board of Directors as defined in the Board's Internal Rules.

(1) Has not been a member of the administrative, management or supervisory bodies of any French or non-French company outside the Group during the past year.
(2) Has not been a member of the administrative, management or supervisory bodies of any French or non-French company outside the Group during the past year.

3.1.3 Executive directors

At its meeting on May 14, 2018, the Board of Directors named Thomas Reynaud as its Chief Executive Officer. Thomas Reynaud's profile is set out in Section 3.1.1.3 above.

At end-2023, the Company's Deputy CEOs were Antoine Levavasseur, whose term of office was renewed at the Board of Directors' meeting on May 14, 2018, and Nicolas Jaeger[(1)], who was appointed at the Board of Directors' meeting on April 15, 2021. The Deputy CEOs were appointed for the duration of the Chief Executive Officer's term of office. At its meeting on March 13, 2024, the Board of Directors appointed Aude Durand as Deputy CEO for an indefinite period.

Antoine Levavasseur

Deputy Chief Executive Officer

Aged 47
French nationality

Antoine Levavasseur holds an engineering degree from the French engineering school EFREI. He joined iliad in 1999 as manager of Free's system platform and servers. He then developed the subscriber management information system and was in charge of running and upgrading the email platforms, web servers and applications used by subscribers.

Main positions and directorships held

Within the Group

- **French companies**
  - Member of the Strategy Committee of iliad Holding S.A.S.

Positions and directorships that have expired in the past five years

Within the Group

- **French companies**
  - Member of the Board of Directors of iliad S.A.
  - Deputy Chief Executive Officer of Free Mobile S.A.S.

Nicolas Jaeger

Deputy Chief Executive Officer

Aged 45
French nationality

Nicolas joined iliad in 2007 as Head of Investor Relations and was then appointed Group Treasurer in 2011. Since 2018 he had been Chief Financial Officer and helped drive the Group's international development. He was appointed Deputy Chief Executive Officer, Finance on April 15, 2021. Before joining iliad, Nicolas worked for five years at Calyon bank (part of the Crédit Agricole Group) as a credit analyst and then as relationship manager in charge of the TMT sector.

Nicolas was a graduate of the EDHEC Business School and held a Master's degree (MSc) in Finance from the University of Strathclyde in Glasgow.

Main positions and directorships held

Within the Group

- **French companies**
  - Member of the Strategy Committee of iliad Holding S.A.S.
  - Member of the Board of Directors of TRM S.A.S.
  - Member of the Supervisory Board of SPIN S.A.S.
  - Chairman of Free Mobile S.A.S.[(a)]
  - Chairman of Predictiv Pro S.A.S.U
  - Deputy Chief Executive Officer of Holdco II S.A.S.
  - Chief Executive Officer of iliad Purple S.A.S.
  - Member of the Supervisory Board of iliad 78 S.A.S.
  - Chairman of JT Holding S.A.S.
- **Non-French companies**

N/A

Outside the Group

- Member of the Board of Directors of Millicom (Luxembourg)

Positions and directorships that have expired in the past five years

Within the Group

- **French companies**
  - Member of the Supervisory Board of JT Holding S.A.S.
  - Member of the Supervisory Board of On Tower France S.A.S.
  - Director of Play Finance 1 (Luxembourg)
  - Member of the Supervisory Board of IFT S.A.S.

(a) By way of the decisions of March 6, 2023, the sole shareholder of Free S.A.S. placed on record Nicolas Jaeger's resignation from his position as Chairman and appointed Nicolas Thomas as the new Chairman.

(1) Nicolas Jaeger passed away on January 15, 2024 and his term of office therefore ended on that date.

Aude Durand

Deputy Chief Executive Officer

Aged 31
French nationality

Prior to her appointment as the iliad Group's Deputy Chief Executive Officer, Aude had been Deputy CEO of iliad Holding since 2020. In this capacity, she led several major Group projects in France, Italy and Poland, covering areas ranging from marketing and subscriber relations through to information systems and network operations. Aude is in charge of the Group's artificial intelligence strategy, and in this role she managed the creation of the Paris-based independent research lab, Kyutai. She is also Chair of Scaleway and JT Holding. In addition, Aude is a member of the Boards of Directors of Millicom and Monaco Telecom. Before joining the iliad Group, Aude was Chief of Staff for the CEO of Orange Wholesale & International Networks and held various positions in Orange's B2B division. She also spent several months with the Boston Consulting Group as a Visiting Associate.

Aude holds a Master of Science (MSc) in Management Science & Engineering from Stanford University in the USA and an engineering degree from Ecole Polytechnique in France.

Main positions and directorships held

Within the Group

- **French companies**
  - Chair and member of the Supervisory Board of Scaleway S.A.S.
  - Chair of JT Holding S.A.S.
  - Chair of Predictiv Pro S.A.S.
  - Member of the Strategy Committee of iliad Holding S.A.S.
- **Non-French companies**

N/A

Outside the Group

- Member of the Board of Directors of Millicom (Luxembourg)
- Member of the Board of Directors of Monaco Telecom (Monaco)

Positions and directorships that have expired in the past five years

N/A

3.2 Organization and operating procedures of the Board of Directors

3.2.1 General rules and principles relating to the membership structure of the Board of Directors

3.2.1.1 General rules relating to the membership structure of the Board of Directors and the appointment and election of directors

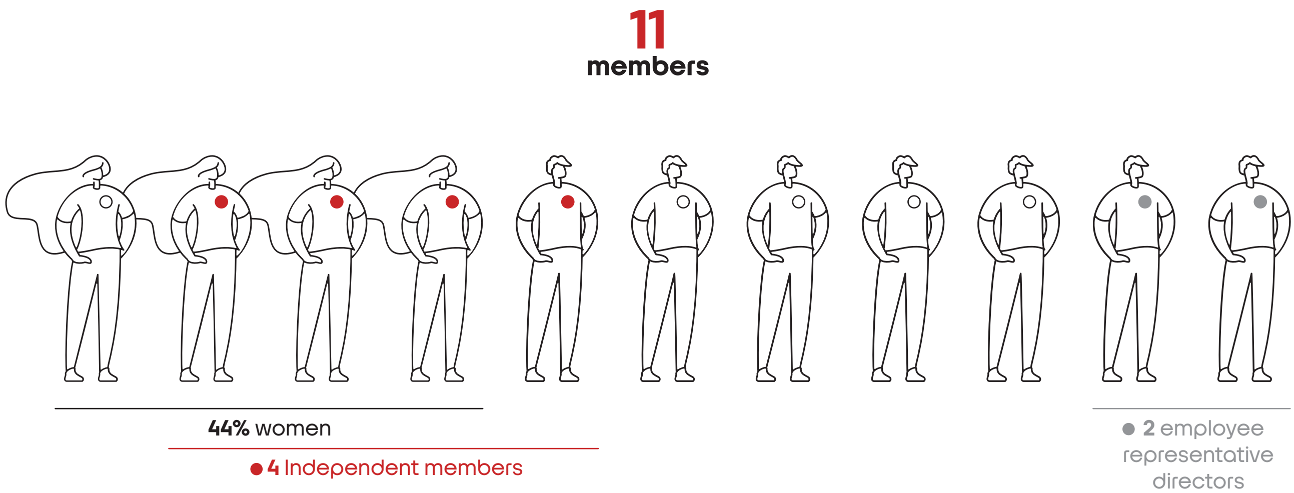
The names of the current members of iliad's Board of Directors are provided above in Section 3.1.1.3.

The rules for appointing and electing directors and removing them from office – which are described below – are set down by law and in Articles 12 *et seq.* of the Company's current bylaws.

3.2.1.2 Changes in the membership structure of the Board of Directors

In 2023

Ilan Dahan's term of office as an employee representative director expired on November 18, 2023 and was renewed. Ilan Dahan's profile is set out in Section 3.1.1.3 above.



Xavier Niel	Chairman of the Board of Directors
Maxime Lombardini	Vice-Chairman of the Board of Directors
Thomas Reynaud	Chief Executive Officer
Cyril Poidatz	Director
Virginie Calmels	Director
Esther Gaide	Independent director
Bertile Burel	Independent director
Jacques Veyrat	Independent director
Céline Lazorthes	Independent director
Ilan Dahan	Employee representative director
Saad Boudjadi	Employee representative director

3.2.1.3 Balanced, diverse Board membership

The Board of Directors regularly assesses whether its membership structure, and that of the Board Committees, has the right balance in terms of diversity. The table below describes the diversity policy applied within the Board, indicating the criteria used, the objectives set, how the policy is implemented, and the results obtained.

The diversity of the Board's members and their complementary profiles are a strong asset for the quality of the Board's discussions and the decisions it has to make.

Criteria	Policy and objectives	Implementation and results obtained
Gender balance	To have balanced representation of men and women on the Board of Directors and the Board Committees	At the close of the 2024 Annual General Meeting, the Board will include four women (i.e., 44% of its members). At December 31, 2023, one Board Committee was chaired by a woman (Audit Committee).
Qualifications and experience	To achieve the best possible balance by seeking members with complementary profiles in terms of experience, expertise and qualifications	The members of the Board of Directors have a range of diverse and complementary skills and qualifications (a skills matrix is provided below). They all have a highly developed sense of ethics, commitment, innovation and strategy and have built up in-depth expertise in their business areas. In addition, they have skills and know-how in operations and sectors that are key to the Group's business and strategy: • industry-sector knowledge; • expertise in administering and/or managing large companies; • expertise in digital and new technologies; • international management experience; • commitment to CSR and sustainability.
Independence	For independent directors to represent at least one third of the Board's members	At the close of the 2024 Annual General Meeting, 44% of the Board's members will qualify as independent directors (excluding the employee representative directors). At December 31, 2023, the three Board Committees were chaired by independent directors (Audit Committee, Compensation Committee and CSR Committee).
Employee representation	Appointment of one or two employee representative directors	The Board currently has two employee representative directors. One of whom is a member of the Compensation Committee.

The skills matrix of the members of the Board of Directors (excluding employee representative directors) is shown below:

Name	Business administration and management of large companies	Finance/ accounting/ audit	Creation/ development/ expansion/ restructuring of companies	International experience	Investments	Innovation	IT/digital/ tele-communications	CSR/ sustainable development
Xavier Niel	✓		✓	✓	✓	✓	✓	✓
Maxime Lombardini	✓		✓				✓	
Thomas Reynaud	✓	✓	✓	✓	✓		✓	✓
Cyril Poidatz	✓	✓					✓	
Virginie Calmels	✓	✓	✓			✓	✓	✓
Bertile Burel	✓		✓	✓		✓		✓
Céline Lazorthes	✓	✓	✓	✓	✓	✓	✓	✓
Jacques Veyrat	✓		✓	✓	✓	✓	✓	✓
Esther Gaide	✓	✓	✓	✓			✓	

☐ Skills and qualifications.
☐ Business sector.

3.2.1.4 Director independence

For the purpose of assessing the independence of its members, the Board of Directors applies all of the independence criteria provided for in the Board's Internal Rules.

In accordance with these criteria, a director is deemed to be independent when he or she has no relationship of any kind with the Company, the Group or Executive Management that could affect his or her freedom of judgment.

Consequently, in order to be considered independent, a director must comply with the following criteria:

Criterion 1	**Positions and offices held in the past five years** An independent director must not be, or have been at any time in the last five years: (i) an employee or executive officer of the Company, (ii) an employee, executive officer or director of an entity consolidated by the Company, or (iii) an employee, executive officer or director of the Company's parent or an entity consolidated by the Company's parent.
Criterion 2	**Cross directorships and other offices** An independent director must not be an executive officer of an entity in which the Company directly or indirectly holds a directorship, or in which an employee or an executive officer of the Company (currently in office or having held such office in the past five years) is a director.
Criterion 3	**Significant business relations** An independent director must not be, or have any direct or indirect ties with, a customer, supplier, investment banker or commercial banker that is significant for the Company or the Group or for which the Company or Group represents a significant portion of its business.
Criterion 4	**Family ties** An independent director must not have any close family ties with a corporate officer of the Company or the Group, or with a shareholder owning over 10% of the Company's capital.
Criterion 5	**Statutory Auditors** An independent director must not have been a Statutory Auditor of the Company at any time in the past five years.
Criterion 6	**Directorship of more than 12 years** An independent director must not have been a director of the Company for more than 12 years.
Criterion 7	**Receiving remuneration linked to the performance of the Company or the Group** An independent director must not receive any variable compensation (settled either in cash or shares) or any other form of compensation linked to the performance of the Company or the Group.
Criterion 8	**Significant shareholding** An independent director must not hold a significant percentage (over 10%) of the Company's capital or voting rights.

In accordance with the Board of Directors' Internal Rules (as amended at the Board meeting of March 13, 2024), each time a director is elected or re-elected, the Board assesses the independence of the director concerned based on the independence criteria set out above. On the recommendation of its Chairman, the Board may also assess a director's independence if, during their term of office, their length of time on the Board exceeds twelve years.

Concerning Criterion 3, the Board of Directors' Internal Rules provide for a multi-criteria approach to be used when assessing whether or not the business relationship between a director and the Company or Group is significant. The analysis is based on (i) qualitative criteria (the significance of the business relationship for each of the parties concerned, any financial dependency, the organization of the business relationship and, particularly, the post of the director concerned within the entity doing business with the Company or Group) and (ii) quantitative criteria (the proportion of iliad's total consolidated revenues that the revenue generated from the business relationship represents). The Board's independence assessment must therefore take into account any business relationships that may exist between iliad Group companies and the companies in which certain directors hold an executive position or a directorship or similar office.

In 2023, the proportion of independent directors on the Board was 44% (excluding employee representative directors, who are not included for the purposes of this calculation).

3.2.1.5 Responsible directors

The Board's Internal Rules include an appendix containing a Code of Conduct that all directors are required to respect. This Code sets out the rights and duties of directors as well as the rules governing the exercise of their duties, which include the following:

Attendance and diligence

By taking on their directorship, directors undertake to devote the required time and attention to their duties. In particular, they must attend all meetings of the Board of Directors and of any Board Committees of which they are a member. They must also familiarize themselves with the businesses and specific characteristics of the Company as well as its strategic objectives and corporate values, and must upskill as necessary for exercising their duties.

Directors must ensure that they keep the number of directorships they hold within the limits prescribed by law.

Loyalty and preventing conflicts of interest

Each director is bound by a duty of loyalty towards the Company, must not take any course of action that could adversely affect the interests of the Company or any other Group entity, and must act in good faith in all circumstances.

The directors must strive to avoid all situations of conflicts of interest and immediately inform the Board of Directors of any situation of which they are aware that gives rise to any actual or potential conflicts of interest between themselves (or any natural person or legal entity with which they have business relations and/or any legal entity within which they work) and the Company or any other Group entity.

The Chairman must inform the Board of Directors of any conflicts of interest concerning directors that he may identify himself. Any decision by the Board of Directors regarding a conflict of interest involving a director of the Company must be recorded in the minutes of the Board meeting concerned. In the event of a conflict of interests, the director concerned may not take part in any related work, discussions or votes carried out by the Board of Directors, and must resign from their position as a director if the conflict of interest is permanent.

Each year, the directors individually confirm that they have no conflicts of interest with respect to the Company. In his report on the preparation and organization of the work of the Board of Directors, the Chairman of the Board states that no conflicts of interest have been identified.

Duty of confidentiality

Each director is bound by a duty of confidentiality regarding the information to which they have access in the performance of their duties, both with respect to persons outside the Group and persons within the Group who should not be privy to such information.

3.2.1.6 Statements made by the Company in relation to its directors

No family ties

There are no family ties between any members of the Board of Directors and the Company's Executive Management.

No convictions, for fraud, involvement in bankruptcy, or any official public incrimination and/or sanctions by statutory or regulatory authorities

To the best of the Company's knowledge, as at the date of this Universal Registration Document, in the past five years, none of the members of the Board of Directors or Executive Management team have been:

- convicted of fraud;
- involved with a company that has been declared bankrupt or gone into receivership, liquidation or administration;
- subject to any official public incrimination and/or sanctions by any statutory or regulatory authorities;
- disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

No conflicts of interest

To the best of the Company's knowledge, as at the date of this Universal Registration Document, there are:

- no potential conflicts of interest between (i) the duties of the members of the Company's Board of Directors and Executive Management team with respect to the Company and (ii) their private interests and/or other duties;
- no arrangements or understandings with major shareholders or with customers, suppliers or other parties, pursuant to which a member of the Company's Board of Directors or Executive Management team has been appointed to the Board of Directors or Executive Management team.

No service agreements

None of the members of iliad's Board of Directors or Executive Management have entered into a service agreement with iliad or any of its subsidiaries that provides for the granting of benefits.

Agreements with a controlled company

No agreement has been entered into, either directly or indirectly, between (i) any of the Company's corporate officers or any shareholder owning more than 10% of the Company's voting rights and (ii) a Group subsidiary.

3.2.2 Operating procedures of the Board of Directors

The Board of Directors' operating procedures are set in accordance with the applicable laws and regulations as well as with the Company's bylaws and the Board of Directors' Internal Rules originally adopted in 2003 and last amended on March 13, 2024. In addition to specifying the Board's operating procedures, the Board's Internal Rules include an appendix containing a Code of Conduct which sets out the rights and duties of directors.

3.2.2.1 Work of the Board of Directors

Work conducted by the Board of Directors in 2023

The Board of Directors met six times in 2023. No special meetings were held. The meetings lasted one hour on average and the average attendance rate was 97%.

At each meeting the directors discussed the Company's business performance. During 2023, the Board notably:

- made decisions regarding the business, economic and financial strategies of the Company and the Group as well as their implementation;
- approved the annual financial statements and prepared and called the Annual General Meeting;
- examined the budget;
- approved the exercise of the call option on 30% of the shares of On Tower France held by the Company;
- paid an interim dividend;
- gave its authorization to issue sureties, endorsements and guarantees;
- concluded a network sharing agreement in Italy;
- allocated the directors' remuneration;
- used the authorization given at the Annual General Meeting of July 21, 2020 to award new or existing shares free of consideration (approval of an iliad 2023 share grant plan);
- authorized the issue of bonds to Group employees in France, Italy and Poland as part of iliad's group savings plan and international group savings plan;
- authorized financing arrangements;
- authorized the amendment of the terms and conditions of the Group's securitization program;
- authorized the signature of regulated related-party agreements;
- made changes to the fixed compensation of iliad's executive officers;
- placed on record that the performance conditions for the 2017, 2018 and 2019 iliad share grant plans had been met, and that the shares under the 2020 iliad share grant plan had vested.

3.2.2.2 Organization of the work of the Board of Directors

Information provided to directors

Prior to every meeting, Board members receive a pack containing information about items on the agenda, in order to help them prepare for the meeting and make fully informed decisions.

At the meetings held concerning the preparation of the annual and interim parent company and consolidated financial statements, the directors are informed of the Company's financial and cash positions and its off-balance sheet commitments.

The Chairman also regularly provides the Board's members with any significant information concerning the Company, and each director may request from the Chairman any information that they consider would be useful for performing their role. Any such requests must be made within a reasonable timeframe. Directors may also request any explanations from the Chairman that they deem useful for fulfilling their duties.

Board meetings

The Board of Directors meets as often as is required in the Company's interests, on notice from the Chairman, and at least four times a year. If the Board has not met for over two months, directors representing at least one-third of the Board's members may call a meeting, specifying the agenda.

Notice of meeting may be given by any written means (including by letter, fax or email) or verbally. The meeting must be called at least two days prior to it being held, except if matters need to be urgently addressed, in which case it must be called no later than the day preceding the meeting, by any method. In all circumstances, a meeting may be called verbally without notice if all the Board members so agree.

If the notice of meeting so states, Board meetings may take place by conference call, videoconference or any other means of telecommunications technology, provided the system used is technically capable of enabling the directors to effectively take part in the meeting and of broadcasting the meeting's business on a continuous basis. Directors who participate in Board meetings by these means are considered as being physically present for the calculation of the quorum and voting majority.

The Board of Directors draws up a schedule for future Board meetings which is approved by the directors. Additional and/or special meetings are called if there are any issues that need to be specifically or urgently addressed.

3.2.2.3 Procedures for identifying and verifying related-party agreements

At its March 16, 2020 meeting, the Board of Directors adopted a procedure for identifying and verifying regulated and unregulated related-party agreements, which was subsequently amended at its March 21, 2022 meeting (the "Charter"). Following the squeeze-out procedure and the delisting of the Company's shares from Euronext Paris on October 14, 2021, the Company is no longer required to have this Charter. However, in order to continue to implement high standards of corporate governance, the Company has decided to keep it.

The purpose of the procedure is to define the methods used by the Company to identify and classify regulated related-party agreements to which it is a party.

In accordance with this procedure, the Group's General Counsel must be informed prior to any transaction that could constitute a regulated related-party agreement. The General Counsel examines the agreement concerned and, after consulting with the Group Finance Department, decides whether it constitutes a regulated related-party agreement or if it meets the criteria to be classified as unregulated. If the agreement is classified as a regulated related-party agreement within the meaning of Article L.225-38 of the French Commercial Code, the applicable legal procedure will then be followed. The Board periodically reviews the classification of such agreements and decides whether they should be reclassified (i.e., as a regulated or unregulated related-party agreement, depending on the case) based on the qualification criteria set out in the applicable procedure. There were no such reclassifications in 2023.

3.2.2.4 Disclosure procedure for potential investment projects of NJJ Holding

In accordance with best corporate governance practices, on March 12, 2018 the Board of Directors set up a procedure aimed at avoiding any conflict of interest between iliad and the private interests of Xavier Niel, its majority shareholder, in relation to investment opportunities in the telecommunications sector.

This procedure involves disclosing potential investment projects planned by NJJ Holding, Xavier Niel's personal holding company, whose corporate purpose is to acquire interests in different types of companies and assets, notably in the media and telecommunications sectors. The purpose of the procedure is to clarify the positioning of iliad and NJJ Holding, if and when NJJ Holding envisages investment opportunities in the telecommunications sector.

Under the terms of the procedure, if NJJ Holding were to consider acquiring a stake in a fixed and/or mobile telecommunications operator in France or abroad, it would be required to inform iliad's Board of Directors about the potential investment project in a timely fashion.

The Board would then examine the project to see whether it would be of interest to iliad. If iliad decided to pursue the project, NJJ Holding would have to withdraw from it (unless it reached a joint-investment agreement with iliad). However, NJJ would be free to go ahead with the project again if iliad subsequently decided not to pursue it.

3.2.3 Membership structure of the Board's Committees

The Board of Directors may be assisted in its duties by one or more specialist committees. When such a committee is created, the Board of Directors sets its organizational and operating procedures and draws up its internal rules.

During the year ended December 31, 2023, the Board had three standing committees: the Audit Committee, the Compensation Committee and the CSR Committee. At its meeting on March 21, 2022, the Board of Directors decided to abolish the Nominations Committee. In accordance with the Board of Directors' amended Internal Rules, the roles and responsibilities of the Nominations Committee may be assigned to the Compensation Committee.

These committees actively prepare the Board's work, put forward proposals to the Board, and report to the Board on their work after each meeting. The three committees can interact with each other in matters of social and environmental responsibility.

Additionally, in the interests of good corporate governance practice, the Board of Directors may also set up special committees to put forward recommendations about specific topics.

At the date of this document's publication, the members of the Audit Committee, the Compensation Committee and the CSR Committee were as follows:

Audit Committee

Membership	Chair: **Esther Gaide** Members: • Esther Gaide (independent director); • Céline Lazorthes (independent director); • Maxime Lombardini (Vice-Chairman of the Board of Directors).
Roles and responsibilities	The Audit Committee oversees the integrity of the financial statements, ensures the effectiveness of internal control and risk management systems and the independence of the Statutory Auditors, and reports to the Board of Directors on the performance of its duties.
Independence of the Committee's members	Two of the Committee's members are independent directors, resulting in an independence rate of 67%.
Main work in 2023	The Audit Committee met five times in 2023, with a 100% attendance rate. Its work during the year related in particular to: • analysis of the quarterly and annual financial statements; • internal control procedures; • provisioning and risk management policies; • the financial and treasury policy; • compliance of the accounting methods used with the applicable accounting standards; • analysis of the findings of the statutory audit and the accounting options selected. The Committee did not consider it useful to use the services of external specialists for this purpose. The Audit Committee's meetings related to reviewing the financial statements are similar to those of the Board of Directors. As part of its work, the Committee interviewed the Group's Chief Financial Officer, the Head of Financial Control and the Chief Accountant. The Statutory Auditors provided satisfactory answers to the questions raised by the Audit Committee at its meetings.

CSR Committee

Membership as from March 13, 2024	Chair: **Jacques Veyrat** Members: • Virginie Calmels (director); • Jacques Veyrat (independent director); • Bertile Burel (independent director); • Saad Boudjadi (employee representative director).
Roles and responsibilities	The CSR Committee oversees, coordinates and promotes actions relating to social and environmental responsibility within the Group. It assists the management bodies in matters relating to these issues, and ensures that social and environmental issues are taken into account in strategic decision-making.
Independence of the Committee's members	Two of the Committee's members are independent directors, resulting in an independence rate of 67% (excluding the employee representative director).
Main work in 2023	The CSR Committee met once in 2023, with a 100% attendance rate. Its work during the year related in particular to: • the Group's environmental objectives and challenges; • the Group's social objectives and challenges; • issues relating to dialogue with rating agencies and investors.

Compensation Committee

Membership	Chair: **Jacques Veyrat** Members: • Virginie Calmels (director); • Jacques Veyrat (independent director); • Céline Lazorthes (independent director); • Ilan Dahan (employee representative director).
Roles and responsibilities	The Compensation Committee carries out preparatory work to help the Board with its decision making on compensation for the Group's executive officers and key managers. In particular, it provides advice and draws up appropriate proposals and recommendations regarding compensation, taking into account corporate governance recommendations issued in the market. Following the squeeze-out procedure and the subsequent delisting of the Company's shares from Euronext Paris on October 14, 2021, the Company is no longer required to have a Nominations Committee. At its meeting on March 21, 2022, the Board of Directors therefore decided to abolish the Nominations Committee. In accordance with the Board of Directors' amended Internal Rules, the roles and responsibilities of the Nominations Committee may be assigned to the Compensation Committee.
Independence of the Committee's members	Two of the Committee's members are independent directors, resulting in an independence rate of 67% (excluding the employee representative director).
Main work in 2023	The Compensation Committee met five times in 2023, with a 95% attendance rate. Its work during the year related in particular to: • placing on record that the performance conditions for the iliad share grant plans had been met; • the launch of share grant plans for employees and corporate officers of the Company and the Group; • the issue of bonds to Group employees in France, Italy and Poland as part of iliad's group savings plan and international group savings plan; • changes in the compensation of Group executives; • changes in the Group's management teams in France, Italy and Poland.

3.3 Organization and operating procedures of Executive Management and management bodies

3.3.1 Separation of the roles of Chairman and Chief Executive Officer

In accordance with the applicable laws and with a view to ensuring transparent governance within the Company, on December 12, 2003, the Board of Directors decided to separate the roles of Chairman of the Board and Chief Executive Officer. This separation of roles was confirmed on May 21, 2018 when Thomas Reynaud was appointed Chief Executive Officer.

By separating out the roles of the Chairman and the Chief Executive Officer, the Board is able to operate more effectively, as it means that its Chairman is exclusively devoted to that position and it gives the Board greater supervisory authority over Executive Management functions.

Having a two-tier governance structure also ensures a clear distinction between strategic, decision-making and control duties (which fall within the remit of the Board of Directors) and operational and executive duties (which fall within the remit of the Chief Executive Officer).

3.3.2 Executive Management

Appointments

The Company's Executive Management is carried out under the responsibility of an individual appointed by the Board who holds the title of Chief Executive Officer and has the broadest powers to act on behalf of the Company in all circumstances.

Since May 21, 2018, the Company's Executive Management has been placed under the responsibility of the Chief Executive Officer, Thomas Reynaud [1].

On the recommendation of the Chief Executive Officer, the Board of Directors may appoint one or more individuals holding the title of Deputy Chief Executive Officer to assist the Chief Executive Officer. The maximum number of Deputy Chief Executive Officers is five.

Powers

The Chief Executive Officer has the broadest powers to act on behalf of the Company in all circumstances, within the scope of the corporate purpose and subject to the restrictions set by the Board of Directors in its Internal Rules, and except for those matters which by law may only be dealt with in Shareholders' Meetings or by the Board of Directors.

The Chief Executive Officer represents the Company in its dealings with third parties. Actions taken by the Chief Executive Officer are binding on the Company with respect to third parties, even when they fall outside the scope of the corporate purpose, unless the Company can prove that the third party was aware that such an action exceeded said scope or, in view of the circumstances, could not have been unaware thereof. Publication of the bylaws does not, in itself, constitute such proof.

In agreement with the Chief Executive Officer, the Board of Directors determines the scope and duration of the powers granted to the Deputy Chief Executive Officers appointed on the recommendation of the Chief Executive Officer. Deputy Chief Executive Officers have the same powers as the Chief Executive Officer vis-à-vis third parties.

Restrictions on the powers of the Chief Executive Officer and Deputy Chief Executive Officers

In accordance with the Board's Internal Rules, as amended on March 13, 2024, the Chief Executive Officer and Deputy Chief Executive Officers require the Board's prior approval for the following projects or transactions:

- any acquisition or investment project entered into by the Company (in any form whatsoever, including in the context of an exchange, contribution, acquisition of an equity interest, creation and/or dissolution of a subsidiary, partnership, joint venture, asset transfer, etc.) representing over €100 million per transaction, as well as any substantial amendments to the terms and conditions of such a project;
- any proposed sale of an equity investment or asset by the Company representing over €100 million per transaction or per asset;
- the signature, termination or significant amendment of any commercial contract representing an annual financial commitment in excess of €200 million;
- the signature or amendment of any type of borrowing arrangement (including bank loans and any other financial commitments) representing an amount exceeding €550 million.

At its March 15, 2023 meeting, the Board of Directors gave the Chief Executive Officer a one-year authorization to issue guarantees, deposits and endorsements in the Company's name for (i) an aggregate amount of up to €200 million for commitments given to third parties other than controlled companies, and (ii) an unlimited amount for commitments given to controlled companies and to the tax or customs authorities.

At its March 13, 2024 meeting, the Board of Directors renewed the Chief Executive Officer's one-year authorization to issue guarantees, deposits and endorsements in the Company's name for (i) an aggregate amount of up to €200 million for commitments given to third parties other than controlled companies, and (ii) an unlimited amount for commitments given to controlled companies and to the tax or customs authorities.

3.3.3 Committees reporting to Executive Management

Several operations and corporate committees reporting to Group Executive Management have been set up – made up of representatives of operations and support departments – which are responsible for overseeing all of the Group's activities. These committees work in collaboration with the management teams in the Group's three geographies.

(1) Thomas Reynaud's term of office as Chief Executive Officer covers the same duration as his directorship, i.e., four years.

3.3.4 Gender equality in the workplace

The Group has a gender equality policy in place that applies to all aspects of employees' careers, particularly recruitment, access to training, compensation and promotion.

In 2023, women represented 31% of the workforce. This low proportion of women within the overall workforce is mainly due to the fact that the Group insourced its fiber and mobile network rollouts in 2017, which resulted in a large number of hires of technicians – a profession that is largely made up of men. In general, technical professions in construction and civil engineering as well as in IT are still male dominated, which therefore affects the overall proportion of women in the Group's workforce. However, the proportion of women is higher in the Group's Subscriber Relations and Distribution activities and in Support functions, with women accounting for 42% of these jobs at December 31, 2023.

Since the Group was founded, in line with its corporate values it has always sought to reward employees based on their talent and without discrimination, including on the grounds of gender. It has always taken, and continues to take, care to ensure equal pay for men and women who carry out equivalent jobs and have the same levels of skills, responsibility and performance.

The policy of equal career opportunities and equal pay that the Group has implemented for several years now has yielded satisfactory results. At December 31, 2023, 21% of the Group's female staff held managerial posts (29% in France). In parallel, the Group's scores in the Gender Equality Index – introduced by France's Employment Ministry in 2019 – remained high in 2023, with an overall score of 90/100.

The Group's measures to steadily increase the proportion of women within its management bodies have led to the following results as at December 31, 2023:

- 44% of the members of the Board of Directors were women. It is important to note that in 2007 – i.e., even before France introduced the Copé Zimmerman Act on gender quotas on corporate boards – the proportion of women on iliad's Board was already 27%, one of the highest ratios among SBF 120 companies. The Audit Committee is chaired by a woman;
- as at the date of this Universal Registration Document, the Executive Committee – the body responsible for managing the Group's activities and ensuring that its main strategies and policies are implemented – included two women out of its five members (i.e., a proportion of 40%). Since 2018, several women have been appointed to the management teams in the Group's three operating countries, i.e., France, Italy and Poland. The Group intends to ensure that women continue to represent at least 40% of its Executive Committee;
- in France, 13% of the most senior positions are held by women. This "top management" category includes all managerial posts within the Group corresponding to categories F and G in the classification set out in the National Collective Bargaining Agreement for the telecommunications industry or the equivalent for other collective bargaining agreements. It represents 242 Group employees in France and includes 32 women.

The Group intends to pursue its measures and initiatives in this area, with the aim of achieving gender balance across all levels of responsibility. Several action areas have been identified to continue this approach of rewarding talent without discrimination, including:

- systematically involving women in the recruitment process. There must be a balanced selection of candidates for corporate officer positions or top management posts;
- strengthening the training offered to women, particularly management training, to open up a wider range of managerial job opportunities to them;
- ensuring that job descriptions, compensation packages and career opportunities are totally gender-neutral.

With a view to continuously improving the gender balance within the Company's management bodies, based on the recommendations of the Executive Management team, the Board of Directors has set the following objectives:

- maintain the proportion of women on the Executive Committee to at least 40%;
- ensure that women make up at least 20% of top management positions by 2026.

3.4 Compensation of corporate officers

The components of the compensation packages of the Company's corporate officers are set by the Board of Directors, based on the recommendation of the Compensation Committee. The Board sets the fixed and long-term compensation components for the Company's executive officers, in order to align their interests with those of the majority shareholder. The Board also sets the terms and conditions for allocating the amount of remuneration to each individual director out of the overall amount authorized in the corresponding resolution at the Annual General Meeting, taking into account each director's attendance record and whether they are a member of one or more Board committees.

The components of the compensation packages of corporate officers are set in line with the Company's best interests, and the Board ensures that the overall compensation package is competitive, commensurate with the responsibilities of the beneficiaries, and that it will contribute to the Company's longevity.

Following the squeeze-out procedure and subsequent delisting of the Company's shares from Euronext Paris on October 14, 2021, iliad is no longer required to put forward resolutions at the Annual General Meeting concerning its corporate officers' compensation policies.

3.4.1 Compensation of the Chief Executive Officer and Deputy Chief Executive Officers

- **Components of the compensation paid during or allocated for 2023 to the Chief Executive Officer and Deputy Chief Executive Officers**

The compensation of the Chief Executive Officer and the Deputy Chief Executive Officers includes:

- a fixed portion; and
- a long-term incentive in the form of shares granted free of consideration, whose vesting is contingent on conditions related to performance and continued presence within the Group.

These share grant plans create a long-term link between the Group's performance and the compensation of its executives, thereby contributing to the achievement of the Company's strategy and longevity. The applicable performance conditions are based on both financial and non-financial criteria. The characteristics of the share grant plans are presented below.

To date, the Company's Board of Directors has not set up an annual variable compensation system for its executive officers. In future years and based on the recommendation of the Compensation Committee, the Company's Board of Directors may decide to award variable compensation to the executive officers linked to one or more CSR criteria.

iliad's executive officers are not eligible for any benefits or indemnities for the termination of their office or a change in duties, or for any non-compete indemnity.

No supplementary pension plans have been set up by iliad for its executive officers.

The executive officers do not receive any benefits-in-kind.

The executive officers are members of the same personal protection and healthcare insurance plans as the Group's employees.

The compensation and benefits paid during 2023 to each executive officer are shown in the tables below:

	2023	
Thomas Reynaud Chief Executive Officer *(amount paid in euros)*	**Amounts due [(a)]**	**Amounts paid [(b)]**
Fixed compensation	384,000	230,400
Annual variable compensation	-	-
Multi-year variable compensation	-	-
Exceptional compensation	-	-
Directors' remuneration	-	-
Benefits-in-kind	-	-
Supplementary pension benefits	-	-
Total	**384,000**	**230,400**

(a) Amount due for the year ended December 31, 2023.
(b) Since March 16, 2020, Thomas Reynaud's compensation, set at €384,000, has been 60% paid by iliad and 40% by Holdco II.

Antoine Levavasseur Deputy Chief Executive Officer *(amount paid in euros)*	2023 Amounts due[a]	2023 Amounts paid
Fixed compensation	189,000	189,000
Annual variable compensation	-	-
Multi-year variable compensation	-	-
Exceptional compensation	-	-
Benefits-in-kind	-	-
Supplementary pension benefits	-	-
Total	**189,000**	**189,000**

(a) Amount due for the year ended December 31, 2023.

Nicolas Jaeger Deputy Chief Executive Officer *(amounts in euros)*	2023 Amounts due[a]	2023 Amounts paid[b]
Fixed compensation	380,000	228,000
Annual variable compensation	-	-
Multi-year variable compensation	-	-
Exceptional compensation	-	-
Benefits-in-kind	-	-
Supplementary pension benefits	-	-
Total	**380,000**	**228,000**

(a) Amount due for the year ended December 31, 2023.
(b) From June 1, 2022, Nicolas Jaeger's compensation, set at €380,000, was 60% paid by iliad and 40% paid by Holdco II.

- **Stock option and share grants**

iliad stock option grants

2023

The corporate officers were not granted any stock options in 2023.

iliad share grants

2023

At the Annual General Meeting of May 11, 2023, the shareholders authorized share grant plans to be set up, comprising shares representing up to 2% of the Company's share capital. A maximum of 40% of the total shares granted under the plans could be granted to executive corporate officers.

In accordance with this authorization and on the recommendation of the Compensation Committee, at its meeting on December 12, 2023, the Board of Directors set up several share grant plans for 497 Group employees and executives.

All of the shares granted to the executive officers are subject to (i) a continued presence condition (apart from certain exceptions provided for by law and the plan's regulations) and (ii) performance conditions. The conditions will be assessed when the vesting period ends on December 15, 2025. The applicable performance conditions are:

- for 50% of the share grant, compliance with a CSR-related performance condition, i.e., achievement by the iliad Group of a CSR KPI at June 30, 2025 that is lower than the CSR KPI at June 30, 2023, the CSR KPI showing the number of grams of CO_2 per Gigabit used per iliad Group subscriber, measured based on same emission factors and same country mix; and
- for 50% of the share grant, compliance with a financial performance condition, i.e., higher consolidated EBITDAaL (excluding Capex) at June 30, 2025 than EBITDAaL (excluding Capex) at June 30, 2023.

The main terms and conditions of each of the Group's share grant plans are set out in Note 28 to the consolidated financial statements, Section 6.7 of this Universal Registration Document.

- **Restrictions on the exercise of stock options/sale of shares granted free of consideration to executive officers**

Restrictions on the exercise of stock options granted

No stock option plans were set up by the Company in 2023.

Restrictions on the sale of shares granted free of consideration

In accordance with Article L.225-197-1 II paragraph 4 of the French Commercial Code, the Board of Directors requires executive officers to hold in registered form, until the end of their term of office, a quantity of shares corresponding to 10% of their vested shares under share grant plans.

3.4.2 Remuneration of the members of the Board of Directors

- **Components of remuneration paid during 2023**

Remuneration allocated to the non-executive directors is paid in the same year.

Pursuant to the decision of the sixth resolution of the Annual General Meeting on May 11, 2023, an overall budget of €400,000 was set for the remuneration of the Company's directors for 2023. This aggregate amount was allocated among the individual directors based on the following rules, approved by the Board of Directors:

- no remuneration paid to the Chairman and Vice-Chairman of the Board of Directors in their capacity as directors;
- remuneration paid to directors who are independent and/or receive no other compensation from the Company, any entity controlled by the Company or any entity that controls the Company;
- no remuneration is paid to the other directors;
- payment of a fixed portion of €20,000 (gross);
- payment of a variable portion of €3,000 (gross) per Board meeting and per meeting of each committee attended by the director concerned.

The table below shows the amount of remuneration allocated and paid to the directors in accordance with the above allocation rules for their terms of office in 2023:

	Fixed portion	Variable portion	Total
Executive directors			
Xavier Niel *Chairman of the Board of Directors*	N/A	N/A	N/A
Maxime Lombardini Vice-Chairman of the Board of Directors	N/A	N/A	N/A
Thomas Reynaud Chief Executive Officer and a director	N/A	N/A	N/A
Independent directors			
Bertile Burel	20,000	15,000	35,000
Céline Lazorthes	20,000	48,000	68,000
Jacques Veyrat	20,000	36,000	56,000
Esther Gaide	20,000	33,000	53,000
Non-independent directors			
Virginie Calmels	20,000	36,000	56,000
Cyril Poidatz	N/A	N/A	N/A
Employee representative directors			
Ilan Dahan [(a)]	N/A	N/A	N/A
Saad Boudjadi [(a)]	N/A	N/A	N/A

(a) Ilan Dahan and Saad Boudjadi receive compensation under their respective employment contracts.

3.5 Restrictions on the exercise of stock options/sale of shares granted free of consideration to executive officers

3.5.1 Restrictions on the exercise of stock options granted

No stock option plans were set up by the Company in 2023.

3.5.2 Restrictions on the sale of shares granted free of consideration

In accordance with Article L.225-197-1 II paragraph 4 of the French Commercial Code, the Board of Directors requires executive officers to hold in registered form, until the end of their term of office, a quantity of shares corresponding to 10% of their vested shares under share grant plans.

4. Non-financial performance

4.1 Introduction – Our Corporate Social Responsibility Policy

4.1.1 Our mission

"2023 was another year of walking the talk for the iliad Group. In each of our three geographies, we continued to go all out, as is our custom, to do things right – not only for our subscribers but also for our employees, for society as a whole and for the environment.

Our Group employs over 17,500 people in a wide variety of professions – network technicians, subscriber relations advisors in-store and in contact centers, R&D teams, support staff, and many more – and we strive every day to make sure they feel happy and fulfilled in their jobs. From its very beginnings, Free has brought together people who are passionate about what they do, uniting them around a shared entrepreneurial project. And for us, as a company that is constantly growing, it's very important that our people keep their desire to push boundaries and shake up the status quo and that they continue to experience the enjoyment of working as a team. In 2023, we carried out further initiatives based on the three overall objectives that have shaped our HR policy from the outset: helping our employees build their own career paths through training, continuous learning, mobility and internal promotion; fostering ever greater equality and inclusion; and ensuring the wellbeing of our teams on a daily basis by taking care of their health and safety and providing them with a pleasant working environment.

The iliad Group is also a Group that has always defended consumer rights, both in terms of ensuring they pay a fair price for telecom services and that their personal data is protected. Right from the start, this approach has made us real social campaigners, which today is clearly reflected in our commitment not to touch the prices of our mobile plans in France before 2027, as well as in our determination to roll out our networks nationwide so that everyone can have access to digital, and in the sharing and caring attitude that's in the DNA of all of our entities. During 2023, our teams pursued and reinforced the Group's community outreach programs in all three of our geographies.

Lastly, the Group is resolutely committed to becoming "greener", through its Climate Plan launched in January 2021. It's important to point out that we're the telco with the highest growth rate in Europe and in 2023, we added 2.7 million new subscribers. This growth and the changes in the Group's structure explain the increase in our CO_2 emissions in absolute terms. In line with our aim of bringing the best connectivity to as many people as possible, we're investing heavily in rolling out latest-generation networks, which are the most energy efficient. In today's context of rapidly increasing mobile data traffic, our rollout of 5G and our investment in latest-generation network equipment mean that we can significantly reduce our energy needs per gigabyte transported. We'v[e] achieved these encouraging results thanks to our hard work, and we don't intend to stop there. In early 2024, we announced that we'd signed three new PPAs in the three countries where we operate, and that the Science Based Targets initiative (SBTi) had validated our carbon reduction pathway.

I hope you find this report interesting and informative."

Thomas Reynaud
Chief Executive Officer of the iliad Group

General reporting principles

This chapter is an integral part of the management report, in accordance with Articles L.225-102-1, R.225-105 and R.225-105-1 of the French Commercial Code on transparency requirements for companies. The Group takes a continuous improvement approach to disclosing its CSR data and information related to human rights, based on a map of its specific risks and opportunities and an internal reporting process.

4.1.2 Presentation of the Group's business model

The iliad Group is a major player in the European telecommunications market. Our operating presence in three of the European Union's five largest countries means that our corporate social responsibility (CSR) is inextricably linked to our business objectives. The Group uses latest-generation networks, along with significant financial, human, environmental and technical resources, to support its Fixed, Mobile and Cloud services. With their vast expertise, the Group's employees bring their added value to each step in the process as do all the stakeholders we have contact with.

Scope of our business model

GROUPE iliad

Mobile population
165 million
households

Broadband and Ultra-Fast Broadband population
45 million
households

France

99.9%
3G coverage rate of the population

99.6%
4G coverage rate of the population

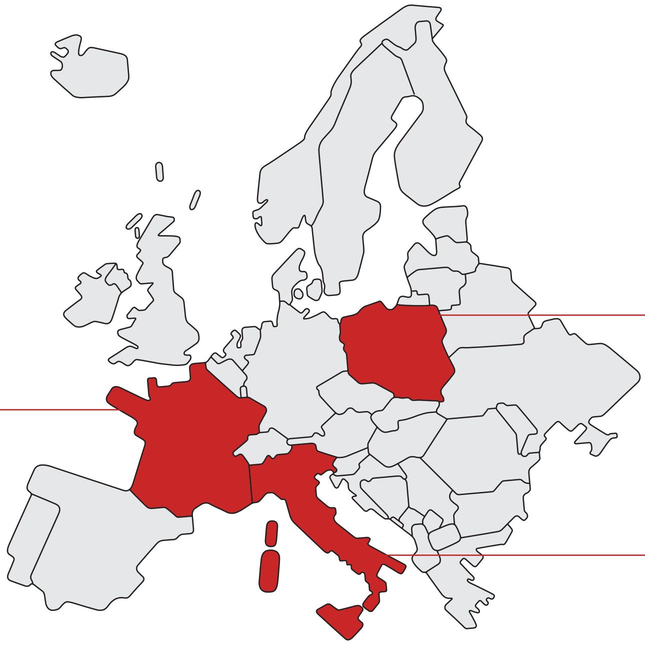
94.7%
5G coverage rate of the population

35.3 million
connectible fiber optic sockets

>27,000
municipalities covered by our Fiber offerings

8 datacenters
operated directly by our teams

Main subsidiaries: Free, Free Mobile, Scaleway, Free Pro, Free Distribution



Poland

99.61%
4G coverage rate of the population

7.5 million
households covered by our Ultra-Fast Broadband offerings

>14,000
municipalities covered by our Fixed offerings

6 datacenters
operated directly by our teams

Main subsidiaries: Play, 3S, Redge, Vortanoria, Phobos

Italy

>99%
4G coverage rate of the population

8.1 million
households covered by our Ultra-Fast Broadband offerings

>3,400
municipalities covered by our Fixed offerings

Main subsidiary: iliad Italia

Our strategy

From the very beginnings of the iliad Group, network rollouts and regional digital development have always been key priorities for us. In order to anchor our market positions for the long term and retain our competitive edge, we have based our strategy on three strategic pillars:

- **straightforward and accessible offerings.** We invent solutions that allow everyone to access digital technologies easily and at affordable prices. We firmly believe that the starting cost of these offerings must be as fair as possible for consumers, and our pricing policy was a game-changer in the French telecoms market;
- **our own networks right across the country**, and in partnership where standalone rollout does not make economic sense. We believe that everyone should have access to our communication technologies regardless of where they are. That's why we chose to develop Fixed and Mobile infrastructure covering all geographic areas, both urban and rural, with the same prices applying everywhere;
- **an organization underpinned by diversity and openness.** We see digital as a universal language and the Internet as a way of bringing individuals together. This vision is embodied in the incredible diversity of our teams. We also take care to make sure everyone finds their place at iliad by favoring autonomy and empowerment rather than a rigid hierarchical structure.

The Group needs a variety of resources to create the right conditions for the execution of its strategy:

Our resources

Financial capital	Industrial capital	Intellectual capital	Human capital	Environmental capital
• At end-2023, 95.83% of iliad's shares were indirectly owned by Xavier Niel, the Chairman of its Board of Directors, with the remaining shares held by Group employees and executives. • Equity: €**4.8 billion.**	• Nearly **55,000** active mobile sites in Europe (more than **26,000** in France, nearly **17,000** in Italy including the Zefiro joint venture with WindTre, nearly **11,600** in Poland). • **49.0 million** households covered by our FTTH offers in France and Italy, and **7.5 million** households covered by our HFC/FTTx offers in Poland. • €**2.0 billion** in net investments excluding licenses in 2023, €**2.2 billion** including licenses. • Net value of licenses: €**3.4 billion.** • Net value of network equipment: €**8.1 billion.**	• Free was included in the **50** most valued brands in France, according to Brand Finance. • Owner of the Freebox operating system. • iliad is the most attractive telecom brand in Italy (BVA Doxa, Q4 2023).	• More than **17,700** employees in Europe and Morocco, 91% of whom have permanent work contracts. • More than **3,200** employees in our contact centers. • More than **1,400** employees in our distribution network in France. • Constant growth in the workforce over the past 14 years. • The Free Foundation working to make digital technology available to as many people as possible.	• **Ambitious environmental objectives**: our carbon reduction pathway has been validated by the SBTi as aligned with the 1.5°C objective, for our short-term targets for 2030, and our Net-Zero Standard targets for 2050. • Emissions representing **230k** tonnes of CO_2 equivalent (market-based, Scopes 1 & 2) in 2023 (208k tCO_2eq in 2022). • ISO 27001 and HDS certification of our data centers in France + ISO 50001 for the Scaleway data centers; data centers in Europe representing over **34 MW** of IT power.

Stakeholders, both internal and external, are central to our business model. Our employees, subscribers, suppliers, partners and institutions, as well as our investors all play a role in creating and sharing value.

Impacts of our business model

Strong market positions	Commercial success	High-quality brand identity and service	An outstanding contributor to society	Contribution to environmental protection and reducing global warming
• Group revenues of **€9.2 billion** (up 8% on a pro forma like-for-like basis). • EBITDAaL of **€3.4 billion** (**up 2%** on a pro forma like-for-like basis). • **48.5 million** subscribers in Europe, of which **38.8 million** mobile and **9.7 million** fixed. • **5.5 million** fiber subscribers in France (no. 1 after the incumbent operator).	• **2.7 million** new subscribers in Europe, of which: – **+1.2 million** in Italy, – **+1.0 million** in France, – **+0.5 million** in Poland.	• Free ranked **no. 2** in 2023 (no. 1 in 2021 and 2022) for Fixed-line performance in the nPerf survey. • iliad Italia ranked no. 1 for fiber speed in the nPerf survey. • Play ranked as Poland's leading brand in the Technology and Communications category. • Free ranked as first or joint first for 119 indicators (out of 278) in ARCEP's annual survey of mobile quality of service. • More than **24.2 GB/month** of data per 4G/5G subscriber in France [(1)]	• Almost **1,000** net new hires in 2023 in France. • €**621 million** in payroll costs in 2023, up 18% year on year. • A leading corporate taxpayer in France, with **€476 million** paid in 2023.	• Carbon Disclosure Project score: B in 2023 (C in 2022). • Scopes 1 & 2 energy consumption (market-based) up **10%** (pro forma). • **4,710** tonnes of materials from Freeboxes recycled in France, including **1,067** tonnes of plastic (**1,240** tonnes in 2022).

(1) Change of methodology – 2022 baseline year: 22 GB vs. 20 GB.

Our beliefs

The Internet is an innovation like no other. It has unlocked the doors to universal access to information and has completely changed both how we communicate and our attitudes to knowledge. Right from the start, the Group's founders strongly believed that everyone should be able to access the Internet, in the same way as other essential services. On the strength of this belief, they founded Free in France and revolutionized the telecoms market. Since 2018, the Group has been exporting its values across Europe for the benefit of consumers, individuals and businesses.

Through its CSR policy, iliad is reaffirming its fundamental values and has pledged that over the next decade, it will help shape a digital revolution that is inclusive, cohesive and environmentally friendly.

Our entrepreneurial mindset, our culture of insourcing and our thirst for innovation will all be key assets for meeting the new challenges facing us, while upholding our motto of Liberty, Honesty, Simplicity.

Liberty

Driven by a resolute belief in consumer freedom, we shook up the French telecoms market right from the outset with our no-contract plans, and we've always fought against monopolies and dominant positions which restrict consumer choices.

Liberty is also about having high-quality connectivity, which frees up usages. Thanks to fiber, 4G and 5G, we're shaping a world where everyone can be globally connected, anywhere, at any time, and with no barriers.

For our employees, we give them the freedom to be themselves, by creating an inclusive working environment and respecting freedom of expression. This enables us to exercise our freedom to innovate, by developing products with a contained environmental impact.

Honesty

We've always campaigned for fair prices in the telecoms sector, and we were the first operator to bring unlimited calls and text messages within everyone's reach thanks to our Free Mobile Plan costing less than €20 a month. We constantly invest in our infrastructure to be able to deliver our services at the best possible price.

Honesty also means transparently stating how our business impacts the environment and always doing everything we can to understand what those impacts are and to minimize them.

Simplicity

Our products are at the cutting edge of technological innovation, but we've always sought to make them easy to use and within the reach of as many people as possible. Our plans and packages are ultra-clear and straightforward, as illustrated in our 2 hours-for-€2/month mobile plan.

This simplicity doesn't come out of the blue – it's a direct reflection of how our Group is organized. We don't like heavy hierarchical structures that complicate decision-making and much prefer flexibility, agility and autonomy.

Our commitments

The United Nations' 2030 Agenda for Sustainable Development provides a shared blueprint for creating a better and more sustainable future for everyone, based on 17 Sustainable Development Goals (SDGs) aimed at achieving social and economic progress for people and the planet. This universal agenda to be achieved by 2030, and adopted by all United Nations' Member States, is designed not to leave anyone behind.

In 2021, the Group joined the United Nations Global Compact (UNGC), with a view to developing partnerships that fully contribute to achieving the SDGs, focusing in particular on the SDGs that we consider relevant to our business. We expect all of our partners worldwide to be guided by this same compass which we have incorporated into our roadmap – suppliers, subcontractors, service providers and any other parties we work with – without prejudice, of course, to any rules or standards that may be stricter.

Out of the 17 current SDGs, the Group's businesses contribute significantly to 12 of them, and we consider eight to be priorities for us in view of the potential impact the Group can make. In 2023, we published our first Communication on Progress (CoP) about the actions we took in 2022.

4.1.3 Our stakeholders

We need to be closely attuned to our stakeholders to run our business effectively.

To ensure that we constantly maintain the links with our ecosystem, we use several channels of dialog depending on the stakeholder concerned.

When the Group's first materiality analysis was carried out, the CSR Committee drew up the following table of its main stakeholders:

Stakeholder	Dialog and interaction channels
Human capital • Employees • Employee representative bodies • Job candidates • Interns, work-study students	The Group's people are its greatest asset. We therefore place great importance on nurturing their engagement and ensuring the long-term appeal of our employer brand. To that end, the Group maintains constructive dialog and close relationships with its employees. The Group also works closely with the educational establishments that teach and train the talent of tomorrow.
Subscribers • B2C subscribers • B2B subscribers and public authorities	At all levels of the organization we build up long-term relationships with our subscribers, underpinned by close and regular contact. We frequently hold in-depth discussions with our communities in order to fully understand their needs and expectations.
Financial players • Bondholders • Banks • Financial analysts • Rating agencies	The Group keeps up a steady stream of dialog with financial players, providing them with transparent, high-quality information about its strategic choices and its business. Through these exchanges, we are able to understand and anticipate their expectations, particularly in terms of governance and environmental and social performance. We also respond to the questionnaires issued by the main financial and non-financial rating agencies.
Suppliers and subcontractors	The quality of our supplier relations is a powerful competitive asset. The Group builds up long-term trusted partnerships with its major suppliers. This trust includes holding strategic meetings with them that lead to mutual improvements in terms of innovation and CSR.
Public authorities	The Group strictly respects all of the applicable regulations and ethical rules wherever it conducts business. Thanks to our strong regional presence, we have a steady stream of dialog with regulators and we are in regular contact with local authorities. We ensure that we provide transparent and reliable regulatory information.
Partners • Industry bodies • Universities and colleges • Start-ups	We operate in a wide ecosystem in which it is vital to anticipate major social trends and bring on board new expertise. The Group is a member of various trade associations such as the GSMA and participates in joint working groups with organizations such as ARCEP, AFEP, ADEME and UNGC.
Civil society • Local communities • Media and journalists • NGOs and non-profits	The Group works hard to build up relations of trust with society at large. For example, we regularly talk to the press and post on social media, and we actively participate in public information meetings to discuss local issues. We encourage our employees to get involved in local projects led by charities and other non-profits thanks to the activities of the Free Foundation. We also participate in think-tanks working towards a low-carbon economy and responsible digital technology, notably the French partner organization of the World Business Council for Sustainable Development (*Entreprises pour l'Environnement* – EPE).

4.1.4 A Group focused on the digital revolution

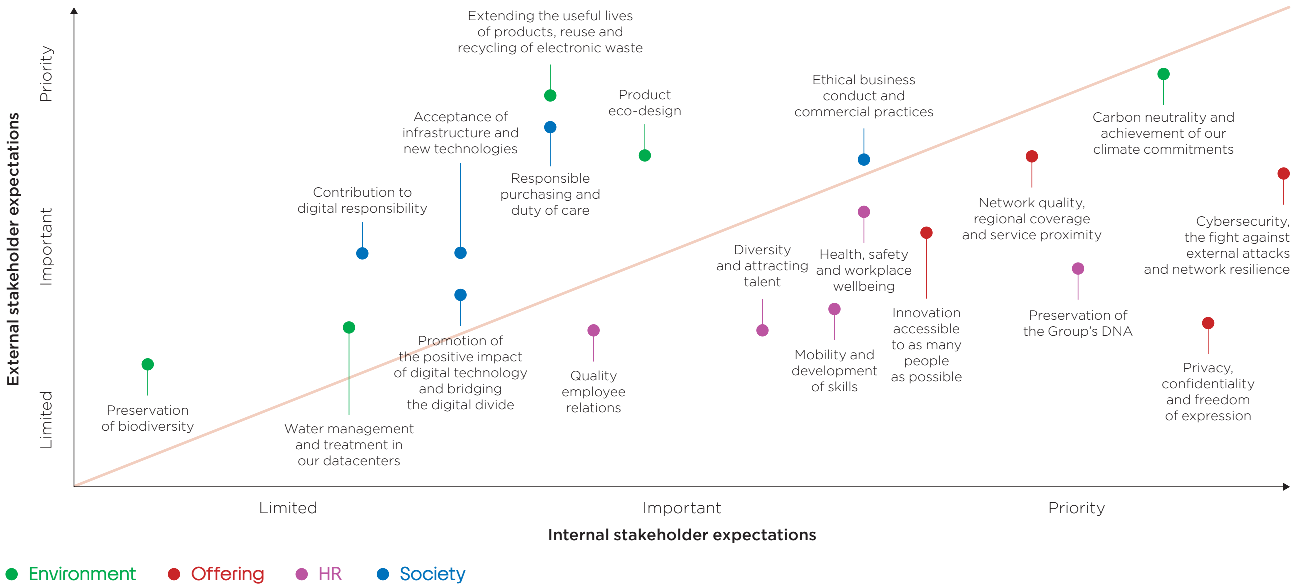
4.1.4.1 A strategic approach based on dedicated governance

Human resources, social and environmental issues are central to the Group's strategy and are managed at the highest level of governance:

- in 2022, the Board of Directors set up a special Board Committee dedicated to CSR issues – the CSR Committee. Comprising three members, the role of this Committee is to oversee the Group's ESG (Environment, Social and Governance) objectives, action plans and outcomes. The Committee is chaired by Jacques Veyrat (independent director), and its other two members are Bertile Burel (independent director) and Virginie Calmels (director). It meets at least once a year;
- the Group also has a CSR Steering Committee, which meets several times a year, and brings together the heads of iliad's key functions to discuss action plans, initiatives announced by our peers and in adjacent sectors, and progress made on these cross-cutting issues. The CSR Steering Committee is chaired by Thomas Reynaud, the Group's CEO, and co-chaired by Romain Le Creff, the Group's Chief Sustainability Officer;
- from an operations standpoint, each department manager ensures that the environmental and human resources data collection process works effectively and that the data is properly entered into the reporting system.

4.1.4.2 Identifying risks and opportunities

The Group launched its first materiality analysis towards the end of 2021. As part of this exercise, interviews were conducted with internal and external stakeholders in order to update the Group's imperatives and identify new emerging risks. This 2023 non-financial performance report is the last that will be based on this single materiality analysis, which will be updated using a double materiality approach during 2024.



The materiality analysis is based on the following classification:

Consensus priority issues identified for the iliad Group

- Carbon neutrality and achievement of our climate commitments
- Ethical business conduct and commercial practices
- Cybersecurity, the fight against external attacks and network resilience
- Network quality, regional coverage and service proximity
- Health, safety and workplace wellbeing

Limited priority issues

- Acceptance of infrastructure and new technologies
- Contribution to digital responsibility
- High-quality employee relations
- Water management and treatment in our datacenters
- Promotion of the positive impact of digital technology and bridging the digital divide
- Biodiversity preservation

Priority issues for external stakeholders

- Product eco-design
- Extending the lifespans of products
- Reuse and recycling of electronic waste
- Responsible procurement and duty of care

Priority issues in terms of their impact on the Group's activities

- Innovation accessible to as many people as possible
- Protection of privacy, confidentiality and freedom of expression
- Preservation of the Group's DNA
- Mobility and skills development
- Diversity and attracting talent

The risks and opportunities presented in our risk map below, as well as the policies and actions implemented to mitigate these risks, are based on this simple materiality analysis. The findings of the materiality analysis are based on articles, position papers and reports such as the Global Risks Report (published by the World Economic Forum at the start of each year). They have been supplemented by an industry ESG benchmark study based on the rating agencies most widely used by investors (S&P CSA, MSCI, Sustainalytics, Moody's) and the Carbon Disclosure Project (CDP) for climate change issues.

Given the nature of the Group's activities, our CSR commitments do not include (as they are not material in relation to the Group's business) measures related to the promotion of physical and sporting activities, the prevention of food waste or food insecurity, animal welfare, and responsible, fair and sustainable food.

4.1.4.2.1 Environmental priorities

The materiality analysis highlights three environmental priorities:

- carbon neutrality and achievement of our climate commitments;
- product eco-design;
- extending the lifespans of products, reuse and recycling of electronic waste.

Based on these three priorities, we have identified three risks to our business model. The issues of biodiversity preservation and water management and treatment in our datacenters – which are considered to have low materiality – are currently being analyzed and to date have not been identified as risks to our business model.

Priorities identified	Risks	Policies and actions implemented
Carbon neutrality and achievement of our climate commitments	**Failure to meet our environmental objectives** The risk of not meeting our environmental objectives could impact the brand's reputation and the Group's financing conditions. Without the rollout of adaptation solutions, unchecked climate change could also impact the operation of our business.	Sections 4.2.2.4.2.32 and 4.2.4 describe the need to optimize our internal mobility solutions for our employees and increase the proportion of renewables in our energy mix. These sections also set out our strategy for optimizing the energy consumption of our fixed and mobile networks, and our work on controlling the environmental impacts of our supply chain.
Product eco-design **Extending the lifespans of products, reuse and recycling of electronic waste**		Section 4.2.5 concerns the measures taken to limit the carbon footprint resulting from the manufacture of Freeboxes (and any other Internet and/or IPTV boxes) and which the Group influences directly and indirectly through the purchase and use of smartphones.

4.1.4.2.2 Human resources priorities

The materiality analysis highlights four human resources priorities:

- health, safety and workplace wellbeing;
- preservation of the Group's DNA;
- mobility and skills development;
- diversity and attracting talent.

Although the materiality analysis does not consider this to be a priority, we believe that maintaining high-quality employee relations is essential and have accordingly integrated it into the risk map. Based on these human resources priorities, we have identified the following risks.

Priorities identified	Risks	Policies and actions implemented
Diversity and attracting talent	**Risks related to discrimination, failure to ensure equal opportunities and difficulties in continuing to recruit**	Section 4.3.1 concerns the risk for iliad of failure to take action to promote and foster employee diversity, equal treatment and inclusion, which could potentially compromise the maintenance of a robust employer brand and the capacity to continue attracting talent.
Mobility and skills development	**Risks related to the loss of key skills**	Section 4.3.2 concerns the means implemented by the Group to provide adequate training for its teams in current and future business areas in order to continue to be able to meet the needs of iliad's customers and adapt to market developments (notably nationwide fiber coverage).
Health, safety and workplace wellbeing	**Risks related to our employees' working conditions**	Section 4.3.3 concerns the need for the Group to put in place policies and monitoring mechanisms to guarantee the health and safety of all employees and facilitate their working lives, particularly in terms of equipment for technicians. It also concerns the Group's ability to provide a pleasant working environment that promotes the wellbeing of its people (e.g., work/life balance).
High-quality employee relations **Preservation of the Group's DNA**	**Risks related to loss of key skills and erosion of the Group's brand image**	Section 4.3.4 concerns the risk of not creating the conditions required for effective dialog with all stakeholders, as a deterioration in such dialog could impact the quality of network maintenance, customer service and therefore customer satisfaction.

4.1.4.2.3 Social priorities

The materiality analysis highlights two social priorities:

- ethical business conduct and commercial practices;
- responsible procurement and duty of care.

The materiality analysis deprioritizes three social issues:

- acceptance of infrastructure and new technologies;
- contribution to digital responsibility;
- promotion of the positive impact of digital technology and bridging the digital divide.

Although our contribution to digital responsibility is not classified as a priority in the materiality analysis, it has been integrated into the risk map. Promoting the positive impact of digital technology and bridging the digital divide appears to us to be very similar to the challenges of making innovation accessible to as many people as possible and ensuring network quality, regional coverage and service proximity, which are priorities relating to our offer and are addressed together in the next section.

Priorities identified	Risks	Policies and actions implemented
Responsible procurement and duty of care	**Risks of non-compliance with respect to business ethics**	Section 4.4.1 concerns the implementation by the iliad Group of an organizational structure enabling traceability of the Group's products and business activities, including the origin of a product and its components and production, storage and distribution conditions, in order to know and control all upstream suppliers, mainly raw materials suppliers. This section also concerns taking into consideration the Group's duty of care obligations and the requirement for fair value distribution in the supply chain (such as social progress, respect for human rights and economic development).
Ethical business conduct and commercial practices	**Risks of non-compliance with respect to business ethics**	Section 4.4.2 concerns the internal framework of standards and specific operating procedures implemented to avoid ethical and corruption risks within the Group's subsidiaries in France, Italy and Poland.
Contribution to digital responsibility	**Risks related to the psychological impact of certain content on children and the hosting of illegal content**	Section 4.4.3.2 concerns the measures implemented to minimize the risks of younger users being exposed to the dangers of the digital world and to regulate content hosting. See also Section 1.6.2, which concerns the legal framework governing the obligations of hosting providers.
Promotion of the positive impact of digital technology and bridging the digital divide	**Risks associated with the absence of access to essential digital services**	Sections 4.4.3.3 and 4.4.3.4 concern the positive effects of access to the Group's services and the associated risks.

4.1.4.2.4 Priorities regarding the Group's offering

The materiality analysis highlights four priorities with respect to the Group's offering:

- cybersecurity, the fight against external attacks and network resilience;
- innovative solutions accessible to as many people as possible;
- protection of privacy, confidentiality and freedom of expression;
- network quality, regional coverage and service proximity.

Based on these four priorities, we have identified four main risks to our business model.

Priorities identified	Risks	Policies and actions implemented
Innovation accessible to as many people as possible **Network quality, regional coverage and service proximity**	**Risks related to the digital divide**	Section 4.4.3.3 concerns the Group's strategy of offering its services to as many people as possible through a proactive policy of investment in infrastructure, and by offering the same prices throughout the country in the interests of equality. It also concerns the initiatives carried out by the Free Foundation to contribute to bridging the digital divide.
Cybersecurity, the fight against external attacks and network resilience **Protection of privacy, confidentiality and freedom of expression**	**Risks related to protecting users' personal data**	Sections 4.4.3.1 and 4.4.3.2 concern the measures implemented by the Group to ensure the proper management and protection of its subscribers' personal data as well as the Group's determination to ensure the protection, confidentiality and security of the personal data of the users of its services.
Cybersecurity, the fight against external attacks and network resilience	**Risks related to the cybersecurity of information systems and service disruptions**	Section 4.4.3.1 concerns the initiatives taken by the Group to reduce the potential for cybercriminal attacks, with the risk of fraud, business interruption, intrusion, loss or disclosure of confidential information, etc.

4.2 Building an environmentally responsible digital world

Our risk-opportunity analysis guides our work in contributing to the following Sustainable Development Goals (SDGs):

SDG 13: Climate action (section 4.2.1)

The latest scientific data on climate change issued by the IPCC shows that it is still possible to limit global warming to 1.5°C above pre-industrial levels, but that we are getting dangerously close to this threshold. It is essential to reduce emissions rapidly and significantly in order to halve global emissions by 2030 and achieve Net Zero emissions before 2050.

In January 2021, the Group made ten climate pledges to align its objectives with the targets set in the Paris Agreement on climate change. In February 2024, the Science Based Targets initiative validated the Group's carbon reduction pathway comprising its emissions reduction targets for the short term (for 2030) and its Net-Zero Standard targets (for 2050). To enable us to more effectively manage our roadmaps, we have also set intermediate milestones along our carbon reduction pathway.

SDG 7: Affordable and clean energy (section 4.2.3)

For iliad, this SDG is closely related to SDG 13 and is a key element of our decarbonization policy as it enables us to take action on our Scopes 1 and 2 emissions. In all of our entities, our teams are working hard to reduce our energy and electricity consumption – our primary decarbonization lever.

We are also working on improving our energy mix by incorporating more renewable energy. The Group pledged that 100% of its electricity supplies would come from renewable sources as from 2021 and this objective was reached in France and Italy.

SDG 12: Responsible consumption and production (section 4.2.5) and SDG 6: Clean water and sanitation (section 4.2.3.1)

In addition to climate change, we seek to limit other environmental impacts of digital technology and uses – such as ionizing radiation, waste production and abiotic resource depletion (minerals and metals) – which are mainly caused by devices (65%-92%), data centers (4%-20%) and networks (4%-13%) [1].

(1) Report by ADEME and ARCEP on the digital environmental footprint in France, January 19, 2022.

These figures show how the Group needs to work towards reducing the environmental impact of its activities. We therefore consider that SDG 12 is relevant to our business, particularly in terms of controlling our materials-related footprint and minimizing the impact of our products through eco-design.

Water consumption is considered to be of low materiality for the Group's direct business, but we are seeing rapid changes in the availability of this vital resource in the geographies where we operate, which in turn is leading to a rapid increase in the related risk within our business. In addition, the production of electrical and electronic equipment consumes significant quantities of this scarce resource, which is why we have chosen to continue working on SDG 6.

- **Internal framework/TCFD**

The CSR Steering Committee launched an analysis to assess the level of alignment of the Group's climate-related disclosures with the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures). Within this process, and with a view to ultimately joining the initiative, the iliad Group has prepared an alignment matrix listing the Group's current responses to the TCFD recommendations (see below). This table will be added to in step with the Group's continuation of its work on aligning its disclosures with the TCFD recommendations.

Governance	Reference in the URD	Strategy	Reference in the URD	Risk management	Reference in the URD	Metrics and targets	Reference in the URD
Board of Directors oversight of climate risks and opportunities	Sections 3.2 and 4.1.4.1	Description of the climate-related risks and opportunities the organization has identified over the short, medium, and long term	2.1.4.1	Processes for identifying and assessing climate-related risks	Section 4.1.4.2	Metrics used to assess climate-related risks and opportunities	Section 4.2.1.1.1
Assessment and management of these risks and opportunities by the Executive Committee	Sections 3.3 and 4.1.4.1	Analysis of impacts on the strategy, business model and financial planning	2.1.4.1	Risk management process	Section 4.1.4.2	Disclosure of Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions	Section 4.2.1.3
		Resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Analysis in progress	Description of how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	Section 4.1.4.2	Description of the targets used by the organization to manage climate-related risks and opportunities and performance against targets	Section 4.2.1.3

4.2.1 Our climate commitments

According to a joint ADEME-ARCEP report published on March 6, 2023 on the environmental impact of digital technology(1), in 2030 and 2050, the carbon footprint of digital technology in France could increase by 45% (tripling between 2020 and 2050)(2) in the absence of efforts to control it between 2020 and 2030.

Doing the right thing for future generations means making committed choices to contribute to achieving carbon neutrality as quickly as possible. We are also seeking to reduce our other environmental impacts and ensure that our products and services help society as a whole along the same trajectory.

4.2.1.1 Policies and objectives

4.2.1.1.1 Climate risks

Climate risk factors correspond to situations that could have an impact on the Group, its employees, its business, its financial position, its earnings and/or its ability to achieve its objectives. Our climate risk matrix – which is reviewed annually as part of our participation in the Carbon Disclosure Project – includes a qualitative analysis of severity and probability of occurrence, which can lead to reassessments of certain specific climate-related risks. The risks identified have guided our policies over recent years and will shape those for the years ahead.

Climate change is increasing the **risk of extreme natural events** such as floods, storms and landslides, which can have a major impact on our employees and infrastructure. These can cause partial or total unavailability of our network service, which, as well as impacting our subscribers and their

(1) Digital technology refers to a combination of infrastructure (telecom networks, data centers), hardware (telephones, computers, Internet boxes) and services (content, applications, software, etc.).
(2) ADEME-ARCEP study on the digital environmental footprint in France: 2020, 2030 and 2050 – March 6, 2023.

activities, could have a significant financial impact on our business. Furthermore, if any material damage were to cause partial or complete destruction of the network, the ensuing infrastructure reconstruction work would increase our capital expenditure.

Heat waves that lead to disruptions in electricity supply or **a sharp rise in electricity prices** could affect the Group's ability to achieve its objectives and implement its strategy, and could have a significant adverse effect on its business, revenues, earnings and/or financial position. For several years still, iliad's operations, and in particular its data centers, are expected to use increasing volumes of energy, mainly electricity.

Extreme heat waves will require efficient and increasingly expensive air-conditioning systems, without which our datacenter equipment would operate less efficiently, become damaged or risk being withdrawn from service prematurely. The **reliability of our datacenter equipment** depends on stable temperatures. Installing more cooling systems in our data centers and networks will lead to a rise in related expenses (mainly linked to the purchase of these systems and the cost associated with their energy use).

Heat waves can also have an impact on the **health of iliad's employees,** as rising temperatures and extreme heat make their working conditions more difficult.

The risks associated with the transition to a low-carbon economy, and in particular switching to clean energy, are significant for the Group, which is why we have made strong pledges to contain our carbon emissions (see next section).

Current and emerging regulations can have an impact on our business if we don't foresee changes and forward plan and if we don't adapt quickly to new rules and standards applicable to our industry. As well as being exposed to the risk of fines and other sanctions, the most significant risk would be the loss of confidence of our stakeholders, as well as the impact on our reputation and capital.

Technological advances and the use of digital services can have an impact on climate change and the value of our assets. Our subscribers' use of data is increasing, leading to a rise in energy consumption and the resulting carbon footprint. At the same time, our subscribers are counting on us to produce more sustainable, low-carbon products.

4.2.1.1.2 Our ten climate pledges

As a major player in the European telecommunications sector that is growing fast both organically and through acquisitions, we are positioning ourselves as a catalyst for the climate transition. We have set ourselves ambitious climate targets that apply to all of our entities, and we transfer our emissions reduction know-how to the companies we acquire. This means that our climate pledges are not hampering our growth strategy and our mergers and acquisitions activity is making a substantial contribution to the climate transition.

The ten climate pledges we made in 2021 – which are still as relevant as ever – are as follows:

No. 1 – Invest €1 billion over 15 years;
No. 2 – Improve the energy efficiency of our fixed and mobile networks;
No. 3 – Ensure our data centers have advanced environmental performance;
No. 4 – Further enhance the environmental performance of our Freeboxes;
No. 5 – Deploy an environmentally friendly sales strategy;
No. 6 – Deploy a responsible procurement policy;
No. 7 – Reduce emissions generated by our vehicle fleet;
No. 8 – Help create more renewable energy capacity;
No. 9 – Invest in carbon sinks;
No.10 – Set up a climate performance tracking system.

4.2.1.2 Actions implemented

Setting science-based climate targets is an integral part of iliad's climate roadmap. The Science Based Targets initiative (SBTi) has become the standard for companies to set credible targets to address the climate crisis. iliad submitted its carbon emissions reduction pathway and targets to the SBTi for validation at the end of June 2023. In the targets submitted to the SBTi, the Group raised its objectives by undertaking to align its Scopes 1 and 2 and relevant Scope 3 emissions with a 1.5°C pathway in the short term (by 2030) and with the SBTi's Net-Zero Standard by 2050.

In February 2024, the SBTi approved iliad's short-term and Net-Zero Standard carbon emissions reduction targets. The commitments were validated by the SBTi based on the following terms:

- the iliad Group commits to reduce absolute Scope 1 and Scope 2 GHG emissions by 60% by 2030 from a 2022 base year. The iliad Group also commits to reduce absolute Scope 3 GHG emissions by 46% by 2030 from a 2022 base year;
- the iliad Group commits to reduce absolute Scope 1 and Scope 2 GHG emissions by 90% by 2050 from a 2022 base year. The iliad Group also commits to reduce absolute Scope 3 GHG emissions by 90% by 2050 from a 2022 base year.

4.2.1.2.1 Taking action across the Group, for all of our businesses

iliad has an operating presence in France, Poland and Italy, giving us a broad geographic footprint in Europe, and we firmly believe that our growth has to go hand in hand with taking action to address the climate emergency.

Our carbon-reduction strategy is based on the following principles:

- avoiding and reducing emissions linked to our activities, by increasing efficiency in terms of energy and materials, throughout our value chain and involving our strategic partners (sections 4.2.4 and 4.2.5);
- reducing the emissions associated with our energy consumption, by optimizing modes of transport (section 4.2.2) and opting for low-carbon energies, such as electricity generated from renewable sources (section 4.2.3);
- ultimately offsetting any residual emissions.

Tracked emissions:

Scope 1 emissions (direct emissions):

- vehicle fuel;
- heating and energy for our generators (fuel oil and natural gas);
- refrigerants used in our cooling systems.

Scope 2 emissions (indirect emissions linked to our direct electricity consumption):

- electricity for our fixed and mobile networks;
- electricity for our data centers;
- electricity for our buildings.

Scope 3 emissions (other indirect emissions):

- C1. Purchased goods and services;
- C2. Capital goods;
- C3. Fuel- and energy-related activities (not included in Scope 1 or Scope 2);
- C4. Upstream transportation and distribution;
- C5. Waste;
- C6. Business travel;
- C7. Employee commuting;
- C9. Downstream transportation and distribution;
- C11. Use of sold products;
- C12. End-of-life treatment of sold products.

The entire value chain (upstream and downstream) is included in the calculation of carbon emissions, in accordance with the GHG Protocol methodology required for drafting a carbon transition pathway in line with SBTi principles.

4.2.1.2.2 Preparing for the management of residual emissions

iliad is committed to contributing to global carbon neutrality by ultimately offsetting the emissions we will not be able to avoid in France, Italy and Poland.

Working on our unavoidable sources of carbon emissions

We have identified a number of unavoidable sources of carbon emissions, that we are currently working on, in particular the use of fossil fuel required to run our back-up generators, which are regularly tested to ensure they are in good working order.

We are constantly on the lookout for less carbon-intensive solutions but are aware that ultimately we will need to offset some of our emissions.

Offsetting our residual emissions

iliad has set itself the target of obtaining environmental certifications and/or labels for the majority of its projects by 2035. Our reference framework in France is the government's National Low Carbon Strategy and its specific Low Carbon label for projects developed in France.

Four initial projects were launched in 2021 in France. These certified projects have enabled the capture of 8,000 tonnes of CO_2 in France with nearly 44,500 trees planted covering a total area of 40 hectares. The projects were selected because they bring combined benefits in terms of local employment and preserving land and biodiversity.

Obviously, investments of this nature must be seen in a long-term perspective, as carbon storage by trees is only fully mature 50 to 100 years after their planting, depending on the species, which is why it is important to plan ahead and act quickly.

4.2.1.3 Emissions results and indicators in 2023

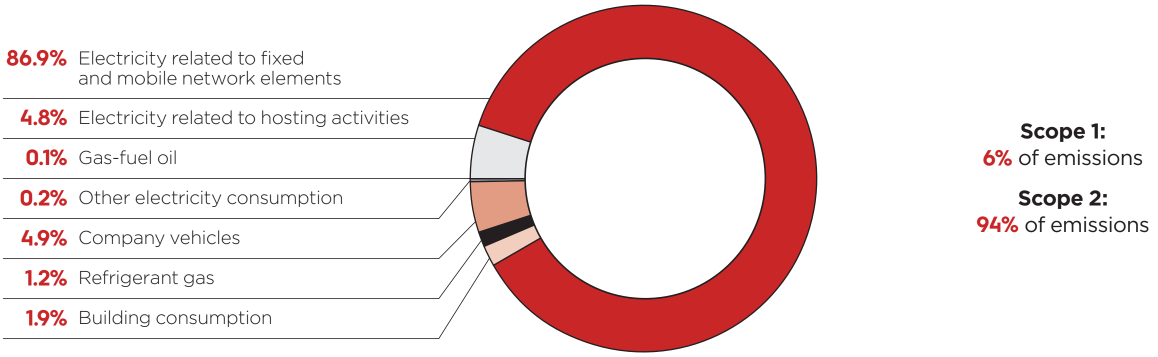
Since 2018, iliad has gone from being a Franco-French retail telecoms operator to a European-scale telecoms group. Now Europe's sixth-largest mobile operator, we have strengthened our positioning in the fixed and mobile markets in France, Italy and Poland. In France, we are also growing our presence in the B2B market, via connectivity offerings and Cloud services.

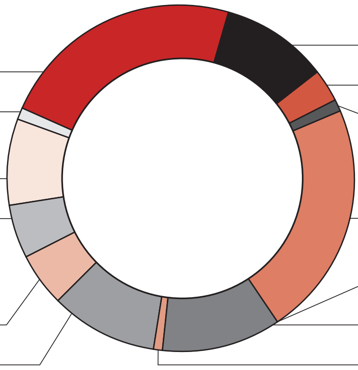
This growth, which is unique in Europe, is reflected in:

- strong and steady growth in the Group's subscriber base, which now totals over 48.5 million in its three geographies, compared with 45.9 million in 2022 (representing a c. 5.8% year-on-year increase) and 22.7 million five years before;
- brisk rollout of mobile and fixed infrastructure. In response to the sharp rise in usage and to meet its coverage obligations, the Group is investing heavily in rolling out latest-generation mobile networks in all of its geographies. Nearly 2,500 new mobile sites are deployed every year in France, where the Group has the country's largest 5G network, covering 95% of the population. In Italy, the Group continued to roll out its mobile network in 2023 and also set up Zefiro – a joint venture with Hutchinson dedicated to deploying a shared mobile network – which resulted in the integration of a significant number of new mobile sites (installation of 407 new sites during the year). In addition, the Group pursued its fiber rollout policy in all of its geographies in 2023, with fiber passing more than 35 million homes by the year-end in France for example;
- the ramp-up of new services such as Cloud solutions, artificial intelligence and B2B telecoms services.

We intend to pursue our growth strategy while controlling our direct and indirect CO_2eq emissions in the short term and subsequently reduce these emissions in the mid to long term in absolute value terms in line with our pledges.

- **The Group's CO_2eq emissions in 2023**
  (% of location-based Scope 1 & Scope 2 emissions)





The following table shows the Group's annual carbon footprint using the market-based and location-based emissions accounting methods defined in the GHG Protocol Scope 2 Guidance.

Location-based data is calculated by reference to the emissions intensity of grids in the locations where energy consumption occurs. The market-based method reflects emissions from electricity that the Group has purposefully chosen in all of its geographies via contractual instruments such as renewable energy certificates or guarantees of origin.

Guarantees of origin (GO) are electronic certificates issued for each megawatt-hour (MWh) of electricity generated by a renewable energy plant during a given period. These certificates:

- certify the origin of the electricity and are valid for one year;
- are currently the only way of ensuring the traceability of renewable energy, as they are identified by a unique number;
- indicate the type of energy source, the name and commissioning date of the power plant, the country, and the production start- and end-dates.

Guarantees of origin are used to certify that the purchasers have contributed to the production of renewable energy, and to guarantee that for every MWh of GO electricity purchased, one MWh of renewable energy has been put into the grid.

GOs are tracked by specific authorities in Europe, which cancel them as they pass from the producer to the broker/supplier and finally to the end-consumer (France: Powernext – Italy: GSE – Poland: TGE). This ensures that there is no double-counting in electricity-related disclosures, and that green electricity contracts are reliable.

Group, France, Italy, Poland – Annual carbon footprint

Main sources of emission factors – ADEME's Base Empreinte© database, IEA and AIB 2021 (uncertainties unchanged).

Data uncertainties:

- Scopes 1 and 2: 5%< x <10%;
- Scope 3: 10%< x <50%.

Group *(in tCO_2eq)*	**2020** (incl. Play over 12 months)	**2021** (incl. UPC Polska over 12 months)	**2022** (published non-financial performance statement)	**2022** (incl. Zefiro over 12 months)	**2023**	**Year-on-year change**
Scope 1	19,038	22,615	24,093	24,093	24,215	+1%
Scope 2 *(Location-based)*	193,119	270,407	320,392	336,872	369,076	+10%
Scope 2 *(Market-based)*	202,945	190,406	149,826	185,280	205,362	+11%
Total Scopes 1 + 2 *(Location-based)*	**212,157**	**293,023**	**344,485**	**360,965**	**393,291**	**+9%**
Total Scopes 1 + 2 *(Market-based)*	**221,982**	**213,021**	**173,919**	**209,373**	**229,577**	**+10%**
Scope 3 C1. Purchased goods and services	ND	ND	ND	ND	273,333	ND
Scope 3 C2. Capital goods	ND	ND	ND	ND	492,866	ND
Scope 3 C3. Fuel- and energy-related activities not included in Scope 1 or Scope 2 *(Location-based)*[(a)]	ND	ND	ND	ND	109,737	ND
Scope 3 C3. Fuel- and energy-related activities not included in Scope 1 or Scope 2 *(Market-based)*[(a)]	ND	ND	ND	ND	75,518	ND
Scope 3 C4. Upstream transportation and distribution	ND	ND	ND	ND	2,880	ND
Scope 3 C5. Waste	ND	ND	ND	ND	5,886	ND
Scope 3 C6. Business travel	ND	ND	ND	ND	1,845	ND
Scope 3 C7. Employee commuting	ND	ND	ND	ND	12,586	ND
Scope 3 C9. Downstream transportation and distribution	ND	ND	ND	ND	3,420	ND
Scope 3 C11. Use of sold products	ND	ND	ND	ND	307,119	ND
Scope 3 C12. End-of-life treatment of sold products	ND	ND	ND	ND	1,360	ND
Total Scope 3 *(Location-based)*[(a)]	**776,537**	**979,197**	**1,026,323**	**1,009,868**	**1,211,032**	**+20%**
Total Scope 3 *(Market-based)*[(a)]	**775,282**	**953,806**	**986,756**	**979,569**	**1,176,813**	**+20%**
Total Scopes 1 + 2 + 3 *(Location-based)*	**988,694**	**1,272,219**	**1,370,808**	**1,370,833**	**1,604,323**	**+17%**
Total Scopes 1 + 2 + 3 *(Market-based)*	**997,265**	**1,166,827**	**1,160,675**	**1,188 942**	**1,406,390**	**+18%**

(a) This category includes upstream emissions resulting from fuel combustion (directly, Scope 1) or energy-related combustion (indirectly, Scope 2). These emissions are usually accounted for using the location-based method, but the market-based method may also be used. This gives rise to two different values for this category, and therefore two different Scope 3 totals, depending on which method is used for the category.

France (in tCO_2eq)	2020	2021	2022	2023	Year-on-year change
Scope 1	15,851	19,047	18,642	19,460	+4%
Scope 2 *(Location-based)*	35,389	37,124	37,529	35,653	-5%
Scope 2 *(Market-based)*	25,767	18,094	16,189	15,928	-2%
Total Scopes 1 + 2 *(Location-based)*	**51,240**	**56,171**	**56,171**	**55,113**	**-2%**
Total Scopes 1 + 2 *(Market-based)*	**41,618**	**37,141**	**34,831**	**35,388**	**+2%**
Total Scope 3 *(Location-based)*	**326,317**	**408,683**	**411,618**	**562,233**	**+37%**
Total Scope 3 *(Market-based)*	**325,062**	**412,616**	**407,768**	**568,306**	**+39%**
Total Scopes 1 + 2 + 3 *(Location-based)*	**377,577**	**464,854**	**467,789**	**617,346**	**+32%**
Total Scopes 1 + 2 + 3 *(Market-based)*	**366,680**	**449,757**	**442,599**	**603,695**	**+36%**

Italy (in tCO_2eq)	2020	2021	2022 (published non-financial performance statement)	2022 (incl. Zefiro over 12 months)	2023	Year-on-year change
Scope 1	618	961	1,711	1,711	1,208	-29%
Scope 2 *(Location-based)*	29,180	58,677	76,701	93,181	105,094	+13%
Scope 2 *(Market-based)*[(a)]	22,470	38,950	43,381	78,834	83,584	+6%
Total Scopes 1 + 2 *(Location-based)*	**29,798**	**59,638**	**78,412**	**94,293**	**106,302**	**+13%**
Total Scopes 1 + 2 *(Market-based)*	**23,088**	**39,911**	**45,092**	**79,946**	**84,791**	**+6%**
Total Scope 3 *(Location-based)*	**174,930**	**132,370**	**148,580**	**142,843**	**131,448**	**-8%**
Total Scope 3 *(Market-based)*	**174,930**	**127,786**	**136,605**	**135,521**	**110,611**	**-18%**
Total Scopes 1 + 2 + 3 *(Location-based)*	**204,728**	**192,008**	**226,992**	**237,136**	**237,749**	**+0.5%**
Total Scopes 1 + 2 + 3 *(Market-based)*	**198,018**	**167,697**	**181,697**	**215,467**	**195,403**	**-9%**

(a) The market-based Scope 2 figures for Italy for 2021 do not include indirect consumption (mainly mobile sites owned by third parties).

Poland (in tCO_2eq)	2020 (incl. Play over 12 months)	2021 (incl. UPC Polska over 12 months)	2022	2023	Year-on-year change
Scope 1	2,569	2,607	3,740	3,547	-5%
Scope 2 *(Location-based)*	128,550	174,606	206,162	228,329	+11%
Scope 2 *(Market-based)*	154,708	133,362	90,257	105,850	+17%
Total Scopes 1 + 2 *(Location-based)*	**131,119**	**177,213**	**209,902**	**231,876**	**+10%**
Total Scopes 1 + 2 *(Market-based)*	**157,277**	**135,970**	**93,997**	**109,397**	**+16%**
Total Scope 3 *(Location-based)*	**275,290**	**438,143**	**466,125**	**517,351**	**+11%**
Total Scope 3 *(Market-based)*	**275,290**	**413,404**	**442,383**	**497,896**	**+13%**
Total Scopes 1 + 2 + 3 *(Location-based)*	**406,409**	**615,356**	**676,027**	**749,227**	**+11%**
Total Scopes 1 + 2 + 3 *(Market-based)*	**432,567**	**549,373**	**536,380**	**607,293**	**+3%**

Observed carbon pathway

The Group's observed carbon pathway is closely linked to its very strong growth in 2023. iliad is Europe's fastest-growing operator in terms of revenues (10.4% increase in 2023).

2023 was therefore a year that saw a significant change in the scope of the Group's activities, making it difficult to make year-on-year comparisons of greenhouse gas emissions in absolute terms.

Firstly, we recorded strong like-for-like growth, with more than 2.7 million additional subscribers and a high level of network infrastructure deployment. In line with our aim of bringing the best connectivity to as many people as possible, we are investing heavily in rolling out latest-generation networks, resulting in 2,400 new mobile sites being brought into service in France, 1,000 in Italy[(1)] and 1,050 in Poland. The brisk pace of rollout in France is set to continue for the next few years in order to meet the high regulatory requirements for mobile coverage in rural areas.

Secondly, due to the creation of Zefiro – an Italian joint venture (JV) formed from an agreement with the operator Hutchinson for the purpose of sharing mobile networks – iliad Italia integrated a large number of new shared mobile sites in 2023 (approximately 6,700 – total number for the JV). The figures reported for 2022 have been restated to include this joint venture. The infrastructure-sharing provided for under this agreement will considerably increase iliad Italia's mobile coverage while reducing its environmental impact. However, the inclusion of the joint venture led to a rise in associated emissions in 2023. A similar network-sharing approach is also being applied in Poland, through Polish Open Fiber.

Despite the Group's strong growth and the development of its activities, Scope 1 emissions rose only slightly (by 1%), clearly demonstrating our commitment to controlling our emissions. Optimizing distances traveled and investing in our vehicle fleet will enable us to stabilize our emissions as a first step, and then we will be able to decrease them thanks to our programs to switch to electric vehicles.

The year-on-year observed increase in location-based Scope 2 emissions (10% as adjusted for changes in the reporting scope) was mainly due to a rise in electricity-related emissions in Poland and in Italy, where business is growing rapidly and there were significant changes in the reporting scope. In Italy, the increase chiefly stemmed from the rise in the number of mobile sites (inclusion of 50% of the energy consumption of the Zefiro joint venture), as well as the intrinsic growth of the mobile network. The integration of Zefiro also led to some energy consumption being reclassified from Scope 3 to Scope 2. Poland saw a like-for-like increase in location-based Scope 2 emissions (11%) that was similar for the Group as a whole, primarily due to the deployment and increased use of networks (11,621 base stations at end-2023, versus 9,767 at end-2021). The expansion of the network and the rise in its use in Poland is taking place much faster than improvements in the country's energy mix.

For market-based Scope 2 emissions, the year-on-year increase for the Group as a whole (adjusted for changes in the reporting scope) is similar to the rise in location-based Scope 2 emissions. It is important to note, however, that the volume of electricity covered by PPAs and the purchase of guaranteed renewable-source electricity increased (1,109 GWh in 2023 vs. 966 GWh in 2022).

The Group's investments in latest-generation technologies is enabling it to control its emissions related to the densification and increased use of its networks. The initial effects of these investments can already be seen, with location-based Scope 2 emissions in France down by 5% in 2023, and the carbon intensity per gigabyte decreasing steadily (see below). Against a backdrop of sustained growth in mobile traffic, the rollout of 5G and investments in latest-generation network equipment will enable us to significantly reduce our energy requirement per gigabyte transported.

The 20% increase in the Group's location-based Scope 3 emissions compared with 2022 (adjusted for changes in the reporting scope) is essentially due to a catch-up effect resulting from the Freebox production chain returning to normal in 2023. The semiconductor supply shortage was resolved in 2023, which led to a sharp one-off increase in associated emissions. The Group has pledged to reduce the environmental footprint of the manufacture of its Freeboxes by creating more compact, eco-designed boxes. The energy efficiency of our boxes has also been enhanced in order to reduce subscribers' electricity consumption. The increase in the number of boxes produced was particularly marked in France and Poland.

In view of our fast-paced rollout of fiber, we made large volumes of grouped purchases of optical fiber in France in 2023, which had a significant impact on Scope 3 emissions.

In addition, prior to the Group submitting its carbon reduction pathway to the SBTi, major work was carried out on collecting data on Scope 3 emissions. This more exhaustive data collection will continue in 2024, which will automatically push up the Group's location-based Scope 3 emissions.

Projected carbon pathway

We expect to see a controlled increase in our emissions for a few more years before beginning to reduce our absolute emissions in line with the pathway validated by the SBTi.

Regarding our Scope 1 emissions – more than 90% of which are linked to our vehicle fleet – we expect to see a reduction of almost 11% in 2024. We plan to achieve this primarily thanks to our investment in EV charging points, and by including more electric vehicles in our fleet and efficiently planning the vehicle journeys and routes of our technicians.

For location-based Scope 2 emissions, we expect these to increase by approximately 20% until 2025 compared with 2022, and then level out in 2026 before coming down. The expected increase is mainly due to the quality of our offerings, which are attracting more people, companies and organizations. We need to provide these new subscribers with the equipment and services required for meeting the commitments we have made (rollout of 5G and fiber nationwide). Our investment in these technologies makes sense from an environmental point of view, as they deliver energy savings over time and are designed to last.

In our projections and based on the information currently available to us, our location-based Scope 3 emissions have reached a plateau and we are now counting on close collaboration with our suppliers and subscribers to reduce these emissions in the future. For example, we are investing heavily in the new Freeboxes, which will reduce our subscribers' electricity consumption.

Thanks to our purchases of guaranteed-origin renewable energy and our Power Purchase Agreements (PPAs), our market-based figures are better. However, we are aware that the priority is to control our energy use, and we are working hard to achieve this.

Raising employee awareness and scaling up skills

In 2023, we launched a network of environment ambassadors covering all of the Group's entities. These ambassadors meet quarterly for the France network, and work together to find tangible, cross-cutting solutions to enhance the Group's overall sustainability maturity, drawing on each other's best practices. In Italy, following on from the measures launched in previous years, iliad Italia set up a CSR Committee and a Diversity and Inclusion Committee in 2023 to coordinate its various sustainability initiatives. A project to overhaul the environmental policy in Italy was carried out in 2023, which resulted in a roadmap that was validated at the end of the year. Poland saw the arrival of a new Sustainability Officer, who will oversee the energy transition measures put in place to accelerate the decarbonization of our Polish activities.

(1) Number of active new 4G mobile sites rolled out in Italy (before impact of network sharing with WindTre).

Throughout the Group, the European Sustainable Development Week from September 18 to October 6, 2023 gave us an opportunity to zoom in on climate change and sustainability. In addition, on October 4, we held our third in-house climate conference, which enabled our teams to highlight the headway they had made during the year towards meeting our climate pledges.

Collaborative workshops on the climate and digital technologies and uses (Climate Fresk and Digital Collage) were also held in Paris and other parts of France as well as in Italy during the year to help our people understand more about the challenges of global warming and the environmental impacts of our business. Led by a specialist facilitator, the workshops enable participants to work together to create a mural giving them an overall view of the various factors and interactions at play. The workshop participants were then invited to find and implement practical solutions. In France and in Italy, the leadership team took part in a Climate Fresk workshop in 2023, which was highly successful and prompted a decision to offer these workshops to all employees in the country.

4.2.2 Optimizing modes of transport

Our vehicle fleet represents the main way in which we can reduce our Scope 1 emissions because it accounts for 4.9% of the Group's Scope 1 and Scope 2 emissions combined (6% in 2022) and 80% of Scope 1 emissions (78% in 2022). The Group has an objective for its vehicle fleet: limit its size as much as possible in order to optimize vehicle usage, while switching from combustion engines to electric vehicles in its three geographies.

We cannot have an EV fleet without charging stations, so a large-scale program has therefore been carried out to install these.

In 2023, the fleet comprised a total of 5,855 vehicles (5,914 in 2022). The main year-on-year changes in the vehicle fleet were as follows:

- 137 additional vehicles in Poland;
- 202 fewer vehicles in France, and the deployment of 220 EVs;
- 6 additional vehicles in Italy.

4.2.2.1 Policies and objectives

Our subsidiaries' vehicle policies have changed since 2021 following the announcement of our Climate Plan in January of that year, in which we pledged that EVs will make up 25% of the Group's vehicle fleet by 2025. The proportion of electric vehicles in the Group's total fleet is currently 3.8% (unchanged from 2022).

We are focusing on the following three areas:

- alternative transport solutions: the Group encourages employees to choose less polluting means of transport. They are also advised to use videoconferencing and conference calls whenever possible in order to reduce non-priority travel. We always look at alternatives to using private cars whenever feasible, with company cars only being allocated after analyzing whether this is really essential;
- renewing the vehicle fleet: Group policy for short distances is to use more environmentally friendly vehicles in order to reduce the fleet's carbon intensity and emissions of fine particulates (such as nitrogen oxides, NO_x) per kilometer traveled;
- optimizing travel for field service technicians: the Group seeks to reduce energy consumption and CO_2eq emissions by minimizing the distances between each appointment.

4.2.2.2 Actions implemented

Optimizing travel

A specific IT system has been put in place for scheduling the appointments and journeys of our field service technicians in order to help reduce energy use and CO_2eq emissions. This system's features include automatic route calculation and arranging the order of technicians' appointments to minimize the distances between them. In 2023, we entered into a new contract for our vehicle fleet, enabling us to begin equipping our service vehicles with telematic trackers. Thanks to these trackers, we will be able to further optimize how we assign vehicles.

The whole aim of the Group's new subscriber support arm – Free Proxi – is to provide a local service, which means that employees work closer to their homes and have to travel shorter distances when called out to subscribers. This makes it easier to use alternative means of transport to the car, and we encourage all of our teams in towns and cities to use public transportation.

Optimizing the management of our vehicle fleet

In order to limit emissions related to business travel, we have changed our vehicle allocation policy. A decision-making matrix, created jointly by the Purchasing, Fleet Management and Environmental Departments was given out at the 2023 in-house climate conference. This matrix is used by the Fleet Management Department as a decision-making aid prior to allocating or reallocating company vehicles.

Renewing the fleet to limit our environmental impact

In accordance with the applicable regulations, when vehicles in our fleet are replaced, we select vehicles with engines that emit less fine particulates (NO_x) and greenhouse gases. We are also gradually adding new electric vehicles to the fleet, and had 218 of them in France at end-2023, representing 4.8% of the total fleet for France (4.7% in 2022, vs. 2.7% in 2020).

In Poland, we are continuing to switch our fleet to more environmentally friendly vehicles, and at end-2023, it included 341 hybrid and plug-in hybrid vehicles (vs. 150 at end-2022).

This move to lower-emission engines led to an increase in the number of kilometers driven in electric mode: 1,100,644 km driven in 2023 vs. 357,506 driven in 2022.

Charging stations

In 2023, the Group launched a call for tenders seeking a company to equip its sites with EV charging stations over the following three years, in order to continue to encourage its employees to choose more ecological and sustainable means of transport. The service provider selected – Qovoltis – specializes in smart charging stations for electric vehicles, enabling charging costs to be optimized and efficiently managed.

By opting for smart charging stations, installed and managed by our partner, the Group can therefore closely manage both charging time and the amount of electricity consumed. Qovoltis charging stations are compatible with the V2G (Vehicle-to-grid)[(1)] and Plug&Charge[(2)] standards, and are unrivaled technological leaders in their domain.

4.2.2.2.1 The positive impacts of digital technology on travel and commuting

Assessing the direct environmental impacts of digital technology, and notably the generation of the sector's greenhouse gas emissions, also provides an opportunity to look at the positive effects of digitalization on the ecological transition process, and in particular the emissions avoided thanks to the low-carbon transition.

iliad has put in place remote working arrangements using digital solutions, especially video calls. These arrangements help both our employees and our customers lower their carbon emissions by avoiding the need for staff to travel to work.

When commuting and travel is necessary, it is facilitated by the use of connected GPS services, which allow not only our employees but also our retail and B2B subscribers to optimize travel times and avoid busy roads where vehicle engines are often left idling. Also, by delivering optimally timed information, the quality and availability of the Free Mobile network helps to reduce the carbon intensity of everyday mobility.

Carpooling is another illustration of the positive impacts of digital technology and mobile telephony on the reduction of GHG emissions. By optimizing the load factors of private vehicles by putting people in contact with one another via a mobile app, carpooling can save considerable amounts of carbon emissions.

4.2.2.3 Results and indicators

Average vehicle emissions

The Group's average level of emissions per vehicle has remained fairly stable over the past three years (up 3% between 2022 and 2023, after a slight 3% decrease between 2021 and 2022).

	2019	2020	2021	2022	2023
Number of vehicles	**4,439**	**4,632**	**5,958**	**5,914**	**5,855**
France	4,240	4,402	4,777	4,706	4,504
Poland	-	-	875	884	1,021
Italy	199	230	306	324	330
o/w electric vehicles	*17*	*25*	*129*	*222*	*220*
Average annual emissions of kilograms of CO_2eq per vehicle	3,533	3,579	3,281	3,171	3,277

4.2.3 Increasing energy efficiency and reducing the use of natural resources

Telecom networks account for the vast majority of the Group's electricity consumption. In view of the sharp rise in data traffic, all of the players in our industry expect to see a future increase in their networks' overall electricity usage.

We are doing everything we can to optimize the energy efficiency of our networks. The Group has undertaken to step up its energy efficiency measures even more and use load shedding[(3)] for its data centers if the national grid comes under stress. However, this quest for energy efficiency cannot be to the detriment of our networks providing good coverage across the country. Access to a high-quality communications network is a major factor for social inclusion, which the Group has worked hard to encourage since its creation.

In addition to its energy footprint, the digital industry needs to think about its sourcing choices and take action to save the natural resources that it needs in order to operate, including water.

(1) Vehicle-to-Grid: (ISO 15118-20) is smart charging technology that allows EV batteries to give their unused battery capacity back to the grid to provide support to the grid during times of peak demand. This means that parked vehicles become energy storage units and micro-distributors of electricity.
(2) Plug&Charge: (ISO 15118-20) is an encrypted process whereby rather than relying on an external form of authentication, the charging station securely authenticates the vehicle itself as soon as it connects to the charging station.
(3) A temporary reduction in a site's use of grid electricity, in response to an external event (such as a cold spell) which leads to peaks in electricity consumption.

4.2.3.1 Policies and objectives

Telecom networks accounted for 87% of the Group's direct GHG emissions in 2023 (Scopes 1 and 2, location-based), versus 85% in 2022. Reducing these emissions is therefore a top priority for us.

Our network emissions relate to:

- electricity consumption, which accounts for almost all of the networks' CO_2 emissions;
- consumption of fuel oil (in very small quantities) to power electricity generators in the event of electricity outages in the above-mentioned infrastructure (periodic tests of correct operation).

At a time of strong growth in both network usage and rollouts, energy consumption related to the Group's activities increased in 2023 (based on a constant Group structure), mainly reflecting (i) the continued rollout of networks in our three geographies (4G and 5G for mobile, FTTH in France and Italy and HFC and FTTx in Poland), and (ii) the development of our datacenter activity (Public Cloud offer by Scaleway Elements and B2B offers by Free Pro), which use cooling systems to ensure optimal quality of service. We also expect to see a rise in our energy consumption due to greater use of artificial intelligence (AI) solutions – an impact that was not apparent in 2023. The Group launched a generative AI research lab called Kyutai on November 17, 2023, as well as a new sales offering with AI-dedicated machines.

Altogether, the Group's networks used 1,741 GWh of electricity in 2023 compared with 1,598 GWh in 2022. The year-on-year increase was due to infrastructure rollouts and upgrades in our three geographies (increases of 48 GWh for Italy, 38 GWh for France and 53 GWh for Poland).

- **Group electricity consumption** *(in GWh)*

	2019	2020 (incl. Play over 12 months)	2021 (incl. UPC Polska over 12 months)	2022 (incl. Zefiro over 12 months)	2023
Building consumption	11	18	20	23	24
Network consumption	808	1,139	1,333	1,598	1,741
Core network	*30*	*31*	*87*	*76*	*93*
Data centers	*121*	*157*	*148*	*142*	*159*
ADSL network	*270*	*241*	*143*	*120*	*97*
FTTH network (HFC/FTTx in Poland)	*27*	*28*	*70*	*79*	*71*
Mobile network	*360*	*682*	*885*	*1,181*	*1,322*
Vehicle electricity	0	0	0	0	0.19
Heating/cooling network	5	6	6	9	5
Total	**824 GWh**	**1,163 GWh**	**1,359 GWh**	**1,630 GWh**	**1,770 GWh**
Total excluding heating/cooling network	0	1,157	1,353	1,622	1,765
Consumption – France	799	863	861	924	962
Consumption – Italy	26	97	221	379	427
Consumption – Poland	-	204	277	328	381

The Group's activities (Fixed and Mobile electronic communications) require the deployment of infrastructure that is relatively energy hungry. As part of its Climate Strategy, since 2021, the Group has pledged to make network energy efficiency a priority. One of the ways we are putting our words into action is by helping subscribers gradually switch to fiber and 5G. Ultimately, the rollout of 5G technology should lead to significant energy savings by 2028 for mobile networks. Following a temporary transition period from a 4G network to a 4G/5G network, we should see savings of up to ten times the energy consumption in 2020 [(1)]. For several years now, the Group has been participating in this transition by purchasing the latest generation energy-efficient equipment for its networks. See section 4.2.3.1.3 for information about the Group's carbon intensity per GB consumed.

We have also pledged to have data centers with advanced environmental performance, which we are working on by introducing a new cooling process based on adiabatic principles. In the adiabatic system, water is injected to capture and transport heat and then the air is cooled by evaporation of the water in a wet heat exchanger.

4.2.3.1.1 Policies and actions implemented

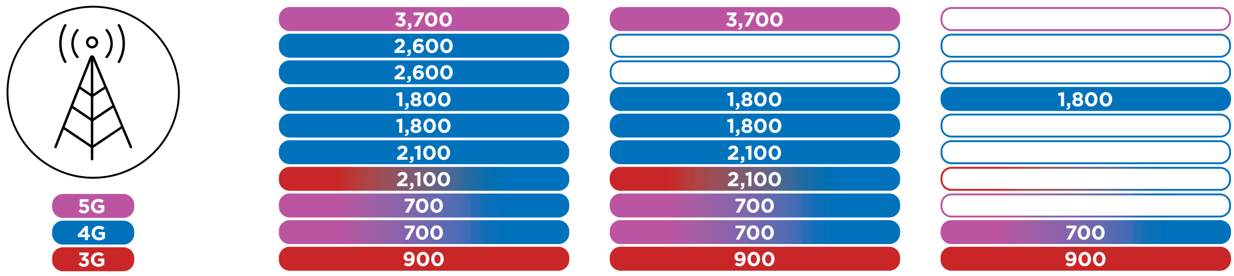
Reducing the energy consumption of our fixed and mobile networks

In line with our objective of making our fixed and mobile networks more energy efficient, we are constantly on the lookout for the least energy-hungry equipment. We have also launched a program with our electricity and equipment suppliers to optimize the management of electricity consumption.

(1) ARCEP study, Energy assessment of 4G vs. 5G deployment, January 14, 2022.

In France, Free Mobile uses new-generation radioelectric equipment for its network, which is much less energy hungry than the previous generations. This has enabled us to keep the increase in our mobile network's energy consumption at contained levels, despite the strong growth in our mobile business and the increasing use of 4G, and more recently, of 5G. Similar initiatives are underway in Italy and Poland.

This is just one of the ways we are taking steps to optimize our equipment, because even if it's renewable, the best type of energy is energy that's not used at all. As a result, since September 2021, we have put the 2,600 MHz frequency on standby at night in order to reduce the energy consumption of Free's mobile network in France. Since end-2022, we have gone even further: we have also been switching off the 2,100 MHz 3G/4G frequency and the 3.5 GHz 5G frequency at night. This helps reduce a site's electricity consumption by more than 10% during the period when the cells are switched off, without impacting usage or quality of service (for sites where all frequencies are available during the day). If the volume of traffic requires it, the cells automatically come back on to maintain optimal quality of service.



A mobile site with all active frequency bands

A mobile site with all active frequency bands except the 2,600 band inactive at night since September 2021

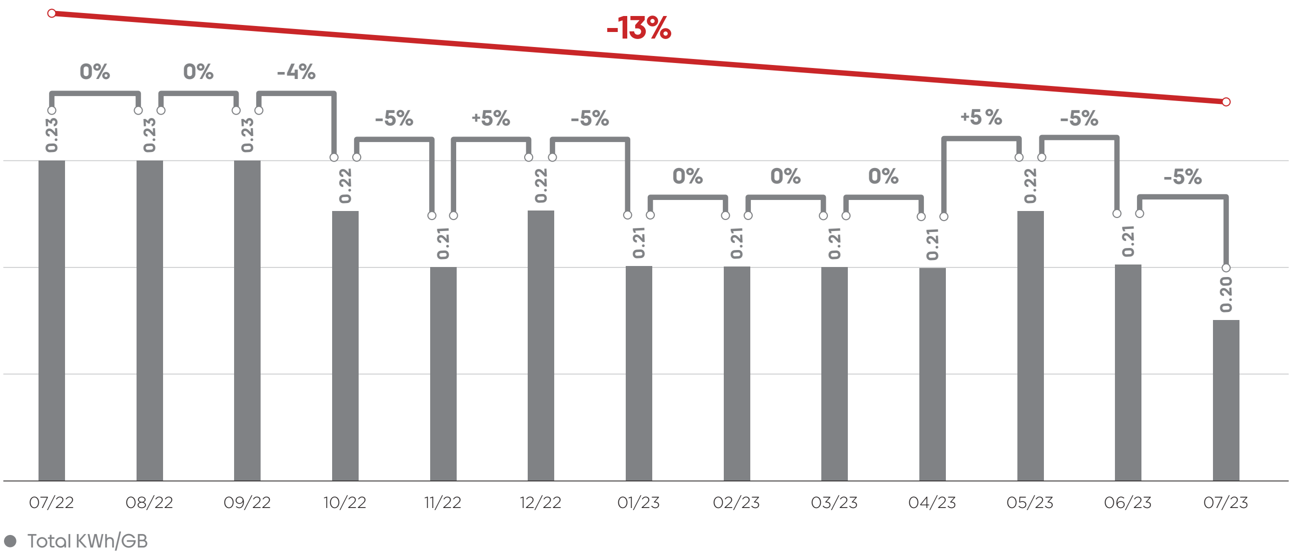
A mobile site with 3 frequency bands active at night since September 2022

We are also reducing the number of simultaneous transmitters in the same frequency band (MIMO reduction) for those that remain operational at night, which allows us to cut the amplifiers on the bands in question. We are obviously continuing to roll out 5G, which will enable us to better contain energy consumption despite the increase in usage over time.

The use of artificial intelligence for **managing frequencies is beginning to develop, with tests currently underway** in Poland, for example.

Year-on-year change in total KWh/GB

July 2023 – 20,506 sites (of which 58% with a Linky smart meter) – 49.8 GWh consumed in total (+6% vs LY) – 2.08 MWh per site (-3% vs LY)



Data of analyzed sites (source: Engie), corresponding to sites in service with consumption of over 10 GWh, excluding 28 beneficiaries and FH only.

Decrease in consumption in terms of kWh/GB: down 13%

In line with our climate pledges, environmental criteria are now a decisive factor when selecting our partners and are included in our Partner Relations Charter. We regularly discuss with our suppliers about ways in which we can reduce the energy used by our network equipment.

For our fixed networks, we are resolutely pursuing, and further accelerating, our rollouts of optical fiber – a particularly energy-efficient technology – and encouraging our subscribers to switch to fiber. Over the last 12 months, we deployed 4.0 million new connectible fiber sockets (5.8 million in 2022). In France, the Group systematically encourages all eligible subscribers to switch to fiber, at no extra cost to them, and at end-2023, 74% of our subscriber base was fiber-connected (versus 65% at end-2022).

At the same time, we are calling for the copper network to be shut down more quickly than currently planned and are recommending a gradual technical shutdown in the very near term. An FTTH line uses almost four times less power than an ADSL line (0.5 watts vs. 1.8 watts per line), which is why the Group takes such a proactive stance on this, and we have the highest fiber take-up rate of all of France's telcos. We are also working to optimize the equipment in place as we decommission ADSL networks, notably by disconnecting and miniaturizing DSLAMs. Poland is in the process of switching from HFC to fiber, with substantial reductions in energy consumption expected. In Italy, iliad Italia has chosen to propose only FTTH connections since launching its offering.

Optimizing energy use in data centers

We constantly strive to make our data centers more energy efficient, in accordance with the European Code of Conduct for Data Centres, which the Group signed up to in 2012. In addition, within our hosting subsidiaries, we organize environmental awareness campaigns and put in place energy efficiency and energy saving measures.

Scaleway – which accounts for most of the electricity used by the Group's data centers – has set itself an ambitious PUE (Power Usage Effectiveness) target of less than 1.15 for all new data centers built after 2018, and less than 1.3 for data centers built prior to that year. In order to meet this target, our teams are working on continuously improving cooling systems (e.g., optimal natural cooling using outside air) and upgrading primary infrastructure by using highly energy-efficient equipment.

Energy management certification for our data centers

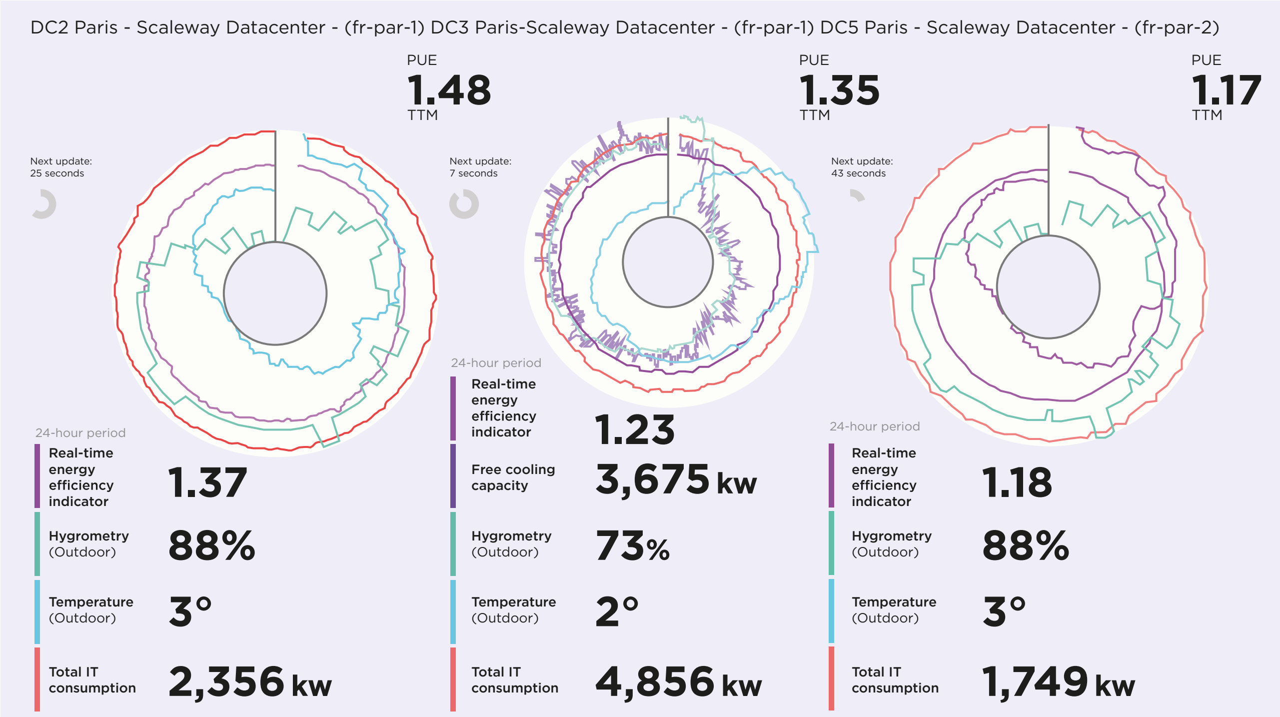
In parallel with implementing the innovative environmental measures described above, we have also obtained various certifications for our data centers. For instance, Online-Scaleway's datacenter operations are ISO 50001 certified, attesting to the quality of their energy management system. Certification was successfully renewed in 2021, attesting to the effectiveness of the continuous improvement initiatives implemented. The measures adopted to achieve energy efficiency and minimize energy loss have made our data centers highly innovative structures in terms of electricity consumption. The technologies used are detailed in an internal specifications document entitled ECS 2.0.

Name of datacenter operated by the Group	Subsidiary	Certifications
DC2 fr-par-1 Paris	Scaleway	ISO/IEC 27001 (Information Security Management Systems) HDS 1 (Health Data Hosting) ISO 50001 (Energy management) APSAD (*Assemblée Plénière de Sociétés d'Assurances Dommages*) Code of Conduct
DC3 fr-par-1 Paris	Scaleway	ISO/IEC 27001 (Information Security Management Systems) HDS 1 (Health Data Hosting) ISO 50001 (Energy management) APSAD (*Assemblée Plénière de Sociétés d'Assurances Dommages*) Code of Conduct Uptime Institute Tier III
DC4 fr-par-2 Paris	Scaleway	ISO/IEC 27001 (Information Security Management Systems) HDS 1 (Health Data Hosting) ISO 50001 (Energy management) APSAD (*Assemblée Plénière de Sociétés d'Assurances Dommages*) Code of Conduct
DC5 fr-par-2 Paris	Scaleway	ISO/IEC 27001 (Information Security Management Systems) HDS 1 (Health Data Hosting) ISO 50001 (Energy management) APSAD (*Assemblée Plénière de Sociétés d'Assurances Dommages*) Code of Conduct
MRS01 Marseille	Free Pro	ISO/IEC 27001 (Information Security Management Systems) HDS (Health Data Hosting) PCI DSS (Payment Card Industry Data Security Standard)
LYO02 Lyon	Free Pro	ISO/IEC 27001 (Information Security Management Systems) HDS (Health Data Hosting)
LYO03 Lyon	Free Pro	ISO/IEC 27001 (Information Security Management Systems) HDS (Health Data Hosting)

In addition, in line with the Kyoto Protocol and EU Directive 2003/87/EC, Scaleway has launched a plan to gradually replace sulfur hexafluoride (SF_6). This gas is currently used in traditional electrical switchgear, which will be replaced by vacuum switchgear by 2026.

Being transparent with our customers

In a bid to be as transparent as possible, the Group has decided to publish the energy indicators for its data centers in open data format. The energy performance of each of our data centers is therefore available on the website of Scaleway, our dedicated data center subsidiary.



Since 2021, customer invoices issued by Scaleway have shown energy use, water use and estimated carbon emissions for each product invoiced, with the aim of making customers more aware about their energy consumption.

In application of Article 13 of France's law on anti-waste and promoting the circular economy (the "AGEC" Act), since 2022, an estimate of the carbon emissions associated with the use of their plan is available in our subscribers' online accounts (both fixed and mobile). Working groups chaired by ADEME were organized in 2023 to fine-tune the calculations used for these estimates.

Reducing the use of natural resources

The Group has begun using the WUE (Water Usage Effectiveness) indicator for its data centers, which is measured by dividing the amount of water used (in liters) for the cooling systems by the amount of electricity used (in kWh) for the services provided by the data center. In addition, our current PUE targets represent an average incremental efficiency gain of up to 30% over the weighted industry average of 1.55 [(1)].

We opt for closed circuits when water is used for cooling.

The Group is also looking into ways to improve its footprint in terms of raw materials, in particular by using eco-design processes for the new Freebox based on a life cycle assessment (LCA).

4.2.3.1.2 Increasing our supplies of green energy

As well as controlling our energy consumption, we are also promoting the use of renewable energies, which is currently rapidly gaining ground. Since 2017, the Group has sought to optimize the carbon footprint of its data centers by using renewable energy entirely covered by guarantees of origin.

Since 2021, 100% of the direct electricity used by the Group in France and Italy is from renewable sources [(2)] due to being covered by guarantee of origin certificates. For Play, in Poland, this proportion was 50% in 2021 and 100% in 2022. By 2023, all of the Group's electricity supplies will be from renewable sources.

In order to focus investments on the projects with the greatest impact and to diversify its sources of supply, iliad has chosen to enter into long-term renewable energy contracts in the countries where it operates, through both direct energy purchase contracts and PPAs. Our objective is to source at least 50% of our electricity through PPAs by 2035 in Italy and Poland, where the electricity mix is more carbon-intensive than in France. In France, where the energy mix is already lower-carbon, we are aiming for 20% of our electricity to be covered by PPAs by 2035. The PPAs we sign meet strict criteria, including physical and additional criteria, and the energy produced is certified by the *ekoenergy* label.

Announced in February 2023, the Group's first PPA signed in France with Engie provides for a 15-year commitment by iliad to purchase the power from a solar farm that will generate over 20 GWh per year. In late 2023, the Group signed three other PPAs, in France, Italy and Poland, for total installed energy capacity of 89.5 MW.

(1) Uptime Institute's 2022 Global Data Center Survey (https://uptimeinstitute.com/about-ui/press-releases/2022-global-data-center-survey-reveals-strong-industry-growth).
(2) Directly billed electricity usage.

4.2.3.1.3 Results and indicators

On energy efficiency and use of natural resources

The Group's Fixed and Mobile networks, together with its data centers, account for the vast majority of its CO_2eq emissions.

Data center indicators	2020	2021	2022	2023
Average PUE for iliad [(a)]	1.42	1.39	1.37	1.35
Average PUE published by the Uptime Institute	1.59	1.57	1.55	1.58
WUE *(L/kWh)*[(b)]	0.02	0.02	0.04	0.06

(a) Data centers in France whose capacity is marketed (DC2, DC3, DC4 and DC5 in the Île-de-France region, Marseille, Lyon Rockfeller and Limonest), i.e., approximately 18.5 MW net IT. Poland represents only about 3 MW net IT marketed and no historical data prior to 2022 is available.
(b) Weighted average of use by data centers operated by Scaleway in France (DC2, DC3, DC4, DC5).

Similarly, for CO_2eq emissions, the Group considers it important to select relevant KPIs for mobile network emissions. The indicator used is therefore the amount of CO_2eq emitted by the mobile network per gigabyte of mobile data consumed, as that is the indicator that the Group seeks to control, along with the kilos of CO_2eq emitted by our subscribers (without distinction between fixed and mobile).

	2018	2019	2020	2021[(a)]	2022[(a)]	2023[(a)]
Carbon intensity of a GB consumed on the mobile network *(Group, in gCO_2eq/GB)*	ND	ND	37.9	41	36.8	36.3
Carbon intensity of a GB consumed on the mobile network *(France, in gCO_2eq/GB)*	11.6	10	8.6	9.5	8.6	6.6
Carbon intensity of a GB consumed on the mobile network *(Italy, in gCO_2eq/GB)*	ND	ND	ND	53.3	44.6	48.1
Carbon intensity of a GB consumed on the mobile network *(Poland, in gCO_2eq/GB)*	ND	ND	ND	67.7	60.4	57.2
Carbon intensity of a fixed-line or mobile subscriber *(Group, in kCO_2eq)*	ND	ND	6.9	5.1	4.7	4.8
Carbon intensity of a fixed-line or mobile subscriber *(France, in kCO_2eq)*	ND	ND	2.1	1.8	1.6	1.5
Carbon intensity of a fixed-line or mobile subscriber *(Italy, in kCO_2eq)*	ND	ND	ND	5.1	8.8	8.2
Carbon intensity of a fixed-line or mobile subscriber *(Poland, in kCO_2eq)*	ND	ND	ND	10.4	6.5	7.2

(a) Including UPC since 2021.

4.2.4 Managing the environmental impacts of the supply chain

Reducing the environmental impact of our products requires closer control of the supply chain, both upstream and downstream. As part of our Climate Strategy, we set ourselves the goal of rethinking our entire supply chain in order to optimize it.

4.2.4.1 Policies and objectives

In order to control our emissions, we use the most environmentally friendly means of transport for our logistics operations.

Our aim is for trucks to be used only for the few legs of the journey where rail transport is impossible, and to use air freight only in exceptional cases.

For deliveries of Freeboxes to subscribers, we use pick-up points as close as possible to subscribers' homes in order to avoid small, fragmented deliveries.

4.2.4.2 Actions implemented

Optimizing transport to and from logistics sites

Loads are optimized by packing more into containers and trucks. The format of the loading pallets used has been standardized in order to enhance the surface area/energy ratio. The Group also strives to eliminate empty runs, with only full trucks being sent on the roads and doing round-trips between manufacturing and logistics sites. Additionally, for a number of years now, we have been using reusable plastic shipping pallets which increase the truck fill rate by about 30% and at the same time reduces waste by minimizing the use of wooden pallets and cardboard packaging.

The Group also recommends the most carbon-efficient transportation solutions to its subscribers, encouraging them to collect their products (Freeboxes, SIM cards and mobile phones) from pick-up points, and developing the instant swap model (collection of the return parcel when the outbound parcel is delivered).

Favoring low-carbon means of transport through a multimodal transport mix

Multimodal transport – which combines road, rail, sea and, in exceptional situations, air freight – helps the Group to contain its energy consumption and greenhouse gas emissions.

Despite longer timeframes and more complex tracking processes, sea freight is the Group's standard form of transport for its Freeboxes as it is less polluting [(1)] than other means of transport. Our teams at Freebox have therefore developed highly efficient systems for anticipating order levels.

For overland and inter-site transport requirements, Freebox is a pioneer in its industry as it uses rail for part of the freight journey, which is less polluting than road transport.

Optimizing our delivery logistics

We are also pursuing our efforts to reduce the number of deliveries to subscribers' homes and to encourage the use of pick-up points. We have developed partnerships with specialized companies that have very good national coverage so that Freebox delivery and return points are located near subscribers' homes. Our network of Free Centers also has good nationwide coverage, with 228 stores across France at end-2023 (189 in 2022), offering another effective way of pooling shipments of Freeboxes and accessories.

In a constant bid to reduce distances traveled, our logistics sites are located as near as possible to unloading and distribution points, i.e., as near as possible to subscribers and road freight providers.

Another way transport distances have been optimized is by reducing the number of links in the supply chain, with certain products delivered directly from the logistics platform to the Free Centers.

4.2.4.3 Results and indicators

In 2023, the quantity of the Group's products transported increased by 28%, i.e., returning to normal after dropping 26% in 2022 due to the external operating context. Within the supply chain mix, the proportion of air freight returned to 7% in 2023 following the major semiconductor crisis that began in late 2020 and led to high pressure on inventories of boxes and accessories, meaning that they had to be replenished very quickly to meet demand. Our goal remains to use air freight as little as possible and to keep it below 10% of our overall freight volumes.

- **Breakdown of modes of transportation from Asia to France for Freebox SAS**

	2020		2021		2022		2023	
	Tonnes	Mix %	Tonnes	Mix %	Tonnes	Mix %	Tonnes	Mix %
Air	417	11%	226	6%	902	31%	248	7%
Sea	2,990	80%	3,543	91%	1,907	66%	3,246	88%
Rail	0	0%	123	3%	73	3%	203	5%
Road	339	9%	0	0%	0	0%	0	0%
Total	**3,746**	**100%**	**3,893**	**100%**	**2,881**	**100%**	**3,696**	**100%**

(1) Source: ADEME's *Base Empreinte*© database, at December 31, 2023.

4.2.5 Minimizing the impact of our products and promoting the circular economy

Freebox

The Freebox is iliad's flagship product, and has been the Group's showcase since its beginnings. The Group is an outlier in its industry because the Freebox is designed entirely in-house and is made by iliad's own teams. This means that our teams can directly have an effect on reducing the environmental impact related to the manufacture and refurbishment of our Freeboxes, as well as upstream and downstream logistics and the management of waste electrical and electronic equipment (WEEE). The energy consumption of our devices at our subscribers' premises is an indirect use of energy for the Group but is nonetheless a major issue for us, as it significantly affects our Scope 3 emissions which we have pledged to reduce.

A specific factor for our design teams to take into account is that Freeboxes are provided rather than sold to our subscribers and therefore remain the Group's property. With this in mind, they are designed to last and to be used for as long as possible. When a subscriber returns their Freebox, we have to be able to put it back into circulation. As a result, our boxes are designed from the outset so as to make them as easy as possible to repair and restore to the highest current-day market standards (e.g., by using screws instead of glue to assemble the different parts).

4.2.5.1 Policies and objectives

Since 2002, the Group has brought eight generations of Freeboxes to market, each featuring the latest technological innovations. From design to transportation and recycling of the Freeboxes, our teams work hard to reduce their environmental impact and take action across the value chain to fight programmed obsolescence. Freeboxes are designed to last. All of our Freeboxes are designed according to the same principles, by exclusively selecting long-lasting technologies and materials for both the hardware and software components.

To reduce the environmental footprint of Freeboxes, action has to be taken across the value chain, from the design stage, through each production phase, and up to shipment to the subscriber. The Freebox Revolution, for example – which was launched at the end of 2010 and is still marketed – has a lifespan estimated to be in excess of 10 years.

In our Climate Strategy, we pledged to reduce our subscriber base's energy use of our Freeboxes by at least 15% by 2025 (a 4% reduction was achieved between 2022 and 2023). We are totally opposed to programmed obsolescence and are therefore committed to extending the lifespans of our equipment to up to ten years. Our goal is to have a recycling rate of at least 90% for Freeboxes each year.

4.2.5.2 Actions implemented

Extending the lifespans of our boxes from the design and manufacture stage to fight against programmed obsolescence

The products designed and brought to market by the Group are made to last.

We have our own R&D center so that we can control all of our product design and production processes based on an overall eco-design approach. Production specifications stipulate the use of recycled materials and the reduction in the amount of raw materials used in packaging.

Our Freeboxes are designed to be more multifunctional than their earlier generations, replacing a host of other devices (Blu-Ray™ DVD player, speaker, hard drive, etc.).

The Group also pays particular attention to reducing subscribers' electricity consumption from the use of its products so as to minimize its indirect environmental impact and also lower subscribers' energy bills.

In line with our climate pledges, environmental criteria are now a decisive factor in our supplier selection process. We are working with electronic component manufacturers to limit the energy consumption of our Freeboxes. And we are continuing our work on life cycle assessments for all Freeboxes in order to give us a detailed, accurate picture of the current generation's environmental footprint and help to improve the eco-design of future generations. These assessments are conducted according to a protocol based on the main principles of ISO 14040, using the EIME tool developed by Bureau Veritas, which defines an ecopassport by product in line with the approach adopted by the European Commission in 2013. Life cycle assessments are used in order to apply a multi-criteria approach to analyzing the environmental impact of a product or system over its entire life cycle.

Reducing the amount of packaging and optimizing its use

We have significantly reduced our utilization of single-use packaging, and our processes for preparing parcels for delivery to subscribers minimize the use of cardboard boxes. Our research teams have designed packaging made only of biodegradable materials and recycled paper. It is shaped and sized in line with the boxes it contains, which reduces both empty space and the amount of paper required. Freebox packaging is also optimized in terms of weight and volume and is designed to be resistant throughout the boxes' life cycle and ensure its primary function of maintaining quality standards in transport.

And for freight purposes, we make sure that packaging is a perfect fit so that no space is wasted, in order to reduce the carbon impact of the transportation chain.

For several years now, the Group has sought to design robust, reusable packaging. Subscribers are encouraged to keep their packaging so it can be used to return Freeboxes in the event of cancellations or for after-sales service or exchange.

Ensuring the reuse and recycling of our Freeboxes

In order to extend the lifespans of our Freeboxes, all of their materials are designed to be reused or recycled. The plastic casing, accessories and connector cables are refurbished and reused, while used materials such as plastic and motherboards are recycled, with material recovery. All used plastic is ground down to make new plastic components.

To ensure that our boxes can be reused, whenever subscribers terminate their subscription, the equipment provided to them has to be returned in good working order, failing which the subscriber is required to pay a penalty. This means that the parts of old Freeboxes can be refurbished and used to make new ones.

We closely monitor the rate of Freebox returns and the production refurbishment rate for Freeboxes (i.e., the number of Freeboxes refurbished out of every 100 put into circulation for new subscribers or migrations).

Results for Freeboxes	2020	2021	2022	2023
Return rate	86.7%	94.3%	90.2%	89.9%
Refurbished production rate	62.1%	55.7%	61.1%	52.2%

Freeboxes and related accessories (cables, remote controls, gamepads and plastic covers) are refurbished in the Group's Freebox manufacturing plants in France or elsewhere in Europe before being redispatched for use by other subscribers.

Any defective equipment is repaired at the same plants and any components that cannot be reused are recycled through specifically approved channels.

Optimizing the recycling of our Freeboxes

The Group ensures that it complies with the applicable regulations concerning the recycling of waste generated by its activities. All waste generated by the Group's manufacturing operations – which make up the largest proportion of its total waste by volume – is sent to waste disposal providers, where it is fully recovered and/or recycled in accordance with the applicable European standards and regulations.

For managing its WEEE, the Group uses registered waste disposal providers. The Group's Freebox teams have introduced a polishing process so that the plastic cover on the Freebox no longer systematically has to be changed when it is refurbished. Some 80% of the plastic used when the cover on the Freebox Revolution is changed is recycled plastic and the leftover ground plastic is sold to other industries that use the material for their own purposes, such as garden furniture and matting for sport fields or children's play areas.

We are seeking to enter an economy of use rather than one of ownership, where the repair of our equipment is anticipated and facilitated from the design phase.

Mobile phones

Collecting used mobile phones and promoting refurbishment

Our Group stands out for its environmentally responsible choices relating to mobile phones. We chose not to make sales of mobile phones a key aspect of our marketing strategy when we entered the mobile services market in 2012 and have kept that approach ever since. We have always refused to encourage our subscribers to replace their mobile phones before necessary and we intend to hold firm to this policy.

As a member of the GSMA, in May 2023, the Group pledged that by 2030, collections for refurbishment will correspond to 20% of the mobile phones purchased by our subscribers. This objective is in line with the partnership agreement announced on June 14, 2022 with Certideal, which gives both existing and new Free Mobile subscribers the best prices and warranties for refurbished phones, with discounts of up to 10%. In 2023, 6% of our mobile phone sales were refurbished phones (8.8% in 2022).

This year-on-year contraction shows that more work needs to be done to inform the general public about the benefits of buying refurbished phones, and also with our teams, in order for them to encourage subscribers to buy refurbished phones, for example, by reminding them that these phones come with a two-year warranty, just like new ones.

We have also set up programs throughout France for reusing/recycling mobile phones, encouraging people not to leave old phones lying around that could be reused or recycled. For example, we have installed drop-off boxes in all of our stores across the country for used mobile phones and accessories, so they can be recycled.

We also have a trade-in offer for our subscribers' old phones, which can be used whether the subscriber has bought the phone from us or not. As an incentive, subscribers get a trade-in bonus in some cases. Old phones are examined and then refurbished to be put back into circulation.

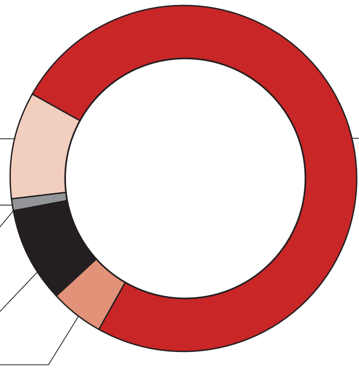
Our Free Flex phone leasing offer includes a selection of refurbished mobiles, and all of the phones returned at the end of a Free Flex contract are either refurbished or recycled, depending on their condition.

4.2.5.3 Results and indicators

The iliad Group

In accordance with the applicable regulations, the Group encourages the reuse of materials and then the recovery or recycling of its waste for use as materials or energy.

Waste recovery and recycling *(tonnage breakdown – 2023)*



- **Focus on Freebox SAS**

The waste generated by Freebox SAS is mainly plastic and electronic waste, which accounts for the bulk of the overall waste produced by the Group's operations.

This waste, which is treated by specialized providers, has a particularly high material and energy reuse/recycling rate, corresponding to 97.5% (99.7% in 2022).

- **Breakdown of waste evacuated by Freebox SAS**

(In tonnes)	2018	2019	2020	2021	2022	2023
Plastics (including foams)	746	1,022	1,636	1,428	1,240	1,067
Metals	47	38	58	93	71	137
Other non-hazardous waste (cardboard, wood, etc.)	ND	ND	ND	ND	ND	2,011
Waste electrical and electronic equipment (WEEE)	1,188	1,297	1,101	1,653	945	1,494
o/w cables and wires	*158*	*222*	*213*	*202*	*177*	*220*
Other hazardous waste	ND	ND	ND	ND	ND	0
Total	**1,982**	**2,357**	**2,795**	**3,175**	**2,256**	**4,710**

Mobile phones

Joining the GSMA in 2023 further increased our impetus to promote refurbished products to our prospects and subscribers. However, we still have a long way to go in convincing our subscribers, as the figures below show.

	2019	2020	2021	2022	2023
% of refurbished phones sold out of the total number of phones sold[(a)] (France)	3.0%	5.1%	9.4%	8.8%	6%
% of refurbished phones sold out of the total number of phones sold[(a)] (Poland)	ND	ND	0.5%	0.4%	0.5%

(a) Excluding flash sales. Refurbished mobile phones are not sold in our Italian stores.

4.2.6 Application of the European taxonomy to iliad's activities

Under European Regulation EU 2020/852 (known as the "Taxonomy Regulation") on establishing a framework to facilitate sustainable investment within the European Union (EU), iliad is required to publish KPIs for its full financial scope of consolidation, showing the proportion of its net revenues ("turnover"), OpEx and CapEx that are Taxonomy-eligible, i.e., deriving from products and/or services associated with economic activities that are considered to contribute to achieving the Taxonomy Regulation's six environmental objectives.

The first two of these objectives – climate change mitigation and climate change adaptation – have been analyzed since 2021.

In 2023, four new environmental objectives were added to the analysis: the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems. Out of these last four objectives, only the proportion related to eligible activities has to be disclosed for 2023.

iliad assessed the eligibility of its activities and set its KPIs for 2023 on the basis of the new regulations related to the application of the Taxonomy Regulation, i.e., Commission Delegated Regulation (EU) 2021/2139 of June 4, 2021 (the Climate Delegated Act), the Delegated Act of July 6, 2021, and the Commission Delegated Regulations (EU) 2023/2485 and 2486 of June 27, 2023 (supplementing the Climate Delegated Act and establishing the technical screening criteria related to the four environmental objectives other than climate change mitigation and climate change adaptation).

4.2.6.1 Presentation of iliad's Taxonomy KPIs

The Group's economic activities have been analyzed on the basis of the Taxonomy Regulation (and delegated acts). The regulation's "Information and communication" sector covers four economic activities falling under NACE codes J60, J61, J62 and J63.1.1. Like for other telcos, the proportion of the Group's activities classified as eligible under the Taxonomy Regulation is very low, as the telecoms sector still has very little representation among the eligible activities. However, iliad is highly committed to pursuing its policy of investing heavily in the latest, most energy-efficient networks, as illustrated by its rollout of fiber and 5G.

Economic activities	Description of the activity	Associated NACE code
Data processing, hosting and related activities (section 8.1 – Annex 1 Climate change mitigation)	Storage, manipulation, management, movement, control, display, switching, interchange, transmission or processing of data through data centers, including edge computing.	J63.1.1
Computer programming, consultancy and related activities (section 8.2 – Annex 2 Climate change adaptation)	Providing expertise in the field of information technologies: writing, modifying, testing and supporting software; planning and designing computer systems that integrate computer hardware, software and communication technologies; on-site management and operation of clients' computer systems and/or data processing facilities; and other professional and technical computer-related activities.	J62
Data-driven solutions for GHG emissions reductions (section 8.2 – Annex 1 Climate change mitigation)	Development or use of ICT solutions that are aimed at collecting, transmitting and storing data, as well as its modeling and use where those activities are predominantly aimed at the provision of data and analytics enabling GHG emission reductions. Such ICT solutions may include, inter alia, the use of decentralized technologies (i.e., distributed ledger technologies), Internet of Things (IoT), 5G and Artificial Intelligence.	J61, J62 and J.63.1.1
Programming and broadcasting activities (section 8.3 – Annex 2 Climate change adaptation)	Programming and broadcasting activities include creating content or acquiring the right to distribute content and subsequently broadcasting that content, such as radio and television programs for entertainment, news, debate, and the like. Also included is data broadcasting, typically integrated with radio or TV broadcasting. The broadcasting can be performed using different technologies, over-the-air, via satellite, via a cable network or via Internet. This division also includes the production of programs that are typically narrowcast in nature (limited format, such as news, sports, education, and youth-oriented programming) on a subscription or fee basis, to a third party, for subsequent broadcasting to the public.	J60
Repair, refurbishment and remanufacturing (section 5.1 – Annex 2 Transition to a circular economy)	Repair, refurbishment and remanufacturing of goods that have been used for their intended purpose before by a customer (physical person or legal person).	C26
Sale of second-hand goods (section 5.4 – Annex 2 Transition to a circular economy)	Sale of second-hand goods that have been used for their intended purpose before by a customer (physical person or legal person), possibly after repair, refurbishment or remanufacturing.	C26
Product-as-a-service and other circular use- and result-oriented service models (section 5.5 – Annex 2 Transition to a circular economy)	Providing customers (physical person or legal person) with access to products through service models, which are either use-oriented services, where the product is still central, but its ownership remains with the provider and the product is leased, shared, rented or pooled; or result-oriented, where the payment is pre-defined and the agreed result (i.e., pay per service unit) is delivered.	C26

An analysis of the NACE codes has been carried out for the Group's various subsidiaries, and these activities were checked against the definitions of economic activities in the European Taxonomy Regulation. This analysis shows that four Group companies (Scaleway S.A.S., OPCORE S.A.S.U., Jaguar Network S.A.S.U., 3S sp. z o.o.) perform an economic activity considered eligible for the climate change mitigation objective (data processing, hosting and related activities, associated with NACE code J63.1.1). Two other companies carry out activities that can be considered eligible for the transition to the circular economy objective: Freebox S.A.S and Free Mobile S.A.S.

The application of the NACE code J63.1.1 to the figures of these subsidiaries, in proportion to the Group figures, gives the following figures:

2023	Group *(€m)*	% Taxonomy-eligible	% Taxonomy-aligned
Revenues (Turnover)	9,241	2.6%	0%
Operating expenses (OpEx)	3,304	5.3%	0%
Capital expenditure (CapEx)	2,016	2%	0%

Eligibility is based on the description of activities as provided in the Taxonomy Regulation and does not take into account the substantial contribution or do no significant harm criteria. OpEx and CapEx include "individually sustainable" eligible expenses relating to the Group's entire scope (e.g., expenses relating to the purchase or leasing of electric vehicles or the additional cost of purchasing guarantees of origin) and not only to a scope confined to the three subsidiaries whose activities are eligible.

As the Taxonomy Regulation's current scope of application is very narrow and excludes core telecoms activities, the Group's eligibility figures were not material in 2023.

The Group analyzed its eligible activities in relation to the Taxonomy Regulation's technical screening criteria for the climate change mitigation and climate change adaptation objectives (substantial contribution, do no significant harm to the other environmental objectives, and compliance with minimum safeguards) and the results showed that its Taxonomy-eligible activities are not Taxonomy-aligned.

The Group has not disclosed its assessment of the Taxonomy alignment of its activities that are eligible for the transition to a circular economy objective, as such disclosure is not currently required under the applicable regulations.

Table 1 – Turnover

Model: Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – Information for 2023.

Substantial contribution criteria			Year	Substantial contribution criteria					
Economic activities	**Code(s)**	**Turnover**	**Proportion of turnover – 2023**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Bio-diversity**
		(€ millions)	*%*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*
A. Taxonomy-eligible activities									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
Turnover from environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0%**	**0%**	**"-%"**	**"-%"**	**"-%"**	**"-%"**	**"-%"**
Of which enabling			0%						
Of which transitional			0%						
A.2 Taxonomy-eligible but not environmentally sustainable activities (non-Taxonomy-aligned)[g]									
				EL; N/EL	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*
Data processing, hosting and related activities	CCM 8.1	133.21	1.44%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Sale of second-hand goods	CE 5.4	13.7	0.15%	N/EL	N/EL	N/EL	N/EL	EL	N/EL
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5	121.5	1.31%	N/EL	N/EL	N/EL	N/EL	EL	N/EL
Turnover from Taxonomy-eligible but not environmentally sustainable activities (non-Taxonomy-aligned) (A.2)		**268.41**	**2.90%**	**1%**	**"-%"**	**"-%"**	**"-%"**	**"-%"**	**"-%"**
Total turnover of Taxonomy-eligible activities (A.1 + A.2) (A)		**268.41**	**2.90%**	**1%**	**"-%"**	**"-%"**	**"-%"**	**"-%"**	**"-%"**
B. Non-Taxonomy-eligible activities									
Turnover from non-Taxonomy-eligible activities (B)		**8,972.59**	**97%**						
Total (A + B)		**9,241**	**100%**						

	Proportion of turnover/Total turnover	
	Taxonomy-aligned per objective	**Taxonomy-eligible per objective**
CCM	0%	1%
CCA	%	%
WTR	%	%
CE	%	1%
PPC	%	%
BIO	%	%

	Do No Significant Harm criteria ("DNSH")									
	Climate change mitigation	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Bio-diversity**	**Minimum safeguards**	**Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) turnover – 2022**	**Category – enabling activity**	**Category – transitional activity**
	Y/N	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
	"-%"	**"-%"**	**"-%"**	**"-%"**	**"-%"**	**"-%"**		**"-%"**		
								"-%"	E	
								"-%"		T
								2%		
								2%		
								2%		

- Table 2 – CapEx

Model: Proportion of CapEx related to products or services associated with Taxonomy-aligned economic activities – Information for 2023.

Substantial contribution criteria			Year	Substantial contribution criteria					
Economic activities	Code(s)	CapEx	Proportion of CapEx – 2023	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Bio-diversity
		(€ millions)	*%*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*
A. Taxonomy-eligible activities									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
CapEx related to environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0%**	**0%**	**“-%”**	**“-%”**	**“-%”**	**“-%”**	**“-%”**
Of which enabling			0%	%	%	%	%	%	%
Of which transitional			0%						
A.2 Taxonomy-eligible but not environmentally sustainable activities (non-Taxonomy-aligned)[(g)]									
				EL; N/EL	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*
Data processing, hosting and related activities	CCM 8.1	41	2.03%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Repair, refurbishment and remanufacturing	CE 5.1	70	3.47%	N/EL	N/EL	N/EL	N/EL	EL	N/EL
CapEx related to Taxonomy-eligible but not environmentally sustainable activities (non-Taxonomy-aligned) (A.2)		**111**	**5.51%**	**2%**	**“-%”**	**“-%”**	**“-%”**	**“-%”**	**“-%”**
Total CapEx related to Taxonomy-eligible activities (A.1 + A.2) (A)		**111**	**5.51%**	**2%**	**“-%”**	**“-%”**	**“-%”**	**“-%”**	**“-%”**
B. Non-Taxonomy-eligible activities									
CapEx related to non-Taxonomy-eligible activities (B)		**1,905**	**94%**						
Total (A + B)		**2,016**	**100%**						

	Proportion of CapEx/Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	2%
CCA	%	%
WTR	%	%
CE	%	3%
PPC	%	%
BIO	%	%

Do No Significant Harm criteria (“DNSH”)									
Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Bio-diversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) CapEx – 2022	Category – enabling activity	Category – transitional activity
Y/N	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
“-%”	**“-%”**	**“-%”**	**“-%”**	**“-%”**	**“-%”**		**“-%”**		
							“-%”	E	
							“-%”		T
							2%		
							2%		
							2%		

- Table 3 – OpEx

Model: Proportion of OpEx related to products or services associated with Taxonomy-aligned economic activities – Information for 2023.

Substantial contribution criteria		Year		Substantial contribution criteria					
Economic activities	**Code(s)**	**OpEx**	**Proportion of OpEx – 2023**	**Climate change mitigation**	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Bio-diversity**
		(€ millions)	*%*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*
A. Taxonomy-eligible activities									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0%**	**0%**	**"-%"**	**"-%"**	**"-%"**	**"-%"**	**"-%"**
Of which enabling			0%	%	%	%	%	%	%
Of which transitional			0%						
A.2 Taxonomy-eligible but not environmentally sustainable activities (non-Taxonomy-aligned)[9]									
Text				*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*
Data processing, hosting and related activities	CCM 8.1	64	9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
OpEx of Taxonomy-eligible but not environmentally sustainable activities (non-Taxonomy-aligned) (A.2)		**64**	**9%**	**2%**	**"-%"**	**"-%"**	**"-%"**	**"-%"**	**"-%"**
Total OpEx related to Taxonomy-eligible activities (A.1 + A.2) (A)		**64**	**9%**	**2%**	**"-%"**	**"-%"**	**"-%"**	**"-%"**	**"-%"**
B. Non-Taxonomy-eligible activities									
OpEx of non-Taxonomy-eligible activities (B)		**658**	**91%**						
Total (A + B)		**722**	**100%**						

	Proportion of OpEx/Total OpEx	
	Taxonomy-aligned per objective	**Taxonomy-eligible per objective**
CCM	0%	9%
CCA	%	%
WTR	%	%
CE	%	%
PPC	%	%
BIO	%	%

Do No Significant Harm criteria ("DNSH")									
Climate change mitigation	**Climate change adaptation**	**Water**	**Pollution**	**Circular economy**	**Bio-diversity**	**Minimum safeguards**	**Proportion of Taxonomy-aligned (A.1.) and Taxonomy-eligible (A.2.) OpEx – 2022**	**Category – enabling activity**	**Category – transitional activity**
Y/N	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
"-%"	**"-%"**	**"-%"**	**"-%"**	**"-%"**	**"-%"**		**"-%"**		
	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	"-%"	E	
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	"-%"		T
							2%		
							2%		
							2%		

4.3 Supporting the people who are building the digital world of the future

With its unique position in the European telecommunications market, the Group plays a major role in creating jobs, developing specific skills and promoting diversity in tech. Diversity is in the Group's DNA, reflecting our history founded on innovation and inclusion.

In addition to impacts on people, companies and nations, our projects for deploying resilient telecoms infrastructure and data centers have significant effects on jobs and skills. To meet its deployment targets, the Group relies on a skilled workforce and invests in skills-building and training.

The Group is an innovation driver in information and communications technologies. Our investments in new technology R&D stimulate economic growth and create jobs in fields such as tech, construction and engineering.

And by connecting under-served populations, particularly in rural areas, we are helping bridge the digital divide and are creating job opportunities, therefore contributing to inclusive economic growth and promoting digital inclusion.

Despite the current complex economic and geopolitical context, the Group has an ambitious HR policy focused on creating jobs, recognizing and rewarding both individual and collective performance and encouraging career development and in-house skills-building.

We are now the sector's second-biggest employer in France, where we have created more than 3,400 net jobs over the past few years (and nearly 1,000 in 2023 alone). Overall, we employ more than 17,800 people (the majority in Europe), including over 11,000 in France.

- **Breakdown of workforce by geographic area**

	At Dec. 31, 2017	At Dec. 31, 2018	At Dec. 31, 2019	At Dec. 31, 2020	At Dec. 31, 2021	At Dec. 31, 2022	At Dec. 31, 2023[a]
Number of employees based in France	7,731	7,812	8,603	9,134	9,681	10,162	11,161
Number of employees based outside France	1,980	2,316	2,496	5,588	5,398	6,562	6,711
o/w Italy	*76*	*311*	*458*	*624*	*694*	*812*	*1,043*
o/w Morocco	*1,904*	*2,005*	*2,038*	*1,949*	*1,805*	*1,478*	*1,459*
o/w Poland	-	-	-	*3,015*	*2,899*	*4,272*	*4,209*
Total workforce	**9,711**	**10,128**	**11,099**	**14,722**	**15,079**	**16,724**	**17,872**

(a) Including the Group's joint ventures and the subsidiary, ITrust, acquired in 2023.

- **Breakdown of workforce by job type (including Poland since 2021)**

	At Dec. 31, 2018	At Dec. 31, 2019	At Dec. 31, 2020	At Dec. 31, 2021	At Dec. 31, 2022	At Dec. 31, 2023[a]
Subscriber relations	43%	40%	35%	25%	25%	30%
Network/Technical/IT	51%	55%	57%	53%	53%	43%
Retail	4%	6%	6%	16%	17%	19%
Other	2%	2%	2%	5%	5%	8%

(a) Including the Group's joint ventures and the subsidiary, ITrust, acquired in 2023.

4.3.1 Promoting diversity and attracting talent – two priorities at the heart of our culture

4.3.1.1 Policies and objectives

We promote a culture of inclusion and diversity within the Group, with motivation and personality being the priorities for recruitment. As a result, our workforce is exceptionally diverse, made up of 86 different nationalities. This wide variety of backgrounds, outlooks and experience enriches our working environment by stimulating creativity and innovation. We are determined to keep our working environment free from any prejudice or discrimination, where talent and skills take precedence over any other criteria, in respect of everyone's rights and freedoms. We have also set up a whistle-blowing system so that employees can report, in the strictest confidence, any cases of harassment or discrimination.

At iliad, diversity is much more than just an objective. It's a daily reality that shapes our identity and contributes to our success. We view diversity as the cornerstone of our ability to innovate and rise to the challenges of an ever-changing telecoms industry.

We firmly believe that growth shouldn't leave anyone behind, and that the jobs we create through the development of our business must be inclusive and sustainable. We pay particular attention to the quality of the jobs we offer, our employees' career development and fair pay for everyone. To ensure secure, long-term employment, our aim is for at least 90% of our workforce to be on permanent contracts.

In today's market where skilled workers are in high demand, we need to work constantly on attracting and retaining talent. Any erosion of our employer brand appeal could slow down our business and compromise the achievement of our sales objectives.

We view diversity and inclusion as opportunities for us to rise to the challenge of maintaining our appeal as an employer and helping to create a fairer job market. First and foremost, the Group values talent without distinction. For us, diplomas are not the be all and end all. More than anything else we look for people who are passionate about what they do and who want to grow with us. We recruit our employees and promote them on the basis of their soft skills, their expertise and their backgrounds.

4.3.1.2 Actions implemented

Promoting gender equality in the workplace

The Group has a gender equality policy in place that applies to all aspects of employees' careers, particularly recruitment, access to training, pay and promotion. The main challenges and imperatives we're currently addressing are getting more women into tech, guaranteeing equal pay for equal work and raising awareness about gender equality in the workplace.

Getting more women into tech

In 2023, women represented 31% of the Group's workforce. This low proportion of women is mainly due to the fact that in 2017, we decided to use our own in-house teams for rolling out our fiber and mobile networks, which led to many hires of technicians, who tend to be men. Technical areas of work, such as construction, civil engineering and IT have traditionally been male dominated, which therefore affects the overall proportion of women in the Group's workforce. However, the percentage of women is higher in our subscriber relations and retail activities (39% and 45% respectively at December 31, 2023). The challenge of increasing the number of women in our professions is higher in the job areas that have historically attracted more men. Our technical subsidiaries have moved into action on this front, and the number of women in their workforce rose by 17% in 2023, with the proportion of their female employees increasing from 16% to 17%:

- during the mandatory annual negotiations with employees in 2022, Free Pro reaffirmed its determination to promote a zero-tolerance policy on discrimination in recruitment, particularly discrimination based on the applicant's gender. The Free Pro Social and Economic Unit (UES) – comprising Free Pro and JT Holding – has pledged to raise the proportion of women in its workforce, in particular by stepping up its efforts to hire women in tech and sales positions. At end-2023, women made up 19% of the Free Pro UES's workforce (16% for Free Pro and 53% for JT Holding). At the same time, the Free Pro Management Committee achieved almost full gender balance, with four women and five men;
- the same issues have been addressed at Free Réseau, which recorded 17% growth in its female workforce in 2023, with the proportion of women rising from 7% to 8%;
- at Scaleway, women made up 24.5% of the workforce at end-2023, based on our operating indicators. This represents a 5.2% rise in the number of women over the year (23.5% at end-2022), in line with the company's pledge in its gender equality agreement signed in 2022 to increase its number of female staff by 5% each year.

In order to encourage more women to join the Group, awareness-raising campaigns were carried out at our various sites in 2023 to highlight how women are now increasingly working in areas that were previously male-dominated.

Following on from the Women Leadership network launched in Poland in 2022, similar initiatives were launched in France in 2023:

- in Scaleway, an in-house network of over 100 people was created to help empower women in tech. Based on trust, respect and mutual support, the aim of this community is to enable women at Scaleway to reach their full potential, both in and outside work. The network held its first two events in 2023, which were focused on setting its values and objectives;
- in March 2023, as part of its Workplace Equality Month, the Group launched *iliad'elles* – a network that currently counts some forty women managers from the Group's various entities and is aimed at promoting the value of professional development among all of its employees.

The Group intends to pursue its measures and initiatives in this area, with the aim of achieving gender balance across all levels of responsibility. Several action areas have been identified to continue this approach of rewarding talent without discrimination, including:

- systematically involving women in recruitment and career development processes, with gender-balanced candidate lists for corporate officer positions and top management posts;
- increasing the amount of training offered to women – particularly managerial training in order to open up a wider range of management job opportunities to them – and incorporating the broader issue of diversity into leadership training;
- ensuring that descriptions of jobs and roles are inclusive.

Ensuring that compensation packages and career opportunities are totally gender-neutral

The Group's gender equality and equal pay policies that it has applied for many years have proved successful, with the following tangible results:

- at December 31, 2023, 21% of the Group's women employees held managerial-grade posts (29% in France);

- 44% of the members of the Board of Directors are women. Back in 2007 – i.e., even before France introduced the Copé Zimmerman Act on gender quotas on corporate boards – the proportion of women on iliad's Board was already 27%, one of the highest ratios of companies in the SBF 120 index. Also, the Audit Committee is chaired by a woman;
- as at the date of this Universal Registration Document, the Executive Committee – the body responsible for steering the Group's business and overseeing the implementation of its main policies – comprised two women out of its five members (i.e., a proportion of 40% women). The Group intends to ensure that women continue to represent at least 40% of its Executive Committee. Since 2018, several women have been appointed to the management teams in all of the Group's countries of operation: France, Italy and Poland;
- in France, 13% of top management positions are held by women. The "top management" category includes all managerial posts within the Group corresponding to categories F and G in the classification set out in the French National Collective Bargaining Agreement for the telecommunications industry or the equivalent for other collective bargaining agreements. This "top management" category comprises 242 Group employees, 32 of whom are women.

Right from the outset, the Group has always taken care to implement a policy of equal opportunities and recognizing and rewarding talent regardless of age, gender or sexual orientation. In particular, we are careful to eliminate any pay gaps between women and men with equivalent skills, responsibilities and seniority.

In the 2023 Gender Equality Index, published on March 1, 2024, the Group had a consolidated score of 90/100 for all of its eligible entities in France. Although this score was slightly lower than in the 2022 Index, it is still high and confirms the strength of the Group's gender equality policy. Over 90% of the eligible companies scored more than 85 points.

The Gender Equality Index – which is mandatory in France for companies with over 50 employees – is calculated according to a national methodology based on five criteria:

- the gender pay gap;
- the gender gap for individual salary increases;
- the gender promotion gap;
- salary increases on return from maternity leave;
- number of women among the 10 highest earners.

Thanks to our ongoing efforts, we scored the maximum points for two of the indicators: "% of employees receiving salary increases on return from maternity leave", and "Promotion gender gap".

The Group also saw very good scores for the "Gender pay gap" indicator – which either remained stable or improved year on year in four of the reporting entities, representing 73% of the eligible employees – as well as the "Gender gap for individual salary increases" indicator, for which 95% of the eligible reporting scope scored the maximum number of points.

The area that we now need to particularly concentrate on, furthering the work we have undertaken over the past several years, is the "Number of women among the 10 highest earners".

Raising awareness of gender equality

Since 2021, the Group has dedicated the month of March to raising employees' awareness about gender equality. A range of events and initiatives were held in 2023 for all of our people:

- in Paris, Bordeaux and Marseille, some 200 employees took part in 18 sessions of the escape game *Déjouez le sexisme* (How to beat sexism), helping them learn in a fun and engaging way how to identify and stop situations of sexism and sexual harassment in the workplace. Those who couldn't be there in person were able to take part online;
- over 700 employees participated in an anonymous online test to self-assess their level of gender stereotyping. And an in-house talk was held called "The 42 coding school in France, Italy and Poland: a driver for supporting women in tech". Sophie Viger, CEO of 42 in Paris, Jean-Marc Harion, CEO of Play and UPC Polska, and Mario Bus, Head of 42's institutional relations in Florence, took a look at gender equality in their respective countries and talked about what the 42 schools do to empower women in tech and IT.

In parallel, preventive actions were carried out throughout the year, such as in our Retail business in France, where team leaders, support staff and store managers were given sessions about preventing sexual harassment and sexist behavior. At Free Réseau, employees' onboarding includes mandatory training on "Living diversity together", with a session on gender equality. The objectives of this e-learning course are to raise awareness of biases and stereotypes, help employees identify real-life situations of discrimination based on a wide range of criteria (such as gender, religious belief, sexual orientation, origin and disability), and illustrate the best ways to react when faced with this kind of situation.

Developing innovative and inclusive recruitment practices

For us, digital has no boundaries, no skin color and no religion. It is universal by its very nature. To put our diversity promise into practice and attract the talent of tomorrow, we believe it is essential to start by working on our recruitment practices.

In order to help us achieve our aim of boosting the skill-sets in our business and meet the challenges of today's fiercely competitive job market, in 2023, we created a new Talent Acquisition team in charge of helping all of our French subsidiaries recruit people for tech and support positions. During the year, the members of this specialist team assisted our managers with hiring 125 specific profiles and worked on continuously improving our recruitment practices.

Training our managers in recruitment practices

In 2023, we continued to train our managers in recruitment practices in several of our subsidiaries:

- Scaleway continued to use the "STAR guidelines", which are aimed at making recruitment criteria objective by eliminating selection bias and focusing on the fundamentals – skills and ability. The STAR (Situation, Task, Action, and Result) method is a structured method for behavioral questions in interviews where candidates are asked to illustrate their skills and experience based on questions that require them to set the scene (Situation) and describe the purpose of their behavior (Task), what they did (Action) and the outcome (Result). Many Scaleway and Group managers have been trained in the STAR method for recruitment interviews, encouraging candidates to structure their answers via this method. Managers have also been provided with a bank of questions they can ask candidates. In 2023, some 302 team members were trained on how to use STAR. At the same time, webinars are available for managers to raise awareness of unconscious bias and provide the keys to inclusive communication;

- Free Distribution has also provided its managers with tools to enhance recruitment techniques and align its practices with the Group-wide imperatives of inclusion and diversity. To this end, in 2023, interview guide sheets, training modules and sourcing workshops were deployed among managerial staff;
- in 2023, our Polish subsidiary, Play, rolled out a new e-learning module designed to train managers in best processes and practices for recruitment and induction training. This module is mandatory for managers wishing to participate in recruitment processes.

Introducing innovative recruitment techniques

In 2023, there were over 4,500 new hires throughout the Group, and some 1,100 new jobs were created in our various subsidiaries. We view our strong business growth as an opportunity for us to have a major positive impact on the employability of young people, people with few or no qualifications, and people who are struggling to find work.

Being able to attract talented people who reflect today's society, and who identify with our values, means constantly innovating within all of our recruitment channels. For example, through the following:

- short videos posted in the "Careers" section of our website (**https://www.iliad.fr/en**), in which our employees talk about their jobs, because they are the best ambassadors for their profession, and we want their voices to be heard;
- referrals from our existing employees, which we see as a vital recruitment channel. Special referral campaigns have been launched, such as Boost cooptation in our stores, which double the bonuses paid to employees when they recommend us as an employer to someone they know. And at Free Mobile a fun and incentivizing challenge was organized to boost employee referrals, with 23% of new hires being recruited this way. At Free Pro, 25% of the new hires in 2023 came from employee referrals, reflecting the active role the company's people are playing in its growth;
- interviewing candidates by video and without resumés, which was trialed in our Greater Paris stores in 2023, so as to reach out to people who don't tend to use traditional job boards. This method involves a social media campaign inviting people to apply for a job by posting a video on Youtube, or record it directly via our recruitment app, Softy;
- recruitment processes have been digitalized, such as in our Polish subsidiaries for sales representatives, with a view to improving the applicant experience. Skills tests are now carried out using the BRIGHT and Staffly digital tools, and off-line video interviews have been introduced. As well as these measures, the recruitment policies, teams, processes and practices have been aligned between UPC and Play.

Promoting inclusion through employment

We have developed our own induction programs for our new hires, to make sure we provide the best onboarding processes in a tight labor market characterized by skills shortages. We firmly believe that by training up our people in practical ways so they can be hands on, and by making sure that the trainers are experienced in the domains concerned, we can give them the tools they need to quickly gain the skills they need for their job.

Making work-study programs a vector for growth

Work-study programs and other vocational contracts, whether permanent or open-ended, are great avenues for getting a long-term job with us. Our transformation and growth projects are opportunities for recruiting and developing the skills of our teams who will drive our business in the future. At December 31, 2023, the Group had 333 work-study contracts in place, comprising 202 apprenticeship contracts and 131 vocational contracts. At the same date, 11% of our workforce was under the age of 25.

Several specific work-study programs have been set up within the Group to attract, train and recruit our talent for the future, with most of these aimed primarily at people under the age of 26 and jobseekers in general:

- **a vocational program offering permanent positions as Free Proxi Advisors**. In view of the strong growth of our Free Proxi local subscriber support service, our subsidiary Protelco needed to increase its workforce in 2022 and 2023. Via an experimental vocational contract program, Protelco decided to offer candidates under the age of 26, as well as other jobseekers, a special work-study training pathway, on a permanent contract, therefore giving them job stability. Set up in partnership with the Ducretet apprenticeship training center, this program for Free Proxi Advisors involves a total of 315 hours of training spread over a period of 12 months, made up of 140 hours given by the Ducretet network and 175 hours by Protelco trainers. The trainees also have a dedicated tutor between training periods, to help them put the theory into practice within their team. Applicants interested in this program are often people who have taken a break in their career and are looking to re-enter the job market, but they can also be people with no experience in telecoms, IT or customer relations. Since the program was launched, 80% of the 73 recruits on the experimental vocational contracts have passed their trial period by completing their work-study training course;
- **apprenticeship programs leading to a qualification as Sales Unit Manager and the Business Management qualification for our future store team members.** Our Retail business saw very strong growth in 2023 with many new stores opening throughout France, and the creation of almost 300 jobs. To support this growth, and at the same time achieve inclusion through employment, F-Distribution decided to launch an apprenticeship program for store advisors that leads to qualifications with either two or three-year higher education equivalences. This training program – which alternates between one day of distance learning with our partner Studi, and four days working in store – lasts from 12 to 18 months, depending on the qualification concerned. At the end of this period, the apprentices are awarded a level 5 or 6 vocational qualification, depending on the program, and have the possibility of being recruited on a permanent basis as a Store Advisor or Assistant Manager;

- **the Telecom Network Installer work-study program.** To meet our needs for rolling out, operating and maintaining Free's fiber network, Free Réseau offers work-study programs on either apprenticeship or vocational contracts. Lasting one year, this program alternates between periods of classroom teaching and practical application, led by our trainers and by Free Réseau's teams. At the end of the work-study year, the trainees are awarded a Level 3 professional qualification as a Telecom Network Installer (equivalent to two years' training after high school), and have the opportunity to join Free Réseau on a permanent contract;
- new advisors joining us in our call centers generally spend a year on a permanent contract that includes vocational training leading to a professional telecoms training certificate which recognizes their professional skills and enhances their employability. This was the case for 56 employees at Certicall and 119 at Equaline in 2023;
- another example of our vocational-driven approach is the "Launchpad" initiative at Scaleway, which offers a training pathway for the position of DevOps Engineer, giving young Scaleway recruits the keys to build and maintain the company's Cloud APIs. The program begins with four months of intensive training, combining teaching and theory with hands-on practice in code restructuring. A total of 399 hours of intensive training are provided, followed by a six-month work-study program when the trainees form part of a team.

Helping boost regional employment

As well as being a fast-growing technology player on a European scale, the Group is also a local player with a strong regional presence in all of its geographies. Our commitment to regional communities is reflected not only in the long-term jobs we create across France, Italy and Poland, but also in the relations of trust we build up on a daily basis with all local players.

In France, the Group had over 11,000 employees at end-2023, based throughout the country.

In addition to Paris, where the Group's head office is located, we have two main operating bases: Marseille, where we have created over 1,100 jobs in the last 10 years, including at one of our main subscriber relations centers and in our Free Pro teams; and the Nouvelle-Aquitaine region, where we now employ nearly 1,000 people, around half of whom at our Bordeaux subscriber relations center.

Our strategy of keeping operations local is also illustrated in the network of stores that we now have, covering the length and breadth of France (totaling 230 at end-2023), which is also generating long-term local jobs. At the end of 2022, we announced a new and innovative service – Free Proxi – aimed at further increasing our regional presence by setting up small local subscriber assistance teams throughout France.

We also continually strive to help people who are struggling to find a job, proposing employment contracts and training. A total of 10% of the new team members who joined us in 2023 live in a disadvantaged urban area, whereas these areas account for 8% of France's overall population. Additionally:

- whenever possible, multimedia advisors at our Certicall and Equaline call centers are recruited from areas classified by the French government as priority employee areas, in partnership with the French unemployment agency. We have also entered into a partnership with Marseille's Mission Locale, a non-profit organization that helps young people aged 16 to 25 to overcome any barriers they may be facing in terms of social and/or professional inclusion. In connection with this partnership, Certicall invited a group of young jobseekers to an immersion day at the Marseille call center and helped them apply for a job with us;
- Free Pro has been awarded the *Empl'itude* label, testifying to its employment efforts within the Marseille Provence area. This regional label recognizes the actions and best practices of organizations in the areas of employment, human resources and corporate citizenship.

In Italy, iliad has two main sites in Milan and Rome, and eleven in the rest of the country. In 2023, iliad Italia recruited 282 people, half of whom were aged under 30. The number of new hires outside Milan, where the head office is located, rose by 53% between 2022 and 2023.

In Poland, Play had over 4,200 employees at 184 sites across the country at end-2023. Almost 60% of Play's workforce is based outside Warsaw, where it is headquartered, including in the cities of Katowice, Krakow, Poznan and Gdansk.

Teaming up with trusted partners to help people find work

Our commitment to opening up job opportunities to the widest number of people doesn't stop at the borders of our Group. We regularly carry out specific programs with trusted partners, with the support of our employees who are highly aware of the issue of inclusion.

For example, for over 10 years, Free has supported the Mozaïk Foundation and Mozaïk RH, a non-profit organization that promotes inclusion through employment:

- Thomas Reynaud, the Group's CEO, is a member of the Mozaïk Foundation's Advisory Board;
- Free takes part in the Employment and Training meet-ups organized by the Foundation in conjunction with the Greater Paris regional authorities, and we have hosted several meet-ups about fiber-related jobs at our Argenteuil training center and at the Group's head office;
- all Free and iliad Group job vacancies are advertised on the Mozaïk Foundation's *Diversifiez vos talents* platform, which helps companies to source diverse talent so that everyone can find the right job for them based on their individual skills;
- the Free Foundation has also launched a program called *Propulsion*, which enables our employees to support young people entering the world of work.

In 2023, the Free Foundation signed a partnership agreement with Konexio, a non-profit that seeks to help marginalized unemployed people or people undergoing retraining programs to find employment via digital inclusion. Through this partnership, Konexio and the Free Foundation will draw on their respective resources and expertise to help these people find jobs. The aim is to teach digital skills and provide training in tech professions – a sector that offers a wide range of career opportunities. In line with the programs and actions carried out by the Group to help young people find work, the Free Foundation has pledged that iliad will take on work-study students trained by Konexio in tech jobs such as web and mobile web developers and senior systems and networks technicians.

In Italy, iliad Italia launched *iliadship* in 2023, an innovative scholarship program designed to support ten tech university students each year over the next ten years, with mentoring given by a member of iliad Italia's Management Board and an ambassador from one of iliad's teams.

In Poland, major initiatives were launched in 2023 with university partners. The main aim of working with universities and student associations on a long-term basis is to provide students with access to the business world through a series of events such as lectures, discussions, workshops, open days at Play's office, and participation in job fairs.

Other one-off actions are carried out by our other subsidiaries throughout the year, such as Protelco, which in 2023 teamed up with *Génération France* (a non-profit that trains, guides and helps find work for young people who have dropped out of education), to hold career workshops and job dating sessions.

A proactive disability inclusion policy

The Group is committed to creating employment opportunities for people with disabilities and helping them stay in their jobs. For example, in France we have company-level agreements with employee representatives, charters and specific measures to help create a welcoming environment for our employees with disabilities.

Specific measures to make life easier for our team members with disabilities

We have a range of measures and initiatives in place for creating employment opportunities for disabled people and accompanying our disabled team members along their career paths:

- in 2023 Protelco continued to follow the proactive disability inclusion policy that it began back in 2015 when it signed its first company-level agreement on disability, which was renewed for a three-year period in December 2020. And also during 2023 it organized a half-day training course for managers and attended the Hello Handicap job fair;
- within the iliad UES, which groups together several of our French entities, we have a Disability Officer who helps foster an overall culture of inclusion by raising awareness about disability issues among employees, taking part in meetings with disabled team members to ensure they are happy in their work, and assessing any adjustments that need to be made to workstations. The iliad UES's agreement on disability issues was renewed for three years in January 2023;
- in our contact centers, some of our disabled employees' workstations have been replicated at home, to facilitate work-from-home arrangements (ergonomic seats, sit-stand platforms and various helpful accessories). In addition, Centrapel has an ongoing partnership with the sheltered employment agency, DEAFI, which provides it with a unit entirely staffed by hearing-impaired video advisors who can answer deaf subscribers' requests in their mother tongue – French sign language;
- at F-Distribution, a diagnostic process on disability issues was carried out in 2022. This resulted in a plan of 20 actions covering a wide range of areas including management of the disability policy, raising employee awareness, and recruitment, onboarding and career management for employees with disabilities. In 2023, a steering committee was set up to meet quarterly and oversee the disability policy, the resources deployed and the actions resulting from the diagnostic process. One of the outcomes of the process was that an in-house ergonomist now assists with workstation design, both at head office and in our stores (13 specific adjustments were made for disabled team members in 2023). In addition, a network of in-house correspondents has been set up to raise awareness by training people involved in disability issues and incorporating this topic into the various communications sent out to managers and their team members;
- in 2022, Free Pro signed a three-year disability charter, committing to increase the proportion of disabled workers in its workforce and to put in place partnerships with various recruitment organizations to help achieve this objective. Free Pro regularly organizes awareness-raising sessions, such as a collective action day on the topic of "What does disability at work really mean?" Specific consultations are also available on request for employees to answer their questions and help them put together a file to have their disability officially recognized. Free Pro pursued its focus on disability inclusion in 2023 by incorporating a section about the company's disability policy into the HR presentation given to new hires, appointing a disability officer in its HR teams, and setting up a disability commission comprising members of the works council, an HR disability officer and a social welfare assistant (from Cabinet Ducasse, a workplace disability consultancy). During the year, three people within Free Pro began the process to become recognized as disabled workers;
- in Italy, in 2023, all of iliad Italia's new stores were equipped with an access platform for people with reduced mobility, in order to make the premises accessible to all of our employees and subscribers.

European Disability Employment Week – an ideal opportunity for raising awareness

The Group organizes a range of events during European Disability Employment Week, which is an ideal opportunity for putting the spotlight on disability issues. In 2023, a wide range of awareness-raising activities were carried out at our various sites:

- in Paris, immersive sessions were organized using virtual reality headsets, which simulated visual impairment, language and learning disorders, progressive chronic illnesses and mental health problems, enabling participants to find out the reality of these invisible disabilities;
- in Marseille, employees were able to take part in a simulation on getting around with a white cane, which brought home the challenges of daily living for the visually impaired;
- the Group also took part in DuoDay, a nationwide event in France that enables a jobseeker with a disability to spend a day working in a duo at the workplace of a volunteer employee. The idea of the event is to help the jobseekers find out more about the job concerned and be able to spend a day in a company in real-life conditions.

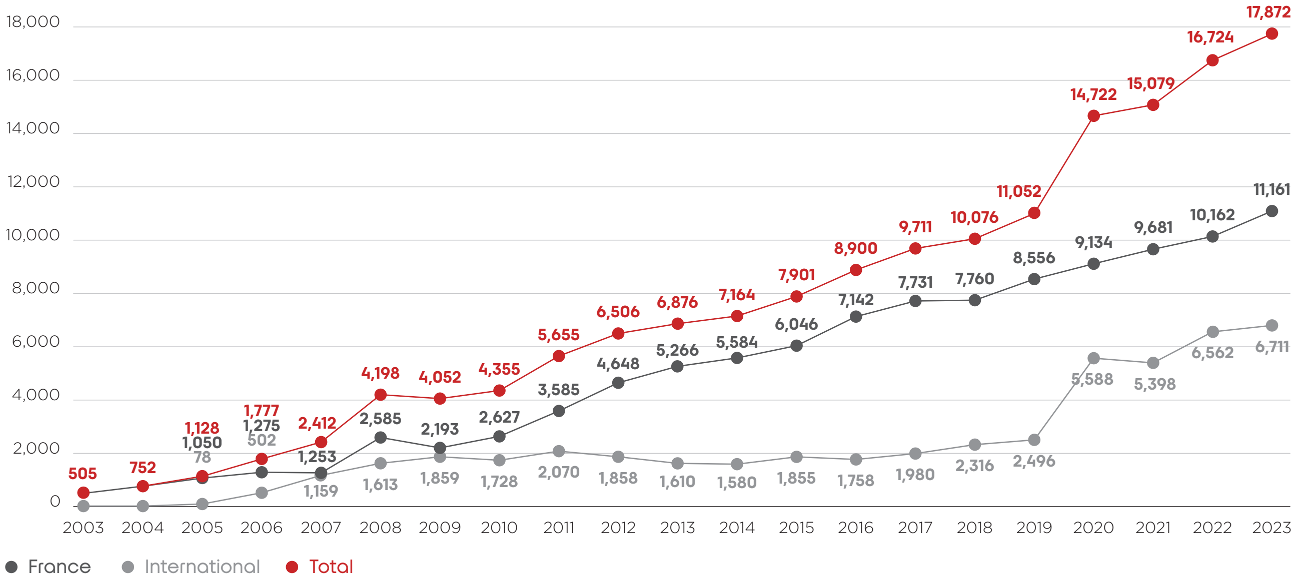
By fully integrating disability issues into our everyday operations, from hiring to workstation adjustments, and at the same time taking action to change perceptions of disability, we have increased our number of disabled employees by 20%. At end-2023, they represented 2.9% of the Group's total workforce, compared with 2.6% one year earlier.

4.3.1.3 Results and indicators

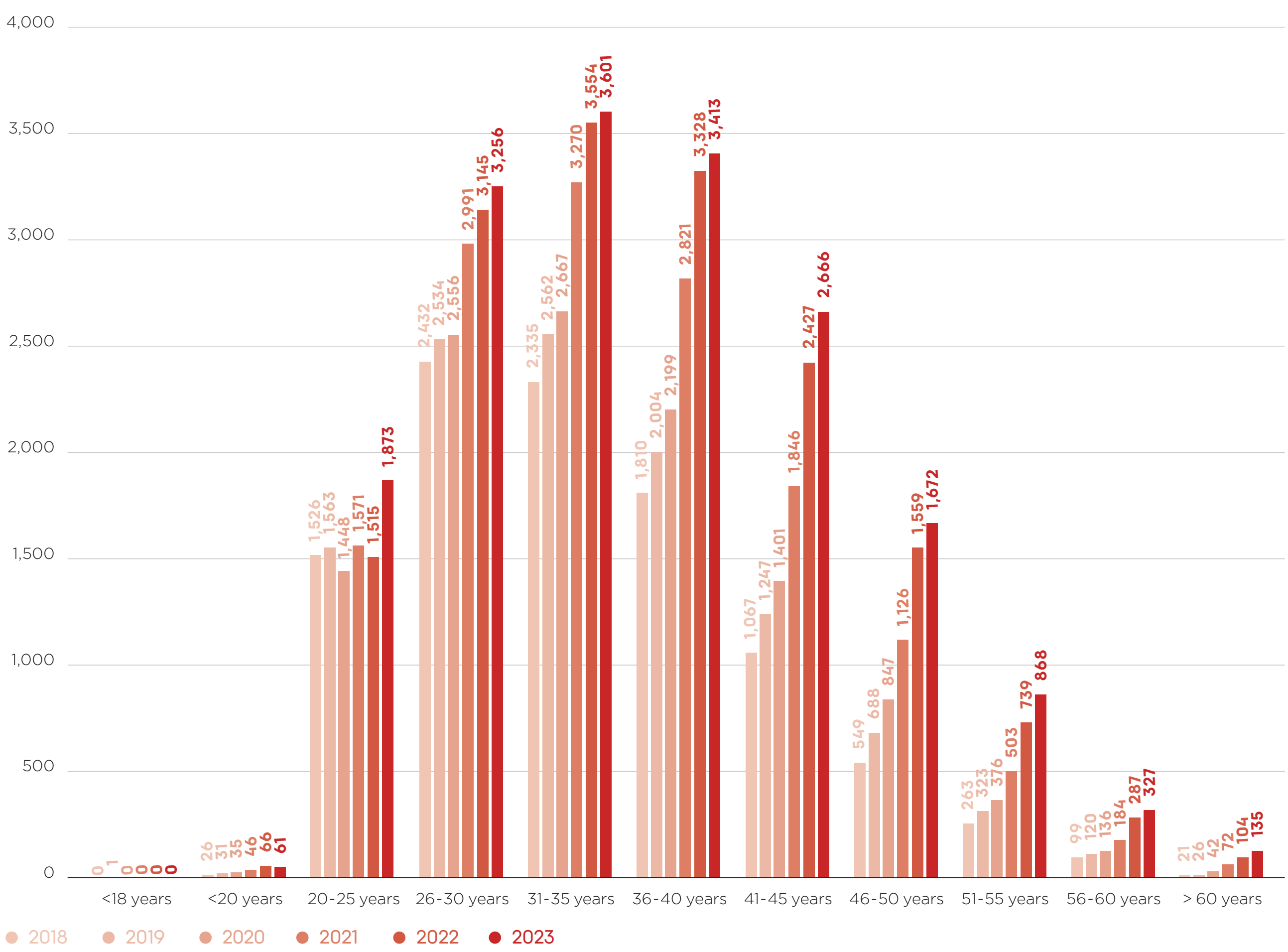
In 2023, the Group's workforce increased by 1,127 employees on a like-for-like basis (including 978 in France). In addition to this organic growth, our headcount was boosted during the year by the 78 employees from our subsidiary ITrust that we acquired in 2023 and an extra 46 people following the creation of the Zefiro joint venture at the start of the year. At December 31, 2023, 91% of the Group's employees were on permanent contracts (93% in France, 88% in Italy, 82% in Poland and 99% in Morocco). We take great care over our recruitments for all employee categories and we favor permanent rather than fixed-term contracts. This demonstrates our commitment to forging long-term relations with our employees and providing them with a stable employment situation. In 2023, 4,525 people were hired externally – with 62% on permanent contracts – and there were 1,109 resignations and 705 dismissals.

The Group is a responsible employer, and as such offers employment opportunities for young people by giving them their first job, the possibility of developing their skill sets, and real prospects for in-house promotion and internal mobility. For example, at the end of 2023, nearly 11% of the workforce (over 1,934 people) was aged 25 or under, and around 49% was aged 19 to 35.

- **Breakdown of workforce by geographic area**



- **Breakdown of workforce by age**



	Gender pay gap		Gender gap for individual salary increases		Gender promotion gap		Percentage of employees receiving salary increases on return from maternity leave		Number of women among the 10 highest earners		Total for the measurable indicators					
	Points obtained	Maximum points	Points obtained	Maximum points	Points obtained	Maximum points	Points obtained	Maximum points	Points obtained	Maximum points	Points obtained	Maximum points	2020	2021	2022	2023
iliad UES	36	40	20	20	15	15	15	15	0	10	86	100	**95**	**92**	**91**	**86**
MCRA UES	39	40	20	20	15	15	15	15	5	10	94	100	**94**	**79**	**98**	**94**
Protelco	39	40	20	20	15	15	15	15	5	10	94	100	**80**	**85**	**95**	**94**
Free Pro UES (formerly Jaguar)	36	40	20	20	15	15	15	15	0	10	86	100	**61**	**81**	**85**	**86**
Scaleway	36	40	10	20	15	15	15	15	5	10	81	100	**64**	**91**	**76**	**81**
F-Distribution	39	40	20	20	15	15	15	15	10	10	99	100	**89**	**94**	**90**	**99**
Freebox	29	40	35	35	-	-	15	15	0	10	79	100	**NA**	**NA**	**75**	**79**
Predictiv Pro	25	40	35	35	-	-		-	0	10	60	85	**NA**	**NA**	**82**	**71**

4.3.2 Mobility and skills development

4.3.2.1 Policies and objectives

When our people join us at the iliad Group, they embark on an entrepreneurial adventure on a European scale, enjoying unique freedom to learn continuously and map out their own career paths.

In 2023, growth in our business went hand in hand with growth in our workforce. Our high number of external hires (4,525 in 2023) means that we need to devote a considerable amount of time and effort in terms of induction training. In 2023, 327,309 hours of induction training were provided.

The technological, organizational and regulatory changes we are currently seeing mean that training is an essential vehicle for maintaining our people's employability. It is also a crucial performance driver for the Group. Our commitment to training is reflected in the significant investment we make in continuously updating our employees' skills, via a training policy that is closely aligned to the day-to-day work of our teams (421,590 hours of continuous training).

In a changing and competitive job market, retaining our employees is another key priority for us at iliad (3,456 departures in 2023). We offer programs that lead to professional qualifications as a way of giving our employees the keys to their employability, while at the same time ensuring that we retain people with the key skill sets we need.

Lastly, when joining the Group, our people can look ahead beyond their initial job towards a whole range of career paths available to them thanks to the broad range of our business areas, which include 400 different job types. We use our innovations and business development as opportunities to build up internal mobility and career momentum. To get the most out of internal mobility and ensure that employees have the chance to adapt and boost their careers, the Group aims to provide at least 30 hours of training per employee per year.

Induction and onboarding – the cornerstones of retention and employability,

With more than 4,500 new employees joining the Group in 2023, induction training and onboarding are essential for laying the foundations for retaining and motivating our people.

In today's context of talent wars, retaining good employees is a skill in its own right. The consequences of a team member's premature departure are many and can be significant, such as high costs, team disruption, operational risks and reputational damage. This makes talent retention a key issue in human resources management.

Because talented people often don't hang around for qualifications, we place great importance on offering our people full induction training to set them on the path of a successful career.

The first steps in the Group – a vital period

The first step for all of new joiners in the Group's French entities is our Welcome Day. This friendly morning meet-up for all new hires, which takes place every month, has been in place for several years now. During this key moment in their onboarding, they are given a presentation about the Group, its history and its business, and get the chance to chat with members of the executive team. This type of session is also offered in Italy every two months, where it is led by iliad Italia's Chief Executive Officer and Chief Human Resources Officer.

As well as the Welcome Day, new team members follow induction programs specific to their subsidiaries. The aim is for them to quickly get to grips with their new job while helping them get to know their new environment, how everything functions, and their working tools and methods. Best practices for induction and onboarding are currently being rolled out across the Group, with a mentor assigned to each new recruit, team discussions and meet-ups, and sessions dedicated to corporate culture, best communication practices and the principle of feedback. The Group has made some of its business-specific training and awareness courses mandatory, particularly those covering the fundamental principles of cybersecurity and the GDPR, as well as safety in the workplace.

Induction training

Our commitment to our people's employability begins as soon as they join us. We invest heavily in induction training, given by in-house trainers with in-depth knowledge of their jobs:

- new Free Proxi employees receive three weeks of initial training, i.e., 119 hours (versus 105 hours in 2022), dedicated to mastering the basics of being a technical advisor. For its new team leaders, Free Proxi provides induction training on how to manage and oversee a team, public speaking, leading meetings, psychosocial risk management and combating harassment;
- in our subscriber relations centers, new hires receive five to seven weeks of initial training, split between theoretical and practical phases, to help ease them into their role. Participants complete specific training modules on the use of shared and business-specific in-house tools;
- each new in-store advisor starts out by having 13 days of training (91 hours), with a mix of e-learning, in-store job shadowing and in-person training. The aim is for them to acquire the basics of their job, discover the universe of our stores, and develop the commercial and technical skills they will need to start in their new role. The training ends with a week's immersion on the job;
- in Poland, the induction training program has been updated for new sales advisors. A blended formula has been introduced, with new exercises and training sessions added to help the participants put our customer service standards into practice. The time devoted to sale scenarios has also been increased in order to encourage learning by doing. New advisors also receive training after their induction period, including through sales workshops;
- at Free Réseau, whether joining the company from outside or as part of a job move within the Group, every new employee is given core training plus a training program specific to their job. The specific training covers areas they will need to know such as engineering rules, network architecture, skills in using specific software, and mastering technical techniques such as cable drawing, attaching fittings to telecom poles and pointing mobile mast antennas. These training programs carry on well after the newcomer begins their job, and their content evolves in line with technological developments and organizational and regulatory changes;

- in 2023, Free Pro developed a tailored induction program for new employees in the SME sales force, in partnership with a training organization called Booster Academy. This 15-day course, entitled "Free Pro Sales School", is intended to teach the future sales staff the principles of the Free Pro brand, its internal processes and its culture. Participants take part in role-playing exercises to learn the basics of prospecting in a hands-on way so they can be operational from day one.

Continuous learning to unlock the freedom to succeed

At iliad, we believe in the power of continuous learning for forging successful career paths, and our training policy clearly reflects this. We also view freedom to learn as a fundamental right, and we do everything we can to create an environment in which our people can thrive and build their skills at their own pace.

For us, training is clearly a key driver for our employees' success and the Group provided over 752,314 hours of training in 2023, the equivalent of 42 hours per employee. It is also an investment in our people and a demonstration of the importance we place on making sure they feel fulfilled both on a professional and personal level. We don't see training just as a way of acquiring skills, but also as a road to freedom, independence and self-fulfillment.

The key role of our in-house Universities

Over the past several years, we've created in-house universities in each of our geographies. While each one has its own specific model, they all share the same aim of giving our people the tools they need to shape both their own future and that of our Group.

In France, the F233 University is a major pillar of our training policy. This in-house university coordinates the work of training specialists who design, roll out and oversee cross-business continuous training programs, apprenticeships and work placements, and programs for obtaining qualifications through "validation of acquired experience" (VAE).

In Italy, the iliad College is an in-house academy dedicated to training in-store sales advisors. And we've even opened it up to external participants. The training provided by the iliad College focuses on the Group's values and sales approach, 5G technology, the user experience and relational intelligence. When they finish their classes at the College, participants join dedicated communities and attend in-depth monthly meetings. In all, more than 200 people have followed training at the iliad College, which clearly demonstrates our commitment to continuous learning.

In Poland, our Academy of Technology is a blended conference open to all employees working in mobile technology, aimed at exploring convergence between TV, fiber and mobile services while providing detailed information about our offerings. In 2023, some 300 people attended the event in person over one day, with the rest of our employees in Poland following the online version over two days. The focus this year was on artificial intelligence and the technologies of the future.

Reducing key risks through mandatory training courses

By definition, the rollout, management and maintenance of telecoms networks are sensitive activities and expose the Group to a number of risks, particularly those relating to cybersecurity and data protection. In order to remedy those risks, we provide mandatory training for all employees, as well as more specific training for certain employees:

- cybersecurity and combating external attacks: in 2023, 18,335 hours of cybersecurity training were provided across the Group, to 24% of the total average workforce. This training is proposed to all Group employees and is mandatory for new hires;
- personal data protection and GDPR compliance: in 2023, 7,335 hours of personal data protection training were provided across the Group, to 41% of the total average workforce. This training is proposed to all Group employees and is mandatory for new hires;
- safety in the workplace: in 2023, 94,670 hours of safety training were provided across the Group, to 64% of the total average workforce.

Developing our people's skills throughout their careers

As well as mandatory training specific to our various jobs – which forms a significant part of our overall training program – we invest every year in updating and extending our overall training offer. Investing in the skills of our people means investing in their employability while ensuring best-in-class service quality for our subscribers.

In France and Morocco, Group employees all have unlimited access to three self-training offers available at any time:

- LinkedIn Learning: a comprehensive on-demand training offering containing over 17,000 online video courses designed by professional trainers (7,532 hours of LinkedIn Learning training were followed in 2023 and there were 8,973 activated accounts on the platform as at December 31, 2023);
- Projet Voltaire: to help employees become more comfortable with written French, the Group has subscribed to Projet Voltaire. People joining the Group each receive a free license;
- Neo Forma: this specialist in corporate health and safety training offers a range of awareness-raising courses to help people take care of their own health and that of others, to learn to prevent everyday risks and as such to become an actor in the workplace wellbeing approach within the Group.

In addition to the many skills-building training courses given throughout the year, a range of training programs designed to meet the Group's needs were deployed in our various French and Moroccan subsidiaries:

- within Free Réseau – our entity in charge of fiber rollouts and maintenance – two new training programs were put in place for "non-specialist" employees – one on mobile networks and the other on fiber. These programs have four main objectives: to remind participants of our Group's purpose as a service provider and a producer of a high-quality network that meets subscribers' expectations; to give network support teams a better idea of how it actually operates; to enable everyone to situate their role within the Group's overall objectives; and to give team members the tools they need to be the ambassadors of the Group and its network;

- in our contact centers, 2023 saw a deep-seated transformation in the jobs of our employees. To carry out this transformation process, inter-business gateways were set up along with the requisite number of training hours. A major training program was also put in place to develop cross-selling, so as to give subscriber support staff the keys to mastering the principles of indirect sales and enable them to act as the drivers of the Group's sales policy. This cross-selling approach was also deployed within Protelco – the entity that is leading the development of our local subscriber support services – which resulted in a considerable increase in training hours;
- for Free SAS – which handles the vast majority of the Group's IT development activities in France – 2023 saw a surge in the volume of training hours dedicated to developing teams' IT skills to ensure they keep up the levels of knowledge they need for their jobs. The program carried out during the year included a specific training campaign on big data/AI;
- in most of our entities, managerial training programs were deployed to harmonize management practices within each subsidiary and to train new leaders in managerial skills when they start their jobs;
- within Scaleway, a 192-hour Change Management training program was put in place in 2023 to help 34 employees make better use of Salesforce – a strategic tool for Scaleway.

Within iliad Italia, the main training initiatives deployed in 2023 concerned:

- managerial skills and the new leadership model, both through training courses given to all new managers and specific training on developing skills in coaching, delegation and negotiation;
- technical skills and know-how about our networks (fiber, fixed network, VoIP, etc.);
- diversity & Inclusion topics, through a compulsory e-learning course for all head office employees, as well as live training sessions for all managers.

In 2023, our Polish entity Play launched several training and development programs for its employees:

- a retraining program called "Skill&Play", which is an intensive course specifically for customer service staff that is geared to gaining and improving skills which employees can either use in the future or in their current jobs. Two training pathways are available under the program: an IT course to develop useful skills in IT testing and supporting IT processes, and an analytics course to build up useful skills in marketing, HR analysis and finance;
- the third edition of its "Discover the Leader in You" program, which involved 16 high-potential employees from Play's stores. The participants were given the opportunity to develop their leadership skills through a series of workshops and training courses, as well as access to various content such as podcasts and videos. The aim of the program is to create a group of proactive, fully committed leaders who support and motivate their colleagues in their day-to-day work;
- the #AmbassadorsofDevelopment program, involving 18 sales specialists from Play's store network. During the year, the Ambassadors shared their sales knowledge with their colleagues, promoting Play's services and products. They prepared over 30 different training and promotional materials, including skills development podcasts, training reviews, equipment tests and reviews, tips and advice about the CRM system, recordings of corporate events and video interviews. The program's participants enjoyed being able to engage in new roles and activities outside the scope of their ordinary work, gain in-depth experience in their field, and pass on their knowledge by creating a strong group of sales and business development specialists.

Enabling our people to develop their careers within the Group

When our people join us at the iliad Group, they embark on an entrepreneurial adventure on a European scale, enjoying unique freedom to learn continuously and map out their own career paths. Our priority is to make sure that each and every one of our people is happy in their job. We recognize the importance of retaining talent and reducing turnover in order to reduce the risks of skills shortages and disengagement.

We firmly believe that all of our employees deserve the opportunity to develop a fulfilling career within our Group. This belief is shared by our teams, as illustrated in the 2023 Employee Survey carried out in France and Morocco, in which 83% of employees said they could see themselves "building their future career within the iliad Group". By investing in skills development, feedback sharing and VAE vocational training programs, each year we encourage all of our staff to think about the next steps in their career out of the many possibilities offered by the Group.

Internal mobility plays an important role in retention and career building. Our wide range of different types of job – 400 in France alone – is a real opportunity for our employees to map out diverse career paths for themselves within our various subsidiaries and countries in which we operate.

Another way we seek to attract and retain people over the long term is through our fair compensation and benefits policy that rewards both individual and collective performance.

Lastly, because we feel that our employees' personal commitments shouldn't hinder their careers, in accordance with France's Military Programming Act of August 1, 2023, the Group supports employees who have signed up to be a reserve in the French army and police force. As at end-2023, six of the Group's employees in France are military reservists (in the military police force and army) and two employees are operational reservists for the national police force and volunteer firefighter corps.

Helping our people climb the career ladder

Recruiting and training our employees is just the first step. In 2023, entities wishing to strengthen talent support and retention structures implemented an ambitious skills assessment and development policy. From the definition of job objectives to the employee's continuous assessment and the collective talent review, the entire support chain is currently undergoing major change.

In order to facilitate the identification and assessment of employee skills, a skills mapping and mobility management platform – iliad UP skills and iliad Up Mobility – was rolled out to all employees in France and Morocco in December 2020, with a new version launched in early 2022.

The initial work was designed to map our core skills and job families, improve data reliability and consistency in the databases, and then get employees, managers, HR teams and other stakeholders involved in the reporting process to build buy-in as we co-constructed the Group's jobs and skills repository.

It is being deployed in stages so that it gradually becomes one of the entry points for employee reviews, co-constructed career paths and skills development programs. We also offer employees skills assessments to help them with their mobility objectives.

Scaleway has put in place a large-scale plan aimed at setting clear objectives for each employee in line with the company's strategic goals. Once the objectives are defined, an individual appraisal process is conducted throughout the year (via an annual performance review meeting, career development meeting, managerial feedback, 360° reviews, etc.) in order to monitor the employee's progress on achieving the objectives, ascertain what key skills they have gained, discuss the employee's feedback on managerial practices, exchange views about workload, and talk about career ambitions (training, salary, mobility, etc.). As well as these individual appraisals, Scaleway regularly organizes collective reviews allowing managers to make shared decisions regarding the appraisals, career plans and salaries of their team members.

At Freebox, 360-degree review meetings have been introduced, using the Elevo tool which allows employees to get feedback from all their peers, thereby reinforcing the objectivity and exhaustiveness of the appraisals.

At Certicall, high-potential employees are identified for internal mobility during interviews. Employees identified as having potential for the targeted position are coached to sharpen their skills.

At Protelco, employees can request career update meetings, which are geared towards helping employees to map out their career paths, especially in view of Protelco's skills development plan, as well as to clarify their career objectives and pinpoint success factors. Another aim is to identify areas for improvement, taking into account the skills that they have acquired and those identified in the skills mapping system (iliad UP).

In Poland, UPC and Play have introduced an annual feedback process with managers to unify the skills expected of the managerial line, assess managers' performance and identify the Top Managers.

At the same time, managers are becoming increasingly involved in employees' career development. This means that giving managers training in guiding their team members down their career paths has become a vital element for ensuring the success of career development policies. In line with this approach, Free Distribution decided to train all of its managers in how to conduct annual appraisals and skills assessments. Similarly, Scaleway has trained its entire management team in how to draw up and assess SMART objectives in order to help develop the careers of their team members.

In Italy, work was carried out in 2023 on structuring the skills appraisal process for field service teams, with the aim of standardizing best practices, setting objectives and identifying training needs. In parallel, workshops were offered to help employees map out their own skills development plans, set their career goals and learn how to gather feedback.

All of these initiatives will be rounded out in 2024 with the rollout of a new Group-wide policy for conducting individual appraisal meetings and talent reviews, together with the deployment of a new career development tool for all employees in France and Morocco. In tandem, career development practices will be harmonized among our subsidiaries.

Implementing professional mobility for all

The Group aims to encourage employees to develop their expertise and strengthen their involvement with subscribers. With the diversity of our 400 job types, we see internal mobility as an opportunity for employees to create their own career paths, develop new skills and get a holistic view of our business. In 2023, just over 1,500 people moved jobs between different Group entities, representing nearly 25% of hires. These moves result from organizational changes (the merger between UPC and Play in Poland), the creation of new activities (Op Core in France), and general job changes that enable our people to move into new roles and areas of work. This possibility of offering mobility opportunities is a major asset for retaining staff and therefore for fostering subscriber loyalty. A total of 1,032 employees were promoted within the Group in 2023, including 174 promotions to managerial roles. The vast majority of our managers started out lower down in the organization before stepping up to management positions, and some are now in strategic executive posts. At Equaline, for example, all of the company's managerial staff in helpdesk, training, support and HR positions were promoted internally. As well as being the hallmark of our culture, these promotions are a powerful symbol of how effectively knowledge is transferred within the Group.

A significant number of internal mobility opportunities are available in France and Morocco due to the wide diversity of jobs in the two countries and the large number of posts available. With the aim of encouraging people to take up these opportunities, the "GPEC" skills and career planning agreement signed in July 2019 sets out the rules applicable to mobility Group-wide. This five-year agreement expires in 2024, which will therefore be a key year for the Group to renew and accelerate its internal mobility policy by signing another GPEC agreement with its employee representative bodies.

As part of our internal mobility drive, we have set up a range of events and initiatives to promote the wide range of jobs and career paths.

- since 2022, we have held in-house meet-ups called "iliad Inside" which offer all employees the opportunity to find out more about our different teams and the range of jobs we offer. These events – which can be attended either in person or remotely – give members of different teams the opportunity to talk to others within the Group about their daily work, expertise and challenges. In 2023, we got the chance to meet the teams from Stancer, our payment solutions subsidiary;

- the iliad Inside initiative is rounded out by a monthly iliad Up Mobility newsletter. Sent regularly to all Group employees, it features the latest job offers open to internal mobility and accessible on the iliad Up Mobility platform. At any given time, an average of 600 internal mobility offers are available to Group employees in a wide variety of jobs;
- promoting mobility also means promoting examples of career paths. So employees who have changed jobs within the Group are regularly called on to recount their experiences in the "Stories of Mobility" format posted on our intranet, daili. In January, Leïla told us about her career journey with the iliad Group. Since 2014, she has progressed from call center advisor to store manager, and then coordinator in one of our Free Proxi teams.

Our Italian subsidiary also issues a monthly newsletter, called #weareiliad, which showcases a different team each month so as to give employees a better overall idea about the company and foster inter-team collaboration.

Transformation and innovation projects carried out by the Group's entities are likewise opportunities for employees to develop their careers and for teams to be able to work together and draw on the expertise of people who have in-depth knowledge of the Group. Choosing internal mobility when creating teams means choosing to trust in the skills and adaptability of our employees.

Free Proxi is the new local assistance service created by Free for its subscribers, delivered by small, locally based teams of eight to ten Free advisors, who are readily available online to answer any questions about Freebox and Free Mobile plans. Thanks to their local presence, the Free Proxi teams have detailed knowledge of their region's fixed and mobile network infrastructure. They can easily troubleshoot possible incidents, and even go directly to the subscriber's home to restore service or exchange a device. In this way, subscriber issues can be handled from start to finish by the same team, and sometimes by the same advisor.

Thanks to our resolute internal mobility policy, two-thirds of Free Proxi's staff hail from other iliad Group entities. An interactive map of vacant Free Proxi positions is available on our intranet and also to everyone on our iliad Up Mobility platform. This dynamic will be bolstered in the coming months and years to support the rollout of Free Proxi throughout France, notably through the implementation of an employment and career path management system.

In 2023, we took a major step in our business development in Poland by merging our Play and UPC subsidiaries. This successful merger was also a success in terms of people management, with the changes carried out responsibly, quickly, and in close collaboration with the teams involved.

The merger resulted in the creation of a new organizational structure with the former separate subsidiaries now sharing the same job grades and job names, as well as harmonized HR policies and procedures put in place and all employees transferred to the same HR systems environment. A management team and a community of 100 leaders were set up, along with a set of shared corporate values.

The success of this overall operation can be seen in several indicators:

- a clear improvement in our employee satisfaction rate, as shown in the annual "Play Pulse Check" employee survey (15 points in October 2023 vs. 8 points in January 2022);
- sixty employees successfully transferred to their new posts;
- voluntary departures fell by 20% in the space of a year (8% in October 2023 vs. 11% in October 2022), despite the merger process and a very buoyant job market in Poland.

Our VAE vocational training programs – a major vehicle for career development

In France, the F233 University is a driver for obtaining qualifications through "validation of acquired experience" (VAE).

Our objective with the VAE program is to recruit talented individuals without any qualifications, and to enable them to move up within the Group and earn academic recognition a few years later. This commitment promotes loyalty among our employees, but it is also in the Company's interests.

To date, 90% of our employees who have gone through this program have earned a diploma, compared with a national average of 42% for VAE participants in France. Our aim in offering the VAE program goes beyond just giving academic recognition – it's a way of retaining talent and helping society progress by breaking down barriers based on qualifications. Since 2018, more than 30% of our employees who have followed a VAE program have changed job and moved up within the Group. In 2023, a total of 45 employees from various entities began the process of validating their job experience in two courses:

- Project Portfolio Manager course (Master's level) consisting of 14 days of training plus 24 hours of VAE support;
- Operational Business Management course (Master's level) consisting of 12 days of training plus 24 hours of VAE support.

In Morocco, the country's very first VAE program was deployed by our call center teams in 2023. The 16 participants followed an 18-day training course and all of them obtained their Trainer certification at the end of it.

In France, our VAE initiatives were rewarded on November 28, 2023, with an "Inclusion Award" at the Economic Inclusion Summit organized by the Mozaïk Foundation at the French Ministry of Economy and Finance.

Compensation and benefits policy

In 2023, the Group's overall investment in France on compensation averaged 8% – with a 4.9% increase in line with inflation – and included a cost-of-living bonus (paid to 90% of employees, 82% of whom received a net amount of €1,000), a sum earmarked for career development and promotion within the Group, and a sum negotiated with our employee representative bodies. In addition to this investment based on our salary policy, in 2023, we added a number of measures negotiated in our company-level agreements on top of the statutory and collective bargaining benefits already in place.

In addition, several employee share ownership plans have recently been put in place within the Group, including two *Up2share* plans set up in 2019 and 2021, enabling our employees in France and Italy to have a stake in the Group's growth. The shares purchased under these plans are bought at a discount compared to the market price, the Group gives a top-up contribution and the employees get an investment multiple. The second was a great success, with nearly 5,000 employees subscribing.

To keep key employees (talents, scarce skills) within the Group, special shareholding and/or bonus plans are also in place, which in 2023 involved the following:

- accelerating the implementation of variable compensation mechanisms to align operational performance with the Group's objectives and provide employees with the possibility of earning additional compensation. In France, at end-2023, 78% of employees had variable bonuses, with this figure rising to 89% for non-managerial staff;
- negotiating a voluntary profit-sharing agreement for our staff in France, guaranteeing an identical amount for each beneficiary (subject to length of service over the year) and reflecting our wish to share the Group's good results in a fair way;
- setting up a free share plan in December in France, Italy and Poland. This new plan includes an ambitious performance condition related to our ESG objectives, concerning the reduction of carbon emissions per GigaBit used by our customers.

Finally, in line with our overall aim of helping and supporting our people, we take care to provide all of them with the same high-quality coverage for healthcare costs, at competitive prices. Our "health expenses" agreement signed at the end of 2020 provides advantageous coverage for employees via a flat amount that includes them and their dependent children and an employer contribution representing 55% of the overall cost.

The components of the employee healthcare and personal protection coverage set up for employees in France are as follows:

- employees have a supplementary health insurance plan that provides top-up benefits in addition to the amounts received under the French statutory health regime. This plan, which employees are required to sign up to, gives attractive coverage to each employee (and any children they have);
- in addition to this compulsory plan, employees may also opt to purchase additional cover by paying into an individual plan that has been especially negotiated by the Group to offer participating employees and their families very good and very affordable supplemental health coverage;
- the Group has also set up a personal protection insurance plan that provides all employees with death and disability cover. Under this plan, employees receive a replacement income if they become incapacitated or disabled. In the event of an employee's death, a life annuity is paid to their spouse as well as an education benefit for each dependent child until their 26th birthday.

4.3.2.2 Results and indicators

Training represents a significant investment for iliad, and the Group provided over 750,000 hours of training in 2023, the equivalent of 42 hours per employee. The sharp increase in the number of training hours in 2023 mainly concerned France and was due to the following:

- significant expansion of our in-store and Free Proxi teams, which required a substantial amount of induction training lasting several weeks;
- the renewal of a large number of safety authorizations, leading to an increase in the number of hours of refresher training;
- the development of skills adaptation plans within our contact centers as part of the transformation of contact center roles;
- the development of the training plan to enhance versatility and cross-selling in our customer relations activities.

In 2023, 18,549 employees followed at least one training course. 16,188 employees followed at least one in-house training course and 10,398 followed at least one external training course. These figures include employees who were still on the payroll at December 31, 2023 and those who left the Group during the year.

When only counting employees on the payroll at December 31, 2023, 86% of the workforce in France, 95% in Morocco, 97% in Italy and 88% in Poland received at least one training course during the year.

	Training hours					Average monthly headcount					Training hours/ average annual headcount				
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
Total – France	356,200	252,240	361,085	362,125	515,944	8,273	8,836	9,484	9,876	10,727	46	29	38	37	48
Total – Outside France	175,491	116,325	160,936	173,651	236,370	2,241	2,537	5,502	6,611	6,997	69	46	29	26	34
Total	**531,691**	**368,565**	**522,021**	**535,776**	**752,314**	**10,514**	**11,372**	**14,997**	**16,488**	**17,724**	**51**	**32**	**35**	**32**	**42**

4.3.3 Health, safety and workplace wellbeing

4.3.3.1 Policies and objectives

Providing a safe, inclusive and positive working environment is a priority for the iliad Group. Each year, we make significant headway in these vital HR areas. In terms safety, we have put in place many awareness-raising and training initiatives [(1)], and introduced practical tools for reducing risks, both for our employees and our service providers. In our 2023 employee

(1) See Section 4.3.2 for further information about training.

survey [1], the number of respondents who think that their workplace health and safety conditions are good rose once again, from 92% in 2022 to 93% in 2023.

The implementation of new technologies results in the network regularly undergoing changes, requiring the installation of new equipment and the replacement or maintenance of existing equipment. Our people travel frequently to different sites, carrying out a wide range of technical interventions, including working underground or at height. The Group is therefore exposed to the risk of occupational accidents, whose number and severity it constantly strives to reduce, aiming for zero occupational accidents and illnesses.

The Group has a well-established health and safety policy to protect the physical and mental wellbeing of all its people.

Like any company, our aim is to avoid all occupational accidents and illnesses, and to achieve this we focus first and foremost on identifying and preventing risks. This risk identification and prevention work is carried out annually (or whenever necessary if significant changes take place during the year), via the update to the DUERP occupational health risk assessment report (*Document Unique d'Evaluation des Risques Professionnels*) that all entities in France are required to file, along with the related action plans.

At iliad, we apply a continuous improvement approach to our health and safety performance and implement a wide range of prevention measures. These include awareness-raising and training sessions and constantly improving personal protective equipment, particularly for technicians, who are the most at risk of an occupational accident due to the diversity of the locations where they carry out their work.

4.3.3.2 Actions implemented

Protecting our employees in the workplace

The Group's workplace health and safety policies and procedures are defined and implemented by a dedicated team of employees specialized in these issues.

In addition, the Group works closely with occupational physicians and nurses to (i) identify the health and safety characteristics of each workstation and obtain practical recommendations; and (ii) support employees on a case-by-case basis, for example by improving working conditions for employees experiencing physical or psychological stress, or by adjusting workstations following an accident or proactively when a person with disabilities is hired.

Identifying risks

Preparing and filing the DUERP occupational risk assessment report and related action plan enables each unit to manage the preventive measures taken to safeguard the health and safety of its employees.

A review is performed at least once a year to update the DUERP as needed, track the initiatives underway and define new actions to be taken in the following year.

In 2023, Free Réseau created Occupational Risk Exposure Sheets for all of its work posts. These sheets are used to precisely identify the risks to which each of the organization's work posts are exposed, therefore forming a solid basis for assessing working conditions. They enable in-depth operational analysis of risk factors, whether physical, chemical, biological, organizational, or related to the work environment, working conditions, the equipment used, potential constraints, and any other factors that could impact employee health and safety.

The Occupational Risk Exposure Sheets Play a key role in the medical assessments carried out by occupational physicians, in view of the fact that:

- they provide a comprehensive overview of the conditions in which employees work;
- they help give a thorough understanding of the occupational risks to which employees are exposed;
- they enable the occupational physicians to issue medical recommendations adapted to the reality of each job, which enhances the relevance of the recommendations as they are closely aligned with the specific challenges faced by employees.

These sheets were created based on a collaborative process that involved the employees themselves in identifying the risks concerned and compiling the relevant information.

The Occupational Risk Exposure Sheets are constantly kept up to date in line with changes within the company, whether in terms of operational processes, technologies or regulations, in order to ensure that the information provided remains relevant at all times.

Our health and safety measures do not only apply to our employees – we also make sure that our service providers have proper health and safety frameworks. For example, Free Réseau and Réseau Optique de France track the health and safety performance of their service providers by drawing up prevention plans in conjunction with each company and carrying out health and safety briefings and audits.

The approach applied by Free Réseau clearly illustrates the absolute priority we place on health and safety at work, both for our own staff and for our service providers. And the Occupational Risk Exposure Sheets it has created are valuable tools for helping occupational physicians carry out more precise and personalized medical assessments.

Guaranteeing a safe working environment

Among other preventive measures, employees are provided with equipment appropriate to any work situation that poses a particular risk. Examples of the personal protective equipment we provide are harnesses, lanyards, helmets, safety footwear, gloves, noise canceling headphones and earplugs, and collective protective equipment includes guardrails, specific signage and markings, etc. Changes in work situations and equipment are regularly reviewed to ensure that we continue to effectively prevent risks.

The condition and use-by dates of protective equipment are also regularly reviewed so that it is appropriately replaced as needed. In late 2021, Free Réseau rolled out an IT application that simplifies checks and makes it easier to monitor equipment used for working at height, both for reviews carried out by managers and for safety audits. Where required, the monitoring process can trigger automatic orders for new equipment and requests for scrapping old equipment. Since 2023, this interface has also been used to communicate safety messages to all employees.

(1) https://www.iliad.fr/en/actualites/article/2023-employee-survey-france-the-iliad-group-records-excellent-results-1

We also seek to give our employees comfortable working conditions by providing accessories to prevent back pain or poor posture, such as trolleys, special backpacks, and tool belts. Additionally, on the recommendation of our occupational physician, certain sedentary employees with specific physical issues are provided with lumbar cushions and ergonomic seats. Field employees are also provided with all the protective equipment they need. Field technicians, for example, are assigned vehicles with automatic transmissions, accessories to ease driver seating and other features. All of this equipment is accompanied by regular information concerning the correct postures for its safe use.

Sedentary and roving safety officers have been appointed within several of our technical entities (such as Free Réseau and Free Mobile) to act as in-the-field relays for our health and safety teams, and particularly in order to swiftly take action in dangerous situations. Before starting their job, these safety officers are given training on the roles and responsibilities assigned to them and the rules they need to follow when carrying out their work.

In Italy, iliad Italia has introduced a half-yearly assessment of the health and safety performance of its subcontractors. These assessments are based on regular audits performed by our Health and Safety Department and any non-compliance is communicated to subcontractors after each audit, along with a request to follow up the issue concerned until it is remedied. In 2023, a total of 183 audits were carried out, including 159 on network rollout and maintenance activities, and 24 on the construction of new iliad stores. At the end of each half-year, a meeting is held with the main subcontractors to show them their performance compared with their peer companies and to address any specific areas of concern in relation to health and safety. The assessment is summarized in a single indicator – the NCI (Non-Compliance Index). Any subcontractor whose NCI exceeds the acceptability threshold is subject to a penalty, calculated as a percentage of the annual revenue they generate with the Group.

Our Italian subsidiary received ISO 45001 certification for its network activities' health and safety management systems in 2023, following an audit by the independent organization, BSI.

Aggressive behavior by members of the public is the number one stress factor in the retail sector, and our store advisors are exposed to this risk on a daily basis. In 2023, we increased the resources of our health and safety and workplace wellbeing teams to further prevent this risk inherent in our businesses and support our teams in the field.

We now have a network of safety ambassadors covering all of our stores, who act as in-the-field relays for our safety and security policy. They visit stores to raise awareness, identify areas where there is room for improvement, and help managers implement long-term solutions to ensure the safety of their team members.

A specific training program has been set up to help employees manage conflictual relationships and their emotions and practice positive communication from the moment they join the organization.

Our incident management procedure is evolving in line with changes in the working environment and we continuously improve our protocols for dealing with aggressive behavior by the public. The system used for reporting incidents and incivilities has been redesigned in order to align it with our new monitoring tools and facilitate the reporting and management of these risks.

Each report is processed on a cross-cutting basis, working with the operational line concerned and support functions. Where necessary, the Workplace Wellbeing Officer carries out a psychological debriefing with the victim of any incidents. Members of the Workplace Wellbeing Department can also visit stores in person to meet with staff and discuss the specific subject of external violence. An Employee Assistance Program (EAP) is also put in place where required. Our regional managers are trained in psychological debriefing techniques to provide an initial level of support to their teams.

Incidents are monitored on a weekly basis and monthly reports are submitted to management. A quarterly report is presented to the Health, Safety and Working Conditions Committee, and an annual report is drawn up, whose quantitative and qualitative findings are used as the basis of a specific action plan.

To deal with the risk of fire and guarantee the regulatory safety of its sites, Free Réseau has put in place a formal framework for carrying out – and assessing the effectiveness of – the evacuation drills that take place twice a year. Site audits are also performed by members of the Health and Safety Department and many training sessions are organized in our stores on electrical and fire hazards. In Italy, thermographs have been installed by certified experts on all the electrical panels at our sites.

Providing health and safety awareness-raising and training

In order to reduce the number of workplace accidents, in 2023, the Group organized some 94,670 hours of health and safety training. Our health and safety policy is built on training and informing our team members from the moment they arrive and throughout their time with us. The training programs are drawn up in collaboration with teams and field workers to ensure that they reflect the reality of their work and that they take into account the various underlying risks.

New hires in our subsidiaries who work specifically on network rollouts or who have customer-facing roles (Free Réseau, Free Infrastructure, Free S.A.S., Free Mobile and Protelco) attend a two-hour health and safety induction training session the first day they start work. And awareness campaigns continue well after the induction process, via regular health and safety newsflashes and training courses.

For people with sedentary jobs, training and awareness-raising focuses on the risks associated with movement, posture and screen work as well as psycho-social risks.

For employees who work with the public (such as at F-Distribution, Protelco and Free Réseau), training covers the health and safety not only of our employees but also of our customers. The topics addressed include dealing with incivilities, risks related to terrorist attacks or armed robbery in stores, and how to act in the event of an accident or a health-related incident. Training on electrical hazards and/or fire prevention is also provided. Faced with an increase in incivilities towards staff in our stores, our subsidiary F-Distribution introduced mandatory training on managing conflictual relations in 2023. Forming part of employees' induction training, this half-day course is designed to help new joiners in our stores comprehend and deal with insults and verbal aggression by store visitors.

For our roving staff and/or those working in "high-risk" environments, we provide training in road safety, musculo-skeletal problems, movements, posture, working at height, working in confined spaces, electrical risks, and handling specific equipment (aerial work platforms, Aerostep, forklifts, stackers and electric pallet trucks).

First-aid training is also given at all our subsidiaries so that employees can identify dangerous situations, learn first-aid techniques, and in some cases take part in carrying out preventive and protective measures.

As a subsidiary that carries out activities particularly subject to risk, Free Réseau adopted a proactive approach in 2023 in collaboration with the Group's training division, aimed at rigorously assessing the health and safety training provided by external organizations. This initiative forms part of an overall drive to ensure that training content is relevant, effective and constantly updated in line with the realities of Free Réseau's field work and the specific requirements of its internal processes. This is achieved by:

- adapting training materials to real-life situations: Free Réseau is highly aware of the fast-changing nature of its operational contexts and of the need to adjust training materials accordingly. By working closely with the training division in order to identify gaps between the content taught and the practical needs of its teams in the field;
- making sure that the messages relayed by trainers are aligned with the specific nature of the work carried out by Free Réseau: the training assessment process includes an analysis of the messages put across by the trainers. It is essential that external trainers understand Free Réseau's specific characteristics, so that they can adapt their messages to the company's objectives and values. Harmonized training messages optimize the transmission of knowledge, while enabling thorough understanding of the health and safety requirements and standards specific to our organization;
- updating training records: this involves revising and enhancing the documentation associated with each training course, taking into account feedback, regulatory changes and best practices within the sector. This updating ensures that the information provided to trainees incorporates all changes and improvements in health and safety practices.

All of the components of this approach applied by Free Réseau testify to our commitment to maintaining high health and safety standards and making sure that our teams receive the best possible training in order to meet the ever-changing challenges of our industry. This policy also applies to Free Réseau's service providers, who are likewise trained in our health and safety guidelines.

The Free Réseau Health and Safety Week – key event of the year

In 2023, Free Réseau took part in the World Day for Safety and Health at Work (WDSHW) – an international initiative held every year on April 28, aimed at raising awareness about the importance of health and safety in the workplace. The WDSHW seeks to promote a prevention culture in relation to occupational accidents and illnesses, and is an opportunity to highlight the challenges of workplace safety and promote safe practices in all sectors of the economy.

In addition to taking part in this international event, Free Réseau has launched its own Health and Safety Week at its various sites, which is based on an overall strategy designed to inform, provide training and mobilize all employees and involves:

- **strategic planning:** a wide variety of health and safety issues are covered during the week – from operational processes and the risks specific to our business sector, through to best practices. Work on strategic planning also includes specific activities related to the latest advances in the field, regulatory changes and feedback;
- **participation by all departments:** everyone at Free Réseau is involved in the Health and Safety Week, which guarantees an integrated, cross-functional approach that encompasses all aspects of our operations so that everyone can more effectively understand the issues at stake;
- **targeted workshops and training courses:** specific workshops and training courses are organized to meet the particular needs of each department. The topics chosen for 2023 were road safety and electrical risks. These sessions – which are run in-house – are intended to relay practical knowledge and skills that are directly applicable to each employee;
- **partnerships with external specialists**: Free Réseau works with specialists outside the Group to provide different viewpoints and specialist advice. Partnerships are set up to address various issues, such as workstation ergonomics for sedentary employees, and realizing whether somebody has had a stroke and what to do if they have. These partnerships give an outside perspective on emerging trends and best practices, helping us to go further in our proactive approach to health and safety;
- **awareness and communication campaigns:** a series of awareness campaigns were deployed throughout the week, using various in-house media and communication channels to inform, raise awareness and mobilize all staff. These were rounded out by targeted actions such as an escape game on the topic of Musculo-skeletal Disorders (MSD), and an eco-driving quiz;
- **community events**: the Free Réseau Health and Safety Week includes community events to help build team spirit and encourage informal discussion. In 2023, they included a photo competition on the theme of health and safety;
- **evaluation and follow-up**: evaluations were carried out at the end of the week to measure the effectiveness of the activities organized. The feedback from participants is being used to hone future initiatives and continuously improve our safety culture.

Free Réseau's organization of this safety week clearly demonstrates its commitment to the safety and protection of its employees.

Ensuring the health and wellbeing of all

In line with our corporate values, ensuring the wellbeing of our people is an absolute priority. Working conditions are a key factor in employee engagement and therefore the Group's overall performance.

A working environment where people feel good

The Group seeks to offer optimal working conditions to all of its people, in particular by renovating its various sites and offices. The overall aim is to provide the best possible working environment, adapted to the needs of employees and their wellbeing. For example, the Group's head office and many of its other sites now feature "just like home" relaxation areas. For many years, employees working at the head office have had permanent and free access to hot drinks from quality vending machines. A cold soft drink a day is also offered free of charge.

At Protelco, within the Free Proxi cells, our local teams are kept deliberately small – between 8 and 10 people – in the aim of promoting cooperation between their members. This also fosters a family spirit within our teams, which in turn promotes genuine loyalty among our employees. Because happy advisors make for happy subscribers, we pay particular attention to the working environment of our local teams. The Free Proxi spaces are designed as real living spaces, with a large part dedicated to break and eating areas to make them more enjoyable. Located in the heart of our subscribers' residential areas, these spaces are more akin to small, comfortable apartments than offices. And as they are located close to our employees' homes, they are also synonymous with a better work-life balance.

Lastly, in March 2023, our Free Pro teams inaugurated Smartsea – their new head office in Marseille. This move was an opportunity to combine two sites and bring all of Free Pro's employees under one roof in order to encourage inter-team contact and collaborative work. Free Pro's three objectives related to the move were:

- social and environmental responsibility: the new head office is located in an eco-district and its design concept is based on the latest standards in sustainable urban development, offering solutions for energy efficiency, biodiversity and social inclusion. For example, the building's heating and air-conditioning are based on a seawater thermal energy loop system, using the Mediterranean as a source of renewable energy. In addition, low-carbon concrete and biosourced building materials were used in Smartsea's bioclimatic architecture;
- a "clean desk" policy: Smartsea is intended to be a showcase for our customers, visitable at any time and reflecting our quality of service and professionalism;
- workplace wellbeing: eating healthily, communicating better, and staying on the move. Since March, employees have had access to an indoor soccer pitch, as well as a gym and a trainer, with the option of taking group classes. A healthy eating policy is also in place, with fresh organic fruit available free of charge.

Preserving work-life balance and Workplace Wellbeing

We have set up a Workplace Wellbeing group, which meets several times a year to discuss workplace wellbeing initiatives and decide which ones should be implemented within the Group, as well as to ensure that best practices are shared between entities. This group's work helps achieve our overall aim of continuously improving our work organization methods and encouraging flexible working arrangements. We have made it a policy to let employees organize their working time with, whenever possible, a degree of flexibility and independence.

Since 2021, the Group has signed individual agreements giving employees the chance to work from home one or two days per week depending on the entity. Managers are tasked with organizing this option in their teams and determining the eligible positions, in a spirit of fairness. Individual agreements define the framework, obligations and reversibility conditions of working from home.

In addition, with this same aim of giving employees the best work/life balance, each Group entity has adopted measures concerning the right for workers to "disconnect" – i.e., not to engage in work-related electronic communications – outside working hours. These measures, implemented following talks with employee representatives, take the form of collective agreements that not only set out best practices but also encourage rest and recuperation, vigilance over workloads, and reasonable and proper use of communication tools (professional messaging and chat systems and/or company telephones).

Activities are organized within the Group during Workplace Wellbeing Week.

At Free Mobile, radio equipment supervision teams have non-standard working hours and there is an on-call system. A DUERP occupational risk assessment report and related action plan were drawn up for these employees in 2022 and put in place in 2023. Based on this action plan our occupational physician organized an information campaign among the supervision teams concerned about the importance of staying healthy and having a good work-life balance, and a specific dining area and rest area were created for the night-shift teams.

At F-Distribution, regular communication is provided on health, and employees can contact the Workplace Wellbeing team via a hotline. And at each regional managers' meeting, HR representatives speak about a topic related to workplace wellbeing.

Play, our Polish entity, recently adopted the Mindgram tool, offering employees personal development content and also psychological support upon request. In the first month, 17% of employees signed up for this content.

In our 2023 employee survey, 84% of our employees said that they felt they had a good work/life balance in their job (80% in 2021 and 84% in 2022).

4.3.3.3 Results and indicators

Absenteeism in 2023

Data on absenteeism has been broken down into two sections for 2023: "including accidents" and "excluding accidents". The absenteeism rate is based on unplanned leaves of absence, which cannot be foreseen or planned by the Group.

Group data (including Poland since 2021)	2018	2019	2020	2021	2022	2023
Total Group absenteeism rate, excluding accidents	5.28%	4.97%	5.10%	5.91%	4.49%	4.71%
Total Group absenteeism rate, including accidents	6.04%	5.61%	5.72%	6.72%	4.80%	5.13%

Occupational accidents in 2023

A total of 242 lost-time occupational accidents recognized as such by the French social security system were identified across the Group in 2023, compared with 225 in 2022 and 316 in 2021. The 2023 figure represented 1% of the consolidated workforce. The accidents mainly occurred in France, where 60% of the workforce is based. The occupational accident frequency rate was lower year on year in some subsidiaries (Protelco, Free Mobile, Free Distribution and Centrapel), but higher at iliad S.A., Certicall, Equaline, Free Réseau and iliad Italia.

Overall, the accident frequency rate decreased in France, but increased for the Group as a whole. The severity rate of occupational accidents in France was also lower compared with 2022.

In the Free Centers, 20.5% of lost-time accidents related to altercations with visitors/subscribers. This was more than 10 points lower than in 2022. A specific procedure for preventing and managing these incidents has been put in place, and each incident is individually monitored by the Quality of Worklife Officer.

The Group carefully monitors the frequency and severity rates of occupational accidents in all of its entities. In 2023, these rates were as follows:

Group data (including Poland since 2021)	2018	2019	2020	2021	2022	2023
Frequency rate – Group	31.40	17.15	13.93	12.14	5.90	8.02
Frequency rate – France	41.03	18.24	18.24	19.38	12.95	12.41
Severity rate – France	1.31	0.96	1.04	1.00	0.85	0.74

In order to reduce the number of accidents in the coming years and to train our new employees, 94,670 hours of safety training were provided within the Group in 2023 (including 82,085 in France).

In line with its corporate culture, and to maintain the technical skills of its staff, iliad has always favored in-house expertise.

As a result, it decided to employ its own roaming technicians and FTTH rollout/connection personnel, who are grouped within Protelco, Free Infrastructure and Free Réseau. These three entities therefore make up a large proportion of iliad's overall headcount. The specific nature of these employees' work leads to a high number of non-severe accidents, which are nevertheless carefully monitored and for which the Group provides support.

4.3.4 Preserving the Group's DNA and ensuring high quality employee relations

4.3.4.1 Policies and objectives

Within our Group, we firmly believe that the best way of nurturing innovation is to create a culture of empowerment and daring. We have a particular mindset at iliad, geared towards walking the talk and underpinned by a proactive approach, respect for others, and seeking tangible results. We've deliberately chosen to remain a human-scale organization, where every person is important to us, and we're determined to keep the start-up mindset that allows us to rise to the challenges of today's world. Our Group also stands out for its competitive spirit. Our teams are always prepared to challenge themselves to be able to go the extra mile. Our recipe for this comes down to our watchwords of agility and reactivity: reporting lines are short, decisions are taken quickly, and simplicity is our guiding principle.

Keeping this internal culture alive, preserving the DNA that characterizes us, and maintaining high quality relations with our employees are therefore essential for the Group to achieve its ambitions for growth and innovation.

A drop in employee motivation, or a breakdown in dialog with our employees, would reduce our competitiveness and would harm our brand image in commercial terms, which would in turn affect the perception of our customers and stakeholders. This risk could also affect our attractiveness as an employer, impacting our ability to recruit the talent we need in order to grow.

To maintain regular dialog with employees and obtain usable quantitative feedback, the Group aims to achieve a response rate of at least 50% for its annual employee satisfaction survey.

4.3.4.2 Actions implemented

Listening to what our people have to say

Since its very beginnings, the Group has stood out for its highly unique corporate culture, rooted in our history and underpinned by our passion for innovation, autonomy and agility, as well as our commitment to excel in everything we do. This culture is reflected in the exceptionally high number of our people who are proud to be part of the Group, as was once again clearly shown in the 2023 employee survey.

This anonymous survey is sent out every year to the Group's employees in France and Morocco. The survey comprises ten questions, on topics such as how interesting and important employees find their work, as well as health and safety, work/life balance, their sense of pride in forming part of the Group, and pay. Many of the Group's employees responded to the survey in 2023, with a 62% participation rate (7,510 respondents) – up three points on 2022. This rate is very high for a company with the size of workforce that iliad has, as the participation rate for similar-sized companies usually averages between 40% and 50%.

After two years of increasing scores, the 2023 survey confirmed the Group's healthy employer-employee relations, with an 82% overall satisfaction rate, classified as "excellent", which was achieved despite a more difficult economic and social context than in 2022.

Out of the total ten questions, the scores came in at over 80% for eight of them. Particularly high scores were achieved for the areas related to a sense of belonging, job meaningfulness and buy-in:

- 93% of the respondents said they are proud to be part of the iliad Group;
- 90% said they are aware of what their work contributes to the Group;
- 90% said they like their job and the work assigned to them.

Annual employee surveys enable the Group to listen to what employees have to say and identify areas for improvement in their day-to-day lives. The results of the 2022 survey highlighted the need to improve our tools and working methods. With this in mind, a project was launched in 2023 to harmonize and improve our collaboration and communication tools. The project was based on a questionnaire launched among employees in France and Morocco in February 2023 on the theme "Your digital uses within the iliad Group". The aim is to deploy a high-performance package of collaborative and corporate communication tools in the Group's entities in France and Morocco in 2024. The first stage of the project was completed in 2023 with the launch of a pilot test among a representative sample of 500 employees.

At Scaleway and in our contact centers, the annual employee survey is rounded out by more frequent surveys, enabling us to get feedback from our teams about general team spirit and ask them questions about workplace wellbeing, so that action plans can be put in place for making progress on these issues throughout the year.

A similar annual survey is carried out in our Polish entities, called the "Play Pulse Check". The results of the 2023 survey showed a clear improvement in the employee satisfaction rate, which totaled 15 points in October 2023 vs. 8 points in January 2022. Other shorter and more frequent (twice a year) "Pulse Surveys" are also carried out in our Polish entities to gauge the mood of teams and give managers 360° feedback.

Transparent and direct communication

In order to keep our employees up to date with the Group's many achievements and latest news, in-house newsletters are regularly sent out in all of our geographies:

- in France and Morocco:
  - since 2018, we have regularly relayed information about the Group – in text, image and video format – in our in-house newsletter, Scroll. The aim of this newsletter is to share information with all employees in France about the Group's latest happenings, or about specific activities or people,
  - at Free Distribution, the monthly newspaper, OneTeam Mag, is regularly enriched with short video formats putting the spotlight on different teams. OneTeam Mag also provides news from the entity, sales results and articles recounting slices of life and collective events. In line with this same aim of communicating directly, Xavier Niel, Chairman of the iliad's Board of Directors, regularly answers questions from Free Distribution employees,
  - in our contact centers in France and Morocco, all team members receive the monthly Free For You newsletter containing all the most important news;
- in Italy: a newsletter was also launched in 2023, called the *Weekly Gazzettino*, designed to give teams a lighthearted look at iliad Italia's latest news and keep them engaged with what's going on in the company. In addition, quarterly information meetings are organized at each site and online to keep all employees up to date with the latest news (financial results, HR projects, etc.);
- in Poland: within Play a monthly newsletter from the CEO is sent out to all employees to share strategic information about the company and its latest significant events. And a weekly email is sent to all head office and in-store staff in Poland, summarizing the week's highlights.

The Group also regularly provides information to employees via email and webinars about its results, key news and specific actions and events, as well as holding open discussions with employees through video Q&A sessions. This type of communication is carried out at regular intervals, both in France and in our Italian and Polish subsidiaries.

In France, once a month, an inter-entity and inter-business lunch is organized with the Group CEO and Chief Human Resources Officer in small groups of a dozen or so employees, so they can chat about the Group's latest events and happenings.

To round out this ongoing communication and dialog, new intranets have been launched in France, Morocco and Italy. The aim of these new tools is to centralize our entities' news in one place, provide employees with a Group-wide directory and enable us to provide information to all of our teams as and when needed.

Collective events

The Covid crisis highlighted the importance of face-to-face meetings and the vital need to keep up interaction with others. The various events that had to be put on hold or temporarily switched to remote arrangements all resumed in face-to-face format in 2022 – which our teams were very happy about.

At F-Distribution, the four main collective events of the year are the "Top Ones Day", the "Manager Day" seminar, the "One Team Staff" event and the annual "Roadshow".

- the 2023 Top Ones day was an opportunity to celebrate the 30 sales consultants who stood out for their exemplary sales performance and quality of service in Free stores;
- for the "Manager Day" event, Free Distribution's 200 managers gathered for two days of meet-ups and discussion, based on the topic "Feel Free";
- the "One Team Staff" event is an opportunity for all of Free Distribution's support functions to get together for a day of team building;
- during the "Roadshow" event, Free Distribution's management team takes to the road to meet up with regional managers so they can take stock of the past year together and map out the coming year.

Similar events were launched in 2023 at Protelco, with a "Manager Day" and the "Best Performer" ceremony, which celebrates employees who have achieved the best performance in the past year.

At Free Mobile, seven seminars were held in 2023, bringing together teams within the same region to meet with key managers from the head office to discuss the company's business results, review objectives, and raise awareness about specific HR topics, such as disability and recruitment through referrals.

Also in 2023, employees from entities based at iliad's head office in France were able to bring their children aged 3 to 7 to the second edition of the "Freekids summer party" held at head office. Many fun events were organized for them, including bouncy castles, garden games, dancing, craft activities, and an afternoon snack.

Taking part in sports challenges within the Group and between entities is a way for our employees to share a common passion or simply to spend a day raising funds for charity. The sporting events organized include the Maif Ekide relay race, the Adidas 10 km race and a soccer tournament with the *Sport dans la Ville* non-profit.

Strong employee relations

The Group upholds the principles of the Fundamental Conventions of the International Labour Organization (ILO) and the human rights principles set out in the United Nations' Universal Declaration of Human Rights.

Consequently, it has undertaken to respect the right to freedom of association and protect the right of collective bargaining (the Freedom of Association and Protection of the Right to Organise Convention (no. 87) dated July 9, 1948, and the Right to Organise and Collective Bargaining Convention (no. 98) dated June 8, 1949). These commitments are implemented in compliance with local regulations in the different countries where iliad operates.

In France, Morocco and Italy, elected employee representatives regularly take part in consultations and negotiations with employer representatives. In France, some 100 works council meetings were held during 2023, and over 30 agreements were signed with employee representatives. Almost all of the Group's employees in France, Morocco and Italy are represented by employee representatives. The only exception within the Group is Poland, as its labor laws are different. Altogether, 76% of the Group's total workforce is represented by elected employee representatives.

In addition, all employees in France and Italy are covered by formal collective bargaining agreements relating to working conditions. This is not the case in Poland and Morocco, where there are different labor laws about collective bargaining agreements. For the Group as a whole, 68% of the total workforce across all of its sites are covered by formal collective bargaining agreements on working conditions.

In view of the recent developments to its geographic scope, in 2023, the Group launched discussions to set up a European Works Council. The French Group Works Council meets every year to discuss the Group's financial situation and strategic goals. In addition, each legal entity in France had its own works council and health and safety committee that represent employees on issues within their respective remits. For the Group as a whole, 98% of employees are represented on health and safety committees whose members are made up of both management and union representatives. In France, this figure is 97%, as health and safety committees are mandatory for entities employing 300 people for 12 consecutive months.

4.3.5 Results and indicators

The participation rate in the 2023 employee satisfaction survey was 62% (12,100 employees surveyed on the "France activity" scope covering employees in France and Morocco).

Employee dialog indicators	2020	2021	2022	2023
Response rate to the annual employee satisfaction survey (France)	68%	57%	59%	62%
Overall satisfaction rate in the annual employee satisfaction survey (France)	70%	74%	83%	82%

4.4 Helping create a useful, responsible and trusted digital world

Right from the outset, the iliad Group has been driven by an overriding aim of giving everyone access to the best digital technologies. This has led to a unique sales policy, based on core values such as generosity and transparency. But it also means serving entire geographies without any gaps in coverage, and offering the same prices everywhere.

With over 48 million subscribers in Europe served by 17,800 employees, the Group transports thousands of Gigabytes of data. These data are of all types, and it is the Group's duty to secure and protect them.

As a leading economic player, the Group must set the standard of excellence in terms of business conduct. Whether in terms of business law, citizens' rights or relationships with our suppliers, we are committed to a process of continuous improvement in our compliance standards.

As a driver of the digital revolution, iliad has always fought for consumer rights, both in terms of ensuring they pay a fair price for telecom services and that their personal data is protected. And from our very beginnings this has been embodied in our militant corporate citizenship, backed up since 2006 by the Free Foundation.

4.4.1 Responsible procurement and duty of care

4.4.1.1 Policies and objectives

While we take great care to provide our subscribers with high-quality products and services, we also take into careful consideration the CSR performance of our partners and all the links in our supply chain. We have therefore put in place a responsible purchasing policy to help us meet our CSR aims while at the same time ensuring full regulatory compliance.

Sustainable development is an essential component of our purchasing policy and we give it as much importance as we do to price and quality. In practice, this means fully integrating CSR into the purchasing process. In 2022, the Group published a Partner Relations Charter setting out the principles and commitments it imposes on itself, and to which its suppliers must also adhere. The objectives are to:

- strengthen CSR practices in dealings with our partners;
- improve the Group's social and environmental performance by selecting virtuous and committed partners;
- contribute to risk management by assessing the external effects of the products or services offered.

4.4.1.2 Actions implemented

Guaranteeing a responsible purchasing policy

The Group is a signatory of the United Nations Global Compact and as part of this commitment strives to develop partnerships, particularly with suppliers, that contribute to achieving the UN Sustainable Development Goals (UN SDGs). This objective of developing partnerships is in line with SDG 17 – Partnerships for the Goals. In addition, we strive to protect the health and safety of our customers.

Certifying our suppliers and service providers (EcoVadis)

Sharing common values is essential to building and maintaining lasting partnerships and business relations. This is why our policy is to involve stakeholders in a continuous assessment and improvement approach that aims to deliver outstanding performance in key issues, including business ethics, environmental protection and respect for labor and human rights.

We assess the CSR performance of a group of strategic suppliers that work in the most sensitive fields, selected based on our risk map. The selection covers the Group's various purchasing units and concerns activities such as supply chain management, network rollouts and device procurement.

In 2018, the Group selected an initial group of strategic suppliers. It also laid down assessment criteria and created a dedicated platform. The assessments are conducted by a specialized firm, EcoVadis, whose review methodology is based on ISO 26000. Suppliers are selected for review based on an ethical and non-compliance risk map, combining criteria such as the supplier's industry, regional location and business volumes, as well as indices defined by leading NGOs (e.g., Transparency International's Corruption Perceptions Index). In 2020, we developed a proprietary supplier management system designed to facilitate our relationship with these stakeholders and to track their CSR performance, in particular.

4.4.1.3 Results and indicators

At end-2023, 552 suppliers had been assessed by EcoVadis, our service provider for these reviews. The supplier assessment campaign was launched in Poland in 2023 and the results are due in 2024.

	2020	2021	2022	2023
% of new suppliers and providers undertaking to respect our ethical principles	ND	100%	100%	100%
% of expenses covered by EcoVadis assessments (only applies to iliad France and iliad Italia)	ND	50%	40%	41% [(a)]
% of assessed suppliers to have implemented an anti-corruption policy	ND	ND	77%	78.4%
% of assessed suppliers that have set up action plans to reduce their energy consumption and carbon emissions	ND	ND	ND	87% (new indicator)
% of assessed suppliers that have set up action plans related to the Science Based Targets initiative	ND	ND	ND	21.7% (new indicator)

(a) 44.5% increase in the number of suppliers assessed.

4.4.2 Ethical business conduct and commercial practices

4.4.2.1 Policies and objectives

The business environment is constantly changing, and becoming increasingly demanding in terms of ethics and regulatory compliance. We have adopted a strict ethics and compliance policy, not only to meet the requirements of increasingly stringent regulations, but also to prevent any non-compliance and reputational risk, especially in terms of corruption.

Our ethical principles inform all of the Group's activities, including relationships with external partners and stakeholders (subscribers, service providers, employees, etc.), which are themselves becoming increasingly focused on these issues.

Code of Ethics

The Group's Code of Ethics, whose latest version was published in 2021, sets out the Group's values and business ethics principles. The Risks, Audit and Compliance Department has also issued an Anti-Corruption Code of Conduct. Designed for the Group's employees, this Code provides a clear framework for them to make the right choices and take the right steps when faced with risks of corruption. It includes a number of illustrative examples of situations that employees could encounter in their job and how they should behave in those situations. It is a succinct, go-to-guide that can also be given to any business partner. These documents are adapted to local regulations for the Group's international subsidiaries.

In 2023, a new brochure on managing conflicts of interest was issued, rounding out the Group's ethics documentation and providing clear guidelines to help employees follow best practices in the event of a conflict of interest.

An Ethics & Compliance section is available in French and English on the Group's corporate website and its intranet portal. It gives all employees access to ethics policies and procedures at all times.

Gifts and hospitality

Offering or accepting gifts or hospitality can be standard practice in business. However, such a practice can entail risks that each employee needs to know how to identify and avoid. In order to prevent these risks and ensure that everyone makes the right choices, the Group has set up a system for disclosing and monitoring gifts and hospitality, and communicates widely about the best practices to adopt. In 2021, the Group published a Gifts & Hospitality policy and updated the related electronic disclosure system. After being compiled and analyzed, the gifts and hospitality disclosures are used in the periodic review of iliad's risk map to update operational factors.

An email is sent out to all Group employees every year, reminding them of the importance of complying with the reporting and acceptance thresholds set by the Group for gifts and hospitality.

Whistle-blowing system

This system is a procedure put in place by the Group to enable its employees, as well as external and occasional partners, to bring to the attention of the Risks, Audit and Compliance Department any behavior or situation that may breach the Group's Code of Ethics and put a stop to it and impose sanctions where necessary. Its scope of application is described in the whistle-blowing procedure available at http://alerteethique.iliad.fr (available in French and Italian). The whistle-blowing system can be used to raise alerts about any failure to respect human rights and fundamental freedoms, or any potential cases of corruption and influence peddling, and financial, accounting and/or tax irregularities.

In 2022, the iliad Group updated its whistle-blowing system and website in line with France's Waserman Act and its implementing decree, thereby improving the protection of whistle-blowers. A whistle-blowing system has also been set up in the Group's international subsidiaries, in accordance with local regulations.

4.4.2.2 Actions implemented

Governing and managing ethical risks

With a view to making the Group and its subsidiaries standard-setters in ethics and compliance, iliad's management plays a driving role in defining and implementing a zero-tolerance ethics and compliance policy, based on the "tone at the top" principle in France, Italy and Poland.

The commitment of iliad's management team is further demonstrated by:

1. the active promotion of business ethics principles;
2. the creation of a function dedicated to compliance issues. In 2018, the General Counsel's department set up an ethics and compliance program and appointed a Chief Ethics & Compliance Officer in charge of developing and implementing the program and monitoring the effectiveness of the measures taken. In 2022, the Group created a new post of Chief Risk, Audit & Compliance Officer, reporting both to the Finance Department and the Group's General Counsel. Since the creation of this function, the number of people dedicated to compliance tasks has increased. This trend is backed up by the implementation of compliance programs dedicated to certain activities (network rollout) and certain Group entities (notably Stancer, a banking institution whose activity is regulated by the ACPR – *Autorité de Contrôle Prudentiel et de Résolution*);
3. the participation of some of its members in the ethics committee, an Executive Management committee tasked with defining the main tenets of the Group's ethics policy and reviewing its compliance program.

Code of Ethics

All iliad Group employees are kept regularly informed of the content of ethics documentation through internal communications. This documentation is initially given to them on the day they start working with the Group, either in physical format, by email, or via their employment contract which explicitly states that the Code of Ethics is appended to their company's internal rules. It can also be viewed and downloaded at any time on the Group's corporate website and intranet.

Training our teams

An awareness-raising and training plan has been developed on preventing ethics and compliance risks, with a view to relaying a culture of compliance within the Group and reiterating the principles enshrined in the Code of Ethics and related documentation.

To best cover the diversity of profiles exposed to these risks within the Group, the plan provides for several training modules in face-to-face, videoconference and e-learning formats.

The scenarios proposed are adapted to the various participants' activities. They are based on situations reflecting the Group's risk mapping and operational challenges.

This training is available in France, Italy and Poland so as to cover all country-based regulatory specificities. As well as being annually updated, the modules are revised whenever there is a substantial change in Group policy or the legal and regulatory context.

A training module on international sanctions has also been put in place for teams involved in international operations and risk management. This module emphasizes the importance of complying with internal procedures and of adopting best practices for managing the risks associated with sanctions.

Controlling ethics risks

The risks and uncertainties of which the Group is currently aware and which it considers to be material are described in Chapter 4, Section 4.1.4.2.3 of this Universal Registration Document – Risk factors.

The Group's corruption risk mapping process consists of identifying, assessing, prioritizing and managing the corruption risks inherent in its activities. It involves analyzing business processes at all levels of the Group, within each subsidiary and activity. This means that corruption risks are identified and assessed in consultation with representatives of the activities concerned.

This map is a guide for the Group's Executive Management when drawing up the compliance program. It also helps to guarantee that the Compliance Program is suited, proportionate and effective.

Taking the form of structured documentation, the corruption risk map provides an overview of internal and external corruption risks for everyone involved in implementing the related corrective measures, including members of the Ethics Committee and the CEOs of the Group's subsidiaries. Actions tailored to the desired outcomes are being deployed with the goal of preventing, mitigating and eliminating any risk of non-compliance.

Whistle-blowing system

For employees, the whistle-blowing system represents an alternative to the traditional route of informing line management. It is not compulsory, but employees are recommended to use it so that they can be covered by the legal protection provisions applicable to whistle-blowers. The way the system works and how whistle-blowing alerts are handled are described in a plain-language video on the home page of the dedicated whistle-blowing site.

Statistical monitoring is also carried out on the processing of whistle-blowing alerts as part of a continuous improvement process and in the interests of transparency.

4.4.2.3 Results and indicators

In 2023, more than 1,066 employees followed the Anti-corruption – Sapin II training in France, 770 in Poland and 828 in Italy.

	2020	2021	2022	2023
Number of employees who received a code of ethics (the Group's Code or a code in line with Group requirements) when starting work with the Group	100%	100%	100%	91.7%

4.4.3 Helping to create a responsible and secure digital ecosystem

The Group has been contributing to the digital revolution for over 20 years now. New digital usages are impacting our lives, and an almost infinite number of sectors of the economy are affected – automotive, housing, entertainment, healthcare, financial services, energy, distribution of goods and services, and many more. Consequently, we are entrusting our data – which is sometimes sensitive – to a growing number of players, and this data circulates thanks to infrastructure built by operators including the iliad Group.

The business model of major Internet companies is based to a large extent on monetizing data that they collect and cross-reference using innovative solutions leveraging Big Data and, increasingly, artificial intelligence. Against this backdrop, users (i.e., citizens, companies, institutions, etc.) have very high expectations in terms of the quality and reliability of telecom networks and the protection of their personal data, which means they need to have a relationship of trust with their operator.

Whether it's protecting our information systems, the personal data we collect, vulnerable populations who use our services, or the health of the people we provide mobile coverage to, all of us within the iliad Group work hard every day to secure the data that's entrusted to us.

4.4.3.1 Cybersecurity, the fight against external attacks and network resilience

4.4.3.1.1 Policies and objectives

Faced with the mounting number of cyberattacks, the Group has increased its measures for protecting its information systems in its three geographies. Ensuring uninterrupted network coverage and continuity of services, combined with protecting the security and confidentiality of the personal data of our subscribers and our employees, are two absolute priorities for us. This major concern has resulted in important choices that we have made in our Fixed and Mobile telephony operations, as well as for our subscriber relations platforms, our data centers and our human resources systems.

The most characteristic and significant cybersecurity risks to which the Group is exposed are those related to espionage (exfiltration and theft of data in communications and infrastructure), destabilization (denial of service, theft of published data), ransomware, sabotage (networks, cables, radio equipment), and disinformation that could impact its brand image as a network operator. The occurrence of any of these risks could have a negative impact on the availability of service and on the Group's reputation.

Our cybersecurity policy is based, among other things, on selecting trusted technical partners and only permitting in-house access to critical equipment as well as encrypting the various accesses (wireless encryption, remote VPN access). The Group also regularly analyzes the cyber risks to which it is exposed. An assessment of those risks and a description of all the measures put in place to mitigate them are compiled as part of our information system security policy (ISSP), which is regularly updated.

To make sure that employees fully understand these issues, the Group has set up mandatory online training for its new hires on cybersecurity awareness and personal data protection. We also implement specific training plans in France, Italy and Poland and provide employees with appropriate support systems.

The Group aims to train at least 15% of the workforce of its French subsidiaries on cybersecurity each year.

4.4.3.1.2 Actions implemented

In order to protect our products, services and equipment, as well as our customers' data, the Group has a policy of keeping R&D in-house wherever possible and has put in place incident detection surveillance systems. In addition, our networks are isolated, with end-to-end encrypted data transport.

Security is a top priority for our technical teams, who integrate secure architecture, operating methods and maintenance right from the outset of a project. Our network architecture is secure in its design, and is deployed and managed in France by restricting subcontracting to strictly specific needs. Our networks are protected by complex mechanisms for managing incoming and outgoing flows that enable us to isolate our very high-risk assets.

All of our information systems are developed in-house, following very strict partitioning rules to limit interconnections between several heterogeneous information systems. Moreover, access to our networks and systems is restricted to a limited number of administrators.

Our equipment is hosted within our own premises and maintenance services are carried out by our own teams of specialized engineers and technicians. These strategic choices mean that we are able to control our products and services, as well as our entire value chain. This guarantee of sovereignty is a guard against cyber threats, and also enables us to react quickly to events or crises.

To make sure that its employees fully understand these issues, the Group has set up a specific training plan and provides them with appropriate support systems. All employees receive specific training adapted to their individual exposures to cyber risk. For example, telecom engineers and field service technicians are given highly targeted training, and awareness campaigns are regularly organized so that adopting best practices becomes second nature.

All of these measures are tested through audits and intrusion tests carried out by our technical teams, with the support of our subsidiary, ITrust. Thanks to the expertise of ITrust – which is a French pure player in cybersecurity and has been a European leader in this domain since 2007 – the Group is able to continuously improve its cybersecurity systems. Its robust AI-driven technologies enable threats to be effectively identified and dealt with. These regular reviews are carried out by our cyber specialists to ensure that our solutions are properly integrated and used. They are shared with systems and cybersecurity managers, and are used for updating our internal procedures.

The Group is therefore able to develop "homegrown" systems to protect its networks by considerably limiting third-party intervention, while arming itself with sovereign solutions to limit its surface of attack and vulnerabilities.

Our exacting standards are clearly illustrated in the fact that:

- our strategic equipment suppliers are either internal (Freebox) or European, and we diversify our sources of supply and avoid relying on a single supplier/solution;
- we impose our cybersecurity requirements on our suppliers before signing a contract with them;
- wireless links are always encrypted using the latest algorithms, and the encryption protocols for websites comply with the highest-level recommendations;
- our equipment is operated and overseen by in-house teams, using secure, authentication-based access procedures and we work hard to relay and use cybersecurity resources available within the Group;
- subscriber relations platforms are managed internally at Group level by dedicated structures to ensure that personal data is not relayed to external parties;
- the Group prefers to develop its information systems in-house;
- access to databases containing subscribers' personal information systematically requires authentication, with hierarchical access levels;
- all actions on information systems and equipment are traced;
- the policy for creating and storing passwords for accessing subscriber areas is regularly updated in line with security requirements;
- the disaster recovery plan is regularly updated and tested;
- our datacenter hosting services are ISO 27001 and/or HDS (healthcare data hosting) certified.

Cybersecurity governance is a key issue for the Group. It is underpinned at Group-level by the information systems security (ISS) team headed by the Chief Information Systems Security Officer (CISSO) and overseen by a member of the Board of Directors, and at local level by teams within the operating and geographic entities. The ISS team is responsible for assessing and communicating about cybersecurity risk and implementing related measures. The team's members are then given support by cybersecurity specialists within the Group's operating teams, who are in charge of setting up security projects and reviews and reporting any alerts and operational risks identified in run mode. Each digital asset is identified and a specific person is designated to protect it. These in-house teams also analyze the logs produced by our digital assets so as to proactively detect risks. No contractors are allowed to work in the Group's cybersecurity teams.

The risk identification and management plan is regularly updated, which means that the measures for preventing and mitigating these risks can be continuously adapted. In particular, operating procedures are updated and implemented in relation to the following areas:

- network security management (e.g., firewall and system intrusion detection/prevention, etc.);
- data and systems management (e.g., back-up, data encryption, patching, retirement and reuse of technologies, information exchange, etc.);
- physical security management (e.g., secure premises, access management, system damage and tampering, etc.);
- device management (e.g., computers, mobile phones, etc.).

An escalation procedure has been put in place to report any security incident, irrespective of the origin of the detection. The CISSO and the Group's cyber and technical specialists form part of the technical analysis unit that is set up as soon as an incident is detected in order to qualify, analyze and then remedy the incident, while ensuring availability of the overall service and that our assets are protected against any potential spread of the threat, as well as gathering evidence of the attack. The Group also has an incident management procedure which is updated on a regular basis.

Security alerts with information bulletins are regularly shared in order to prevent any data leaks or attacks. The Public Affairs and Regulatory departments are involved in the overall information systems security approach in order to anticipate and analyze the requirements of regulators and our counterparties.

In the event of a security incident, the authorities that oversee GDPR compliance (such as the CNIL in France) and/or cybersecurity (the ANSSI in France) are informed as soon as possible. A crisis unit (chaired by the CEO of the entity affected by the incident) then decides on whether and how to communicate externally about the incident, in liaison with iliad's Board of Directors.

Because protection against cybercrime depends on everyone being vigilant, including our customers, we have put in place a range of support solutions. For example, in France all of our customers (both B2B and B2C) are informed of any security vulnerabilities detected in software that the customers have installed. We also offer specific cybersecurity solutions for our B2B customers, particularly using ITrust products. Other solutions are likewise put in place to protect our customers against cyber attacks.

4.4.3.1.3 Results and indicators

In 2023, 3,445 employees in France completed e-learning on cybersecurity. Since 2020, over 11,000 employees of French subsidiaries have received training on this topic. In Italy, all iliad employees were given mandatory cybersecurity training in 2022. In Poland, a cybersecurity training module is included in the onboarding process, and all new hires are given this training when they join the company.

	2020	2021	2022	2023
Number of employees of French subsidiaries receiving cybersecurity training	1,808	4,809	1,700	3,445
% of the average annual workforce of French subsidiaries receiving cybersecurity training	20%	51%	17%	32.1%

4.4.3.2 Privacy, confidentiality, freedom of expression and contribution to digital responsibility

4.4.3.2.1 Policies and objectives

Protecting personal data is a priority for iliad. Personal data management is an intrinsic part of the Group's activities, which are governed by European regulations and the national laws of the countries where the Group operates. The collection of personal data, its use and its storage are subject to compliance with the applicable regulations, including European regulation 2016/679 of April 27, 2016 on the protection of personal data, which came into force on May 25, 2018 (the "GDPR"). Certain breaches of the law can result in administrative fines of up to €20 million or 4% of annual worldwide revenues, whichever is higher.

The security of personal data is another important issue. All electronic communications operators and data hosting providers are exposed to risks of loss of confidentiality and unauthorized modification or involuntary deletion of personal data, particularly that of customers, notably in the event of a cyberattack.

The content hosting activity also entails compliance with applicable regulations regarding the removal of illegal content. On the subject of content, another of our priorities is to guarantee the protection of vulnerable populations. The Group has designed and put in place a number of different solutions aimed at protecting vulnerable populations from inappropriate content.

Lastly, the laws applicable in the countries where the Group operates may impose the obligation to comply with injunctions and/or requisitions from local authorities. iliad must ensure compliance with the requisite legal and regulatory formalities in order to preserve the rights and freedoms of individuals, in particular the freedom of expression.

iliad strives constantly to improve its compliance in all areas so as to make the protection of personal data a major asset in its market. In order to achieve this, the Group regularly provides its employees with training on the protection of personal data.

4.4.3.2.2 Actions implemented

In 2023, iliad continued its work to ensure the highest level of compliance with personal data protection regulations. For example, during the year:

- the committee of Data Protection Officers (DPO) set up within the Group's French subsidiaries continued to relay best practices and report on any issues raised;
- the Group-level international working group continued to harmonize best practices across Europe;
- a GDPR training course for IT developers was rolled out in France;
- a new process for Group-wide harmonized management of employee access rights was set up in France;
- the continuous improvement system for information systems and data security process was pursued;
- the DPO team provided ongoing support for all Group projects involving personal data and the privacy by design process was reinforced;
- an action plan was set up to ensure Group compliance with the EU Digital Services Act (Regulation (EU) 2022-2065 of the European Parliament and of the Council dated October 19, 2022).

In the field of protection of vulnerable populations, Free has added a parental PIN system to its television interface for their protection. The PIN is set in the subscriber's online personal space, which only the adult holder of the subscription can access using his or her username and password. Concerning Internet access, the FreeboxOS (for computers) and the Freebox Connect application (for mobile phones) contain a parental control service that can be set up and configured remotely and in real time. Additionally, Freebox subscribers can use a WiFi planning function to enable or disable their WiFi service at specified times.

4.4.3.2.3 Results and indicators

In 2023, 5,394 employees in France completed e-learning training on personal data protection. Since 2020, over 15,000 employees of French subsidiaries have received training on these issues.

	2020	2021	2022	2023
Number of employees of French subsidiaries who have received personal data protection training	5,155	3,163	1,950	5,394
% of the average annual workforce of French subsidiaries receiving training on personal data protection	58%	34%	20%	50.30%
% of countries where the iliad Group operates with a DPO	100%	100%	100%	100%
% of Freebox subscribers to have activated the parental control system	6%	6%	6%	6.7%

4.4.3.3 Network quality, regional coverage and service proximity

4.4.3.3.1 Policies and objectives

The iliad Group grew out of the conviction that digital technology is a formidable vector of personal and professional opportunities and must be accessible to as many people as possible.

This belief has taken shape on three strategic pillars:

- designing simple products and providing affordable offers for everyone;
- giving everyone, wherever they live, equal access to digital technologies and products through a policy of sustained investment in the rollout of equipment and infrastructure throughout the country;
- building an open and committed company that supports digital inclusion and training for its employees and society as a whole. This strategic pillar is set out in section 4.4.3.4 (Innovation accessible to as many people as possible).

By the end of 2024, the Group is aiming to have 180 Free Proxi teams – Free's local subscriber support service in France – in order to cover approximately one out of two Fixed-line and Mobile subscribers.

4.4.3.3.2 Actions implemented

Unbundling as a matter of course in our committed policy

Very quickly, iliad came to see local loop unbundling in France as a tremendous source of growth and a tool for increasing access to the Internet. Since 2003, Free's fixed-line Internet offer in France has been simple and affordable: the operator has never imposed a minimum commitment on its subscribers (September 2002), it was the first to offer unlimited voice calls both to fixed lines in France (July 2003 for unbundled subscribers, then March 2004 including non-unbundled subscribers) and to mobiles (December 2010), and offers the same price to its subscribers, whether or not they are in unbundled areas (Free's costs being significantly higher outside unbundled areas), while constantly enriching its offer without raising the price (€29.99 since 2002 with greater speed, more free TV channels, more telephony and more value-added services). **This strategy of not discriminating against subscribers based on where they live has required considerable investment on the part of the Group, as the location of subscribers has a significant impact on profit margins. Consequently, our across-the-board pricing strategy, which is a lasting strategy, sends out a powerful message.**

The rollout of fiber (FTTH) is replicating the philosophy underpinning our copper strategy

In 2006, the Group embarked on a long and costly phase of investment in optical fiber to the home (FTTH) in France. Free's fiber rollout and its pricing strategy demonstrate the operator's determination to offer equal access to digital technologies throughout France. While most of our competitors charge subscribers a higher price for an FTTH connection or for Orange's copper pair, Free opted from the very outset to offer the same price regardless of the technology chosen by the subscriber. To provide its fiber offers to as many customers as possible, and in accordance with the regulatory framework set out by ARCEP, Free began investing in FTTH in high-density areas on its horizontal network in 2006, and has almost systematically co-financed investments in the vertical network. Investissement dans la fibre des territoires (IFT), a joint venture set up in 2020 with InfraVia, was created to pursue its strategy of providing equal access across the country, outside very densely populated areas.

The launch of Free Mobile, freezing prices and showing how to increase consumers' spending power

As soon as it obtained a 3G telephony license in 2010, Free Mobile turned the market codes upside down by launching unbeatably priced offers in January 2012. We estimated at the time that the €2 package offering 60 minutes of calls and 60 texts per month was priced at less than a quarter of the cheapest rival offer on the market. And while the price is still the same, the service has been enriched: it now includes 120 minutes of calls per month, unlimited SMS/MMS and 50 MB of 4G/4G+ mobile Internet. The €19.99 per month offer launched with unlimited calls, SMS, MMS and Internet was considered 2.5 times cheaper than the cheapest rival offer on the market. The price has not changed here either, but the offer has again been enriched to include 5G (unlike some of our competitors, which impose a premium for new technologies, as they have for fiber). In Italy, the Group has adopted the same approach. After obtaining the remedies linked to the merger between Wind and Tre, iliad launched iliad Italia and unveiled transparent, simple offers accessible to everyone.

On January 10, 2022, to mark the 10th anniversary of Free Mobile, Xavier Niel, Chairman of iliad's Board of Directors, renewed his commitment not to touch the price of the Group's two most popular mobile plans – the €2 and €19.99 plans – for five years in France. This *ça bouge pas* ("it's staying where it is") campaign was a reminder to people of Free's commitment to defending purchasing power in a highly inflationary environment.

Free Proxi and our networks, the perfect combination for a local service

Free Proxi is the new local assistance service created by Free for its subscribers, delivered by small, locally based teams of 8 to 10 Free advisors, who are readily available online to answer any questions about Freebox and Free Mobile plans. Thanks to their local presence, the Free Proxi teams have detailed knowledge of their region's fixed and mobile network infrastructure. They can easily troubleshoot possible incidents, and even go directly to the subscriber's home to restore service or replace a device. In this way, subscriber issues can be handled from start to finish by the same team, and sometimes by the same advisor. Free Proxi is included in all the Free plans. As soon as they are eligible, subscribers contacting support are put in touch directly with their Free Proxi team. They can directly access their advisors in their subscriber area via the mobile app or online, or else by phone at 3244. Available seven days a week from 8am to 9pm, Free Proxi teams undertake to find a solution for subscribers within 15 minutes. Launched in late 2019, Free Proxi is already staffed with 67 local teams based throughout France, covering 25% of its 21 million fixed-line and mobile subscribers. At end-2023, there were 144 local Free Proxi teams covering approximately 35% of the fixed and mobile subscriber base in France.

4.4.3.3.3 Results and indicators

The iliad Group has long considered the rollout of its own infrastructure as a virtue. It is synonymous with independence, differentiation and innovation. It is a guarantee of network quality and reflects our determination to cover the entire country. In 2023, iliad invested €2.1 billion Group-wide.

	2020	2021	2022	2023
% coverage of the population with 5G in France	-	79%	88%	95%
% coverage of the population with 4G in France	98%	99%	>99%	>99%
Number of households covered by Free Fiber in France	19.9 million	25.5 million	31.3 million	35.3 million
% of total premises in France that can be connected to Free Fiber	89%	85%	92%	+93%
Number of active new 4G mobile sites rolled out in France	3,890	2,603	2,206	2,445
Number of active new 4G mobile sites rolled out in Italy (before impact of network sharing with WindTre)	4,053	2,612	1,593	1,049
% of French revenues devoted to investments	26.2%	32.2%	26.6%	25.7%
% of Italian revenues devoted to investments	76.0%	51.4%	42.7%	22.9%
% of Polish revenues devoted to investments	17.0%	12.4%	14.0%	12.6%

4.4.3.4 Innovation accessible to as many people as possible

4.4.3.4.1 Policies and objectives

Founded in 2006, the Free Foundation has been combating the digital divide for 17 years, providing a powerful illustration of the Group's commitment to its people and society as a whole. Acting in complete independence, the Foundation works to promote digital inclusion projects throughout the country, a more responsible digital environment and open-source software. It now wields internal and external influence benefiting a very great number of people. The Foundation's goal is to provide support to at least 10 projects each year.

4.4.3.4.2 Actions implemented

Financial support for non-profits specializing in digital technology through calls for projects and partnerships

Since its creation, the Foundation has provided support for more than 400 projects. To respond to emerging issues in the fight against the digital divide or the promotion of a more responsible digital environment, the Foundation provides financial support to non-profits selected on the basis of calls for projects issued regularly. Each call focuses on a social issue for which digital tools offer leverage.

Once a call for proposals closes, the Foundation's team reviews each project before pre-selecting the best applications. The projects are then pitched before a selection committee of iliad Group employees, which meets to make the final decision.

The Foundation also forges lasting partnerships with non-profits working on digital inclusion programs for young people.

The 360° partnership with Konexio is a prime example. This non-profit organization offers free training in IT skills and tech professions to open up digital opportunities for everyone. Since September 2023, the Foundation has been partnering with Konexio in rolling out its training courses to other regions, such as to Nantes in 2024, as well as by offering apprenticeships to Konexio's trainees and setting up mentoring programs with iliad employees acting as mentors. The goal is to bring digital technology within everyone's reach and use it as a real vehicle for social inclusion.

Support for the open-source world

With the aim of encouraging the creation, collaboration and sharing of resources through open-source software, the Free Foundation draws on the same DNA that runs throughout the iliad Group and supports several non-profit organizations by making the Group's servers available to them. Eleven non-profits currently have access to our servers under these partnerships.

One example of the non-profits that the Foundation supports in this way is APRIL, which has been a major player since 1996 in democratizing and publishing open-source software and standards for the general public, businesses and institutions in the French-speaking world.

Employee engagement

In parallel, the Free Foundation encourages and supports the involvement of iliad Group employees in non-profits and charitable initiatives. Various dedicated programs are now in place.

4.4.3.4.3 Results and indicators

Financial support for non-profits specializing in digital technology through calls for projects and partnerships

The 2022 call for projects, "Creating connections and culture – let's do it together!" was aimed at supporting projects that use digital tools to create spaces where the residents of disadvantaged areas can come together to take part in cultural and artistic initiatives, such as making films or creating local media.

In 2023, to promote digital technology that is mindful of its environmental, social and democratic impact, the Foundation launched a call for projects on the theme of "Digital as an impact accelerator", aimed at non-profit organizations based in Lille and Strasbourg, whose local authorities partnered with the Foundation in its call for projects.

Strasbourg: three winners selected out of the 19 non-profits pre-selected by the Foundation, representing a total funding budget of €30,000.

Lille: four winners selected out of the 16 non-profits pre-selected by the Foundation, representing a total funding budget of €33,374.

Support for the open-source world

The Foundation provides servers for 11 representatives of the open-source software community.

Encouraging the reuse and recycling of mobile phones

Drop-off boxes are in place in all Free stores, where people can leave their used phones or accessories. Their discarded equipment is then refurbished or recycled by specialized providers in France, in partnership with Les Ateliers du Bocage – a non-profit organization which is a member of the Emmaüs charity network and employs disadvantaged jobseekers and people with disabilities. In 2023, over 2,350 phones were collected via these drop-off boxes. The phones are refurbished and then sold on to people in need and non-profits at very affordable prices through the Solidatech program.

Salary rounding for charity

Rounding their salary is a way for employees to donate a few cents to a non-profit partner of the Free Foundation to help fund projects related to digital technology. Their company doubles the cents donated, and those wanting to can add between €1 and €50 extra every month. The Foundation has implemented this system in five Group entities with the help of Human Resources departments.

Since the beginning of the salary rounding scheme, €14,616.18 has been donated to the three partner non-profits.

Skills volunteering

The Group and the Free Foundation encourage employees to get involved in charity initiatives, and since 2021, have been running skills-volunteering programs through which they can give a helping hand to someone in need. These program allow all Group employees to give their time to non-profits throughout France, either online or in person, from a few hours to several months.

A number of the Free Foundation's partner non-profits offer inclusion programs for young people, such as Sport dans la ville, Mozaïk RH and Konexio.

The Cohesion program

The Cohesion program is an internal call for projects that encourages the goodwill and personal investment of iliad Group employees by providing support for their non-profit projects in the digital field. It is open to all of the Group's entities in France.

The winning projects are selected by the Foundation's jury and the Group's employees are then invited to vote for which ones they like best, to give them some extra funding. In 2023, 1,167 employees voted and the two winning non-profits were Femmes Fortes and Loisirs et Culture.

Free Foundation projects

Since its creation in 2006, the Free Foundation has provided support for over 400 projects.

In 2023, major changes were made to the Foundation's organizational structure, with a new Board of Directors, a new governance system and many new initiatives to develop social-impact digital projects – both those led by non-profits and those championed by Group employees.

Other action taken by our employees

Our contact center employees help out with various charitable events and initiatives. For example, in 2023, Centrapel provided its premises and equipment to take donation pledges for the *Sidaction* event in France organized to raise awareness about AIDS and collect funds for AIDS research. Our contact center staff also regularly organize collections in support of local charities such as Cravate Solidaire, SPA and Emmaüs.

In Poland, Play also carries out philanthropic initiatives thanks to the engagement of its employees and their support of various non-profit organizations. Its employees get involved in a wide range of charity work and community support programs that reflect our "Close & Care" values, including the following:

- for many years now, Play has been a partner of the Grand Christmas Charity Orchestra (WOŚP), the biggest charity fundraising event in Poland. Play's staff volunteer at the event and also take part in its "Count yourself with diabetes" charity run. In 2023, 60 employees and their families volunteered;
- the Tent Partnership for Refugees: a mentoring program for Ukrainian refugee women. The mentors taking part in the program come from all areas of the company, and they offer individual support to the refugees they mentor, helping them to develop the skills they need in the Polish job market. Helped by their mentors, the program's participants set their career goals, draw up professional resumes and LinkedIn profiles and establish valuable business contacts;
- the 2023 *Gwiazdor* initiative, a Christmas gift fundraising initiative for children in need. The participants in this program made dreams come true for 200 children from the Children's Friends Society centers in Legnica and Konin;
- at the 42 Campus in Warsaw, Play's specialists share their knowledge with students. They regularly have meet-ups and discussions with the students, not only to share their tech knowledge, but also to talk about how the students' solutions can be put into practice in real-life projects. The first student talks were held in the fall of 2023 and this partnership with the Warsaw 42 Campus will be continued going forward.

In Italy, iliad Italia set up a program called iliadship in 2023 in order to provide young people with scholarships and academic support. It involves awarding 10 scholarships of €15,000 each over the next ten years to university students, as well as individual tutoring and mentoring given by members of iliad's teams. The aim is to help build the skills of the younger generation in a range of areas, starting with the students' personal and educational development. iliad Italia supports the scholarship holders by offering them its expertise – and that of members of its Board of Directors – to guide them throughout their studies and help align their academic education with the world of work.

Also during 2023, iliad Italia supported two projects set up by Il Cielo Itinerante:

- The *Italia Brilla – Constellation 2023* tour of Italy's regions focused on the study of space and aimed at stimulating young people's interest in science. Launched in 2022, over 450 children have taken part in the event and some 60 hours of workshops have been held across Italy (in Verona, Varese, Perugia, Rome, Bari and Cagliari);
- *Operazione Cielo*, a project set up in association with Stanford University, dedicated to teaching scientific subjects in an innovative way to children aged 10 to 14.

As part of this project, in 2023, iliad Italia organized an event called *Un viaggio tra le stelle* at the Città della Scienza in Naples, giving an original and interesting insight into space to 100 children from disadvantaged backgrounds from different regions of the country. Under the guidance of ESA astronaut Roberto Vittori, the children spent a day discovering the secrets of the universe and science. The aim of the project is to use the study of space and stargazing to encourage young people to break through the barriers of their socio-economic backgrounds, both professionally and personally.

4.5 Report by one of the Statutory Auditors, appointed as an independent third party, on the consolidated non-financial information statement

(For the year ended December 31, 2023)

This is a free translation into English of the Statutory Auditor's report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditor of iliad SA (hereinafter the "entity"), appointed as an independent third party ("third party") and certified by COFRAC (Cofrac Inspection Accreditation no. 3-1862, whose scope is available at www.cofrac.fr), we conducted our work in order to provide a report expressing a limited assurance conclusion on the historical information (observed and extrapolated) in the consolidated non-financial information statement, prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), for the year ended December 31, 2023 (hereinafter respectively the "Information" and the "Statement"), included in the Group management report pursuant to the legal and regulatory provisions of Articles L.225-102-1, R.225-105 and R.225-105-1 of the French Commercial Code (*Code de commerce*).

Conclusion

Based on the procedures performed, as described in the "Nature and scope of our work" section, and the elements that we have collected, nothing has come to our attention that causes us to believe that the consolidated non-financial information statement is not compliant with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

Preparation of the non-financial information statement

The absence of a generally accepted and commonly used framework or established practices on which to evaluate and measure the Information permits the use of different, but acceptable, measurement techniques that may affect comparability between entities and through time.

Consequently, the Information needs to be read and understood with reference to the Guidelines, significant elements of which are available upon request from the entity's headquarters.

Inherent limitations in preparing the Information

As indicated in the Statement, the Information may be subject to inherent uncertainty because of incomplete scientific and economic knowledge and due to the quality of the external data used. Certain Information is sensitive to the methodological choices, assumptions and/or estimates used to prepare the Information presented in the Statement.

The entity's responsibility

Management is responsible for:

- selecting or establishing suitable criteria for preparing the Information;
- preparing the Statement in accordance with the legal and regulatory provisions, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of those policies, including key performance indicators and the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy); and
- preparing the Statement in accordance with the entity's Guidelines as mentioned above; and
- implementing internal control over information relevant to the preparation of the Information that is free from material misstatement, whether due to fraud or error.

The Statement was prepared by the Board of Directors.

Responsibility of the Statutory Auditor, appointed as an independent third party

On the basis of our work, our responsibility is to provide a reasoned opinion expressing a limited assurance conclusion on:

- the compliance of the Statement with the provisions of Article R.225-105 of the French Commercial Code;
- the fairness of the historical information (observed and extrapolated) provided in accordance with 3° of Article R.225-105 I and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks.

As we have been engaged to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information as doing so may compromise our independence.

It is not our responsibility to comment on:

- the entity's compliance with other applicable legal and regulatory provisions (in particular the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy), the French duty of care law and anti-corruption and tax evasion legislation);
- the fairness of the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- the consistency of products and services with the applicable regulations.

Applicable regulatory provisions and professional standards

The work described below was performed in accordance with the provisions of Articles A. 225-1 *et seq.* of the French Commercial Code and with the professional guidance of the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*, "CNCC") applicable to such engagements, in particular the *Compagnie nationale des commissaires aux comptes* technical opinion, Auditor engagements – *Third Party engagements – non-financial information statement*, and with ISAE 3000 (Revised) – *Assurance engagements other than audits or reviews of historical Financial Information.*

Independence and quality control

Our independence is defined by the provisions of Article L.821-28 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) of Statutory Auditors. In addition, we have implemented a system of quality control including documented policies and procedures to ensure compliance with the ethical requirements, French professional guidance and applicable legal and regulatory requirements.

Means and resources

Our work was carried out by a team of five people between October 2023 and March 2024 and took a total of six weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted 25 interviews with people responsible for preparing the Statement, including from the CSR, Compliance, Human Resources, Health and Safety, Environment and Purchasing Departments.

Nature and scope of our work

We planned and performed our work considering the risk of material misstatement of the Information.

We consider that the procedures we performed based on our professional judgment allowed us to express a limited assurance conclusion:

- we obtained an understanding of all the consolidated entities' activities, and the description of the principal risks;
- we assessed the appropriateness of the Guidelines with respect to their relevance, completeness, reliability, objectivity and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in Article L.225-102-1 III, as well as information regarding human rights and anti-corruption and tax evasion legislation; and, where necessary, includes an explanation for the absence of the information required under Article L.225-102-1 III, 2;
- we verified that the Statement presents the information set out in Article R.225-105 II where relevant to the principal risks;
- we verified that the Statement presents the business model and the principal risks associated with the activities the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships and products or services, as well as their policies, measures and the outcomes, including key performance indicators related to the principal risks; we referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks and the consistency of the outcomes and the key performance indicators used with respect to the principal risks and the policies presented, and

  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in the appendix. For certain social risks (e.g., relaying ethical commitments, ensuring responsible management of the supply chain, guaranteeing data protection, promoting digital access for all), our work was carried out at parent entity level; for other risks, work was carried out at parent entity level and in a selection of entities: iliad Italy, Play, Free Mobile, Opcore, F Distribution, Free Reseau, Protelco;
- we verified that the Statement covers the scope of consolidation, i.e., all the companies included in the scope of consolidation in accordance with Article L.233-16 where necessary, within the limitations set out in the Statement;
- we gained an understanding of the internal control and risk management procedures the entity has put in place and assessed the data collection process implemented by the entity to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in the appendix, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
  - tests of detail, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out at parent entity level and in a selection of contributing entities: iliad Italy, Play, Free Mobile, Opcore, F Distribution, Free Reseau and Protelco, and covered between 20% and 100% (for data compiled directly at Group level) of the consolidated data selected for these tests;
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities included in the scope of consolidation.

The procedures performed in a limited assurance engagement are less extensive than those required for a reasonable assurance engagement performed in accordance with the professional guidance of the CNCC; a higher level of assurance would have required us to carry out more extensive procedures.

Signed in Neuilly-sur-Seine, April 5, 2024

One of the Statutory Auditors

PricewaterhouseCoopers Audit

Thierry Leroux Partner	Aurélie Castellino Sustainability Development Director

Appendix: Information that we considered to be the most important

Key performance indicators and other quantitative results for the year ending December 31, 2023:

- Scope 1 and 2 emissions;
- Scope 3 emissions (specific review of waste);
- Electricity consumption;
- Percentage of electric vehicles in the fleet;
- Number of vehicles: France/Poland/Italy (of which electric vehicles);
- Fleet vehicle emissions (total);
- Average PUE at iliad (the only one with one target);
- Proportion of transportation that is by air;
- Breakdown of modes of transportation from Asia to France for Freebox SAS: Air/Sea/Rail/Road;
- Return rate;
- Breakdown of waste recycled on behalf of Freebox: Plastic/Electronic waste/Scrap metal/Cables and cords/Other (hard disks, cardboard, mains plugs, foam, wood, etc.);
- Percentage of refurbished phones sold out of the total volume of phones sold (France and Poland);
- Percentage of employees on permanent contracts;
- Total workforce (France and international), by gender, age and contract;
- Gender equality index;
- Workforce under 25;
- Number of training hours per employee per year;
- Total number of training hours;
- Average monthly headcount;
- Number of employees who have attended at least one training course;
- Number of workplace accidents;
- Severity rate;
- Total Group absenteeism rate, excluding accidents;
- Total Group absenteeism rate, including accidents;
- Frequency rate;
- Response rate to the annual employee satisfaction survey (France);
- Overall satisfaction rate in the annual employee satisfaction survey (France);
- Percentage of new suppliers and providers undertaking to respect our ethical principles;
- Percentage of expenditure in France and Italy assessed by EcoVadis;
- Percentage of assessed suppliers that have set up action plans to reduce their energy consumption and carbon emissions;
- Percentage of assessed suppliers that have set up action plans related to the Science Based Targets initiative;
- Percentage of assessed suppliers to have implemented an anti-corruption policy;
- Number of employment contracts signed with Code of Ethics (appended to the internal regulations);
- Number of employees trained in anti-corruption practices;
- Number and percentage of employees of French subsidiaries trained in cybersecurity;
- Percentage of the average annual workforce of French subsidiaries (receiving cybersecurity training);
- Number of employees of French subsidiaries trained in data protection;
- Percentage of the average annual workforce of French subsidiaries receiving training on personal data protection;
- Percentage of countries where the iliad Group operates with a DPO;
- Percentage of Freebox subscribers to have activated the parental control system;
- Percentage of coverage of the population with 5G in France.

Qualitative information (actions and results):

- Deployment of a network of environment ambassadors covering all of the Group's entities;
- New contract to equip iliad's vehicle fleet with telematic trackers;
- Three new PPAs, in France, Italy and Poland, for total installed energy capacity of 89.5MW;
- Launch of a trade-in offer for our subscribers' old phones;
- Launch of the *iliad'elles* initiative at group level to create a network of ambassadors and internal allies;
- Some employees took part in sessions of the escape game *Déjouez le sexisme* (How to beat sexism), helping employees learn in a fun and engaging way how to identify and stop situations of sexism and sexual harassment in the workplace. Those who couldn't be there in person were able to take part online;
- In Poland, our Academy of Technology is open to all employees working in mobile technology;
- Annual "Play Pulse Check" employee survey to measure employee satisfaction;
- Creation of Occupational Exposure Sheets for all Free Reseau workstations;
- ISO 45001 certification received by the Group's Italian subsidiary for its network activities following an audit by independent organization BSI;
- Launch of a newsletter in Italy, called the Weekly Gazzettino, designed to give teams a lighthearted look at iliad Italia's latest news and keep them engaged with what's going on in the company;
- The 2023 Top Ones day, to celebrate the 30 sales consultants who stood out by virtue of their exemplary sales performance and quality of service in Free stores;
- Continuous implementation of a Partner Relations Charter setting out the principles and commitments it imposes on itself, and to which its suppliers must also adhere;
- iliad Group signs the United Nations Global Compact;
- A new information pamphlet on managing conflicts of interest has been integrated into the Group's ethics documentation;
- Internal communications on the content of ethical documentation to all iliad Group employees;
- A committee of Data Protection Officers (DPO) set up within the Group's French subsidiaries to relay best practices and report on any issues raised;
- A GDPR training course for IT developers was rolled out in France;
- A new process for Group-wide harmonized management of employee access rights was set up in France;
- A vote was held to choose two favorite non-profits: Femmes Fortes and Loisirs et Culture were selected;
- Charity partnership with the Great Orchestra of Christmas Charity launched by Play in Poland.

5. Analysis of the Group's business and results

- **Key consolidated financial data**

(in € millions)	Dec. 31, 2023	Dec. 31, 2022
Income statement		
Total revenues	**9,241**	**8,369**
EBITDAaL	**3,444**	**3,303**
Profit from ordinary activities	1,291	1,356
Profit for the period	318	758
Balance sheet		
Non-current assets	21,800	20,333
Current assets [(a)]	4,347	3,192
Of which cash and cash equivalents	*1,186*	*521*
Assets held for sale	184	1,470
Total assets	**26,330**	**24,994**
Total equity	4,798	5,213
Non-current liabilities	14,813	14,894
Current liabilities [(a)]	6,709	4,868
Liabilities held for sale	11	19
Total equity and liabilities	**26,330**	**24,994**
Net debt [(b)]	**10,243**	**10,815**
Cash flows		
Cash flows from operations	**4,114**	**3,717**
Right-of-use assets and interest expense on lease liabilities – IFRS 16 impact	(987)	(892)
Capital expenditure excluding payments for frequencies – Group	(2,016)	(2,139)
Payments for frequencies – Group	(185)	(1,185)
Income tax paid	(594)	(527)
Net interest paid	(436)	(281)
Other (including impact of changes in scope of consolidation)	1,531	42
Net change in cash and cash equivalents – Group (excluding change in net debt and dividends paid to owners of the Company)	**1,594**	**(1,333)**
Dividends paid to owners of the Company	(708)	(1,467)

(a) Excl. assets and liabilities held for sale.
(b) Short- and long-term financial liabilities less cash and cash equivalents.

5.1 Overview

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

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

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

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

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

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

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

5.1.1 Breakdown of revenues

5.1.1.1 France

B2C fixed offerings

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

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

B2C mobile offerings

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

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

B2B offers

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

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

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

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

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

Sales of devices

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

5.1.1.2 Italy

B2C mobile offerings

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

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

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

B2B mobile offering

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

Fixed offerings

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

5.1.1.3 Poland

Mobile and fixed offerings

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

B2B services

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

5.1.2 Distribution networks

5.1.2.1 France

At December 31, 2023, the Group had a network of 228 Free stores (Free Centers) located throughout France, as well as 130 Free Proxi points.

The Free Centers have four different but related objectives:

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

5.1.2.2 Italy

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

- physical distribution:
  - a network of 57 stores in Italy's main towns and cities,
  - a network of over 2,100 SIM card dispensers ("Simboxes") located in some 1,500 kiosks in busy catchment areas. These kiosks comply with the applicable Italian legislation, particularly "Pisanu's law", which requires identification of subscribers when they take out their subscription,
  - access to a nationwide network of resellers, enabling subscribers to top up their mobile plans,
  - a network of partner shops (cafés, tobacconists, newsagents, etc.) where subscriptions can be taken out in just a few minutes,
  - a network of 2,750 distributors, called iliad Space, launched in July 2023, mainly covering small towns in Italy;
- digital distribution:
  - online distribution accessible via mobile phone, tablet or computer, enabling users to take out their mobile plan online and receive their SIM card at home through the post.

5.1.2.3 Poland

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

5.1.3 The Group's main operating costs

France

Main operating costs of the Group's fixed offerings

(i) Costs related to Fiber offerings

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

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

(ii) Costs related to DSL offerings

The operating costs related to the Group's DSL offerings differ depending on whether or not subscribers are unbundled, i.e., whether their communications are carried on the Group's own network (outside the local loop) or are covered by a wholesale offering proposed by the incumbent operator. Almost all of the Group's DSL subscriber base is now fully unbundled, with the number of unbundled subscribers steadily decreasing (by 25% year on year). For unbundled subscribers, the Group pays for the rental of the copper pair from the incumbent operator (which cost an average of €9.94 [(1)] per month and per line in 2023), as well as maintenance costs.

Main operating costs of the Group's mobile offerings

(i) Mobile call and text message termination charges

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

(ii) Roaming charges

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

Italy

MOCN (Multi-Operator Core Network) network sharing and roaming agreement

On January 3, 2023, the Group completed the creation of a 50/50 joint venture ("Zefiro") with WindTre, aimed mainly at covering the non-densely populated areas that are home to 27% of Italy's population. The joint venture's operating costs are split equally between the two shareholders. In addition to its own network and Zefiro's network, since 2016 iliad Italia's traffic has also been carried under an MOCN (Multi-Operator Core Network) agreement with WindTre. This technical solution for connecting up WindTre mobile equipment to iliad Italia's core network creates a more effective and optimal flow of traffic between the two networks compared with a "conventional" roaming solution. The original agreement offered nationwide coverage, but since January 3, 2023, it only applies to areas outside the scope of the RAN-sharing agreement.

Mobile call and text message termination charges

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

Poland

Main operating costs of the Group's fixed offerings

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

(1) €9.65 between January 1, 2023 and April 1, 2023, then €10.04 per month.

Main operating costs of the Group's mobile offerings

(i) Mobile call and text message termination charges

In line with France and Italy, the termination charge for mobile voice calls in Poland was 0.40 euro cents per minute in 2023 and was reduced to 0.20 euro cents as from January 1, 2024. Termination rates for text messages – which are unregulated – remained stable at PLN 0.05 per text message. Fixed termination rates were 0.07 euro cents per minute.

(ii) Roaming charges

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

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

5.1.4 Capital expenditure and depreciation

5.1.4.1 France

5.1.4.1.1 Rollout of a Fiber local loop

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

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

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

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

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

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

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

(ii) Outside very densely populated areas

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

a. Private co-financed areas (addressable market of approximately 19 million lines)

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

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

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

Partnership with InfraVia

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

(iii) Fiber progress report at December 31, 2023

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

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

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

(i) Transmission network and unbundling the local loop

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

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

(ii) Operating costs and capital expenditure by subscriber

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

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

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

5.1.4.1.3 Mobile: a comprehensive frequency portfolio

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

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

	Metropolitan France	
	Frequency portfolio at end-2023	**License expiration dates**
700 MHz	2 x 10 MHz	Dec. 7, 2035
900 MHz	2 x 7.6 MHz	Jan. 11, 2030 (5 MHz) March 24, 2031 (2.6 MHz) Dec. 8, 2034 (1.1 MHz)
1,800 MHz	2 x 15 MHz	Oct. 11, 2031
2.1 GHz	2 x 14.8 MHz	Jan. 11, 2030 (5 MHz) Aug. 20, 2031 (9.8 MHz)
2.6 GHz	2 x 20 MHz	Oct. 10, 2031
3.5 GHz	70 MHz	Nov. 17, 2035
Total	**2 x 67.4 MHz + 70 MHz**	

	French Guiana		Martinique/Guadeloupe	
	Frequency portfolio at end-2023	License expiration dates	Frequency portfolio at end-2023	License expiration dates
700 MHz	2 x 5 MHz	July 24, 2038	-	-
800 MHz	-	-	2 x 10 MHz	Nov. 21, 2036
900 MHz	2 x 4.8 MHz	Nov. 21, 2036	-	-
1,800 MHz	2 x 15 MHz	Nov. 21, 2036	2 x 20 MHz	Nov. 21, 2036
2.1 GHz	2 x 14.8 MHz	Nov. 21, 2036	2 x 14.8 MHz	Nov. 21, 2036
2.6 GHz	2 x 20 MHz	Nov. 21, 2036	2 x 15 MHz	Nov. 21, 2036
3.5 GHz	50 MHz	July 24, 2038	-	-
Total	**2 x 59.6 MHz + 50 MHz**		**2 x 59.8 MHz**	

	Saint Barthélemy (SB)/ Saint Martin (SM)	
	Frequency portfolio at end-2023	License expiration dates
700 MHz	2 x 5 MHz	July 24, 2038
800 MHz	2 x 10 MHz	Nov. 21, 2036
900 MHz	2 x 9.6 MHz (SB) 2 x 4 MHz (SM)	Nov. 21, 2036 April 30, 2025 (4.8 MHz SB)
1,800 MHz	2 x 20 MHz	Nov. 21, 2036
2.1 GHz	2 x 14.8 MHz	Nov. 21, 2036
2.6 GHz	2 x 15 MHz	Nov. 21, 2036
3.5 GHz	80 MHz	July 24, 2038
Total	**2 x 74.4 MHz + 80 MHz (SB)** **2 x 68.8 MHz + 80 MHz (SM)**	

5.1.4.1.4 Network rollout in Metropolitan France and overseas France

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

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

- general equipment: 10 years;
- mobile technical equipment: 6 and 18 years;
- other equipment: 3 to 5 years;
- other assets: 2 to 10 years.

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

5.1.4.1.6 Strategic industrial partnership with Cellnex

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

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

5.1.4.2 Italy

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

	Frequency portfolio at end-2023	License expiration date
700 MHz	2 x 10 MHz	Dec. 31, 2037
900 MHz	2 x 5 MHz	Dec. 31, 2029
1,800 MHz	2 x 10 MHz	Dec. 31, 2029
2.1 GHz	2 x 10 MHz	Dec. 31, 2029
2.6 GHz	2 x 10 MHz	Dec. 31, 2029
3.6-3.8 GHz	1 x 20 MHz	Dec. 31, 2037
26.5-27.5 GHz	1 x 200 MHz	Dec. 31, 2037
Total	**2 x 45 MHz + 220 MHz**	

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

Rollout of a mobile network in Italy

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

Including Zefiro Net, iliad Italia's network comprises a total of over 17,000 active mobile sites, made up of (i) iliad Italia's own network deployed in densely and averagely populated areas of Italy, which are home to around 73% of the Italian population; the network comprises more than 10,570 active sites; and (ii) a shared network (RAN sharing) via a joint venture (Zefiro Net s.r.l.) that is 50/50 owned by iliad Italia and WindTre and which covers around 6,800 mobile sites located in non-densely populated areas.

In addition to its own network and Zefiro's network, since 2016 iliad Italia's traffic has also been carried under an MOCN (Multi-Operator Core Network) agreement with WindTre. This technical solution for connecting up WindTre mobile equipment to iliad Italia's core network creates a more effective and optimal flow of traffic between the two networks compared with a "conventional" roaming solution. The original agreement offered nationwide coverage, but since January 3, 2023, it only applies to areas outside the scope of the RAN-sharing agreement.

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

The fixed network in Italy

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

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

5.1.4.3 Poland

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

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

Expansion of the mobile network in Poland

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

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

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

The fixed network in Poland

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

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

On August 31, 2023, Play merged with its subsidiary UPC.

Strategic industrial partnership with Cellnex

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

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

5.2 Key figures for 2023 – the iliad Group

The key figures for 2023 are as follows:

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

EUR/PLN exchange rate: 4.452 for 2023 and 4.686 for 2022.
(a) Excluding payments for frequencies.
(b) LTM: last twelve months and including UPC Polska.

5.3 Comparison of results for 2023 and 2022

(figures in € thousands unless otherwise stated)	2023	2022	% change
Revenues	**9,241**	**8,369**	**+10.4%**
Purchases used in production	(2,637)	(2,508)	+5.1%
Payroll costs	(621)	(525)	+18.3%
External charges	(1,607)	(1,229)	+30.8%
Taxes other than on income	(210)	(169)	+24.4%
Additions to provisions	(72)	(84)	-14.5%
Other income and expenses from operations, net	223	250	-10.9%
Depreciation of right-of-use assets	(872)	(800)	+9.0%
EBITDAaL	**3,444**	**3,303**	**+4.2%**
EBITDAaL margin	**37.3%**	**39.5%**	**-2.2 pts**
Share-based payment expense	(31)	(39)	-20.4%
Depreciation, amortization and impairment of non-current assets	(2,122)	(1,909)	+11.2%
Profit/(loss) from ordinary activities	**1,291**	**1,356**	**-4.8%**
Other operating income and expense, net	28	267	-89.4%
Operating profit	**1,319**	**1,622**	**-18.7%**
Finance costs, net	(508)	(313)	+62.1%
Other financial income and expense, net	64	(50)	NM
Interest expense on lease liabilities	(237)	(213)	+11.3%
Corporate income tax	(400)	(332)	+20.4%
Share of profit of equity-accounted investees	79	43	+82.9%
Profit for the period	**318**	**758**	**-58.0%**

5.3.1 Analysis of consolidated results

(a) Key indicators [1]

France (figures in thousands unless otherwise stated)	2023	2022	Year-on-year change	Q4 2023	Q3 2023	Year-on-year change
Number of mobile subscribers	**15,005**	**14,218**	**+787**	**15,005**	**14,792**	**+213**
• of which Free 4G/5G package (*incl. Free Caraïbe*)	11,106	10,190	+916	11,106	10,881	+226
• of which on the voice-based plan	3,899	4,027	-129	3,899	3,911	-13
Number of Broadband/ Ultra-Fast Broadband subscribers	**7,414**	**7,180**	**+234**	**7,414**	**7,314**	**+100**
• of which Fiber	5,516	4,658	+858	5,516	5,272	+244
Fiber take-up rate	**74.4%**	**64.9%**	**+9.5 pts**	**74.4%**	**72.1%**	**+2.3 pts**
Number of connectible Fiber sockets (*in millions*)	35.3m	31.3m	+4.0m	35.3m	34.3m	+1.0m
Total number of subscribers – France	**22,419**	**21,398**	**+1,021**	**22,419**	**22,106**	**+313**

	Q4 2023	Q4 2022	Year-on-year change
Broadband and Ultra-Fast Broadband ARPU (*in €*)	35.7	34.1	+4.5%
Mobile ARPU billed to subscribers (*in €*)	12.1	11.8	+2.5%

Italy (figures in thousands)	2023	2022	Year-on-year change	Q4 2023	Q3 2023	Year-on-year change
Number of mobile subscribers	**10,730**	**9,567**	**+1,163**	**10,730**	**10,475**	**+255**
Number of Fiber subscribers	**207**	**109**	**+98**	**207**	**172**	**+35**
Total number of subscribers – Italy	**10,937**	**9,676**	**+1,261**	**10,937**	**10,647**	**+290**

Poland (figures in thousands unless otherwise stated)	2023	2022	Year-on-year change	Q4 2023	Q3 2023	Year-on-year change
Number of active mobile subscribers	**13,099**	**12,763**	**+336**	**13,099**	**13,029**	**+70**
• of which on plans	9,381	8,984	+397	9,381	9,261	+120
• of which prepaid	3,718	3,779	-61	3,718	3,769	-51
Number of Fixed subscribers [(a)]	**2,059**	**1,938**	**+122**	**2,059**	**2,022**	**+38**
Total number of subscribers – Poland	**15,158**	**14,701**	**+458**	**15,158**	**15,051**	**+108**

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

	Q4 2023	Q4 2022	Year-on-year change
Mobile ARPU billed to subscribers (*in PLN*)	30.2	29.2	+3.4%

Group (figures in thousands)	2023	2022	Year-on-year change	Q4 2023	Q3 2023	Year-on-year change
Number of mobile subscribers	38,834	36,548	+2,286	38,834	38,296	+538
Number of Fixed subscribers	9,681	9,227	+454	9,681	9,508	+173
Total number of subscribers	**48,515**	**45,775**	**+2,740**	**48,515**	**47,804**	**+711**

(1) See glossary for definitions.

(b) Annual and quarterly consolidated revenues

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

(a) Services revenues before eliminations – Intra-group sales including France.
(b) EUR/PLN exchange rate: 4.4520 for 2023 and 4.68611 for 2022.

(c) Analysis of results – Group

(i) Revenues

Consolidated revenues rose 10.4% year on year, or 8.2% on a pro forma [1] like-for-like basis. In the fourth quarter, revenue reached 11.3%, and 9.4% on a pro forma like-for-like basis, driven by increases across all three of our geographies (19.9% for Italy, 9.9% for France and 10.2% for Poland).

(ii) Payroll costs

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

(iii) External charges

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

(iv) Taxes other than on income

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

(v) Additions to provisions

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

(vi) Other income and expenses from operations, net

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

(vii) Depreciation of right-of-use assets

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

(viii) Profit for the period

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

(1) With UPC Polska and Redge consolidated for a full 12 months in 2022, and based on constant exchange rates.

(d) Analysis of results – France

(in € millions)	2023	2022	% change	Q4 2023	Q4 2022	% change
Revenues	**6,040**	**5,555**	**+8.7%**	**1,583**	**1,441**	**+9.9%**
• Services	5,721	5,322	+7.5%	1,481	1,368	+8.2%
– Fixed	3,300	3,046	+8.3%	857	781	+9.8%
– Mobile	2,422	2,276	+6.4%	623	588	+6.1%
o/w billed to subscribers	*2,135*	*1,949*	*+9.5%*	*547*	*504*	*+8.5%*
o/w other	*287*	*327*	*-12.2%*	*77*	*84*	*-8.3%*
• Devices	324	239	+35.3%	104	75	+39.1%
Intra-group sales	*(6)*	*(6)*	*-5.0%*	*(2)*	*(2)*	*-22.1%*

(i) Revenues

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

- services revenues generated by Fixed services increased 8.3% to €3.3 billion in 2023 (up 9.8% in the fourth quarter to €857 million), driven by subscriber base growth of 234,000 units over the year (the best sales performance in the market) and a 4.5% rise in ARPU (1.0% rise in the fourth quarter to €35.7):
  - **Free ended 2023 as the market leader for net adds.** 2023 saw a major enhancement in the quality of Free's offerings, both commercially with enriched content, and technically, with higher speeds. The effect of these measures was particularly seen in the fourth quarter, when we added a net 100,000 new subscribers, our best quarterly performance in 10 years. This success comes at a time of rising inflation, when the brand's core values of transparency, simplicity and fair pricing are particularly in demand. And it is a strategy that has led to lower subscriber churn and an increase in the net promoter score (NPS),
  - **take-up of Free Fiber remained very high, with 858,000 new subscribers.** At end-2023, there were almost 5.52 million Free Fiber subscribers altogether, representing 74.4% of Free's total subscriber base and making it France's operator with the highest fiber take-up rate,
  - B2B activities were a major growth driver in 2023, led by FreePro's B2B offerings (multi-service offerings for VSEs, SMEs, ETIs, large private corporations and public companies), which posted 34% growth (excluding Mobile), as well as by Scaleway's Public Cloud services (with almost 50% growth) and the integration of ITrust (specialized in cybersecurity solutions);
- mobile services revenues rose 6.4% to €2.42 billion in 2023 (up 6.1% in the fourth quarter to €623 million):
  - **as in the fixed segment, Free ended 2023 as France's market leader in terms of net adds,** gaining 787,000 net new Mobile subscribers during the year, including 916,000 net adds for the 4G/5G Free Mobile Plan. Net adds in the fourth quarter totaled 213,000 – Free's best fourth-quarter sales performance since Q4 2017, in a period that is traditionally fiercely competitive. This excellent performance is due to (i) our unchanged pricing policy in an inflationary environment, (ii) extended network coverage and higher speeds, as confirmed in ARCEP's annual survey of mobile service quality, and (iii) the appeal of our convergent offering,
  - **mobile services revenues billed to subscribers advanced 9.5% in 2023 (8.5% in the fourth quarter) to €2.13 billion (€547 million in Q4).** Mobile ARPU billed to subscribers came to €12.1 in the fourth quarter, up 2.5% on the back of a favorable mix effect, with the 4G/5G (and Série Free) plans accounting for 74% of the Mobile subscriber base at end-2023, versus 72% one year earlier,
  - other Mobile revenues (mainly corresponding to income from voice and SMS/MMS interconnections) decreased by 12.2% year on year to €287 million (8.3% decrease in the fourth quarter). This decline is structural, arising from the growing use of mobile applications for calls and messaging. There was a further reduction in the mobile termination charge in 2023 (from 0.55 euro cents to 0.40 euro cents);
- **in 2023 the Group continued to roll out its latest-generation networks and extend the population coverage of its offerings:**
  - at end-2023, the Group's population coverage rates in Metropolitan France were 99% for 4G and almost 95% for 5G (45% with 3.5 GHz frequencies),

- at end-2023, Free Fiber passed 35.3 million homes in France, including 6.85 million in very densely populated areas and 28.43 million in areas with average and low population, with more than 27,000 municipalities covered;

- sales of devices rose by 35.3% to €324 million (39.1% in Q4), thanks to the success of the Free Flex offer and the expansion of our network of 228 Free stores throughout France.

(in € millions)	2023	2022	% change
EBITDAaL	**2,392**	**2,287**	**+4.6%**
EBITDAaL margin	*39.6%*	*41.2%*	*-1.6 pts*
Profit/(loss) from ordinary activities	**1,092**	**1,028**	**+6.2%**
Capex (excluding payments for frequencies)	**1,501**	**1,492**	**+0.5%**
OFCF (EBITDAaL less capex excluding payments for frequencies)	**891**	**795**	**+12.1%**

(ii) EBITDAaL

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

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

(iii) Profit/(loss) from ordinary activities

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

(iv) Capex (excluding payments for frequencies)

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

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

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

(e) Analysis of results– Italy

(in € millions)	2023	2022	% change	Q4 2023	Q4 2022	% change
Revenues	**1,061**	**927**	**+14.5%**	**296**	**247**	**+19.9%**
• Services	1,046	919	+13.8%	293	244	+20.1%
o/w Mobile services billed to subscribers	*846*	*737*	*+14.8%*	*224*	*196*	*+14.7%*
o/w other	*200*	*183*	*+9.5%*	*69*	*48*	*+41.9%*
• Devices	15	7	+104.1%	3	3	+4.0%

(i) Revenues

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

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

(in € millions)	2023	2022	% change
EBITDAaL	**247**	**211**	**+17.2%**
EBITDAaL margin	*23.3%*	*22.8%*	*+0.5 pts*
Profit/(loss) from ordinary activities	**(248)**	**(169)**	**+46.6%**
Capex (excluding payments for frequencies)	**243**	**381**	**-36.3%**
OFCF (EBITDAaL less capex excluding payments for frequencies)	**4**	**(170)**	**NM**

(ii) EBITDAaL

EBITDAaL climbed 17.2% in 2023, reaching €247 million and representing an EBITDAaL margin of more than 23%. This rise was fueled by the operating leverage created by the €97 million increase in Mobile services billed to subscribers, as well as to roaming-in and lower MOCN costs thanks to the rollout of iliad Italia's own network. The combination of these three factors offset the increases in energy costs and in leasing costs as a result of the network expansion.

(iii) Profit/(loss) from ordinary activities

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

(iv) Capex (excluding payments for frequencies)

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

(f) Analysis of results – Poland

(in PLN millions)	2023	2022	% change	Pro forma like-for-like change *(%)*	Q4 2023	Q4 2022	% change	Pro forma like-for-like change *(%)*
Revenues	**9,797**	**8,935**	**+9.6%**	**+4.0%**	**2,521**	**2,438**	**+3.4%**	**+3.0%**
• Services	7,870	7,145	+10.2%	+3.2%	2,021	1,949	+3.7%	+3.2%
o/w Mobile services billed to subscribers	*4,624*	*4,368*	*+5.9%*	*+5.9%*	*1,183*	*1118*	*+5.8%*	*+5.8%*
o/w interconnections & other services [(a)]	*1,291*	*1,377*	*-6.3%*	*-8.1%*	*339*	*362*	*-6.3%*	*-6.3%*
Fixed services	*1,956*	*1,400*	*+39.8%*	*+5.5%*	*499*	*469*	*+6.3%*	*+4.4%*
• Devices	1,927	1,790	+7.6%	+7.5%	500	489	+2.3%	+2.3%

(a) Mainly interconnection, wholesale and B2B services.

(i) Revenues

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

- **the active mobile subscriber base grew by 70,000 in the fourth quarter. Over the year as a whole, 336,000 new active mobile subscribers joined Play, the best sales performance in the market** [(1)]. The increase in the number of subscribers on plans (up 397,000) more than offset the decline in the number of prepaid subscribers (down 61,000), resulting from a return to more normal levels for the prepaid segment following the impact in 2022 of the arrival of a large number of Ukrainians in Poland;
- **growth in Mobile ARPU billed to subscribers remained brisk throughout 2023, averaging out at 3.3% over the four quarters. In the fourth quarter, it rose 3.4% to PLN 30.2, reflecting** marketing initiatives to encourage subscribers to opt for higher-end offers, as well as a positive mix effect;
- **in the Fixed segment, the subscriber base grew in the fourth quarter, with 38,000 net adds, bringing Play's total number of new subscribers to 122,000 for the full year**, partly achieved through acquisitions of small local operators;
- other revenues (mainly from interconnections) continued to contract in 2023, down 8.1% on a pro forma like-for-like basis, reflecting the reduction in mobile termination charges and the gradual transfer of mobile calls and text messages/MMS to new platforms.

(in PLN millions)	2023	2022	% change	Pro forma like-for-like change *(%)*
EBITDAaL	**3,655**	**3,773**	**-3.1%**	**-8.0%**
EBITDAaL margin	*37.3%*	*42.2%*	*-4.9 pts*	*-7.2 pts*
Profit/(loss) from ordinary activities	**2,033**	**2,329**	**-12.7%**	**-16.6%**
Capex (excluding payments for frequencies)	**1,236**	**1,243**	**-0.5%**	**-7.7%**
OFCF (EBITDAaL less capex excluding payments for frequencies)	**2,418**	**2,531**	**-4.4%**	**-8.1%**

(ii) EBITDAaL

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

(iii) Profit/(loss) from ordinary activities

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

(1) Internal estimates.

(iv) Capex (excluding payments for frequencies)

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

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

5.3.2 Consolidated cash flows and capital expenditure

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

(a) Excluding payments for frequencies.

Analysis of consolidated free cash flow

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

- €4.1 billion in consolidated cash flows from operations, up 10.5% on 2022, before €987 million in lease payments and interest expense on lease liabilities recognized due to the application of IFRS 16;
- a positive contribution from the change in working capital requirement (€167 million), which includes €310 million in damages paid by Bouygues Telecom in legal proceedings related to so-called "subsidized" offers;
- a 5.8% decrease in capital expenditure (excluding payments for frequencies), due primarily to (i) a favorable basis of comparison in Italy, where large inventories of 5G equipment were built up in 2022, and (ii) capex that was more or less stable, but clearly driven by business growth, in France and Poland;
- €594 million in income tax paid, up 12.7% year on year, mainly as a result of the delayed impact of the tax consolidation agreement with iliad Holding;
- a €156 million increase in net interest paid, reflecting the rise in interest rates and, to a lesser extent, higher average gross debt than in 2022;
- other assets: €1.54 billion generated by several non-recurring transaction-related items, including proceeds arising from (i) the sale of a 50% stake in PŚO to a fund in the InfraVia Capital Partners group (ii) the sale of the Group's residual 30% stake in OTP to Cellnex and (iii) IFT due to the reorganization of this joint venture's capital holding;
- €708 million in dividends paid to owners of the Company, representing a 52% year-on-year decrease as the 2022 figure reflected the repayment to iliad Holding by iliad SA of the Bridge to Disposal facility granted in connection with iliad SA's delisting.

5.3.3 Consolidated debt

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

At December 31, 2023, the Group had gross debt of €11,429 million and net debt of €10,243 million (excluding IFRS 16 lease liabilities). At the same date, it had sufficient liquidity to finance its operations, with €1.19 billion in consolidated cash and cash equivalents and €3.7 billion in undrawn credit facilities [(1)].

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

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

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

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

Amount *(in € millions)*	Amount available	2024	2025	2026	2027 and beyond	Type of repayment/ redemption
Main borrowings – iliad						
Bank borrowings						
€200m EIB loan – 2016	-	20	20	20	80	In installments
€300m EIB loan – 2018	-	30	30	30	230	In installments
€300m EIB loan – 2020	-	-	-	-	300	At maturity
€300m EIB loan – 2022	300	-	-	-	300	At maturity
€300m EIB loan – 2023	300	-	-	-	300	Not set
€90m KFW loan – 2017	-	9	9	9	23	In installments
€150m KFW loan – 2019	-	15	15	15	60	In installments
€2,000m syndicated RCF – 2022	2,000	-	-	-	2,000	At maturity
€900m syndicated term loan – 2020	-	157	743	-	-	At maturity
€2,000m mid-term facility – 2022	650	-	650	-	-	At maturity
€1,000m syndicated term loan – 2022	-	-	-	-	1,000	At maturity
Bond debt						
€650m bond issue – 2017 @ 1.500%	-	445	-	-	-	At maturity
€650m bond issue – 2018 @ 1.875%	-	-	650	-	-	At maturity
€650m bond issue – 2020 @ 2.375%	-	-	-	650	-	At maturity
€600m bond issue – 2021 @ 0.750%	-	235	-	-	-	At maturity
€700m bond issue – 2021 @ 1.875%	-	-	-	-	700	At maturity
€750m bond issue – 2022 @ 5.375%	-	-	-	-	750	At maturity
€500m bond issue – 2023 @ 5.625%	-	-	-	-	500	At maturity
€650m bond issue – 2023 @ 5.375%	-	-	-	-	650	At maturity
***Schuldschein* notes**						
€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
Main borrowings – Play [(a)]						
Bank borrowings						
PLN 3,500m term loan – 2021	-	-	-	807	-	At maturity
PLN 2,000m RCF – 2021	461	461	-	-	-	At maturity
PLN 500m BGK bilateral loan – 2021	-	23	23	23	40	In installments
PLN 464m ECA bilateral loan – 2021	-	27	27	27	-	In installments
PLN 5,500m acquisition loan – 2021	-	-	-	691	-	At maturity
PLN 470m BEI bilateral loan – 2022	54	-	13	15	26	In installments
Bond debt						
PLN 750m bond issue – 2019 @ Wib + 1.75%	-	-	-	173	-	At maturity
PLN 500m bond issue – 2020 @ Wib + 1.85%	-	-	-	-	115	At maturity

(a) Converted at the EUR/PLN spot rate at December 29, 2023: 4.3395.

5.3.3.1 Main movements in borrowings – iliad

(a) Borrowings due within one year

- **€1,400 million NEU CP program**

  On June 6, 2023, the iliad Group renewed its short-term NEU CP program, representing a maximum amount of €1,400 million. €510 million of this program had been used at December 31, 2023.

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

  In November 2021, the iliad Group set up a securitization program for its trade receivables related to B2C subscriptions in France. On November 27, 2023, the Group amended this program, mainly in order to raise the maximum amount to €700 million.

  €627 million of this program had been used at December 31, 2023.

- **€600 million worth of bonds issued in February 2021**

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

- **€650 million worth of bonds issued in October 2018**

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

(b) Borrowings due beyond one year

(i) Bank borrowings

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

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

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

- **A €2 billion syndicated revolving credit facility set up in July 2022**

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

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

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

(ii) Bond issues and private placements

- **€500 million worth of bonds issued in February 2023**

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

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

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

- **€650 million worth of bonds issued in December 2023**

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

5.3.3.2 Main movements in borrowings – Play

Bank borrowings:

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

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

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

- **A PLN 5,500 million syndicated acquisition loan set up in December 2021**

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

  It then repaid an additional PLN 700 million of this loan on August 24, 2023 and a further PLN 400 million on October 25, 2023, reducing its total outstanding amount to PLN 3 billion at December 31, 2023.

5.3.4 Events after the reporting date

Investment in Tele2

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

6. Consolidated financial statements

6.1 Consolidated income statement

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

6.2 Consolidated statement of comprehensive income

(in € millions)	2023	2022
Profit for the period	**318**	**758**
Items that may be subsequently reclassified to profit:		
• fair value remeasurement of interest rate and currency hedging instruments	(20)	(12)
• tax effect	5	3
• value adjustments to equity investments	0	(17)
• tax effect	0	4
• share of OCI of equity-accounted investments that may be subsequently reclassified to profit	(4)	0
• tax effect	1	0
• change in translation adjustments	50	(23)
Total	**32**	**(45)**
Items that will not be reclassified to profit:		
• post-employment benefit obligations (IAS 19 revised): impact of changes in actuarial assumptions	(3)	8
• tax effect	1	(2)
• share of OCI of equity-accounted investments that will not be reclassified to profit	(45)	125
• tax effect	6	(16)
Total	**(42)**	**115**
Other comprehensive income/(expense) for the period, net of tax	**(10)**	**70**
Total comprehensive income for the period	**308**	**827**
Total comprehensive income for the period attributable to:		
• owners of the Company	301	837
• minority interests	8	(10)

6.3 Consolidated balance sheet – Assets

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

6.4 Consolidated balance sheet – Equity and liabilities

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

6.5 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, 2022	**15**	**510**	**(110)**	**6**	**5,467**	**5,888**	**(16)**	**5,873**
Movements in 2022								
Profit for the period					754	754	3	758
Impact of interest rate and currency hedges				(8)		(8)	0	(9)
Impact of changes in fair value of investments in subsidiaries and affiliates				(13)		(13)		(13)
Impact of post-employment benefit obligations				115		115	0	115
Impact of changes in translation adjustments				(10)		(10)	(13)	(23)
Total comprehensive income for the period				**83**	**754**	**837**	**(10)**	**827**
Change in share capital of iliad S.A.						0	0	0
Dividends paid by iliad S.A.					(1,467)	(1,467)	0	(1,467)
Dividends paid by subsidiaries						0	(12)	(12)
Purchases/sales of own shares				24		24	0	24
Impact of stock options				11		11	0	11
Impact of changes in minority interests in subsidiaries				(2)		(2)	2	0
Other				(44)		(44)	0	(44)
Balance at December 31, 2022	**15**	**510**	**(110)**	**79**	**4,755**	**5,248**	**(36)**	**5,213**
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**

6.6 Consolidated statement of cash flows

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

6.7 Notes to the consolidated financial statements

Note 1. Accounting principles and policies

1.1 General information

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

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

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

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

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

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

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

1.2 Applicable accounting standards and policies

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

1.2.1 Basis of preparation

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

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

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

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

The Group has applied all of the above amendments.

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

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

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

1.2.4 Consideration of climate risks

The Group strives to limit the impact of its activities on the environment, and in 2021, it published its Climate Strategy based on 10 ambitious pledges (see the iliad website for further details). In February 2024, those pledges were corroborated with the validation by the Science Based Targets initiative (SBTi) of the Group's carbon reduction pathway. Its short-term pathway (for 2030) and its pathway to the SBTi's Corporate Net-Zero Standard (for 2050) have been validated based on the following terms (with 2022 as the base year):

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

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

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

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

1.3 Consolidation

Consolidation methods

Subsidiaries

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

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

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

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

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

Associates

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

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

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

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

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

Jointly controlled entities

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

Eliminations on consolidation

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

Business combinations

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

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

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

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

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

Goodwill

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

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

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

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

Functional and presentation currency

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

The consolidated financial statements are presented in euros, which is the Group's presentation currency. Unless otherwise specified, all amounts are presented in millions of euros.

Foreign currency translation

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

All resulting exchange differences are recognized directly in equity.

Fiscal year-end

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

1.4 Presentation of the financial statements

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

Operating profit corresponds to profit for the period, before:

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

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

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

- EBITDAaL:

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

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

1.5 Summary of significant accounting policies

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

Revenues

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

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

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

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

Foreign currency transactions

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

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

Earnings per share

The Group presents basic and diluted earnings per share.

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

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

Intangible assets

Intangible assets primarily include the following:

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

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

These conditions are deemed to be met when the six general criteria defined in IAS 38 are fulfilled, i.e., when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale,
- its intention to complete the intangible asset and use or sell it,
- its ability to use or sell the intangible asset,
- how the intangible asset will generate probable future economic benefits,
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset,
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Capitalized development costs are presented net of any related subsidies or research tax credits;

- intangible assets acquired in connection with business combinations: these assets are recognized separately from goodwill when (i) their fair value can be measured reliably, (ii) they are controlled by the Group, and (iii) they are identifiable, i.e., are separable or arise from contractual or other legal rights. Where these assets have a finite useful life they are amortized from the date they are made available for use in the same way as for intangible assets acquired separately, and an impairment loss is recognized if their carrying amount exceeds their recoverable amount.

  Intangible assets with indefinite useful lives are not amortized but are tested for impairment on an annual basis at the year-end (December 31) or whenever there is an indication that they may be impaired.

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

  Impairment losses recognized following impairment tests are recorded in the income statement under “Other operating income and expense, net” below profit from ordinary activities;
- the “Play” brand, which is not being amortized;
- software, which is amortized on a straight-line basis over a period of one to three years;
- the Play customer base, which is being amortized over eight years for customers on prepaid cards and 15 years for other customers;
- the UPC customer base, which is being amortized over a period of 15 years.

Property, plant and equipment

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

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

- buildings: 15 to 50 years;
- technical equipment: 3 to 18 years;
- general equipment: 10 years;
- specific investments for optical fiber network rollouts: 8 to 30 years;
- specific investments for mobile network rollouts: 6 to 18 years;
- computer equipment: 3 to 5 years;
- office furniture and equipment: 2 to 10 years;
- modems: 5 years;
- access fees for services specific to broadband Internet operations are depreciated over seven years;
- amounts paid as consideration for obtaining indefeasible rights of use (IRUs) on dark optical fibers are depreciated over the initial term of use of the fiber concerned.

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

Borrowing costs

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

Impairment of non-financial assets

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

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

Financial assets

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

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

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

Inventories

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

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

Receivables

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

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

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

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

Deferred taxes

Deferred taxes are recognized using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred taxes are not accounted for if they arise from initial recognition of an asset or liability in a transaction other than a business combination and there is no difference in the applicable tax and accounting treatment. Deferred taxes are determined using tax rates (and laws) that have been enacted or substantially enacted at the balance sheet date and are expected to apply when the related deferred tax asset is recovered or the deferred tax liability is settled.

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

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

Cash and cash equivalents

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

Short-term investments are marked to market at each reporting date.

Bank overdrafts are classified as current financial liabilities.

Assets held for sale

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

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

Own shares held

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

Provisions

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

Borrowings

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

Interest-bearing borrowings

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

Employee benefits

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

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

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

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

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

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

IFRS IC IAS 19 agenda decision

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

Stock options and share grants

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

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

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

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

A certain number of Group employees have been granted shares in subsidiaries subject to conditions relating to their presence within the Group. The shares are measured based on the fair value of the benefit granted to the employee on the grant date, with the calculation incorporating assumptions concerning the staff turnover rate for beneficiaries, a discount in respect of the lock-up period, and the fair value of the shares at the grant date. This benefit is recognized in the income statement under "Share-based payment expense", on a straight-line basis over the vesting period of the shares, with a corresponding adjustment to equity.

Derivative financial instruments and hedging

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

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

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

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

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

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

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

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

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

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

Note 2. Significant events and scope of consolidation

2.1 Significant events

Finalization of the RAN sharing agreement with W3

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

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

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

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

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

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

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

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

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

Dispute with Bouygues Telecom

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

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

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

2.2 Scope of consolidation and changes in 2023

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

Note 3. Critical accounting estimates and judgments

Accounting judgments

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

The main accounting judgments made by the Group relate to:

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

Accounting estimates

The Group makes estimates and assumptions concerning the future.

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

The main accounting estimates used by the Group relate to:

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

Note 4. Revenues

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

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

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

Note 5. Segment information

The iliad Group has three operating segments:

- France;
- Italy;
- Poland.

- **2023 revenues**

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

- **2022 revenues**

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

The increase in revenues for 2023 concerns all geographies.

- **2023 earnings**

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

- **2022 earnings**

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

- **Assets at December 31, 2023**

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

- **Assets at December 31, 2022**

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

- **Liabilities at December 31, 2023, excluding financial liabilities and taxes payable**

(in € millions)	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

- **Liabilities at December 31, 2022, excluding financial liabilities and taxes payable**

(in € millions)	France	Italy	Poland	Total
Non-current liabilities				
Other non-current liabilities	337	175	2	514
Current liabilities				
Trade and other payables	1,702	465	514	2,681

Note 6. Purchases used in production and external charges

Purchases used in production mainly include:

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

External charges primarily comprise:

- logistics and dispatch costs;
- leasing expenses (including leases entered into for network development purposes, such as for mobile sites);
- marketing and advertising costs;
- external service provider fees;
- subcontracting costs.

Note 7. Human resources data

Payroll costs

Payroll costs break down as follows:

(in € millions)	2023	2022
Wages and salaries	(457)	(384)
Payroll taxes	(164)	(141)
Total	**(621)**	**(525)**

Number of employees at year-end

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

(Number of employees at year-end)	2023	2022
Management	4,420	4,087
Other	13,297	12,637
Total	**17,717**	**16,724**

Post-employment benefits

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

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

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

(in € millions)	2023	2022
Present value of obligation at beginning of year:	15	21
• impact of changes in scope of consolidation	0	0
• current service cost	3	4
• loss/(gain) from changes in assumptions	3	(10)
• experience gains/losses	1	0
Total	**21**	**15**

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

Retirement benefit obligation assumptions – France

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

Retirement benefit obligation assumptions – Poland

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

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

Note 8. Development costs

Development costs include:

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

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

(in € millions)	**2023**	**2022**
Capitalized development costs	(26)	(28)
Development costs recognized directly in the income statement	0	0
Total	**(26)**	**(28)**

Note 9. Other income and expenses from operations, net

Other income from operations breaks down as follows:

(in € millions)	2023	2022
Income from partnerships [(a)]	353	428
Customer contract termination fees	13	11
Other	89	32
Total other income from operations	**455**	**471**

(a) Corresponds mainly to income related to the partnerships with Cellnex concerning the sale of mobile infrastructure.

Other expenses from operations can be analyzed as follows:

(in € millions)	2023	2022
Costs related to partnerships [(a)]	(136)	(161)
Royalties and similar fees	(55)	(48)
Bad debts	(5)	0
Other	(36)	(13)
Total other expenses from operations	**(232)**	**(221)**

(a) Corresponds mainly to costs related to the partnerships with Cellnex concerning the sale of mobile infrastructure.

(in € millions)	2023	2022
Other income and expenses from operations, net	**223**	**250**

Note 10. Depreciation, amortization, provisions and impairment

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

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

(in € millions)	2023	2022
Depreciation and amortization expense:		
• intangible assets	(645)	(697)
• property, plant and equipment	(1,412)	(1,202)
Impairment of non-current assets:		
• property, plant and equipment	(65)	(9)
Depreciation/amortization of investment grants:		
• intangible assets	0	0
• property, plant and equipment	0	0
Total	**(2,122)**	**(1,909)**

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

(in € millions)	2023	2022
Provisions for contingencies and charges	(1)	(6)
Impairment of inventories	(9)	(2)
Impairment of trade receivables	(62)	(77)
Total	**(72)**	**(84)**

Note 11. Other operating income and expense, net

This item breaks down as follows:

(in € millions)	2023	2022
Gains and losses on asset disposals	79	310
Other operating expenses	(50)	(44)
Total	**28**	**267**

Gains and losses on asset disposals

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

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

Other operating expenses

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

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

Note 12. Financial income and expenses

Financial income and expenses can be analyzed as follows:

(in € millions)	2023	2022
Income from cash and cash equivalents	30	0
Finance costs, gross:		
• interest on borrowings	(538)	(313)
Finance costs, net	**(508)**	**(313)**
Other financial income		
• translation adjustments	42	0
• other	53	0
• sub-total – Other financial income	95	0
Other financial expenses		
• translation adjustments/hedging expenses	0	5
• discounting expense	(24)	(40)
• other	(6)	(15)
• sub-total – Other financial expenses	(30)	(50)
Other financial income and expense, net	**(64)**	**(50)**
Interest expense on lease liabilities	**(237)**	**(213)**
Financial income and expenses	**(680)**	**(576)**

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

Finance costs, gross, mainly comprise interest on borrowings.

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

Discounting expense mainly concerns trade payables with maturities of more than one year. Interest expense on lease liabilities relates to the Group's application of IFRS 16.

Note 13. Corporate income tax

Analysis of the corporate income tax charge

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

(in € millions)	2023	2022
Current taxes:		
• on income	(431)	(432)
• on value added (CVAE)	(14)	(27)
Current income tax charge	**(445)**	**(458)**
Deferred income tax liabilities:		
• on income	45	126
• on value added (CVAE)	0	0
Deferred income tax benefit	**45**	**126**
Total tax charge	**(400)**	**(332)**

Tax group

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

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

The following rules apply within the tax group:

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

Description of deferred tax assets/liabilities and tax loss carryforwards

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

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

The tax losses in Italy can be carried forward indefinitely.

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

Tax proof

The table below reconciles:

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

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

Unrecognized deferred tax assets

Unrecognized deferred tax assets concern:

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

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

Note 14. Earnings per share

- **Basic earnings per share**

(Number of shares used for the calculation)	2023	2022
Number of shares at the year-end	59,720,238	59,720,238
Weighted average number of shares	59,178,249	58,902,092

- **Diluted earnings per share**

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

Note 15. Consolidated statement of cash flows

Cash flows from operating activities

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

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

Change in operating working capital requirement

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

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

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

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

- **Other receivables**

(in € millions)	Note	Dec. 31, 2023	Dec. 31, 2022
Trade and other receivables:	24	2,613	2,315
Trade receivables	24	(1,324)	(1,163)
Other receivables		**1,289**	**1,153**

- **Other payables**

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

Acquisitions of property, plant and equipment and intangible assets

This item can be analyzed as follows:

(in € millions)	Note	2023	2022
Acquisition of intangible assets	17	314	303
Acquisition of property, plant and equipment	20	2,163	2,165
Suppliers of non-current assets (excl. VAT)			
• at January 1		1,147	2,225
• newly consolidated company		0	0
• at December 31		(1,153)	(1,147)
Other		(66)	(197)
Total		**2,405**	**3,349**

- Cash and cash equivalents

(in € millions)	Note	Cash and cash equivalents at Dec. 31, 2023	Cash and cash equivalents at Dec. 31, 2022
Cash (including currency hedges)	26	927	516
Marketable securities	26	259	6
Sub-total		**1,186**	**521**
Bank overdrafts	31	(18)	(2)
Total		**1,168**	**519**

Note 16. Goodwill

(in € millions)	2023	2022
Carrying amount at January 1	717	562
Acquisition of UPC	0	1,275
Allocation of goodwill relating to UPC Polska	0	(301)
Reclassification of the UPC Polska goodwill as “Assets held for sale”	0	(847)
Other	77	31
Disposals	0	0
Translation adjustments	31	(4)
Carrying amount at December 31	**825**	**717**

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

Note 17. Intangible assets

Intangible assets break down as follows:

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

France

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

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

Italy

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

Poland

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

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

Group

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

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

Movements in net intangible assets can be analyzed as follows:

(in € millions)	**2023**	**2022**
Net at January 1	5,551	5,472
Additions:		
• newly consolidated company	4	377
• acquisitions	314	303
• asset remeasurements	0	0
• internally generated intangible assets	19	35
Reclassifications	(89)	69
Other	0	0
Translation adjustments	132	(8)
Amortization, provisions and impairment	(645)	(697)
Net at December 31	**5,286**	**5,551**

Intangible assets in progress

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

(in € millions)	**Dec. 31, 2023**	**Dec. 31, 2022**
Licenses	39	39
Other	44	132
Total	**83**	**171**

Note 18. Impairment tests on goodwill and intangible assets

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

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

Impairment tests

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

(in € millions)	France	Italy CGU	Poland CGU
Goodwill	306	0	519

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

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

The assumptions used for calculating the recoverable amounts of the Group's CGUs were as follows at December 31, 2023:

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

Sensitivity of recoverable amounts

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

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

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

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

Accounting principles

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

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

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

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

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

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

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

- networks, corresponding mainly to (i) rentals of the local loop for Fixed subscribers, including the rental of the FTTH loop from IFT (see Note 21), (ii) rentals of dark fiber, and (iii) rentals of sites (land, building roofs, pylons, etc.) used for setting up the Group's active and passive mobile network infrastructure, including the rental of assets sold by the Group to Cellnex in 2019 in France and Italy and in 2021 in Poland.

  In most cases, the lease term corresponds to the remaining contractual duration, except for local loop rentals, for which the lease term under IFRS 16 corresponds to the estimated duration of the subscriber's use of the local loop concerned;

- real estate (land and buildings), corresponding to leases for the Group's head offices, stores and technical premises.

  In most cases, the lease term corresponds to the remaining contractual duration without taking into account any potential early termination;
- other (including vehicles).

  In most cases, the lease term corresponds to the remaining contractual duration.

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

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

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

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

Lease liabilities break down as follows:

	December 31, 2023				December 31, 2022			
(in € millions)	Networks	Real estate	Other	Total	Networks	Real estate	Other	Total
Non-current	4,285	243	8	4,536	3,749	195	8	3,951
Current	710	34	10	754	593	32	10	634
Total	**4,995**	**277**	**18**	**5,290**	**4,341**	**226**	**18**	**4,586**

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

(in € millions)	Dec. 31, 2023	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Undiscounted lease liabilities	7,760	979	2,564	4,217

Note 20. Property, plant and equipment

Property, plant and equipment can be analyzed as follows:

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

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

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

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

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

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

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

Impairment of property, plant and equipment

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

Assets under construction

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

(in € millions)	Dec. 31, 2023	Dec. 31, 2022
Land and buildings	46	35
Network usage rights	3	2
Network equipment	1,253	1,094
Other	21	1
Total	**1,322**	**1,131**

Note 21. Equity-accounted investees

The iliad Group has three main equity-accounted investees:

NJJ Boru

On April 6, 2018, iliad acquired a 49% interest in NJJ Boru S.A.S. for c. €316 million, as part of the eir transaction. On the same date, NJJ Boru acquired a 64.5% interest in eir. At December 31, 2023, NJJ Boru held a 59.48% interest in eir.

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

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

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

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

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

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

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

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

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

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

(in € millions)	2023	2022
Share of profit of equity-accounted investees before tax	94	57
Share of tax of equity-accounted investees	(15)	(14)
Share of profit of equity-accounted investees after tax	**79**	**43**

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

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

(in € millions)	**2023**	**2022**
At January 1	749	1,243
Share of net assets of equity-accounted investees	0	0
Goodwill	0	0
Investments in equity-accounted investees at January 1	**749**	**1,243**
Movements:		
• share of profit of equity-accounted investees	79	43
• share of OCI of equity-accounted investees	(43)	109
• dividends paid	(88)	(251)
• translation adjustments	(8)	(8)
• capital reductions	11	0
• acquisitions and changes in scope of consolidation	413	0
• reclassifications to assets held for sale	0	(387)
• other	(261)	0
Investments in equity-accounted investees at December 31	**852**	**749**

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

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

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

(in € millions)	**Dec. 31, 2023**	**Dec. 31, 2022**
Non-current assets	4,957	4,695
Current assets	495	836
Non-current liabilities	(3,619)	(3,793)
Current liabilities	(648)	(629)
Total net assets	**1,185**	**1,109**

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

(in € millions)	**Dec. 31, 2023**
Non-current assets	1,159
Current assets	74
Non-current liabilities	(373)
Current liabilities	(44)
Total net assets	**816**

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

(in € millions)	Dec. 31, 2023
Non-current assets	2,902
Current assets	14
Non-current liabilities	(2,589)
Current liabilities	0
Total net assets	**327**

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

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

Note 22. Other financial assets

Other financial assets break down as follows by nature:

(in € millions)	Dec. 31, 2023	Dec. 31, 2022
Other long-term financial assets		
Other investment securities	54	48
Loans, receivables and other	37	114
eir option	90	37
Guarantee deposits	23	27
Total other long-term financial assets	**204**	**226**
Other short-term financial assets		
Loans and receivables	11	27
Total other short-term financial assets	**11**	**27**
Total other financial assets	**215**	**253**

Non-current assets

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

  This call option was recognized in "Other financial assets" in an initial amount of €16 million, which was increased to €22 million at end-2020 and to €56 million at end-2021, and subsequently reduced to €37 million at end-2022. At December 31, 2023 it was remeasured again and its carrying amount in the consolidated statement of financial position has been €90 million since that date;
- in connection with the Group's strategic partnership set up with InfraVia through the joint-venture IFT, a non-recourse financing arrangement was put in place which included a shareholder contribution commitment under which the Group undertook to contribute (based on the proportion of its interest in IFT) to financing the fast-paced development of IFT during the company's first five years. At December 31, 2022, the Group had contributed a cumulative amount of €87 million under this financing arrangement, which was repaid in full in 2023.

Current assets

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

Other financial assets break down as follows by function:

(in € millions)	Dec. 31, 2023	Dec. 31, 2022
Financial assets carried at fair value through profit or loss	138	178
Financial assets carried at fair value through OCI	54	48
Financial assets carried at amortized cost	23	27
Total other financial assets	**215**	**253**

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

(in € millions)	2023	2022
Carrying amount at January 1	253	210
Acquisitions	33	52
Fair value adjustments	30	5
Redemptions and repayments	0	0
Impact of changes in scope of consolidation	0	0
Disposals	(92)	6
Additions to provisions	(10)	(19)
Carrying amount at December 31	**215**	**253**

Note 23. Inventories

Inventories break down as follows:

(in € millions)	Dec. 31, 2023	Dec. 31, 2022
Raw materials	0	1
Work-in-progress	92	26
Finished products	437	309
Inventories – gross	**529**	**336**
Provisions:		
• raw materials	0	0
• finished products	(18)	(11)
Total provisions for contingencies and charges	**(18)**	**(11)**
Inventories – net	**511**	**324**

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

Note 24. Other assets

Other non-current assets break down as follows:

(in € millions)	Dec. 31, 2023	Dec. 31, 2022
Other receivable recorded under other non-current assets		
Other receivables	327	267
Total – gross	**327**	**267**
Amortization and impairment of other receivables	(285)	(215)
Net other receivables (other non-current assets)	**42**	**52**

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

Trade and other receivables break down as follows:

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

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

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

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

(in € millions)	Dec. 31, 2023	Dec. 31, 2022
Not yet past due or less than 1 month past due	1,171	987
Between 1 and 6 months past due	120	132
Between 6 and 12 months past due	9	5
More than 12 months past due	23	38
Total	**1,324**	**1,163**

Note 25. Assets and liabilities held for sale

Assets and liabilities held for sale break down as follows:

(in € millions)	Dec. 31, 2023	Dec. 31, 2022
Assets held for sale	184	1,470
Liabilities held for sale	(11)	(19)
Total	**173**	**1,451**

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

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

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

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

Note 26. Cash and cash equivalents

Cash and cash equivalents can be analyzed as follows:

	December 31, 2023		December 31, 2022	
(in € millions)	Carrying amount	Fair value	Carrying amount	Fair value
Mutual funds (UCITS), net	259	259	6	6
Cash (excluding bank overdrafts)	927	927	516	516
Total – net	**1,186**	**1,186**	**521**	**521**

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

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

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

Note 27. Equity

Share capital

At December 31, 2023, no stock options granted by the Group were still exercisable. At December 31, 2023, the Group held 541,989 iliad shares.

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

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

Dividends

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

This dividend was paid on May 26, 2023.

Dividends paid in 2023:

- exceptional dividend: none;
- dividend paid in 2023 for 2022: €294,511 thousand;
- interim dividend paid in 2023 for 2023: €413,419 thousand.

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

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

Note 28. Stock option and share grant plans

Share grant plans

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

This condition is met when the beneficiary has uninterruptedly served as an employee or officer of the entity that set up the plan (or any other Group entity) until the end of the plan's vesting period or, if the plan is divided into several tranches, until the end of the vesting period of the tranche concerned.

The main outstanding share grant plans are described below.

iliad

2017 Plan

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

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

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

- October 30, 2020: 40% of the shares were due to vest if the EBITDA margin in France for 2019 (excluding sales of devices) was higher than the EBITDA margin in France for 2017;
- October 30, 2021: 10% of the shares were due to vest if the EBITDA margin in France (excluding sales of devices) for 2020 was higher than 40%;
- October 30, 2022: 10% of the shares were due to vest if the total number of fiber subscribers was higher than 1.7 million at October 1, 2022;
- October 30, 2023: 40% of the shares were due to vest if the total number of fiber subscribers was higher than 2.5 million at October 1, 2023.

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

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

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

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

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

2018 Plan

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

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

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

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

- September 30, 2023: end of the vesting period for Tranche 3, representing 25% of the shares granted:
  - 50% of Tranche 3 shares vest if the number of fiber subscribers in France is 3 million or more at September 1, 2023,
  - 50% of Tranche 3 shares vest if the number of mobile subscribers in Italy is 6 million or more at September 1, 2023;
- September 30, 2024: end of the vesting period for Tranche 4, representing 25% of the shares granted:
  - 50% of Tranche 4 shares vest if the number of fiber subscribers in France is 3.5 million or more at September 1, 2024,
  - 50% of Tranche 4 shares vest if the Group's revenues in Italy are €500 million or more at June 30, 2024.

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

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

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

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

2019 Plan

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

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

- November 30, 2021: end of the vesting period for Tranche 1, representing 30% of the total shares granted: the shares were due to vest if consolidated EBITDAaL less capex (excluding payments for frequencies) in 2020 was at least equal to consolidated EBITDAaL less capex (excluding payments for frequencies) for 2019;
- November 30, 2022: end of the vesting period for Tranche 2, representing 40% of the total shares granted:
  - 50% of Tranche 2 shares were due to vest if the number of fiber subscribers was 3 million or more at June 30, 2022,
  - 50% of Tranche 2 shares were due to vest if consolidated EBITDAaL margin for 2021 was equal to or higher than consolidated EBITDAaL margin for 2019;
- November 30, 2023: end of the vesting period for Tranche 3 (representing 30% of the shares granted): the shares were due to vest if the total number of fiber subscribers was 3.7 million or more at June 30, 2023.

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

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

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

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

2020 Plan

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

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

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

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

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

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

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

2022 Plans

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

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

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

The expense recognized for this plan amounted to €6,733 thousand in 2022 and €7,883 thousand in 2023.

2023 Plans

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

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

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

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

iliad 78

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

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

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

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

On March 31, 2023, the Company delivered 17,120 new iliad 78 shares to the beneficiaries under the plan. The expense recognized for this plan amounted to €100 thousand in 2022 and €64 thousand in 2023.

Scaleway

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

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

The vesting of these shares – in three unequal tranches between 2024 and 2026 – is subject to a continued presence condition. The vesting dates for the plan's three tranches are as follows:

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

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

iliad Purple

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

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

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

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

JT Holding

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

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

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

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

Play

PCSA – which has since been merged into iliad Purple – set up long-term incentive plans for Play employees. The plans provide that, given that the 80% threshold was exceeded following the public tender offer launched by iliad Purple on PCSA shares, instead of the shares they should have received, plan beneficiaries will be granted additional cash compensation equal to the per-share offer price multiplied by the number of shares they should have received each year. This amount will be paid in tranches at the end of the lock-up periods provided for under the plans, subject to performance conditions and to the criterion that the beneficiary still forms part of the Group at that date. The expense recognized for this plan amounted to €141 thousand in 2022 and €152 thousand in 2023.

Note 29. Provisions

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

These provisions break down as follows:

(in € millions)	Dec. 31, 2023	Dec. 31, 2022
Total long-term provisions	119	109
Total short-term provisions	115	78
Total provisions for contingencies and charges	**235**	**187**

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

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

(in € millions)	At Dec. 31, 2022	Additions in 2023	Reversals in 2023 (utilizations)	Reversals in 2023 (surplus provisions)	Impact of changes in scope of consolidation	Other	At Dec. 31, 2023
Provisions for contingencies and charges	187	62	(69)	(4)	12	47	235
Total	**187**	**62**	**(69)**	**(4)**	**12**	**47**	**235**

Note 30. Financial liabilities

Financial liabilities can be analyzed as follows:

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

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

All Group borrowings are denominated in euros and Polish zlotys.

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

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

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

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

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

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

Main movements in bank borrowings during the year at iliad

On February 20, 2023, following the aforementioned €500 million bond issue on February 8, 2023, iliad repaid the full amount of the €200 million drawn down at that date on its mid-term facility.

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

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

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

Short- and medium-term commercial paper program

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

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

€700 million trade receivables securitization program

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

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

Main movements in bank borrowings during the year at Play

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

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

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

It then repaid an additional PLN 700 million of this loan on August 24, 2023 and a further PLN 400 million on October 25, 2023, reducing its total outstanding amount to PLN 3 billion at December 31, 2023.

Guarantees given

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

Breakdown of borrowings by type of rate

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

(in € millions)	Dec. 31, 2023	Dec. 31, 2022
Fixed-rate borrowings [(a)]	6,929	6,727
Variable-rate borrowings	4,500	4,610
Total financial liabilities at December 31	**11,429**	**11,337**

(a) Excluding notional amount of interest rate hedging (see Note 34).

Breakdown of committed financing facilities by maturity

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

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

Breakdown of the Group's debt

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

Contract	Issue date	Maturity	Currency	Nominal rate	Dec. 31, 2023 Outstanding amount *(in € millions)*
iliad – SUN[(a)]	Oct. 12, 2017	Oct. 14, 2024	EUR	1.500%	445
iliad – SUN	April 25, 2018	April 25, 2025	EUR	1.875%	650
iliad – SUN	June 17, 2020	June 17, 2026	EUR	2.375%	650
iliad – SUN	Feb. 11, 2021	Feb. 12, 2024	EUR	0.750%	235
iliad – SUN	Feb. 11, 2021	Feb. 11, 2028	EUR	1.875%	700
iliad – SUN	Dec. 12, 2022	June 14, 2027	EUR	5.375%	750
iliad – SUN	Feb. 15, 2023	Feb. 15, 2030	EUR	5.625%	500
iliad – SUN	Dec. 15, 2023	Feb. 15, 2029	EUR	5.375%	650
iliad – SSD[(b)] 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					**5,273**
Play – SUN	Dec. 13, 2019	Dec. 11, 2026	PLN	1.750% + Wibor	173
Play – SUN	Dec. 29, 2020	Dec. 29, 2027	PLN	1.850% + Wibor	115
Total – Play					**288**
Total					**5,561**

(a) SUN: senior unsecured notes.
(b) SSD: *Schuldschein* (non-guaranteed private placements under German law).

The Group's bank borrowings break down as follows:

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

(a) Rates applicable at December 31, 2023, which can vary depending on the leverage ratio of the iliad Group and Play respectively.
(b) For iliad, the nominal rate shown is the rate set following a rider signed on January 20, 2023 amending certain financial terms. The maturity date for the 2022 loan agreement is indicative and depends on the drawdown date(s) and the maturity chosen. The final interest rate is set at each drawdown. For Play, the interest rate shown corresponds to the average rate of the two fixed-rate tranches as well as the interest rate comprising the 2.32% margin plus Wibor at 5.82%, after the first interest rate setting for the variable tranche on December 19, 2022.

First public rating for iliad SA's senior unsecured notes

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

Note 31. Trade and other payables

This item breaks down as follows:

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

Total trade payables can be analyzed as follows:

(in € millions)	Dec. 31, 2023	Dec. 31, 2022
Suppliers of goods and services	1,674	1,226
Suppliers of non-current assets	1,153	1,147
Total	**2,827**	**2,373**

Note 32. Related party transactions

Transactions with key management personnel

Persons concerned:

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

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

(in € millions)	2023	2022
Total compensation	3	3
Share-based payments	9	8
Total	**12**	**11**

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

Impact of share grant plans

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

Transactions with On Tower Poland

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

Transactions with NJJ Boru

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

Transactions with Monaco Telecom

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

Transactions with IFT

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

Transactions with iliad Holding and Holdco II

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

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

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

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

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

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

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

Note 33. Financial instruments

Reconciliation by class of instrument and accounting category

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

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

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

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

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

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

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

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

Note 34. Financial risk management

Market risks

Foreign exchange risk

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

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

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

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

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

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

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

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

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

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

Interest rate risk

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

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

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

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

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

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

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

Equity risks

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

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

Commodity risk

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

Liquidity risk

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

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

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

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

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

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

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

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

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

Credit and counterparty risk

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

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

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

Analysis of trade receivables

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

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

Concentration risk

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

Note 35. Off-balance sheet commitments and contingencies

35.1 Commitments related to telecom licenses

France

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

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

2,600 MHz license

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

1,800 MHz license

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

700 MHz license

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

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

By way of decision 2020-1255 dated November 12, 2020, ARCEP authorized Free Mobile to use 70 MHz in the 3,400-3,800 MHz band in Metropolitan France to set up and operate a mobile communications network for public use. The rollout and wholesale offer obligations imposed under this authorization – which has been given for a 15-year period that can be renewed for a further five years – notably require Free Mobile to emit the allocated frequencies from 3,000 sites by December 31, 2022 (milestone achieved), from 8,000 sites by December 31, 2024, and from 10,500 sites by December 31, 2025, and meet reasonable requests for supplies of services for vertical markets.

Licenses for French overseas *départements* and *collectivités*

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

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

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

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

Italy

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

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

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

- for the 3.6 GHz and 3.8 GHz licenses:
  - roll out its network and use the frequencies in each Italian region by December 2020,
  - cover at least 5% of the population of each Italian region by end-June 2022. By way of decision no. 185/23/CONS dated July 20, 2023, AGCOM increased the coverage obligation for the 3.6-3.8 GHz band by 2.5% of the population for each Italian region within 12 months of the license being granted. This additional obligation has to be met for as long as the joint operation agreement provides that iliad is authorized to use, through that joint operation, the frequencies in the 3.4-3.6 GHz band;
- for the 700 MHz license: individual obligations (that must be met by June 30, 2025):
  - cover 80% of Italy's population, with 90% population coverage for towns and cities with more than 30,000 inhabitants and all regional capitals,
  - cover 90% of the 149 tourist regions assigned to iliad;
- for the 700 MHz license: collective obligations:
  - cover 99.4% of Italy's population by end-December 2026, with 90% population coverage for 120 municipalities located in rural areas (listed in Appendix A to decision no. 231/18/CONS),
  - cover the main transport routes by end-December 2025 (railways and stations, highways, 351 sea ports and 42 airports). This obligation will be considered met if at least one of the license-holders provides the required service;
- 26 GHz licenses: no coverage obligation, but an obligation to roll out the mobile network and use the frequency band in all of Italy's provinces by December 31, 2022.

Poland

2,100 MHz and 900 MHz licenses

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

1,800 MHz license

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

800 MHz license

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

2,600 MHz license

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

3,500-3,600 MHz licenses

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

35.2 Partnerships with Cellnex

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

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

35.3 Other commitments

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

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

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

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

At December 31, 2023:

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

35.4 Collateralized debt

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

35.5 Claims and litigation

The Group is involved in a number of labor, regulatory, tax and commercial disputes in connection with its business. The main legal proceedings currently in progress are as follows:

France – Dispute with UFC

On March 11, 2019, the French consumer group, UFC, used the powers granted to it under Article 623-1 of the French Consumer Code to file a petition against Free Mobile with the Paris District Court (Tribunal de Grande Instance). UFC is claiming that Free Mobile failed to respect its contractual obligations because it charged nine subscribers for not returning their rented phones, whereas the subscribers had allegedly provided proof that they had sent back the devices in accordance with Free Mobile's General Terms and Conditions of Subscription. UFC requested the court to order Free Mobile (i) to reimburse the expenses wrongly charged, and (ii) publish the requisite information to make the consumers concerned aware of their right to compensation. UFC's claims were dismissed on December 13, 2022, as the court ruled that the rental of a mobile phone is excluded from the scope of the group's proceedings. UFC was ordered to pay €8,000 under Article 700 of the French Civil Procedure Code. It appealed the decision and the proceedings are still ongoing.

France – Tax disputes

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

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

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

Poland – Antitrust proceedings

In June 2015, Play applied to the Warsaw District Court claiming PLN 316 million from Orange Polska, Polkomtel and T-Mobile Polska. This amount comprises PLN 231 million in damages for unfair competition – arising from the defendants applying excessive costs for voice connections with the Play network for the period from July 1, 2009 through March 31, 2012 – plus capitalized interest. In July 2018, Play extended its application by claiming an additional PLN 314 million (including PLN 258 million in damages plus capitalized interest) for the subsequent period from April 1, 2012 through December 31, 2014. On December 27, 2018, the court rejected Play's initial claim for PLN 316 million. Play appealed this decision and in a ruling dated December 28, 2020, the Warsaw Court of Appeal overturned the judgment of the first instance court and ordered the case to be judged again. The claim for PLN 316 million and the claim for the additional PLN 314 million are still in progress before the Warsaw District Court. In September 2019, Play withdrew its claims against T-Mobile but maintained those against Orange and Polkomtel. As it is not certain that Play will receive the amounts it has claimed, the iliad Group has not recognized any related income in its consolidated financial statements.

Poland – Call termination charges

Claim lodged by Polkomtel

In December 2018, Polkomtel lodged a claim for the Polish Treasury or Play to be ordered (on a joint and several basis) to pay it (i) the call termination charges that Polkomtel would have received from Play if the UKE (the Polish telecoms regulator) had not reduced the call termination rate by way of a decision that was subsequently canceled by a court as it was held to be unlawful, and (ii) accumulated interest as from the date the claim was lodged. At this stage of the proceedings it is difficult to assess the legal risk relating to this claim.

Poland – UOKiK/UKE/Other

Play is involved in a number of proceedings, including procedures launched by the President of the UKE and the President of the UOKiK (the Polish Office of Competition and Consumer Protection) as well as proceedings resulting from appeals against decisions made by those regulatory bodies. On September 2, 2016, the President of the UOKiK launched proceedings against UPC regarding unfair clauses concerning price increases, a guaranteed a minimum offer of TV programs, technician fees and contract termination fees. On July 17, 2019, the President of the UOKiK issued a decision prohibiting the application of the above-mentioned clauses, ordering UPC to pay a fine of PLN 32 million and imposing on it an obligation to compensate customers. UPC appealed the decision before the Warsaw District Court. On November 23, 2022, the Warsaw District Court confirmed its decision as to the obligation to compensate customers, which had been overturned. At the same time, the Supreme Court revised the fine downwards to PLN 28.6 million – an amount that had already been paid. UPC has further appealed this decision.

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

Note 36. Events after the reporting date

Investment in Tele2

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

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

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

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

	Registration number	Head office	Percentage ownership at Dec. 31, 2023	Percentage ownership at Dec. 31, 2022	Consolidation method in 2023
Free Réseau 16 rue de la Ville l'Évêque 75008 Paris, France	419 392 931	Paris	100.00%	100.00%	Full
IH 8 rue de la Ville l'Évêque 75008 Paris, France	441 532 173	Paris	100.00%	100.00%	Full
iliad 10 16 rue de la Ville l'Évêque 75008 Paris, France	844 880 492	Paris	100.00%	100.00%	Full
iliad 17 16 rue de la Ville l'Évêque 75008 Paris, France	982 150 864	Paris	100.00%	/	Full
iliad 18 16 rue de la Ville l'Évêque 75008 Paris, France	982 165 912	Paris	100.00%	/	Full
iliad 19 16 rue de la Ville l'Évêque 75008 Paris, France	982 109 688	Paris	100.00%	/	Full
iliad 6 16 rue de la Ville l'Évêque 75008 Paris, France	834 309 486	Paris	100.00%	100.00%	Full
IFT 31 rue de la Baume 75008 Paris, France	852 619 352	Paris	/	48.98%	N.D.
IFW 8 rue de la Ville l'Évêque 75008 Paris, France	400 089 942	Paris	/	100.00%	N.D.
iliad 78 16 rue de la Ville l'Évêque 75008 Paris, France	834 315 673	Paris	89.00%	78.45%	Full
iliad Customer Care Viale Restelli Francesco 1/A Milan, Italy	/	Milan	100.00%	100.00%	Full
iliad Italia Holding S.p.A Viale Restelli Francesco 1/A Milan, Italy	/	Milan	100.00%	100.00%	Full
iliad Investments 16 rue de la Ville l'Évêque 75008 Paris, France	919 740 605	Paris	40.85%	40.85%	Equity
iliad Italia S.p.A Viale Restelli Francesco 1/A Milan, Italy	/	Milan	97.78%	97.73%	Full
iliad Purple 16 rue de la Ville l'Évêque 75008 Paris, France	537 915 050	Paris	92.02%	92.57%	Full
Immobilière iliad 16 rue de la Ville l'Évêque 75008 Paris, France	501 194 419	Paris	100.00%	100.00%	Full
IRE 16 rue de la Ville l'Évêque 75008 Paris, France	489 741 645	Paris	100.00%	100.00%	Full
Jaguar Network Suisse rue des Paquis 11 1201 Geneva, Switzerland	/	Geneva	100.00%	100.00%	Full
JT Holding 3 rue Paul Brutus 13015 Marseille, France	801 382 300	Marseille	100.00%	100.00%	Full

	Registration number	Head office	Percentage ownership at Dec. 31, 2023	Percentage ownership at Dec. 31, 2022	Consolidation method in 2023
Madiacom 44 rue Henri Becquerel Jarry 97122 Baie-Mahault, France	880 041 397	Baie-Mahault	50.00%	50.00%	Joint Operation
MCRA 57 Boulevard Malesherbes 75008 Paris, France	532 822 475	Paris	100.00%	100.00%	Full
Newco 25M 16 rue de la Ville l'Évêque 75008 Paris, France	910 077 478	Paris	49.50%	49.50%	Equity
NJJ Boru 16 rue de la Ville l'Évêque 75008 Paris, France	833 797 467	Paris	49.00%	49.00%	Equity
On Tower Poland Wynalazek 1, 02-677 Warsaw, Poland	/	Poland	/	27.77%	N.D.
Online Immobilier 16 rue de la Ville l'Évêque 75008 Paris, France	537 915 019	Paris	97.58%	97.58%	Full
Opcore 16 rue de la Ville l'Évêque 75008 Paris, France	891 405 227	Paris	100.00%	/	Full
P4 SP. Z.O.O Wynalazek 1, 02-677 Warsaw, Poland	/	Poland	92.02%	92.57%	Full
Predictiv Pro S.A.S. 3 rue Paul Brutus 13015 Marseille, France	880 472 683	Marseille	100.00%	100.00%	Full
Protelco 8 rue de la Ville l'Évêque 75008 Paris, France	509 760 948	Paris	100.00%	100.00%	Full
Resolution Call 7 Bld Mohamed V 20800 Mohammedia, Morocco	/	Morocco	100.00%	100.00%	Full
Réseau Optique de France (formerly Free Infrastructure) 16 rue de la Ville l'Évêque 75008 Paris, France	488 095 803	Paris	100.00%	100.00%	Full
Scaleway 8 rue de la Ville l'Évêque 75008 Paris, France	433 115 904	Paris	97.58%	97.58%	Full
Scaleway US Corporation C/O IMS – 1700 W Irving Park, Suite 302 Chicago, IL 606013, United States	/	Chicago	97.58%	97.58%	Full
Solid 19 16 rue de la Ville l'Évêque 75008 Paris, France	790 148 944	Paris	100.00%	100.00%	Full
Société Part. Invest. Numérique 14 rue Cambacérès 75008 Paris, France	980 465 108	Paris	48.98%	/	Equity
Telecom Academy "Privé" Lotissement Attaoufik Lot n° 9 & 10 Immeuble Le Shadow Sidi Maarouf Casablanca, Morocco	/	Morocco	100.00%	100.00%	Full
Telecom Réunion Mayotte 16 rue de la Ville l'Évêque 75008 Paris, France	812 123 214	Paris	50.00%	50.00%	Equity

	Registration number	Head office	Percentage ownership at Dec. 31, 2023	Percentage ownership at Dec. 31, 2022	Consolidation method in 2023
Trax 16 rue de la Ville l'Évêque 75008 Paris, France	850 134 388	Paris	98.00%	98.00%	Full
Total Call Technoparc – Route de Nouceur Sidi Maar Casablanca, Morocco	/	Morocco	100.00%	100.00%	Full
Université F 233 16 rue de la Ville l'Évêque 75008 Paris, France	891 401 507	Paris	100.00%	100.00%	Full
Zefiro.net Via Giotto, 7 Cormano, Italy	/	Cormano	50.00%	/	Joint Operation

Note 38. Audit fees

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

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

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

- verifying the consolidated non-financial information statement presented in the iliad Group's management report;
- reviewing asset sale transactions;
- providing various statements.

6.8 Statutory Auditors' report on the consolidated financial statements (For the year ended December 31, 2023)

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of the Group for the year ended December 31, 2023.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at December 31, 2023 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors for the period from January 1, 2023 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by Article 5 (1) of Regulation (EU) No. 537/2014.

Justification of assessments – Key audit matters

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgment, were the most significant in our audit of the financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the consolidated financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the consolidated financial statements.

Recognition of revenues from fixed and mobile subscribers

Description of risk

iliad operates in the telecommunications sector, offering various solutions to private individuals in France, Italy and Poland.

The landline business mainly comprises Internet access solutions, with a box provided, via ultra-fast broadband (mostly optical fiber, FTTH), or broadband (ADSL). The mobile business (France and Italy) mostly comprises offerings/packages including telephone and Internet access.

The mobile business mostly comprises offerings/packages including telephone and Internet access. iliad also sells or rents (France only) phone terminals to its customers separately from their subscription package.

For both its landline and mobile businesses, iliad has developed:

- its own operational information systems within its telecommunications network to identify and measure the different types of services provided to subsidiaries (subscriptions, usage, etc.);
- its own systems for billing these different services.

Using data drawn from these different information systems, revenues are recognized based on the specific features of each type of business and service in line with the accounting methods described in Note 1.5 – "Revenues" to the consolidated financial statements.

We deemed the recognition of revenues from the landline and mobile businesses to be a key audit matter insofar as it relies on complex information systems, developed in-house, that handle a large volume of data.

How our audit addressed this risk

We gained an understanding of the processes and internal control systems implemented by iliad to identify and measure services provided to subscribers, as well as for billing and recognizing the related revenues.

With the guidance of our information systems specialists, we assessed the design and robustness of the main IT controls set up within the operational information and billing systems to ensure the completeness and accuracy of the billing and accounting processes relating to the services.

We used sampling techniques to reconcile the revenues recognized by iliad with the data generated by the operational information and billing systems.

We also used sampling techniques to verify that any partially manual accounting entries that impact revenues, in particular with respect to mobile phone rentals, are substantiated in accordance with IFRS 16.

We also assessed the appropriateness of the disclosures provided in Note 1.5 to the consolidated financial statements.

Recognition of deferred tax assets for tax loss carryforwards

Description of risk

A total of €277 million, relating to Italy overall, was recognized at December 31, 2023, with respect to deferred tax assets for tax loss carryforwards.

In 2023, the tax group in Italy made a loss. This loss, along with those from previous years, generates tax losses that can be carried forward and offset against future profits without any time limit. At December 31, 2023, the loss for the year did not give rise to the recognition of any deferred tax assets.

As stated in Note 1.5 – "Deferred taxes" to the consolidated financial statements, deferred tax assets for tax loss carryforwards are recognized to the extent that it is probable that the Group will have sufficient future taxable profit to recover them.

We deemed the recognition of deferred tax assets for tax loss carryforwards to be a key audit matter due to the high level of judgment required to assess the ability of the Group entities, particularly in Italy, to generate the profit forecast in the business plans.

How our audit addressed this risk

In order to assess the probability of recoverability of deferred tax assets, our work mainly consisted of:

- assessing the reasonableness of the methodology used by iliad to identify the existing tax loss carryforwards to be used;
- assessing the process used to prepare and approve the business plans substantiating the ability of each entity to generate future taxable profit that may be used to absorb previous tax losses;
- comparing actual profit from prior periods with the amounts forecast in the business plans for those years;
- assessing the reasonableness of the assumptions used by iliad in the business plans.

We also assessed the appropriateness of the disclosures provided in Notes 1.5 – "Deferred taxes" and 13 to the consolidated financial statements.

Assessment of risks related to disputes

Description of risk

In the normal course of its business, iliad is involved in a number of labor, regulatory, tax and commercial disputes, which are described in Note 35.5 "Claims and litigation" to the consolidated financial statements.

Provisions for litigation are recorded in Note 29 "Provisions" to the consolidated financial statements when there is an obligation to third parties that is likely to result in a definite or probable outflow of resources and when they can be estimated with sufficient reliability, as specified in Note 1.5 "Provisions" to the consolidated financial statements.

In addition, with regard to VAT disputes, iliad has made payments to the tax authorities and has filed a repayment claim, resulting in the recognition of a receivable of approximately €150 million described in Note 24 "Other assets" to the consolidated financial statements.

We deemed the assessment of risks related to disputes to be a key audit matter in view of the amounts at stake and the level of judgment required to determine related provisions in a constantly changing regulatory environment.

How our audit addressed this risk

We assessed the bases used to determine the provisions and receivables.

Our work mainly consisted in:

- assessing the consistency of the assumptions used by iliad in estimating the risk, based in particular on interviews with the financial department, examining the related documentation, and, where applicable, carrying out a critical assessment of any consultations provided by external advisors;
- directly obtaining information and opinions on ongoing disputes from iliad's legal counsel;
- involving our specialists in order to assess the reasonableness of the amount of receivables or provisions made, if any;
- assessing the appropriateness of the disclosures provided in Notes 1.5 – "Provisions", 24, 29 and 35.5 to the consolidated financial statements.

Specific verifications

As required by legal and regulatory provisions and in accordance with professional standards applicable in France, we have also verified the information pertaining to the Group presented in the Board of Directors' management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the information pertaining to the Group provided in the management report includes the consolidated non-financial information statement required under Article L.225-102-1 of the French Commercial Code. However, in accordance with Article L.823-10 of the French Commercial Code, we have not verified the fair presentation and consistency with the consolidated financial statements of the information given in that statement, which will be the subject of a report by an independent third party.

Other verifications and information pursuant to legal and regulatory requirements

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of iliad SA by the Annual General Meetings held on October 19, 2000 for PricewaterhouseCoopers Audit and on May 20, 2015 for Deloitte & Associés.

At December 31, 2023, PricewaterhouseCoopers Audit and Deloitte & Associés were in the twenty-fourth and ninth consecutive year of their engagement, respectively, and the twentieth and ninth year since the Company's securities were admitted to trading on a regulated market, respectively.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for preparing consolidated financial statements giving a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for implementing the internal control procedures it deems necessary for the preparation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these financial statements.

As specified in Article L.821-55 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgment throughout the audit.

They also:

- identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the consolidated financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for the management, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

Report to the Audit Committee

We submit a report to the Audit Committee which includes, in particular, a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were the most significant for the audit of the consolidated financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in Articles L.821-27 to L.821-34 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

Neuilly-sur-Seine and Paris-La Défense, April 5, 2024

The Statutory Auditors

PricewaterhouseCoopers Audit	Deloitte & Associés
Thierry Leroux	Ariane Bucaille

7. iliad S.A. financial statements

Balance sheet – Assets

(in € thousands)	Gross	Depr., amort. and provisions	Net at Dec. 31, 2023	Net at Dec. 31, 2022
Intangible assets				
Start-up costs	0	0	0	0
Research and development costs	0	0	0	0
Concessions, patents and trademarks	0	0	0	0
Business goodwill	0	0	0	0
Other intangible assets	1,525	1,426	99	297
Property, plant and equipment				
Land	66	0	66	66
Buildings	200	200	0	0
Fixtures and fittings	31,107	12,830	18,277	15,506
Technical equipment	648	645	4	30
Computer equipment	2,822	1,940	881	772
Furniture	4,805	3,245	1,559	1,402
Assets under construction	0	0	0	0
Advances and prepayments	0	0	0	0
Long-term investments				
Investments in subsidiaries and affiliates	6,060,152	55,406	6,004,746	2,287,258
Loans and advances to subsidiaries and affiliates	553,331	0	553,331	4,940,046
Other investment securities	7,907	0	7,907	201,852
Other loans	9,049,952	0	9,049,952	7,822,997
Other long-term investments	212,966	0	212,966	4,045
Total fixed assets	**15,925,480**	**75,692**	**15,849,789**	**15,274,271**
Inventories	0	0	0	0
Advances and prepayments on orders	0	0	0	0
Trade receivables	203,669	78	203,591	89,227
Receivables from suppliers	419	0	419	55
Employees	1,013	0	1,013	935
Recoverable corporate income tax	0	0	0	111,056
Recoverable sales taxes	3,699	0	3,699	3,373
Other receivables	31,572	0	31,572	37,241
Other advances and prepayments made	0	0	0	0
Marketable securities	318,525	0	318,525	97,449
Treasury instruments	2,762	0	2,762	1,312
Cash at bank and in hand	774,981	0	774,981	244,847
Prepaid expenses	14,967	0	14,967	14,430
Total current assets	**1,351,607**	**78**	**1,351,529**	**599,925**
Accruals				
Deferred charges	32,138	0	32,138	45,182
Conversion losses	0	0	0	0
Total assets	**17,309,225**	**75,770**	**17,233,455**	**15,919,379**

Balance sheet – Equity and liabilities

(in € thousands)	Net at Dec. 31, 2023	Net at Dec. 31, 2022
Share capital	14,930	14,930
Additional paid-in capital	510,414	510,414
Legal reserve	1,493	1,493
Regulated reserves	0	0
Other reserves	59,931	59,931
Retained earnings	5,845,333	4,122,348
Interim dividends	(413,419)	0
Profit for the year	**1,681,009**	**2,017,495**
Total equity	**7,699,691**	**6,726,612**
Quasi-equity	**0**	**0**
Provisions for contingencies	0	0
Provisions for charges	34,890	48,645
Total provisions	**34,890**	**48,645**
Convertible bonds	0	0
Ordinary bonds	4,659,728	4,036,368
Bank borrowings	3,508,853	4,167,493
Bank overdrafts	17,779	0
Other borrowings	1,146,533	765,374
Current accounts with subsidiaries	85,210	122,036
Advances and prepayments received	0	0
Trade payables	35,405	32,569
Employees	1,800	1,565
Accrued payroll and other employee-related taxes	1,589	2,301
Accrued corporate income tax	16,237	0
Accrued sales taxes	5,869	3,251
Other accrued taxes	1,070	663
Amounts due on fixed assets	432	901
Other payables	6,384	11,601
Deferred income	0	0
Translation adjustment liabilities	11,986	0
Total accruals and other liabilities	**9,498,874**	**9,144,122**
Total equity and liabilities	**17,233,455**	**15,919,379**

Income statement

(in € thousands)	2023	2022
Rebillings	261,258	190,802
Sales of services in France	46,577	37,302
Total revenues	**307,834**	**228,104**
Operating grants	10	11
Reversals of depreciation, amortization and provisions; expense transfers	436	133
Other	8	0
Total operating income	**308,288**	**228,248**
Rebilled purchases	261,258	190,802
Other purchases and external charges	66,069	55,709
Taxes other than on income	1,168	701
Wages and salaries	22,819	19,416
Payroll taxes	9,110	7,127
Depreciation and amortization of fixed assets	27,379	16,335
Additions to provisions for impairment of current assets	0	0
Additions to provisions for contingencies and charges	0	0
Other expenses	1,272	444
Total operating expenses	**389,074**	**290,535**
Net operating expense	**(80,785)**	**(62,287)**
Interest and other financial income	2,002,741	1,523,044
Reversals of provisions	77,679	42
Foreign exchange gains	15,319	0
Net gains on disposals of marketable securities	3,012	154
Total financial income	**2,098,750**	**1,523,240**
Interest and other financial expenses	305,769	139,198
Additions to provisions	9,462	(36)
Foreign exchange losses	118	3
Net losses on disposals of marketable securities	0	968
Total financial expenses	**315,350**	**140,134**
Net financial income	**1,783,401**	**1,383,107**
Operating profit before exceptional items and tax	**1,702,615**	**1,320,820**
Exceptional income from operating transactions	0	0
Exceptional income from capital transactions	110,927	950,020
Reversals of provisions, expense transfers	11,151	53,239
Total exceptional income	**122,078**	**1,003,259**
Exceptional expense on operating transactions	0	0
Exceptional expense on capital transactions	75,118	245,116
Exceptional depreciation, amortization and provision expense	0	0
Total exceptional expenses	**75,118**	**245,116**
Net exceptional expense	**46,960**	**758,143**
Employee profit-sharing	0	2,300
Corporate income tax	68,567	59,168
Total income	**2,529,117**	**2,754,747**
Total expenses	**848,108**	**737,252**
Profit for the year	**1,681,009**	**2,017,495**

Statement of changes in equity

(in € thousands)	Share capital	Additional paid-in capital	Retained earnings and reserves	Profit for the year	Total equity
Equity at December 31, 2021	**14,930**	**510,414**	**4,188,506**	**1,462,455**	**6,176,305**
Movements in 2022					
Movements in share capital					0
Appropriation of 2021 profit			1,462,455	(1,462,455)	0
Dividends paid			(1,467,188)		(1,467,188)
Profit for the year				2,017,495	2,017,495
Other movements					0
Equity at December 31, 2022	**14,930**	**510,414**	**4,183,773**	**2,017,495**	**6,726,612**
Movements in 2023					
Movements in share capital					0
Appropriation of 2022 profit			2,017,495	(2,017,495)	0
Dividends paid			(294,510)		(294,510)
Profit for the year				1,681,009	1,681,009
Other movements			(413,419)		(413,419)
Balance at December 31, 2023	**14,930**	**510,414**	**5,493,338**	**1,681,009**	**7,699,691**

Significant events of 2023

Reorganization of Investissement dans la fibre des territoires (IFT)

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

This transaction resulted in the recognition of a €46,960 thousand capital gain in iliad's financial statements, recorded under exceptional income.

Movements in bond debt during the year

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

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

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

Recapitalization of iliad Italia Holding

On December 29, 2023, iliad recapitalized its wholly owned subsidiary iliad Italia Holding, which in turn holds the various interests in the Group's Italian operations.

This recapitalization, amounting to €3.5 billion, was made by deducting an equivalent amount from the advances granted by iliad to its subsidiary since the Group's entry into the Italian telecoms market.

Notes to the financial statements

These financial statements and the notes thereto have been prepared based on the following data, within the meaning of Articles L.123-16 and D.123-200 of the French Commercial Code (*Code de Commerce*):

- year-end: **December 31, 2023**;
- accounting period: **12 months**;
- previous accounting period: **12 months**;
- total assets at December 31, 2023: **€17,233,455 thousand**;
- 2023 revenues: **€307,834 thousand**;
- number of employees at December 31, 2023: **271**.

The balance sheet and income statement are presented in the standard format provided for in the French Commercial Code (Articles R.123-182 and R.123-190 for the balance sheet and Articles R.123-192 and R.123-193 for the income statement). The financial statements have been prepared in accordance with French generally accepted accounting principles.

Note: Unless otherwise specified, all amounts in the following notes are stated in thousands of euros.

7.1 Accounting principles and policies

7.1.1 General accounting principles

These financial statements have been prepared in accordance with French accounting standards (ANC regulation 2014-03 dated June 5, 2014 and subsequent regulations).

They have been prepared on a going concern basis, in accordance with generally accepted accounting principles in France – including the principles of prudence and segregation of accounting periods – applied consistently from one accounting period to the next.

7.1.2 Exceptions

No exceptions to French generally accepted accounting principles were applied in the preparation of these financial statements.

7.1.3 Summary of significant accounting policies

The main accounting policies applied by the Company are described below.

7.1.3.1 Property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are stated at acquisition cost (including incidental expenses) or production cost.

Depreciation and amortization are calculated by the straight-line method over the following estimated useful lives:

Software	2 to 4 years
Trademarks/Domain names	2 to 10 years
Buildings	20 to 30 years
Fixtures and fittings	5 to 15 years
Technical equipment	5 years
Computer equipment	1 to 4 years
Furniture	5 to 6.5 years

7.1.3.2 Investments in subsidiaries and affiliates, loans and advances to subsidiaries and affiliates, and other investment securities

Investments in subsidiaries and affiliates, loans and advances to subsidiaries and affiliates, and other investment securities are stated at cost (excluding incidental expenses). A provision for impairment is recorded when their value in use falls below their carrying amount on an other-than-temporary basis. Value in use is determined based on the net assets of the company concerned and its projected future earnings.

7.1.3.3 Receivables

Receivables are stated at nominal value.

A provision for impairment is recorded when it is uncertain that the receivable will be recovered, determined based on the risk of non-recovery.

7.1.3.4 Marketable securities

Marketable securities are stated at their transfer value or acquisition cost and are written down to their net realizable value where necessary.

7.1.3.5 Foreign currency transactions

Income and expenses denominated in foreign currencies are converted at the exchange rate prevailing on the transaction date.

Balance sheet items are converted at the year-end rate.

7.1.3.6 Provisions for contingencies and charges

iliad's obligations to third parties known at the balance sheet date are certain or likely to cause an outflow of economic resources, without at least equivalent consideration, a provision is recorded when the amount can be estimated reliably.

In accordance with recommendation 2013-02 dated November 7, 2013 issued by France's accounting standards authority (the "ANC"), as amended on November 5, 2021, in 2021, the Company changed the method it uses for calculating its retirement benefit obligations. Under the new method, the retirement benefit obligation is calculated by reference to the benefit entitlement accrued by an employee at their retirement date. The amount of the retirement benefit to which an employee is entitled depends on their length of service and their annual salary prior to their retirement date. The benefit is attributed on a straight-line basis over the period preceding retirement which would result in the employee accruing the maximum capped benefit entitlement. The benefit entitlement vests when the employee retires and it is paid in the form of a lump sum.

7.1.3.7 Difference between operating and exceptional items

Exceptional income and expenses include both exceptional items relating to ordinary activities and extraordinary items.

Exceptional items relating to ordinary activities correspond to items that are unusual in terms of their amount or impact or which arise from events that occur rarely.

7.1.3.8 Use of estimates

The preparation of financial statements in accordance with accounting principles generally accepted in France involves the use of estimates and assumptions which may have an impact on the reported amounts in the financial statements and accompanying notes. Actual amounts may differ from these estimates.

7.2 Notes to the Balance Sheet at December 31, 2023

7.2.1 Intangible assets

7.2.1.1 Movements in 2023

Movements in intangible assets in 2023 can be analyzed as follows:

Intangible assets *(in € thousands)*	**Depreciation and amortization at Jan. 1, 2023**	**Acquisitions**	**Transfers**	**Disposals**	**Depreciation and amortization at Dec. 31, 2023**
Software	2,809	0	0	(1,351)	1,458
Trademarks	67	0	0	0	67
Assets in progress	0	0	0	0	0
Total	**2,875**	**0**	**0**	**(1,351)**	**1,525**

7.2.1.2 Trademarks

The Company has registered several trademarks related to its corporate name and businesses.

7.2.2 Property, plant and equipment

7.2.2.1 Movements in 2023

Movements in property, plant and equipment in 2023 can be analyzed as follows:

Property, plant and equipment *(in € thousands)*	**Depreciation and amortization at Jan. 1, 2023**	**Acquisitions**	**Disposals**	**Depreciation and amortization at Dec. 31, 2023**
Land	66	0	0	66
Buildings	200	0	0	200
Fixtures and fittings	25,721	5,386	0	31,107
Technical equipment	648	0	0	648
Computer equipment	2,347	475	0	2,822
Furniture	4,001	804	0	4,805
Assets in progress	0	0	0	0
Total	**32,982**	**6,665**	**0**	**39,648**

7.2.2.2 Analysis of property, plant and equipment

- **Land and buildings**

The Company owns a building at rue de Crimée in Paris, France.

- **Fixtures and fittings and technical equipment**

These items primarily concern buildings located in central Paris that house the head office of the Company and several subsidiaries.

- **Computer equipment**

This item corresponds to purchased computer equipment.

7.2.3 Long-term investments

7.2.3.1 Movements in 2023

Long-term investments *(in € thousands)*	**Depreciation and amortization at Jan. 1, 2023**	**Acquisitions**	**Transfers**	**Disposals**	**Depreciation and amortization at Dec. 31, 2023**
Investments in subsidiaries and affiliates	2,405,151	3,718,961		(63,960)	6,060,152
Loans and advances to subsidiaries and affiliates	4,945,775	16,198,579		(20,591,022)	553,332
Other investment securities	201,852		(193,945)		7,907
Other loans	7,822,997	1,335,955		(109,000)	9,049,952
Other long-term investments	4,044	15,055	193,945	(79)	212,965
Total	**15,379,820**	**21,268,550**	**0**	**(20,764,061)**	**15,884,308**

7.2.3.2 Investments in subsidiaries and affiliates

The main movements in this item during the year reflect the following:

- €138 million capital increase for iliad 10;
- €14 million capital increase for F Distribution;
- €5.7 million capital increase for IH;
- €3,500 million capital increase for iliad Italia Holding;
- purchase of €8.6 million worth of iliad Purple shares from minority shareholders;
- contribution of IFT securities held for €64 million to SPIN in exchange for securities with a total value of €110.9 million.

7.2.3.3 Loans and advances to subsidiaries and affiliates

iliad S.A. is responsible for the Group's overall cash management and notably provides financing for (i) investments in optical fiber made by its subsidiaries Réseau Optique de France, Immobilière iliad and IRE, (ii) investments related to the Mobile business made by its subsidiary Free Mobile, and (iii) mobile telephony operations carried out in Italy by its subsidiaries iliad Holding S.p.A. and iliad Italia.

7.2.3.4 List of subsidiaries and affiliates

See table below.

	Share capital *(in € thousands)*	Reserves and retained earnings *(in € thousands)*	% ownership	2022 profit/loss *(in € thousands)*	Gross value of shares held *(in € thousands)*	Net value of shares held *(in € thousands)*	Loans and advances granted by the Company *(in € thousands)*	Commi-tments given *(in € thousands)*	2022 revenues *(in € thousands)*	Dividends received during the year *(in € thousands)*
Assunet SAS Registration no.: 421 259 797	38	1,131	89.96	2,432	34	34	0	/	4,123	1,529
F Distribution SAS Registration no.: 528 815 376	5,000	267	100.00	(3,096)	39,000	39,000	50,379	/	87,930	0
Fibre Inc. (USA)[(a)]	KUSD 20,243	KUSD (307)	100.00	KUSD (5,716)	17,122	17,122	97,345	/	KUSD 0	0
Free SAS Registration no.: 421 938 861	3,442	595,502	100.00	207,659	496,836	496,836	2,923,568	/	3,382,424	44,132
Freebox SAS Registration no.: 433 910 619	50	32,743	98.92	2,335	6,026	6,026	37,969	/	509,544	0
Free Caraïbes SAS Registration no.: 808 537 641	2,000	(19,923)	100.00	(25,846)	19,521	19,521	87,875	/	17,434	0
Free Dial SAS Registration no.: 799 285 820	10	(4)	100.00	(23)	65	65	0	/	0	0
Free Mobile SAS Registration no.: 499 247 138	365,139	342,111	100.00	671,526	424,880	424,880	1,646,304	/	3,026,326	600,000
Free Réseau SAS Registration no.: 419 392 931	2,511	1,217	100.00	(320)	20,775	20,775	0	/	240,310	0
Home Labs Registration no.: 884 954 090	150	(3,397)	49.00	(5,742)	74	74	0	/	362	0
IH SAS Registration no.: 441 532 173	39	4	100.00	102	7,063	0	0	/	1,387	0
iliad 10 Registration no.: 844 880 492	139,014	(4,442)	100.00	(3,874)	141,515	141,515	160,576	/	0	0
iliad 14 Registration no.: 908 714 348	10	(90)	100.00	(37)	10	10	5,373	/	0	0
iliad 15 Registration no.: 921 763 397	10	(2)	100.00	(4)	10	10	0	/	0	0
iliad 16 Registration no.: 921 855 573	10	(3)	100.00	(4)	10	10	0	/	0	0
iliad 17 Registration no.: 982 150 864	10	0	100.00	(4)	10	10	0	/	0	0
iliad 18 Registration no.: 982 165 912	10	0	100.00	(4)	10	10	0	/	0	0
iliad 19 Registration no.: 982 109 688	10	0	100.00	(4)	10	10	0	/	0	0
iliad 6 SAS Registration no.: 834 309 486	10	(1,638)	100.00	(390)	260	260	2,408	/	0	0
iliad 78 SAS Registration no.: 834 315 673	8,853	1,467	89.00	(381)	10,953	10,953	13	/	5,307	0

	Share capital *(in € thousands)*	Reserves and retained earnings *(in € thousands)*	% ownership	2022 profit/ loss *(in € thousands)*	Gross value of shares held *(in € thousands)*	Net value of shares held *(in € thousands)*	Loans and advances granted by the Company *(in € thousands)*	Commi-tments given *(in € thousands)*	2022 revenues *(in € thousands)*	Dividends received during the year *(in € thousands)*
iliad 9 Registration no.: 880 117 064	10	2	100.00	(4)	21	21	0	/	0	0
iliad Investments Registration no.: 919 740 605	100	(3)	40.85	(31)	41	41	0	/	0	0
iliad Italia Holding S.p.A.	350,000	(3,470,884)	100.00	(31,480)	3,850,035	3,850,035	112,450	/	4,226	0
iliad Purple SAS Registration no.: 537 915 050	12	(182,605)	92.02	566,102	181,589	181,589	2,161,192	/	1,259	718,927
Immobilière iliad EURL Registration no.: 501 194 419	1,000	1,687	100.00	(777)	47,456	2,071	9,161	/	0	0
IRE SAS Registration no.: 489 741 645	1,000	120	100.00	6,420	31,398	31,398	30,201	/	13,692	4,500
MCRA SAS Registration no.: 532 822 475	4,268	598	100.00	3,298	7,695	7,695	6,970	/	8,457	4,200
NJJ Boru SAS Registration no.: 833 797 467	419,250	90,119	49.00	207,157	250,182	250,182	0	/	1,750	61,250
Protelco SAS Registration no.: 509 760 948	37	6,420	100.00	2,530	37	37	0	/	88,778	2,035
Resolution Call[(b)]	KMAD 839	KMAD 8,658	100.00	KMAD 3,709	80	80	4,738	559	KMAD 127,693	0
Réseau Optique de France Registration no.: 488 095 803	1,000	54,293	100.00	(17,322)	439,124	439,124	1,536,918	/	255,922	40,000
Scaleway SAS Registration no.: 433 115 904	214	(3,583)	97.58	(28,225)	6,522	6,522	191,349	/	106,491	0
Sepia SAS Registration no.: 839 216 819	100	17	50.00	32	50	50	0	/	491	0
Solid 19 SAS Registration no.: 790 148 944	6,810	550	100.00	227	6,832	6,832	12,005	/	0	0
Soc. Part. Invest. Numérique Registration no.: 980 465 108	92,988	0	13.69	(44,387)	42,445	42,445	5,396		0	0
Telecom Academy “Privé”[(b)]	KMAD 616	KMAD 8,523	100.00	KMAD 722	59	59	417	/	KMAD 16,331	0
Total Call[(b)]	KMAD 16,569	KMAD 91,606	100.00	KMAD 5,897	1,544	1,544	3,894	/	KMAD 182,242	0
Trax Registration no.: 850 134 388	10	(5,236)	98.00	5,760	10	10	10,868	/	12,500	0
Telecom Reunion Mayotte Registration no.: 812 123 214	21,710	(8,566)	50.00	20,800	10,850	10,850	0	/	1,200	7,500
University F 233 Registration no.: 891 401 507	20	0	100.00	(118)	41	41	0	/	98	0

(a) EUR/USD exchange rate: 1.0813.
(b) EUR/MAD exchange rate: 10.9794.

7.2.3.5 Related-party transactions

(in € thousands)	Debit balances	Credit balances
Other loans	9,049,952	0
Loans and advances to subsidiaries and affiliates	553,331	85,210
Trade receivables	203,511	0
Deposits received for business premises	0	0
Miscellaneous borrowings	0	0
Trade payables	0	137
Other receivables/payables	0	6,384
Total financial expenses	1,105	
Total financial income	0	1,975,552

Other loans

At December 31, 2023, the amount of long-term loans granted by iliad to its subsidiaries Free, Réseau Optique de France, iliad Purple, Free Mobile, iliad 10, F Distribution, Scaleway, IRE, Freebox, Free Caraïbe and to its Polish subsidiary P4 amounted to €9,050 million.

The weighted average interest rate applied was set by comparison with the rates that would have been applied on the market. These loans are repayable at maturity in 2027-2028.

7.2.3.6 Impairment of long-term investments

(in € thousands)	At Dec. 31, 2022	Additions	Reversals	At Dec. 31, 2023
Investments in subsidiaries and affiliates	117,894	9,462	(71,950)	55,407
Loans and advances to subsidiaries and affiliates	5,729	0	(5,729)	0
Total	**123,623**	**9,462**	**(77,679)**	**55,407**

Investments in subsidiaries and affiliates written down mainly concern IH (€7,063 thousand), Immobilière iliad (€45,385 thousand) and Unieuro €2,958 thousand.

Provision reversals relate to a company that is no longer in business and that was wound up in 2023.

7.2.3.7 Depreciation and amortization

Movements in depreciation and amortization are broken down in the following table:

Depreciation and amortization *(in € thousands)*	Depreciation and amortization at Dec. 31, 2022	Additions for the year	Divested assets	Depreciation and amortization at Dec. 31, 2023
Intangible assets				
Sub-total I	**2,578**	**198**	**(1,351)**	**1,426**
Property, plant and equipment				
Buildings	200	0	0	200
Other property, plant and equipment:	0	0	0	0
Technical equipment	618	27	0	645
Fixtures and fittings	10,214	2,616	0	12,830
Furniture, office and computer equipment	4,173	1,012	0	5,185
Sub-total II	**15,205**	**3,654**	**0**	**18,860**
Total I+II	**17,784**	**3,852**	**(1,351)**	**20,286**

7.2.4 Other assets

7.2.4.1 Analysis of receivables by maturity

An analysis of the Company's receivables by maturity is provided in the table below:

At December 31, 2023 *(in € thousands)*	**Gross amount**	**Due within 1 year**	**Due beyond 1 year**
Fixed assets			
• loans and advances to subsidiaries and affiliates	553,331	553,331	0
• other loans	9,049,952	0	9,049,952
• other long-term investments	212,966	208,464	4,502
Current assets			
• advances and prepayments on orders	0	0	0
• trade receivables	203,576	203,576	0
• doubtful and disputed receivables	93	93	0
• recoverable payroll and other employee-related taxes	0	0	0
• employee-related receivables	1,013	1,013	0
• recoverable corporate income tax	0	0	0
• recoverable VAT	3,699	3,699	0
• other receivables (including inter-company current accounts)	31,990	31,990	0
• prepaid expenses	14,967	6,814	8,154
Total	**10,071,588**	**1,008,980**	**9,062,609**

Prepaid expenses primarily correspond to bond issue premiums, which are being amortized on a straight-line basis over the life of the bonds concerned.

7.2.4.2 Debt issuance costs

Expenses incurred in relation to issuing or setting up the Group's borrowings are amortized on a straight-line basis over the life of the borrowings concerned.

Movements in debt issuance costs were as follows in 2023:

(in € thousands)	**Amount**
• Accumulated debt issuance costs at start of the year	94,023
• Prior-period amortization	(48,841)
• Debt issuance costs recognized during the year	10,482
• Amortization charge for the year	(23,526)
Net at December 31, 2023	**32,138**

7.2.4.3 Marketable securities

Marketable securities break down as follows:

	At December 31, 2023		At December 31, 2022	
(in € thousands)	Carrying amount	Fair value	Carrying amount	Fair value
Certificates of deposit				
Net value	161,485	161,485	0	0
Mutual funds (UCITs)				
Net value	95,263	95,263	4,196	4,196
Own shares				
Net value	61,776	95,173	93,253	134,585
Treasury instruments				
Net value	2,762	2,762	1,312	1,312
Total, net	**321,287**	**354,684**	**98,761**	**140,093**

iliad's policy is to invest its cash in instruments that qualify as cash equivalents. As a result, these investments:

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

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

iliad has purchased currency futures in order to hedge the exposure of its subsidiary Freebox to the volatility of the US dollar. The premiums paid on the signature of the hedging contracts have been recognized in the balance sheet, under "Treasury instruments" and will be recycled to the income statement as the related hedges expire.

7.2.5 Share capital and changes in share capital

7.2.5.1 Share capital

At December 31, 2023 the Company's share capital amounted to €14,930 thousand, divided into 59,720,238 shares which are all fully paid-up.

7.2.5.2 Form of the shares

iliad's shares may be held in either registered or bearer form.

The Company does not have any preference shares.

7.2.5.3 Changes in share capital

There were no changes in the Company's share capital in 2023.

7.2.5.4 Ownership structure

At December 31, 2023, iliad's ownership structure was as follows:

Shareholder	Number of shares	%
Holdco 2	58,728,482	98.34%
Other shareholders	449,767	0.75%
Own share held	541,989	0.91%
Total	**59,720,238**	**100%**

7.2.5.5 Dividends

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

This dividend was paid on May 26, 2023.

Dividends paid in 2023:

- the dividend paid in 2023 for 2022 totaled €294,510,460;
- the interim dividend paid in 2023 totaled €413,419,272.

This represents a total payout in 2023 of €707,930 thousand.

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

7.2.5.6 Own shares

At December 31, 2023, iliad held 541,989 of its own shares.

7.2.5.7 Share grant plans

2017 Plan

Following an authorization given at the May 19, 2016 Annual General Meeting, iliad set up a share grant plan involving shares representing up to 0.5% of its share capital.

During 2017, the Company granted shares representing 0.5% of its share capital to 61 employees and executive officers under this plan.

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

- October 30, 2020: 40% of the shares were due to vest if the EBITDA margin in France for 2019 (excluding sales of devices) was higher than the EBITDA margin in France for 2017;
- October 30, 2021: 10% of the shares were due to vest if the EBITDA margin in France (excluding sales of devices) for 2020 was higher than 40%;
- October 30, 2022: 10% of the shares were due to vest if the total number of fiber subscribers was higher than 1.7 million at October 1, 2022;
- October 30, 2023: 40% of the shares were due to vest if the total number of fiber subscribers was higher than 2.5 million at October 1, 2023.

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

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

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

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

2018 Plan

Following an authorization given at the Annual General Meeting of May 16, 2018, iliad set up a share grant plan involving shares representing up to 1% of its share capital.

During 2018, the Company granted shares representing 0.5% of its share capital to 122 Group employees and executive officers.

The vesting of these shares – which will take place in four equal tranches between 2021 and 2024 – is subject to (i) the beneficiary still forming part of the Group at the vesting date and (ii) performance conditions for each tranche.

- September 30, 2021 – end of the vesting period for Tranche 1:
  - 50% of the shares were due to vest if EBITDA less Capex for France (excluding B2B operations) was higher than €1 billion at December 31, 2020, and
  - 50% of the shares were due to vest if the EBITDA margin for France for 2020 (excluding sales of devices) was higher than 40%;
- September 30, 2022 – end of the vesting period for Tranche 2: all of the Tranche 2 shares will vest if the EBITDA margin for France (excluding sales of devices) is higher for the year ended December 31, 2021 than for the year ended December 31, 2020;
- September 30, 2023 – end of the vesting period for Tranche 3:
  - 50% of the shares were to vest if the number of fiber subscribers in France was higher than 3 million at September 1, 2023,
  - 50% of the shares were to vest if the number of mobile subscribers in Italy was higher than 6 million at September 1, 2023;
- September 30, 2024 – end of the vesting period for Tranche 4:
  - 50% of the shares will vest if the number of fiber subscribers in France is higher than 3.5 million at September 1, 2024,
  - 50% of the shares will vest if the Group's revenues in Italy are higher than €500 million at June 30, 2024.

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

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

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

2019 Plan

During 2019, the Company set up a share grant plan representing almost 0.5% of its share capital and covering 184 Group employees and executive officers.

The vesting of these shares – which took place in three unequal tranches between 2021 and 2023 – was subject to (i) a continuous service condition, for all of the shares granted, and (ii) performance conditions for 41% of the shares granted. The performance conditions applicable to each tranche were as follows:

- November 30, 2021 – end of the vesting period for Tranche 1 (representing 30% of the total shares granted): the shares were due to vest if consolidated EBITDAaL less Capex (excluding payments for frequencies) in 2020 was at least equal to consolidated EBITDAaL less Capex (excluding payments for frequencies) for 2019;

- November 30, 2022 – end of the vesting period for Tranche 2 (representing 40% of the total shares granted):
  - 50% of the shares were to vest if the number of fiber subscribers was equal to or higher than 3 million at June 30, 2022,
  - 50% of the shares were to vest if consolidated EBITDAaL margin for 2021 was equal to or higher than consolidated EBITDAaL margin for 2019;
- November 30, 2023 – end of the vesting period for Tranche 3 (representing 30% of the total shares granted): the shares were to vest if the number of fiber subscribers was equal to or higher than 3.7 million at June 30, 2023.

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

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

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

2020 Plan

Following an authorization given at the Annual General Meeting of July 21, 2020, iliad set up a share grant plan involving shares representing up to 2% of its share capital.

During 2020, the Company granted shares representing approximately 0.16% of its share capital to 268 Group employees and executive officers.

The vesting of these shares – which will take place in three unequal tranches between 2022 and 2024 – is subject to a continuous service condition. The vesting dates for the plan's three tranches are as follows:

- December 9, 2022 – for Tranche 1 (30% of the total shares granted);
- November 30, 2023 – for Tranche 2 (40% of the total shares granted);
- November 30, 2024 – for Tranche 3 (30% of the total shares granted).

On December 9, 2022, the Company's Chief Executive Officer placed on record that the performance conditions for the first tranche of the plan had been met. Consequently, on this date the Company delivered to the plan's beneficiaries 27,162 iliad shares that it held in treasury.

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

2022 Plan

Following an authorization given at the Annual General Meeting of July 21, 2020, iliad set up a share grant plan involving shares representing up to 2% of its share capital.

During 2022, the Company set up a second grant representing approximately 0.20% of its share capital and covering 428 beneficiaries.

It was broken down into two unequal tranches, exercisable in 2024 and 2025 subject to a continued presence condition:

- June 1, 2024: Tranche 1, which concerns the plan's French and Polish beneficiaries;
- June 1, 2025: Tranche 2, which concerns the plan's Italian beneficiaries.

2023 Plan

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

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

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

7.2.6 Provisions for contingencies and charges

7.2.6.1 Movements in 2023

Movements in provisions for contingencies and charges in 2023 can be analyzed as follows:

(in € thousands)	Depreciation and amortization at Dec. 31, 2022	Additions in 2023	Reversals in 2023 (utilizations)	Reversals in 2023 (surplus provisions)	Depreciation and amortization at Dec. 31, 2023
Provisions for employment tribunal cases	0	0	0	0	0
Provisions for other contingencies and charges	48,645	10,036	(23,791)	0	34,890
Total	**48,645**	**10,036**	**(23,791)**	**0**	**34,890**

7.2.6.2 Recognition of provisions for contingencies and charges

Provisions for contingencies and charges

The provisions for contingencies and charges recognized at December 31, 2023 are intended to cover all of the circumstances of which the Company was aware at that date that could have an adverse effect on its assets or liabilities.

7.2.7 Other liabilities

None of the Company's payables are significantly aged or unusual.

An analysis of the Company's borrowings and payables by maturity is provided in the table below.

At December 31, 2023 *(in € thousands)*	Gross amount	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Bonds:				
• due within one year at issue date	0	0	0	0
• due beyond one year at issue date	4,659,728	759,728	2,750,000	1,150,000
Bank borrowings:				
• due within one year at inception of loan	510,000	510,000	0	0
• due beyond one year at inception of loan	3,515,796	102,296	2,904,000	509,500
Bank overdrafts	17,779	17,779	0	0
Other borrowings	629,590	629,590	0	0
Guarantees and deposits received	0	0	0	0
Current accounts with subsidiaries	85,210	85,210	0	0
Advances and prepayments received	0	0	0	0
Trade payables	35,405	35,405	0	0
Employee-related payables	1,800	1,800	0	0
Accrued payroll and other employee-related taxes	1,589	1,589	0	0
Other accrued taxes:				
• corporate income tax	16,237	16,237	0	0
• VAT	5,869	5,869	0	0
• other	1,070	1,070	0	0
Amounts due on fixed assets	432	432	0	0
Other payables	6,384	6,384	0	0
Total	**9,486,889**	**2,173,389**	**5,654,000**	**1,659,500**

Main movements in bond debt and private placements during the year

On February 8, 2023, iliad successfully placed a €500 million bond issue with a seven-year maturity, paying interest at 5.625% per year. The bonds will be redeemed at face value at maturity on February 15, 2030.

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

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

Main movements in bank borrowings during the year

On February 20, 2023, following the aforementioned bond issue on February 8, 2023, iliad repaid €500 million of the mid-term facility, therefore reducing the amounts drawn down under this facility to a total €200 million at that date.

On July 20, 2023, iliad amended and carried out a drawdown on its mid-term facility, reducing the amount drawn down under this facility from €750 million to €650 million, extending its maturity to January 21, 2025 from January 1, 2024, and obtaining more favorable lending conditions throughout the facility's term.

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

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

Short- and medium-term commercial paper program

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

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

€700 million trade receivables securitization program

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

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

Breakdown of iliad S.A.'s debt

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

Contract	Issue date	Maturity	Currency	Nominal rate	Dec. 31, 2023 Outstanding amount *(€m)*
iliad – SUN[(a)]	Oct. 12, 2017	Oct. 14, 2024	EUR	1.500%	445
iliad – SUN	April 25, 2018	April 25, 2025	EUR	1.875%	650
iliad – SUN	June 17, 2020	June 17, 2026	EUR	2.375%	650
iliad – SUN	Feb. 11, 2021	Feb. 11, 2024	EUR	0.750%	235
iliad – SUN	Feb. 11, 2021	Feb. 11, 2028	EUR	1.875%	700
iliad – SUN	Dec. 12, 2022	June 14, 2027	EUR	5.375%	750
iliad – SUN	Feb. 15, 2023	Feb. 15, 2030	EUR	5.625%	500
iliad – SUN	Dec. 15, 2023	Feb. 15, 2029	EUR	5.375%	650
iliad – SSD[(b)] 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[(b)] 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, 2027	EUR	1.400%	15
Tranche 6	June 30, 2021	June 30, 2027	EUR	1.400% + Euribor	8
Tranche 7	June 30, 2021	June 30, 2028	EUR	1.700%	8
Tranche 8	June 30, 2021	June 30, 2028	EUR	1.700% + Euribor	22
iliad – SSD[(b)] 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					**5,273**

Notes:
(a) SUN: Senior Unsecured Notes.
(b) SSD: *Schuldschein* (non-guaranteed private placements under German law).

The Group's bank borrowings break down as follows:

Contract	Issue date	Maturity	Type of repayment	Currency	Nominal rate[a]	Dec. 31, 2023 Outstanding amount (€m)	Dec. 31, 2023 Amount available (€m)
iliad – EIB Loans							
2016	Dec. 8, 2016	Sept. 19, 2030	Install.	EUR	1.621%	140	-
2018 – T1	Dec. 14, 2018	Feb. 1, 2033	Install.	EUR	1.921%	200	-
2018 – T2	Dec. 14, 2018	April 8, 2033	Install.	EUR	1.602%	100	-
2020 – T1	Nov. 9, 2020	Nov. 23, 2028	At maturity	EUR	0.835%	150	-
2020 – T2	Nov. 9, 2020	March 29, 2029	At maturity	EUR	1.004%	150	-
2022[b]	Dec. 13, 2022	June 13, 2030	At maturity	EUR	Not set[c]	-	300
2023	Dec. 19, 2023	Not set	Not set	EUR	Not set	-	300
iliad – KFW Loans							
2017	Dec. 13, 2018	June 13, 2029	Install.	EUR	1.100% + Euribor	50	-
2019	April 26, 2020	Oct. 9, 2030	Install.	EUR	1.100% + Euribor	105	-
iliad – RCF	July 27, 2022	July 27, 2028	At maturity	EUR	1.000% + Euribor	-	2,000
iliad – Term Loan	Dec. 18, 2020	Dec. 18, 2025	At maturity	EUR	1.600% + Euribor	900	-
iliad – Mid-Term	July 2, 2022	Jan. 1, 2025	At maturity	EUR	1.250% + Euribor	-	650
iliad – Term Loan	July 27, 2022	July 27, 2027	At maturity	EUR	1.500% + Euribor	1,000	-
Total – iliad						**2,795**	**3,250**

Notes:
(a) Rates applicable at December 31, 2023, which can vary depending on the leverage ratio of the iliad Group and Play respectively, except for under the EIB loan contracts signed in 2020.
(b) The maturity date shown is indicative and depends on the drawdown date(s) and the maturity chosen. The final interest rate is set at each drawdown.
(c) The final interest rate is set at each drawdown.

7.3 2023 review of operations

7.3.1 Revenues

2023 revenues can be analyzed as follows by segment:

(in € thousands)	Amount
iliad Telecom services	90
Inter-company rebillings	261,258
Inter-company services	41,550
Other	4,937
Total	**307,834**

The Company's revenues are generated in France and Italy.

7.3.2 Number of employees

At December 31, 2023, iliad S.A. had 271 employees, split out as follows by category:

Number of employees at December 31, 2023	Men	Women	Total
Management	74	85	159
Other	45	67	112
Total	**119**	**152**	**271**

The average number of employees during 2023 was 262.

7.3.3 Net financial income

Net financial income came to €1,783,401 thousand in 2023, breaking down as follows:

(in € thousands)	Amount
Net interest on subsidiaries' current accounts	263,437
Interest income from loans and other receivables	247,308
Income from securities	1,489,578
Net additions to financial provisions	68,217
Overdraft charges, interest on borrowings and other financial expenses	(302,090)
Net proceeds from disposals of marketable securities	3,012
Net losses on disposals of own shares	0
Net foreign exchange gains	15,201
Other financial expenses	(1,262)
Total	**1,783,401**

7.3.4 Exceptional items

In 2023, exceptional items represented a net expense of €46,960 thousand and corresponded to:

(in € thousands)	Amount
Expense transfers	11,151
Gains on disposals of fixed assets	46,960
Losses on share buybacks	(11,151)
Total	**46,960**

The expense transfers recognized during the year relate to the share grant program.

Capital gains on disposals of fixed assets relate mainly to the transfer of IFT shares in consideration for SPIN shares (see section on significant events of the year).

7.3.5 Directors' and officers' compensation

The tables below set out aggregate information concerning the compensation and benefits paid to members of iliad's administrative and management bodies.

Administrative bodies

(in €)	2023	2022
Salaries, commission and other compensation (including lump-sum expense allowances), and paid leave	230,400	230,780
Directors' remuneration:		
• exempt from payroll taxes	268,000	210,000

Management bodies

(in €)	2023	2022
Salaries, commission and other compensation (including lump-sum expense allowances), and paid leave	344,015	217,180
Benefits-in-kind	0	0

In 2023, Holdco invoiced €1,212 thousand to iliad for the management services it provided during the year.

7.4 Financial items

7.4.1 Finance leases

iliad S.A. had no outstanding finance leases at December 31, 2023.

7.4.2 Financial instruments

The iliad Group's functional currency is the euro. However, it purchases certain goods and services outside the eurozone and is therefore exposed to foreign exchange risk, mainly in relation to the US dollar.

Detailed forecasts of the Group's future purchases denominated in US dollars are drawn up and the transactions may be hedged over a period of up to one and a half years.

The Company has chosen to hedge a portion of the Group's exposure to foreign exchange risk through purchases of forwards and options in order to obtain a guaranteed floor rate.

The cost of the hedging instruments set up by the Company is rebilled in full to the subsidiaries whose commercial transactions in US dollars are effectively hedged.

7.4.3 Financial commitments

At December 31, 2023, iliad had access to the credit facilities described in Note 2.7. The following facilities had not been used at that date:

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

- **Commitments given by iliad S.A. on behalf of Group companies**

At December 31, 2023, iliad S.A. had given the following commitments on behalf of Group companies:

Subsidiary	Amount *(in € thousands)*
Resolution Call	559

- **Other commitments given by iliad S.A.**

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

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

iliad S.A. has also given the following commitments:

- a €1,300 thousand commitment to Union Investment Real;
- a €3,000 thousand first-demand guarantee to the Mairie de Paris;
- a €5,200 thousand commitment to Engie in connection with a Power Purchase Agreement.

- **Collateralized debt**

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

7.4.4 Post-employment benefits

The Company's obligation for statutory retirement bonuses has been measured and recognized using the projected unit credit method, which sees each period of service as giving rise to an additional unit of benefit entitlement, and applying the corridor rule.

In accordance with recommendation 2013-02 dated November 7, 2013 issued by France's accounting standards authority (the "ANC"), as amended on November 5, 2021, in 2021, the Company changed the method it uses for calculating its retirement benefit obligations. Under the new method, the retirement benefit obligation is calculated by reference to the benefit entitlement accrued by an employee at their retirement date. The amount of the retirement benefit to which an employee is entitled depends on their length of service and their annual salary prior to their retirement date. The benefit is attributed on a straight-line basis over the period preceding retirement which would result in the employee accruing the maximum capped benefit entitlement. The benefit entitlement vests when the employee retires and it is paid in the form of a lump sum.

The Company's obligation for post-employment benefits amounted to €1,066 thousand at December 31, 2023 (versus €836 thousand at December 31, 2022).

7.5 Additional information

7.5.1 Consolidation

iliad – which is registered under number 342 376 332 and whose registered office is located at 16, rue de la Ville l'Évêque, 75008 Paris, France – prepares consolidated financial statements in its capacity as the parent company of the iliad Group.

7.5.2 Tax-related information

7.5.2.1 Tax group

As from 2022, iliad is part of iliad Holding's tax group.

The following rules apply within the tax group:

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

7.5.2.2 Deferred taxes

Items subject to adjustments for the purposes of calculating taxable profit will have the following expected impact on taxes in future years:

Type of temporary difference	Amount *(in € thousands)*
Deferred tax liabilities	/
Total	**/**
Total deferred tax liabilities	**/**
Deferred tax assets	
• government housing levy	30
• *contribution sociale* surtax	116
• temporary differences related to marketable securities	279
Total	**425**
Total deferred tax assets	**425**
Tax loss carryforwards for the Company	None

7.5.2.3 Corporate income tax relating to exceptional items

The Company recorded a corporate income tax expense of €68,567 thousand for 2023, breaking down as follows:

- portion relating to ordinary activities: €65,072 thousand;
- portion relating to exceptional items: €3,495 thousand.

7.5.3 Information on the segregation of accounting periods

7.5.3.1 Accrued expenses

Accrued expenses included in balance sheet items break down as follows:

Balance sheet item *(in € thousands)*	Amount
Convertible bonds	0
Ordinary bonds	80,228
Bank borrowings	28,296
Trade payables	9,354
Accrued taxes and employee-related payables	2,964
Amounts due on fixed assets	0
Other payables	0
Total	**120,841**

7.5.3.2 Deferred income and prepaid expenses

Deferred income and prepaid expenses break down as follows:

(in € thousands)	Prepaid expenses	Deferred income
Operating expenses/income	4,052	0
Financial expenses/income	10,915	0
Exceptional expenses/income	0	0
Total	**14,968**	**0**

7.5.3.3 Breakdown of accrued income

Accrued income breaks down as follows:

Balance sheet item *(in € thousands)*	Amount
Other loans	208,464
Accrued revenues	167
Other receivables	28,197
Cash at bank and in hand	0
Total	**236,828**

7.5.4 Events after the balance sheet date

Investment in Tele2

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

7.6 Dividends paid in the past five fiscal years

The Board of Directors determines the dividend policy based on a review of the Company's earnings and financial position and other factors. The Board of Directors decided to pay two interim dividends amounting to (i) €3 per share, paid on August 30, 2023 and (ii) €4 per share, paid on December 20, 2023. In view of the interim dividends already paid, the balance of the dividend still to be paid amounts to €3 per eligible share. As a result, at the Annual General Meeting to be held on May 7, 2024, the Board of Directors will recommend the payment of a €3 per share dividend for all the shares making up the Company's share capital at that date, and carrying rights to the 2023 dividend. This dividend will be paid on May 13, 2024.

By default, in accordance with Article 200A of the French Tax Code (*Code Général des Impôts*), the gross amount of the dividend paid to individuals who are tax residents in France (within the meaning of both domestic law and international tax treaties) will be subject to (i) the 12.8% flat-rate dividend tax (PFU) and will not be eligible for the 40% tax relief provided for in Article 158-3 2° of the French Tax Code, and (ii) social security contributions at a rate of 17.2%, giving an overall taxation rate of 30%.

However, individual shareholders who are tax residents in France (within the meaning of both domestic law and international tax treaties) may expressly and irrevocably opt for all of their investment income that falls within the scope of the PFU to be taxed using the standard progressive income tax scale, in which case the above-mentioned 40% tax relief would apply. In all circumstances the dividend will be subject to social security contributions at a rate of 17.2%.

In addition, for taxpayers whose reference taxable income exceeds certain thresholds, their dividend may also be subject to the exceptional tax on high income earners provided for in Article 223 *sexies* of the French Tax Code, which amounts to 3% or 4% depending on the case.

The Company expects its dividend policy to be consistent with its expansion strategy in 2024. This does not, however, represent any commitment on the part of the Company, which may decide to reduce its dividend payment, or not make any dividend payment at all, depending on its financial results, capital expenditure requirements, and level of debt.

The Company paid the following dividends in the past five fiscal years:

Year	Per-share dividend	Total dividend
2018	€0.90	€52,192,522
2019	€2.60	€152,378,138
2020	€3.00	€175,378,593
2021	€25[a]	€1,467,188,650
2022	€5	€294,510,460

(a) The Board of Directors decided at its meeting on March 21, 2022, on an exceptional basis, to pay an interim dividend of €21.50 per share eligible for the dividend payment. This interim dividend was paid on March 29, 2022.

7.7 Statutory Auditors' report on the financial statements For the year ended December 31, 2023

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France. To the Shareholders,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of iliad SA for the year ended December 31, 2023.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at December 31, 2023 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors for the period from January 1, 2023 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by Article 5 (1) of Regulation (EU) No. 537/2014.

Justification of assessments – Key audit matters

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgment, were the most significant in our audit of the financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the financial statements.

Measurement of investments in subsidiaries and affiliates and related loans and advances

Description of risk

At December 31, 2023, the balance of investments in subsidiaries and affiliates and loans and advances to those entities amounted to €6,005 million and €553 million, respectively, compared to €2,287 million and €4,940 million the year prior, making them the largest balance sheet items. They are initially stated at their acquisition cost and subsequently impaired based on their fair value.

As indicated in Note 7.1.3.2 to the financial statements, value in use is estimated by management based on the net assets of the entities concerned at the balance sheet date, adjusted for projected future earnings. Estimating fair value thus requires management to exercise its judgment based on forward-looking information used to project future earnings.

Moreover, as indicated in Note 7.1.3.3 to the financial statements, loans and advances are stated at nominal value. A provision for impairment is recorded when it is uncertain that the receivable will be recovered, determined based on the risk of non-recovery. Forward-looking information is again used to estimate these risks and this also requires management to exercise its judgment.

Consequently, in view of the uncertainty inherent in certain forward-looking information and, in particular, the probability that will reflect reality, we deemed the measurement of investments in subsidiaries and affiliates and related loans and advances to be a key audit matter.

How our audit addressed this risk

To assess the reasonableness of the estimates of the values in use of investments in subsidiaries and affiliates and of the recoverability of loans and advances, based on the information provided to us, our work mainly consisted in verifying that the estimates determined by management were based on an appropriate justification of the measurement method and amounts used.

For measurements based on historical data, we verified that the net assets used corresponded to the amounts that appear in the audited financial statements of the entities concerned. For measurements based on forward-looking information, we obtained cash flow forecasts and analyses from management relating to the strategic nature of these entities. We also assessed the quality of the budget process by comparing the forecasts with the actual performances of the entities concerned, as well as the consistency of the assumptions used with regard to the economic outlook at year-end and the date of preparation of the financial statements.

Where the values in use of investments in subsidiaries and affiliates were lower than their acquisition cost, or where there is a risk that loans and advances granted to those entities may not be recovered, we verified that a provision for impairment had been recorded for those investments or those loans and advances.

Specific verifications

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French legal and regulatory provisions.

Information given in the management report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements.

We attest to the fair presentation and the consistency with the financial statements of the information about payment terms referred to in Article D.441-6 of the French Commercial Code.

Report on corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L.225-37-4 and L.22-10-10 of the French Commercial Code.

Other information

In accordance with French law, we have verified that the required information has been properly disclosed in the management report.

Other verifications and information pursuant to legal and regulatory requirements

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of iliad SA by the Annual General Meetings held on October 19, 2000 for PricewaterhouseCoopers Audit and on May 20, 2015 for Deloitte & Associés.

At December 31, 2023, PricewaterhouseCoopers Audit and Deloitte & Associés were in the twenty-fourth and ninth consecutive year of their engagement, respectively, and the twentieth and ninth year since the Company's securities were admitted to trading on a regulated market, respectively.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for preparing financial statements giving a true and fair view in accordance with French accounting principles, and for implementing the internal control procedures it deems necessary for the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the financial statements

Objective and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these financial statements.

As specified in Article L.821-55 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgment throughout the audit. They also:

- identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes, in particular, a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were the most significant for the audit of the financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in Articles L.821-27 to L.821-34 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

Neuilly-sur-Seine and Paris-La Défense, April 5, 2024

The Statutory Auditors

PricewaterhouseCoopers Audit	**Deloitte & Associés**
Thierry Leroux	Ariane Bucaille

8. Information about the Company and its capital

8.1 Information about the Company

8.1.1 Company name

The Company's name is iliad.

8.1.2 Registered office, legal form and applicable law

Registered office: 16, rue de la Ville l'Évêque – 75008 Paris, France
Tel.: + 33 1 73 50 20 00

The Company is a French *société anonyme* with a Board of Directors. It is governed by French company law, notably the French Commercial Code (*Code de commerce*).

The Company's website is **www.iliad.fr**

8.1.3 Registration details

The Company is registered at the Paris Trade and Companies Registry under number 342 376 332.

The Company's LEI is 969500FZ9BTRZS3JNB97.

8.1.4 Date of incorporation and term

The Company's business sector (A.P.E.) code is 7010Z.

The Company was incorporated on August 31, 1987 for a fixed period of 99 years from its registration date at the Trade and Companies Registry, expiring on October 15, 2086 unless said period is extended or the Company is wound up in advance.

8.1.5 Fiscal year

The Company's fiscal year begins on January 1 and ends on December 31 of each calendar year.

8.1.6 Corporate purpose

As stated in Article 2 of the Company's bylaws, the purpose of the Company is to directly or indirectly conduct the following activities in France or any other country:

- study, implement, maintain, operate, manage and/or market all systems, equipment, networks or services in the fields of telecommunications, the Internet, data processing, telematics and communications, including the installation and operation of electronic communications networks;
- publish and broadcast all services, programs and information, in particular, publish and provide telephone and telematics services to the public and broadcast audiovisual communications services by any technical means, including through the press, radio, audiovisual media, video or remote transmission, on magnetic or other media;
- acquire by any means and manage investments in the capital of any French or foreign company, regardless of its form or purpose, by purchase, subscription of shares or otherwise;
- acquire, by any means, bonds, founders' shares or other securities issued by such companies;
- provide any services relating to commercial, financial, accounting and administrative activities;
- directly or indirectly invest, through contributions from partnerships or otherwise, in any businesses or companies having one or more activities directly or indirectly related to the Company's corporate purpose;
- invest in any business or company with one or more activities which may be directly or indirectly related to the Company's corporate purpose or to any similar or associated purpose, in particular by creating new companies, or through contributions, mergers, alliances, joint ventures, partnerships or consortia;
- more generally, conduct any industrial, commercial or financial transactions, or any transactions involving either real estate or securities, directly or indirectly related to the Company's corporate purpose or any similar or associated purpose.

8.1.7 Rights and obligations attached to shares – Shareholders' Meetings

The Company had only issued ordinary shares as at the date this Universal Registration Document was approved for publication. Each share entitles its holder to a share of the Company's profits and assets proportionate to the share of the capital that it represents. It also entitles its holder to vote or be represented at Shareholders' Meetings under the terms and conditions provided for by law and the Company's bylaws.

Any changes in the rights attached to the shares making up the Company's capital are subject to the general provisions of French company law as the Company's bylaws do not contain any specific provisions on this matter.

Dividend rights – Appropriation of profit

The Company's income statement shows the profit or loss for the year calculated by deducting from income for the year all expenses, including depreciation, amortization and provisions.

At least 5% of profit for the year, less any losses carried forward from prior years, is allocated to the legal reserve until such time as that reserve represents one-tenth of the Company's share capital. Further transfers are made on the same basis if the legal reserve falls to below one-tenth of the Company's share capital for any reason.

Distributable profit represents profit for the year, less any losses carried forward from prior years and any amount to be appropriated to reserves pursuant to the applicable law or the Company's bylaws, plus any retained earnings. The Annual General Meeting may appropriate all or part of this amount to any discretionary reserves or to retained earnings.

The Annual General Meeting may also decide to distribute funds drawn from available reserves, expressly indicating the reserve account from which the distributed amounts are to be taken. However, dividends are deducted in priority from distributable profit.

Except in the case of a capital reduction, no distribution may be made to shareholders if the Company's equity represents – or would represent after the planned distribution – less than the sum of its share capital plus any reserves which, under applicable laws or the Company's bylaws, are not available for distribution.

The revaluation reserve may not be distributed, but all or part of it may be incorporated into the Company's share capital.

Any losses are carried forward to be offset against profit in future years.

Voting rights

Proportionate voting rights

In accordance with the law, except when double voting rights have been granted as described below, each shareholder has a number of votes at Ordinary and Extraordinary General Meetings that equals the number of shares they hold or represent, without limitation. In view of the control exercised over the Company by its majority shareholder, the granting of double voting rights has no significant impact on decision-making.

Where shares have a beneficial owner and a legal owner, unless otherwise agreed and notified to the Company, the voting rights attached to the shares are exercised by the beneficial owner at Ordinary General Meetings and by the legal owner at Extraordinary General Meetings.

Double voting rights

At the Extraordinary General Meeting held on December 12, 2003, the shareholders decided to attribute double voting rights to all fully paid-up shares registered in the name of the same shareholder for at least three (3) years as from the listing of the Company's shares on a regulated market (i.e., January 30, 2004) or subsequent to that date.

In the event of a capital increase paid up by capitalizing reserves, retained earnings or additional paid-in capital, or when shares are exchanged as part of a stock split or reverse stock split, the new shares allocated to a shareholder in proportion to existing registered shares carrying double voting rights will also have double voting rights from their issue date, provided that said new shares are also held in registered form.

Any shares converted into bearer form or whose ownership is transferred lose their double voting rights, in accordance with Article 26-1 of the Company's bylaws. However, registered shares do not lose their double voting rights, and the qualifying period continues to run, following the transfer of shares included in the estate of a deceased shareholder, or in connection with the settlement of the marital estate or an *inter vivos* gift to a spouse or relative in the direct line of succession. Any merger or demerger of the Company would have no impact on double voting rights, which can be exercised within the new company if the latter's bylaws include such a provision. Double voting rights may only be abolished at an Extraordinary General Meeting after prior approval by a special meeting of the shareholders holding those rights.

Articles of the bylaws that could have an impact on a change in control

None.

Procedures for participating in Shareholders' Meetings

The procedures for participating in Shareholders' Meetings are set out in Section IV of the Company's bylaws and are summarized below.

Shareholders' Meetings are called by the Board of Directors or, failing this, by the Statutory Auditors or any other person authorized by law.

Shareholders' Meetings are held at the Company's registered office or at any other venue specified in the notice of meeting. They may be held by videoconference or by any other means of telecommunication – including via Internet – that enables the attending shareholders to be identified in accordance with the applicable laws and regulations.

Regardless of the number of shares they own, all of the Company's shareholders are entitled to attend and vote at Shareholders' Meetings, either in person or by proxy, subject to presentation of proof of their share ownership in accordance with the terms and conditions set out in the applicable laws and regulations. The Board of Directors may, if it deems fit, issue shareholders with named admission cards and require that these cards be shown on entry to the Meeting.

Participation in Shareholders' Meetings in any form is subject to the shareholder's shares being recorded in a share account in their name in compliance with the terms and conditions and timeframes set out in the applicable laws and regulations.

Shareholders who are unable to attend a Meeting in person may exercise their voting rights in one of the following three ways:

- by giving proxy to another shareholder, or to their spouse or civil partner; or
- by casting a postal vote, using a voting form that can be obtained following the procedures set out in the notice of meeting; or
- by sending a proxy to the Company without naming a representative, in which case the Chair of the meeting will vote in favor of all the draft resolutions presented by and/or approved by the Board of Directors and will vote against all of the other draft resolutions. For any other voting intentions, the shareholder must name a proxy who agrees to vote according to the shareholder's instructions.

The Board of Directors may authorize proxy and postal voting forms to be sent remotely (including electronically), in accordance with the terms and conditions set out in the applicable laws and regulations.

Proxy or postal voting forms must be sent to the Company at least three days before the date of the Shareholders' Meeting. However, the Board of Directors may decide to shorten this period.

8.1.8 Auditors

8.1.8.1 Statutory Auditors

Member of a professional organization:	**Member of a professional organization:**
PricewaterhouseCoopers Audit is a member of the Versailles *Compagnie régionale des commissaires aux comptes.*	Deloitte & Associés is a member of the Versailles *Compagnie Régionale des Commissaires aux Comptes.*
PricewaterhouseCoopers Audit Represented by Thierry Leroux 63, rue de Villiers 92200 Neuilly-sur-Seine, France	Deloitte & Associés Represented by Arianne Bucaille Tour Majunga 6, place de la Pyramide 92908 Paris-La Défense Cedex, France
First appointed at the Annual General Meeting of October 19, 2000. Re-appointed at the Annual General Meeting of May 16, 2018 for a term expiring at the close of the Annual General Meeting to be held to approve the financial statements for the year ending December 31, 2023 (1).	First appointed at the Annual General Meeting of May 20, 2015. Re-appointed at the Annual General Meeting of June 2, 2021 for a term expiring at the close of the Annual General Meeting to be held to approve the financial statements for the year ending December 31, 2026.

8.1.8.2 Alternate Auditors

Étienne Boris 63, rue de Villiers 92208 Neuilly-sur-Seine Cedex, France	BEAS 6, place de la Pyramide 92908 Paris-La Défense Cedex, France
First appointed at the Annual General Meeting of May 29, 2006 and re-appointed at the Annual General Meeting of May 24, 2012. Not re-appointed at the Annual General Meeting of May 16, 2018.	First appointed at the Annual General Meeting of May 20, 2015. Re-appointed at the Annual General Meeting of June 2, 2021 for a term expiring at the close of the Annual General Meeting to be held to approve the financial statements for the year ending December 31, 2026.

8.2 Information about the Company's capital

The terms and conditions set out in the Company's bylaws concerning changes in its capital and rights attached to shares fully comply with the applicable laws and regulations. The bylaws do not provide for any exemptions and do not contain any specific conditions related to those matters.

(1) At its meeting on March 13, 2024, the Board of Directors decided to recommend at the Annual General Meeting to be held in 2024 that PricewaterhouseCoopers Audit be re-appointed as Statutory Auditor for a four-year term.

8.2.1 Amount of and changes in the Company's capital

8.2.1.1 Amount of capital

At the date this Universal Registration Document was approved, the Company's capital amounted to €14,930,059.50 divided into 59,720,238 shares with a par value of €0.25 each, all issued, fully paid up and of the same class.

8.2.1.2 Changes in the Company's capital over the past five years

Date of Shareholders' Meeting or Board meeting	Transaction	Number of shares issued or canceled	Nominal amount of capital increase or decrease *(in €)*	Issue premium *(in €)*	Aggregate issue premiums *(in €)*	New nominal amount of share capital *(in €)*	Total shares outstanding	Per-share par value *(in €)*
Jan. 28, 2019	Capital increase following exercise of stock options	99,287	22,002	6,697,179.53	423,979,234.88	13,084,512.20	59,045,555	0.22[(a)]
Jan. 28, 2019	Cancellation of shares purchased under the buyback program	200,000	44,320	34,769,302.65	389,209,932.73	13,040,192.20	58,845,555	0.22[(a)]
June 14, 2019	Employee share issue	283,396	62,347.12	22,283,427.48	411,493,360.21	13,102,539.32	59,128,951	0.22[(a)]
Jan. 17, 2020	Capital increase following exercise of stock options	48,387	10,722.20	3,567,528.74	415,060,888.95	13,113,261.52	59,177,338	0.22[(a)]
Jan. 29, 2020	Capital increase via a public offering without pre-emptive subscription rights	11,666,666	2,585,247.12	1,397,414,672.88	1,812,475,561.83	15,698,508.64	70,844,004	0.22[(a)]
Jan. 31, 2020	Capital reduction following the share buyback offer	11,666,666	2,585,247.12	1,397,414,672.88	415,060,888.95	13,113,261.52	59,177,338	0.22[(a)]
Dec. 9, 2020	Capital increase following exercise of stock options	129,201	28,629.99	9,063,222.45	424,124,111.40	13,141,891.51	59,306,539	0.22[(a)]
Dec. 9, 2020	Capital increase by capitalizing reserves, profit, additional paid-in capital or other eligible items	N/A	1,684,743.24	N/A	424,124,111.40	14,826,634.75	59,306,539	0.25
Jan. 25, 2021	Capital increase following exercise of stock options	3,992	998	317,998.74	424,442,110.14	14,827,632.75	59,310,531	0.25
June 15, 2021	Employee share issue	296,133	74,033.25	33,628,863.48	458,070,973.62	14,901,666.00	59,606,664	0.25
March 21, 2022	Capital increase following exercise of stock options	113,574	28,393.50	9,047,191.32	467,118,164.94	14,930,059.50	59,720,238	0.25

(a) 0.2216 rounded to 0.22.

8.2.1.3 Securities not representing capital

The Group regularly carries out bond issues. Information on these issues is provided in Chapter 5, Section 5.3.3 of this Universal Registration Document. The Company has not issued any shares not representing capital.

8.2.1.4 Potential capital

Apart from iliad free share grant plans, which could have a dilutive impact on the Company's capital, at December 31, 2023, there were no securities other than shares that carry rights to the Company's capital or voting rights.

Information about the potential dilution of the Company's capital is provided in Note 14 to the consolidated financial statements.

8.2.2 Authorizations to increase the Company's capital

Authorized unissued share capital

At the Annual General Meetings of July 21, 2020, June 2, 2021, May 11, 2022 and May 11, 2023 by way of extraordinary resolutions, the shareholders authorized the Board of Directors to increase the Company's capital as follows:

Authorization given to the Board of Directors at the Annual General Meeting	Date of the AGM	Duration (expiration date)	Maximum nominal amount authorized *(in €)*	Utilization	Amendments to ceilings and/or expiration dates of authorizations as submitted for shareholder approval at the May 7, 2024 Annual General Meeting
To increase the Company's capital, with pre-emptive subscription rights					**Ceiling** *(in €)*
To increase the Company's capital through the issue of shares and/or securities carrying rights to shares or debt securities, with pre-emptive subscription rights for existing shareholders	May 11, 2022	26 months (July 11, 2024)	5,000,000 2,000,000,000	N/A	5,000,000 2,000,000,000 (July 7, 2026)
To increase the Company's capital by capitalizing reserves, profit or additional paid-in capital	May 11, 2022	26 months (July 11, 2024)	500,000,000	N/A	500,000,000 (July 7, 2026)
To increase the Company's capital, without pre-emptive subscription rights					**Ceiling** *(in €)*
To increase the Company's capital by way of a public offering – other than an offering that falls within the scope of Article L. 411-2 1° of the French Monetary and Financial Code – of shares and/or securities carrying rights to shares or debt securities, without pre-emptive subscription rights for existing shareholders	June 2, 2021	26 months (Aug. 2, 2023)	20% of the Company's capital at the Meeting date, i.e., approx. 3 million [(a)] 2,000,000,000 [(b)]	N/A	N/A Not renewed at the 2024 Annual General Meeting
To increase the Company's capital by way of an offering of shares and/or securities carrying rights to shares or debt securities that falls within the scope of Article L. 411-2 1° of the French Monetary and Financial Code, without pre-emptive subscription rights for existing shareholders	June 2, 2021	26 months (Aug. 2, 2023)	20% of the Company's capital at the Meeting date, i.e., approx. 3 million [(a)] 2,000,000,000 [(b)]	N/A	N/A Not renewed at the 2024 Annual General Meeting

Authorization given to the Board of Directors at the Annual General Meeting	Date of the AGM	Duration (expiration date)	Maximum nominal amount authorized *(in €)*	Utilization	Amendments to ceilings and/or expiration dates of authorizations as submitted for shareholder approval at the May 7, 2024 Annual General Meeting
Authorization for the Board of Directors to set the issue price for issues of securities carried out, without pre-emptive subscription rights, by way of a public offering or a private placement, subject to a ceiling of 10% of the Company's capital per twelve-month period	June 2, 2021	26 months (Aug. 2, 2023)	10% of the Company's capital at the issue date [a][b]	N/A	N/A Not renewed at the 2024 Annual General Meeting
To increase the Company's capital in payment for shares and/or securities carrying rights to shares of another company	June 2, 2021	26 months (Aug. 2, 2023)	10% of the Company's capital at the issue date [a]	N/A	N/A Not renewed at the 2024 Annual General Meeting
To increase the Company's capital through the issue of shares and/or securities carrying rights to shares in the event of a public offering with a stock component initiated by the Company	June 2, 2021	26 months (Aug. 2, 2023)	2,000,000 [a]	N/A	N/A Not renewed at the 2024 Annual General Meeting
To increase the Company's capital, with or without pre-emptive subscription rights					
To increase the number of securities included in an issue carried out with or without pre-emptive subscription rights if the issue is oversubscribed	June 2, 2021	26 months (Aug. 2, 2023)	15% of the original issue [a]	N/A	N/A Not renewed at the 2024 Annual General Meeting
To carry out employee share issues					
To issue shares to Group employees	May 11, 2022	26 months (July 11, 2024)	1% of the Company's capital at the Meeting date	N/A	1% of the Company's capital at the Meeting date (July 7, 2026)
To set up stock option and share grant plans					
To issue shares for allocation on exercise of stock options	July 21, 2020	38 months (Sept. 21, 2023)	1% of the Company's capital at the grant date, taking into account options granted	N/A	N/A Not renewed at the 2024 Annual General Meeting
To grant shares free of consideration	May 11, 2023	38 months (July 11, 2026)	2% of the Company's capital at the grant date	Shares granted representing 0.25% of the Company's capital	2% of the Company's capital at the grant date 38 months (July 7, 2027)

(a) This amount is included in the overall €5,000,000 ceiling applicable to issues of shares and/or securities carrying rights to shares as set in the twenty-fourth resolution (extraordinary) of the June 2, 2021 Annual General Meeting.
(b) This amount is included in the overall €2,000,000,000 ceiling applicable to issues of debt securities as set in the twenty-fourth resolution (extraordinary) of the June 2, 2021 Annual General Meeting.

8.2.3 Own shares and share buybacks

The Company's shares were delisted from Euronext Paris on October 14, 2021 following the implementation of a squeeze-out procedure.

Own shares held and use of the share buyback authorization

The Company did not carry out any share buybacks in 2023.

At December 31, 2023, the Company held the following iliad shares:

Percentage of capital held directly or indirectly by the Company	0.91%
For the purpose of:	
Granting shares free of consideration	100%
Number of shares canceled in the past 24 months	0
Number of shares held in the portfolio	541,989
Carrying amount of the portfolio *(in €)*	61,776,239.91
Nominal amount of the portfolio *(in €)*	135,497.25

8.2.4 Ownership structure

8.2.4.1 Shareholding structure

Breakdown of the Company's capital and voting rights at December 31, 2023

Movements in ownership interests and voting rights:

	December 31, 2023		
Shareholder	**Number of shares**	**% capital**	**% voting rights**[(a)]
Holdco II	58,728,482	98.34%	98.60%[(b)]
Employees	449,767	0.75%	0.63%
Sub-total	**59,178,249**	**99.09%**	**99.23%**
iliad (own shares)	541,989	0.91%	0.76%[(c)]
Total	**59,720,238**	**100%**	**100%**

(a) Percentage of theoretical voting rights.
(b) Holdco II has double voting rights attached to 11,312,172 shares.
(c) Percentage of theoretical but non-exercisable voting rights. Shares held by the company do not carry voting rights.

At December 31, 2023, Holdco II S.A.S – the Company's majority shareholder – had double voting rights attached to some of its shares. No other shareholders had significant double voting rights at December 31, 2023.

Owned by Xavier Niel, iliad Holding indirectly controls the iliad Group, which it forms with iliad S.A. and their subsidiaries, and is the holding company for the Group. iliad Holding owns, through Holdco II, 95.83% of the Company's share capital and voting rights. With the support of Holdco II, iliad Holding controls and manages the iliad Group, playing a major role in defining its general and strategic policies.

iliad Holding is governed by its Chairman, Xavier Niel, and a Strategy Committee, chaired by Xavier Niel, and comprising, alongside him, the key executives of the iliad Group, including Maxime Lombardini, Thomas Reynaud, Cyril Poidatz, Antoine Levavasseur and Aude Durand. Under the supervision of iliad Holding's Chairman, its Strategy Committee helps draw up the Group's strategy and main organizational principles. Within this framework, the Strategy Committee is responsible, among other things, for defining the Group's main areas of business development and its commercial, economic and financial strategy. The Strategy Committee also helps identify investment opportunities for the Group in the telecoms sector both in France and abroad, as well as overseeing major acquisition projects and monitoring the integration of these investments and acquisitions within the Group.

iliad Holding's governance structure is aligned with that of the Company, which has a Board of Directors chaired by Xavier Niel, and a Chief Executive Officer, Thomas Reynaud. The Board of Directors sets the direction of the Company's activities and oversees their implementation. It handles all matters concerning the smooth running of the Company and carries out any controls and verifications it deems appropriate. The Chief Executive Officer has the broadest powers to act on behalf of the Company within the scope of the corporate purpose and the powers expressly vested by law in shareholders' meetings. In accordance with best corporate governance practices, the Board of Directors' Internal Rules also set restrictions on the powers of the Chief Executive Officer by requiring the Board's prior approval for certain transactions.

This two-tier governance structure, where discussion and debate predominate, reflects a balanced approach and ensures the highest standards and efficiency in making and executing strategic decisions.

To the best of the Company's knowledge, there are no shareholders other than those mentioned above who directly or indirectly hold more than 5% of the Company's capital or voting rights.

Disclosure thresholds

Article 12 of the Company's bylaws contains provisions requiring shareholders to disclose when they cross ownership thresholds for shares and voting rights.

Following the squeeze-out procedure and the delisting of the Company's shares from Euronext Paris on October 14, 2021, the Company is no longer subject to the legal and regulatory disclosure requirements relating to the crossing of ownership thresholds. Consequently, at the Annual General Meeting held on May 11, 2022, the Board of Directors decided to delete the provisions of Article 12 of the bylaws requiring the disclosure of the crossing of ownership thresholds.

8.2.5 Stock market data

iliad's shares were traded on Eurolist by Euronext™ (compartment A) as from January 30, 2004. They were delisted from Eurolist by Euronext™ (compartment A) on October 14, 2021 following the squeeze-out.

8.2.6 Provisional timetable for financial communications

May 7, 2024:	Annual General Meeting
May 30, 2024, at the latest:	First-quarter 2024 revenues release
August 30, 2024:	First-half 2024 revenues and earnings release
November 14, 2024:	Revenues release for the first nine months of 2024

8.2.7 Additional information

8.2.7.1 Shareholders' agreements and undertakings

Shareholders' agreements

None.

Lock-up undertakings

None.

Shareholders acting in concert

To the best of the Company's knowledge, there are no shareholders acting in concert other than the shareholders who are executive managers of the Company who act in concert in their capacity as executive managers.

Measures taken to ensure that control is not exercised in an abusive manner

As described in Section 8.2.4.1 above, the Company is controlled by its majority shareholder. However, the Company considers that there is no risk that control will be exercised in an abusive manner thanks to the measures taken within its corporate governance structures, notably the separation of the positions of Chairman of the Board of Directors and Chief Executive Officer, and due to the fact that there are independent directors on the Board and the Board committees.

8.2.7.2 Arrangements that could result in a change in control of the Company

None.

9. Additional information

9.1 Persons responsible for the Universal Registration Document

9.1.1 Name and position of the person responsible

Thomas Reynaud – Chief Executive Officer of iliad

9.1.2 Statement by the person responsible for the Universal Registration Document

"I hereby state that the information contained in this Universal Registration Document is, to the best of my knowledge, in accordance with the facts and no omissions have been made that are likely to affect its import."

Thomas Reynaud
Chief Executive Officer of iliad

April 10, 2024

9.1.3 Name and position of the person responsible for financial information

Thomas Reynaud
Chief Executive Officer of iliad

16, rue de la Ville l'Évêque – 75008 Paris, France
Telephone: + 33 1 73 50 20 00
www.iliad.fr

9.2 Documents available to the public

The Company's bylaws can be viewed (in French only) on the Company's website at **https://www.iliad.fr/fr/investisseurs/groupe/documents-legaux/2022**.

Copies of this Universal Registration Document can be obtained free of charge from the Company's registered office (16, rue de la Ville l'Évêque, 75008 Paris, France – Tel: +33 1 73 50 20 00) and may also be downloaded from the Company's website (**www.iliad.fr**) as well as from the website of the Luxembourg Stock Exchange (**https://www.luxse.com**).

9.3 Material contracts

9.3.1 Financial contracts

Information on the Group's debt is provided in Section 5.3.3 of this Universal Registration Document.

9.3.2 Operating contracts

The main operating contracts are presented in chapter 5 of this Universal Registration Document.

Documents incorporated by reference

In accordance with Article 19 of the Prospectus Regulation, the sections and pages referred to in the cross-reference table below and included in the following documents are incorporated by reference in this Universal Registration Document:

(i) the Universal Registration Document (in French) approved by the *Commission de Surveillance du Secteur Financier* (CSSF) on June 15, 2022 (available at http://iliad-strapi.s3.fr-par.scw.cloud/ILIAD_URD_15062022_ENG_2473b2c06c.pdf) (the **"2021 URD"**);

(ii) the Universal Registration Document (in French) approved by the *Commission de Surveillance du Secteur Financier* (CSSF) on May 5, 2023 (available at https://s3.fr-par.scw.cloud/iliad-strapi/ILIAD_URD_10052023_ENG_9b67c037eb.pdf) (the **"2022 URD"**); and

(iii) the financial report for the first nine months of 2023, including the unaudited consolidated financial statements at September 30, 2023 (in English) (available at https://s3.fr-par.scw.cloud/iliad-strapi/iliad_Group_Q3_Financial_Report_Final_Version_8e8493ceba.pdf) (the **"Quarterly Report"**).

European Commission Delegated Regulation (EU) 2019/980 of March 14, 2019	2021 URD (pages)	2022 URD (pages)	Quarterly Report (pages)
Business overview			
Principal activities	18 to 23	17 to 23	N/A
Principal markets	10 to 17	9 to 16	N/A
Investments	128 to 131 and 140	147 to 151 and 160	N/A
Operating and financial review			
Financial position	28, 123 to 144	143 to 164	N/A
Related-party transactions	192 to 193	213 to 214	N/A
Financial information concerning the issuer's assets and liabilities, financial position and profits and losses			
Historical financial information	140, 145 to 210	160, 165 to 232	23 to 41
• Consolidated income statement	147 and 148	167 and 168	3 and 4
• Consolidated balance sheet	149 and 150	169 and 170	6
• Consolidated statement of changes in equity	151	171	7
• Analysis of the Consolidated Statement of Cash Flows	152	172	8
• Notes to the consolidated financial statements	153 to 204	173 to 226	9 to 20
• Statutory Auditors' report on the consolidated financial statements	205 to 209	227 to 231	N/A
Management report and interim results analysis	N/A	N/A	3 to 21

Other than the information listed in the cross-reference table above, the other information set out in Sections (i) and (ii) above is expressly not incorporated by reference into this Universal Registration Document; the other sections of these documents, which are not incorporated by reference, are not deemed to be relevant to investors.

The information on the websites mentioned in this Universal Registration Document is not part of this Universal Registration Document and has not been reviewed or approved by the CSSF, unless such information is included by reference in this Universal Registration Document.

Glossary

The glossary below is provided as a supplement and as an aid to understanding this Universal Registration Document. Some of the definitions below therefore give only a summary of the technical processes described, without providing details as to the functioning of such processes.

Add/Drop Multiplexer (ADM): equipment on a telecommunications network used for inserting or extracting data packets.

ADM (Add/Drop Multiplexer): see Add/Drop Multiplexer.

ADSL (Asymmetrical Digital Subscriber Line): ADSL is an xDSL technology used for high-speed data transmission, in particular when using a subscriber's conventional telephone line consisting of a pair of copper wires. By using two modems, one installed on the subscriber's premises and the other in a DSLAM located in the main distribution frame, ADSL technology is able to increase network bandwidth considerably and obtain transmission speeds up to 320 times faster than with a conventional analog modem. The principle behind ADSL is that part of the bandwidth is reserved for transporting voice traffic (low frequencies) while another part is used for transporting data (high frequencies) either in the direction of the network Backbone (upload) or in the direction of the subscriber (download). The technology is asymmetrical in the sense that the upload bit rate (data sent by the user) is lower than the download rate (data received by the user). For the correct representation of voice traffic (using the low frequency spectrum), splitters located at each end of the line eliminate those parts of the signal which are not needed.

In the ADSL2+ version, the bandwidth of the line is divided as follows:

0 – 5 kHz	Analog telephone line
30 kHz – 130 kHz	Narrowband channel towards the network (upload)
30 kHz – 2.2 MHz	Broadband channel towards the subscriber (download)

FDM (Frequency Division Multiplexing) is used to separate the various data traffic flows. An echo cancellation system is used for spectrum recovery on the upload and download channels.

Afnic (*Association Française pour le Nommage Internet en Coopération* – www.afnic.fr/_en): Afnic is a non-profit organization whose principal function is to establish and implement a naming registry for the .fr (France) and .re (Reunion Island) domains. It has drawn up naming charters which set out its rules for registering domain names in these geographic areas. Members of Afnic include service providers who have been accredited as registrars of domain names in the French domain name areas.

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

ARCOM (*Autorité de Régulation de la Communication Audiovisuelle et Numérique* – the Audiovisual and Digital Communication Regulatory Authority: www.arcom.fr): a French independent administrative authority established by the Act of October 25, 2021 that merged the CSA (*Conseil supérieur de l'audiovisuel*) and the Hadopi (*Haute Autorité pour la diffusion des œuvres et la protection des droits sur Internet*). Its objective is to ensure freedom of communication and monitor the financing of audiovisual productions and the protection of rights. Its scope covers online platforms such as social media and search engines.

Backbone: network consisting of a number of very high bandwidth links to which other, smaller networks are connected (including metropolitan networks).

Bandwidth: the transmission capacity of a transmission line. Bandwidth determines the quantity of data (in bits per second) that can be transmitted simultaneously.

Bit: Contraction of "binary digit". A bit is the smallest unit of data processed by a computer. In a binary system, each bit has a value of 0 or 1. Data recorded in digital form are coded in bits. One character (letter or figure) is generally coded as 8 bits (1 byte).

Bit rate: amount of data passing through a communication channel over a given period of time. The bit rate is measured in bits per second or in multiples thereof (kbps = kilobits per second, Mbps = megabits per second, Gbps = gigabits per second, Tbps = terabits per second). The upload bit rate corresponds to the transmission of data from the subscriber to the network and the download bit rate corresponds to data transmitted from the network to the subscriber.

Broadband: the concept of broadband is a relative concept, depending on the capabilities of transmission technology at any given time. At present, broadband is generally accepted as corresponding to a bit rate of at least 512 kbps. See also "bit rate".

Broadband and Ultra-Fast Broadband ARPU (Average Revenue Per Broadband and Ultra-Fast Broadband User): includes revenues from the flat-rate package and value-added services but excludes one-time revenues (e.g., fees for migration from one offer to another or subscription and cancellation fees), divided by the total number of Broadband and Ultra-Fast Broadband subscribers invoiced at the end of the period.

Broadband and Ultra-Fast Broadband ARPU (Average Revenue Per Freebox Revolution Broadband and Ultra-Fast Broadband User, excluding promotional offers): includes revenues from the flat-rate package and value-added services but excludes one-time revenues (e.g., fees for migration from one offer to another or subscription and cancellation fees) and the impact of promotions, divided by the total number of Freebox Revolution Broadband and Ultra-Fast Broadband subscribers invoiced at the end of the period.

Broadband and Ultra-Fast Broadband subscribers: subscribers who have signed up for the Group's ADSL, VDSL or FTTH offerings.

Byte: a set of eight bits. Bytes and their multiples (kilobyte (kB), megabyte (MB), gigabyte (GB), terabyte (TB), etc.) are used to measure the size of electronic files. When such measurements are given in multiples of bytes, it is generally accepted that a kilobyte is equal to 210, or 1,024 bytes (and not 1,000 bytes), and that a megabyte is equal to 220 bytes (and not 1,000,000 bytes).

Call termination: an operation that consists of the routing of calls to subscribers on a particular network. In principle, call termination requires either that the call be made from the network on which the caller is a subscriber or from an interconnected network.

Capex: Capex corresponds to the net cash outflow for acquisitions of property, plant and equipment and intangible assets (excluding payments for frequencies).

CNIL (*Commission Nationale de l'Informatique et des Libertés* – http://www.cnil.fr/english/): the CNIL is an independent administrative authority established by Act no. 78-17 of January 6, 1978 (France's data protection law). Its principal role is to protect privacy and personal or public freedom, and it is responsible for ensuring compliance with the data protection law.

Colocation facilities or space: a room located in the incumbent operator's sites containing equipment belonging to third-party operators used for local loop unbundling. The room is built by the incumbent operator which then rebills the cost of construction to the operators located in the room. Third-party operators rent the space (one or more racks each occupying a floor area of 600mm x 600mm) necessary for their unbundling activities.

Connectible FTTH 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.

Consolidated free cash flow: consolidated free cash flow (excluding financing activities and dividends) after (i) repayment of borrowings, (ii) proceeds from new borrowings (including finance leases), and (iii) dividends paid to owners of the parent company.

Consolidated free cash flow (excluding financing activities and dividends): consolidated free cash flow (excluding frequencies, financing activities and dividends) after payments for frequencies.

Consolidated free cash flow (excluding payments for frequencies, financing activities and dividends): operating free cash flow after IFRS 16 after (i) net cash outflows/inflows related to acquisitions of property, plant and equipment and intangible assets, excluding payments for frequencies, (ii) net cash outflows/inflows related to investments in non-consolidated undertakings, (iii) net impact of changes in scope of consolidation, (iv) dividends received, (v) change in outstanding loans and advances, (vi) cash outflows for leasehold rights, (vii) net cash inflows/outflows related to assets held for sale, (viii) tax paid, (ix) net sums received from or paid to shareholders on capital increases, (x) proceeds received on exercise of stock options, (xi) own share transactions, (xii) dividends paid to minority shareholders of consolidated companies, and (xiii) effect of exchange-rate movements.

Cookie: information recorded by a server in a text file located on the subscriber's computer and which can be read by this same server (and by this server alone) at a later time.

Copper pair: type of cable used for the transmission of electrical signals, consisting of one or more pairs of metal conductors. The two wires forming the pair are braided in order to minimize potential interference between two conductors. By extension, the copper pair also refers to the local loop link between a subscriber and the local concentrator. See also "local loop".

Dark optical fiber: raw optical fiber without the equipment which allows it to be used.

Dedicated facilities or space: a room located in the incumbent operator's sites containing equipment belonging to third-party operators used for local loop unbundling. Third-party operators rent the space (one or more racks each occupying a floor area of 600mm x 600mm) necessary for their unbundling activities. See also "Colocation facilities or space".

Dial-up (also called narrowband): historically this corresponds to the bit rate of a conventional telephone line using the voice frequency spectrum. By way of example, an Internet connection using a conventional telephone line is established at a maximum download rate of 56 kilobits per second (kbps). See also "bit rate".

Digital: coding in binary form (0 or 1) of information to be processed by a computer.

Digital Local Exchange (DLE/LX): switch on the incumbent operator's telephone network to which subscribers are connected by means of local concentrators. The incumbent operator's network is organized in a hierarchical fashion, with the digital local exchange being the lowest level in the hierarchy of exchanges installed on the network.

Digital Main Switching Unit (DMSU): the incumbent operator's interconnect point, occupying the highest level in the hierarchy of switches in a trunk exchange area. See also "trunk exchange area".

DNS (Domain Name System): a DNS is a database which registers Internet resources (computer, server, router, etc.) in the form of a domain name and allocates them a unique IP address. The Internet protocol converts the domain name into the corresponding IP address. Without the DNS, users would have to remember websites or email addresses in the complicated form of the domain's IP address. See also "domain name".

Domain name: a domain name is the unique identifier of an IP address. The DNS (see "DNS – Domain Name System") matches the domain name to the IP address. A domain name consists of a string of characters (from "a" to "z" or "0" to "9", plus "-") corresponding to the name of a trademark, association, company, individual, etc., plus a suffix known as the TLD (see "TLD [Top Level Domain]"), such as ".fr", ".de", ".net", or ".com".

Domain name registration: domain name registration consists of hosting domain names on a computer with an IP address on behalf of the domain name owners, who are in turn entered in the register relating to their top level domain or TLD. See also "TLD".

DSL (Digital Subscriber Line): see xDSL.

DSLAM (Digital Subscriber Line Access Multiplexer): equipment installed in the telephone exchange closest to the subscriber which is part of the equipment used to transform a conventional telephone line into an xDSL line. DSLAMs connect several xDSL lines and are connected to the modem on the subscriber's premises via the local loop.

DWDM (Dense Wavelength Division Multiplexing): technology permitting the transmission of a large number of frequencies on the same fiber strand, thereby significantly increasing the bandwidth capacity of the optical fiber.

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.

Eligibility: a telephone line is said to be "eligible" for ADSL when the technical characteristics of the line in terms of signal loss are such that xDSL-type technologies can be used. The length and diameter of the copper pairs (local loop) are the main parameters determining eligibility. Using current technologies, in order to obtain a 512 kbps Internet connection, the subscriber's access point must be located within four kilometers of the DSLAM.

FCF: Free Cash Flow.

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

Firewall: hardware or software device which controls access to all the computers on a network from a single point of entry. The main function of the firewall is to filter the data packets transmitted between the protected network and outside networks. In addition, a firewall can be used to perform advanced security functions such as virus detection, IP address masking on the protected network and the establishment of encryption tunnels subject to authentication.

Free Cash Flow from ADSL operations: represents EBITDA plus or minus changes in working capital requirement and minus investments made in connection with property, plant and equipment and intangible assets acquired for the Group's ADSL operations.

FTTH (fiber-to-the-home): data delivery technology that directly connects subscribers' homes to an optical node (ON).

Gross profit: corresponds to revenues less purchases used in production.

IEEE 802.11a/b/g/n standards: radio-telecommunications standards established by the IEEE (Institute of Electrical and Electronic Engineers) describing the characteristics of wireless networks using the 5 GHz (IEEE 802.11a/n) and 2.4 GHz (IEEE 802.11b/g/n) frequency bands. (See also "RLAN" – Radio Local Area Network and "WLAN" – Wireless Local Area Network).

Interconnection: the term interconnection refers to the reciprocal services provided by two operators of networks open to the public, permitting all of their users to communicate freely with one another, no matter the type of network or services they use. The term also refers to the provision to a public telephone service provider of access to a public network operator's network. The objective of interconnection is to allow a given operator's subscribers to make telephone calls to the subscribers of all other interconnected operators. Interconnection between the incumbent operator (France Telecom) and third-party operators is governed by the provisions of the French Post and Electronic Communications Code and is regulated by ARCEP.

Internet Service Provider (ISP): organization or company that provides subscribers with access to the Internet, either free of charge, or for a cost.

IP (Internet Protocol): telecommunications protocol used on the networks supporting the Internet which divides the data to be transmitted into packets, addresses the various packets, transports them independently of one another and, finally, recreates the packets in their initial form once they reach their destination. This protocol uses a technique known as packet switching. On the Internet, it is associated with a data transmission control protocol (TCP) – hence the term TCP/IP.

IP address: the IP address allows a router using TCP/IP to identify the unique network interface of a machine connected to the Internet. In order to be accessible or to send data packets over the Internet, a machine must have a public IP address, i.e., an address that is known on the Internet. ICANN has overall responsibility for managing IP addressing on a worldwide basis, but delegates responsibility for certain areas to regional and local organizations. An IP address is a sequence of 32 binary digits (see also "bit") grouped into four bytes in the form A.B.C.D where A, B, C and D are numbers between 0 and 255 (this structure corresponds to version 4 of the IP protocol, or IPv4). The problem of limited addressing resources caused by the growth of the Internet has led to the development of a new version of the IP protocol (IPv6), based on 128 binary elements, which is gradually being brought into use.

IRU (Indefeasible Right of Use): special type of agreement, specific to the telecommunications sector, for the provision of optical fibers (or transmission capacity) over a long period.

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

Linux: Linux is a multi-task and multi-user operating system based on Unix (Uniplexed Information and Computer Service). It is a so-called "open source" software system, i.e., it is freely available in source code form and modifiable under the terms of a General Public License (GNU GPL).

Local Concentrator: active telecommunications equipment connected to both the digital local exchange and the copper pairs constituting the local loop. It is the incumbent operator's initial active network equipment. The function of the local concentrator is to group several subscriber lines into one cable.

Local loop: physical circuit of the telephone network which connects the termination point of the network on the subscriber's premises (i.e., the subscriber's telephone socket) and the local loop operator's main distribution frame (i.e., generally the incumbent operator's local telephone exchange) which contains a digital switch. The local loop is composed of a pair of braided copper wires.

LTM: last twelve months.

M2M: machine to machine communications.

Main distribution frame (MDF): establishes a temporary connection between a copper pair (local loop) and any active equipment on the operator's network. It is a vital point of flexibility in the operation of a telecommunications network.

MMS (Multimedia Messaging Service): extends the core SMS capability by enabling users to send to and from their phones messages that include photos as well as audio and video content.

Mobile ARPU invoiced to subscribers: includes revenues invoiced to subscribers divided by the total number of Mobile subscribers during the period.

Modem (modulator-demodulator): device that transforms analog signals into digital signals and vice versa. A modem is required in order to connect to the Internet (where the data exchanged is digital).

MPEG-2: video signal compression standard, used mainly for DVDs.

MPEG-4: digital compression standard for new-generation audiovisual content. This format is able to broadcast High Definition streaming data and provides enhanced audiovisual quality at low bandwidths.

Multicast: routing system minimizing the number of data flows from a server to various subscribers by multiplying the data flows only when they are as close as possible to end users.

Multiplexing: technique permitting several communication flows to pass through the same channel/transmission bearer. Multiplexing can work in different ways: frequency multiplexing uses different frequencies for the various communications, while time division multiplexing allocates a period of time (known as a slot) to each communication.

Net adds: represents the difference between total subscribers at the end of two different periods.

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

Number of active 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.

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

Number of registered 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 (including M2M cards and Free SIM cards), excluding those recorded as having requested the termination of their subscription.

OFCF: operating free cash flow (EBITDAaL less Capex).

Operating free cash flow after IFRS 16: cash flow from operations before finance costs and tax after (i) cash outflows related to right-of-use assets and interest expense on lease liabilities resulting from the application of IFRS 16, and (ii) change in operating working capital requirement (including employee benefit obligations).

Optical fiber: transmission medium which routes digital data in the form of modulated light signals. It consists of an extremely thin glass cylinder (the core strand) surrounded by a concentric layer of glass (the sheath). The potential bandwidth that can be passed through an optical fiber in conjunction with the corresponding active equipment is enormous.

Optical Node (ON): site hosting optical local loop equipment bringing together all of the optical local loop interconnection links serving end-subscribers for a given geographic area.

Peering: type of interconnection agreement between two IP Backbone networks (known as peer networks) for the exchange of Internet traffic destined for their respective networks. These exchanges take place at exchange nodes called peering points and may be invoiced if they are not fully reciprocal.

Ping: ping is an acronym for Packet Internet Groper, and is a component of the Internet connection protocol which verifies the connections established on the Internet between one or more remote hosts and measures the time data packets require to be transmitted to one computer connected to the Internet and back again. The lower the ping value (i.e., the closer to zero) the faster the network connection.

POP (Point of Presence): physical site from which the operator can use an interconnection link to connect to the interconnect point of another operator (whether another POP or, in the case of the incumbent operator, a digital main switching unit or a digital local exchange). The POP is located on the operator's network Backbone. See also "digital main switching unit".

Portability: possibility for subscribers to keep their telephone numbers when changing operators and/or geographical location.

Preselection: carrier selection mechanism allowing a subscriber to automatically route all eligible calls (local, national, international, and calls to mobile phones) so that they are carried by the operator of the subscriber's choice, without having to dial a special prefix.

Profit for the period from recurring operations: profit for the period excluding the impact of the additional and exceptional income tax contribution.

Public Switched Telephone Network (PSTN): conventional telephone network which uses switching (a non-permanent link established by line seizure and then dialing). Each call established on the PSTN ties up network resources.

Reference Interconnect Offer: document describing the technical and pricing terms of the incumbent operator's interconnect offer (or the interconnect offer of any other operator designated as having significant market power pursuant to Article L. 36-7 of the French Post and Electronic Communications Code). It informs third-party operators of what interconnection services are available and sets out the prices and the technical terms of these services.

Revenues invoiced to subscribers: revenues generated from the sale of services to subscribers.

RLAN (Radio Local Area Network): wireless network. RLANs generally conform to IEEE 802.11 standards.

SDH (Synchronous Digital Hierarchy): multiplexing technique providing for the secure transmission of different types of data. This technique is used for the transmission of data on conventional telephone networks.

Services revenues: total revenues excluding revenues from sales of devices.

SMS (Short Message Services): short alphanumerical text messages.

Source code: list of instructions in a computer program in a language capable of being understood by human beings.

Spamming: the bulk mailing of unsolicited electronic messages. This type of message is generally sent to email lists obtained unconventionally or illegally (for example, through the use of a search engine on public websites or through the sale of email address files without the permission of the owners of such addresses).

Subscriber connection node: a site hosting the incumbent operator's network equipment bringing together all of the interconnection links for its copper local loop for a given geographic area. Subscriber connection nodes provide access to the various services available via the copper local loop. Third-party operators may access these services through unbundling arrangements in order to directly serve end-subscribers.

Switch: equipment which routes calls to destinations by establishing a temporary link between two circuits on a telecommunications network (or occasionally by routing information in packet form). Switches are organized in a hierarchical fashion, i.e., the higher the position they occupy in the hierarchy, the more subscribers they serve.

TLD (Top Level Domain): the top level domain name classification, corresponding to a geographic area or a sector of activity, such as ".com", ".org" or ".fr".

Total Broadband and Ultra-Fast Broadband subscribers: represents, at the end of a period, the total number of subscribers, identified by their telephone lines, who have signed up for a Free or Alice Broadband or Ultra-Fast Broadband offering, excluding those recorded as having requested the termination of their subscription.

Total mobile subscribers – France: represents, at the end of a 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.

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

Total number of subscribers – Poland: represents, at the end of a given period, the number of active mobile subscribers in Poland.

Triple-Play: a technical service capable of managing bandwidth-intensive voice, data and audiovisual content simultaneously and over long distances.

Trunk Exchange (TX): telephone network switch linking together the digital local exchanges. The incumbent operator's network is organized in a hierarchical fashion, with the trunk exchange being the highest level in the hierarchy of national exchanges. Through the digital local exchanges, the trunk exchange serves all subscribers in a given geographic area (called a Trunk Exchange Area). See also "trunk exchange area".

Unbundled subscribers: subscribers who have signed up for any of the Group's ADSL, VDSL and/or FTTH offerings through a telephone exchange unbundled by Free.

Unbundling: operation involving the separation of a range of telecommunications services into several distinct units. Unbundling of the local loop (or unbundled access to the incumbent operator's local network) consists of separating the access services provided over the local loop, allowing new operators to use the local network of the incumbent operator and provide services directly to their subscribers.

Universal Service: the main element of the public telecommunications service as defined by law, with the intended purpose of providing high quality telephone services to the general public at an affordable price.

Urban area: in the architecture of the incumbent operator's network, the Île-de-France region is divided into two trunk exchange areas: the urban area which corresponds to the former Seine *département* (Paris, Hauts-de-Seine, Seine-Saint-Denis, and Val de Marne) and the peripheral area, which covers the Seine-et-Marne, Essonne, Yvelines and Val-d'Oise *départements*.

VoIP (Voice over DSL): transmission of voice traffic (in packets) using ADSL technology, i.e., using the high frequencies of the local loop, as compared to conventional telephony which uses the low frequencies of the local loop.

WLAN (Wireless Local Area Network): a wireless network based on radio telecommunications. An RLAN (see "RLAN" [Radio Local Area Network]) is a specific type of WLAN.

xDSL (x Digital Subscriber Line): the family of technologies used to transmit digital data over the copper pair (local loop) at high speeds (such as ADSL, SDSL, ADSL2+, VDSL2, etc.). See also "ADSL".

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