iliad GROUP

Q1 2021 revenues

May 18, 2021

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Q1 2021 review

Thomas Reynaud - Group CEO

Q1 2021:
balancing growth and investments

1 SOLID Q1 REVENUE GROWTH AND GOOD SALES MOMENTUM DESPITE COVID-19 HEADWINDS

- **Strong growth in Q1:** Group revenues up 34%, notably thanks to Play. Organic service revenues up 5%
    - **France**: Q1 service revenues up 2.6%, good momentum with 43k broadband net adds and 94k 4G/5G net adds
    - **Italy**: Q1 revenues up 25.1%, 305k mobile net adds - commercial momentum slowed by lockdown
    - **Poland**: good start to the year with 3.6% revenue growth in local currency and stable active postpaid base

2 STRONG MOMENTUM ON NETWORK ROLLOUTS

Cruising speed reached for FTTH rollout and acceleration of 5G rollout in France, rapid coverage increase in Italy

- **In France**, Iliad is the 5G leader with over 8,800 sites at end-April, no.1 MNO for 700Mhz and no.2 for 3.5GHz
- **In Italy**, we topped 7,000 active sites and are well on track to reach our guidance

3 POLAND INTEGRATION AHEAD OF OUR PLAN

- **New Executive Committee:** 3 new members, internal promotions and external hiring, higher representation of women
- **TowerCo implementation** post finalization of the transaction with Cellnex, rollout to accelerate
- 10 priorities identified, notably Digitalization of sales channels, streamlining of product portfolio, 5G & Fixed Broadband

4 GROWTH OPPORTUNITIES

- **France**: Free Pro offer launched – **Acceleration of our plan to enter the high value segment**
- **Italy**: Fixed Broadband launch postponed to after the summer due to delays caused by COVID-19 disruption

5 CAPITAL STRUCTURE REINFORCED, CAPITAL ALLOCATION FOCUSED ON 5G ROLLOUT

- **Monetization of our 30% stake in French TowerCo (”On Tower France”) before the year-end**
- **Allocation of part of the proceeds to boost 5G rollout in France** and, to a lesser extent, secure procurement
    - **2021 OCF France target under review – new guidance to be provided in H1 results release in early September**
- **Italy EBITDAaL guidance revised upwards to positive for full-year 2021 after break-even expected in Q2**
- Poland guidance unchanged (EBITDAaL – Capex to increase)

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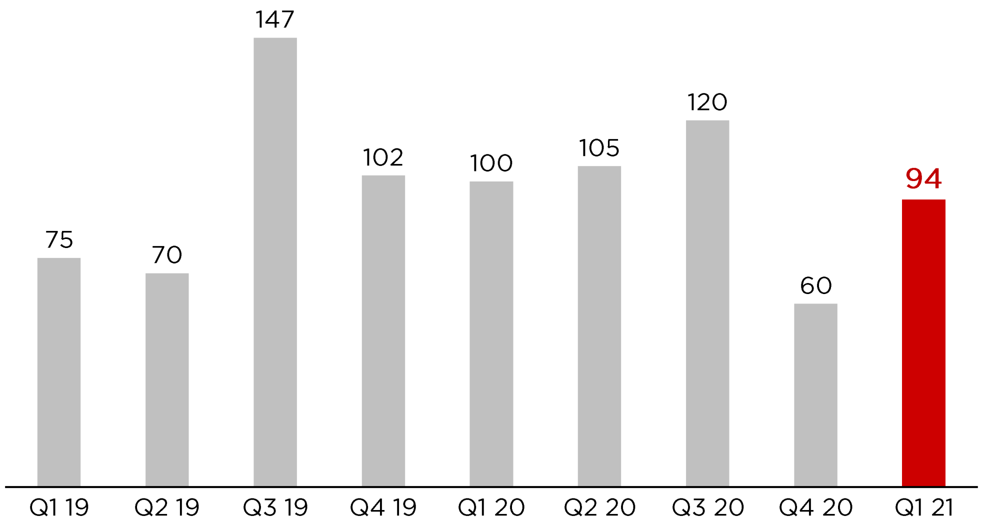
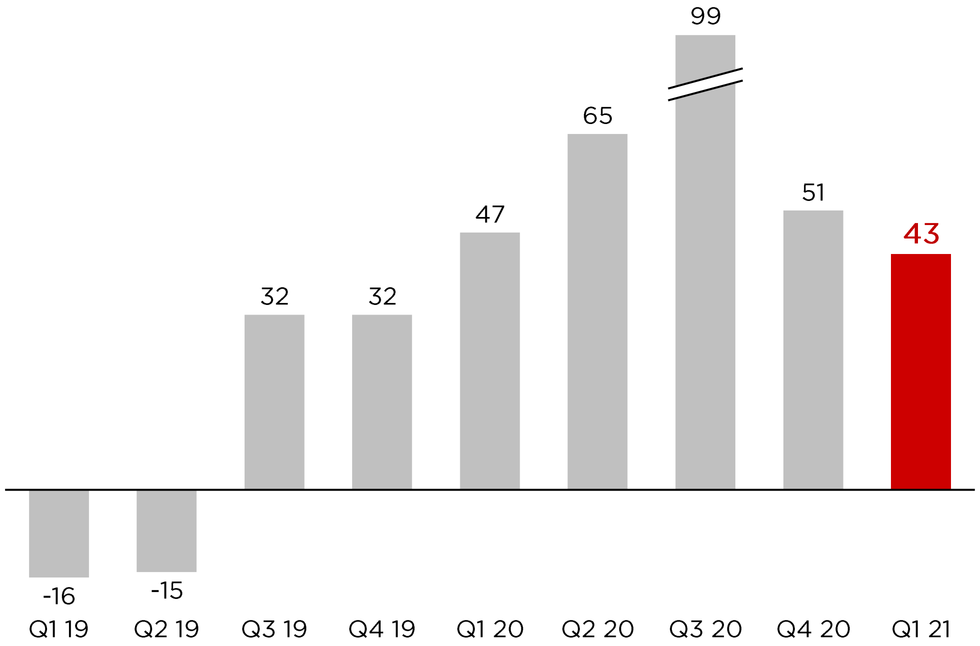
France

Commercial momentum:
Good numbers despite lockdown measures

4G/5G MOBILE NET ADDS (000s)



BROADBAND NET ADDS (000s)



- **Mobile**: Q1 net adds (4G & 2€) back to growth at +6k; Q1 4G net adds at 94k. Improved service quality with extended 4G coverage and cross-selling opportunities
- **Broadband**: Q1 net adds at 43k; sales efforts focused on high value-added plans

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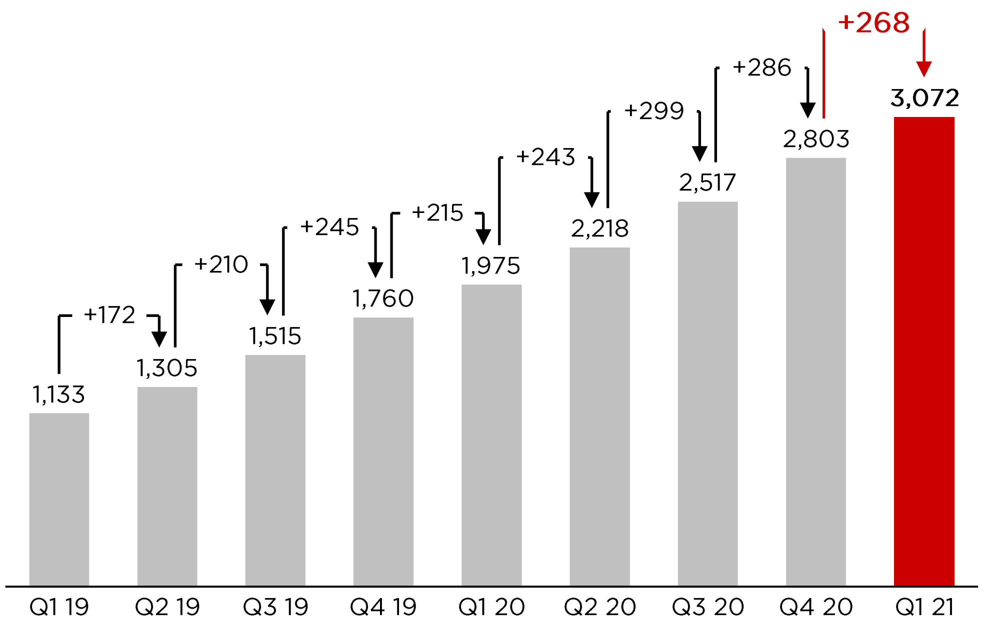
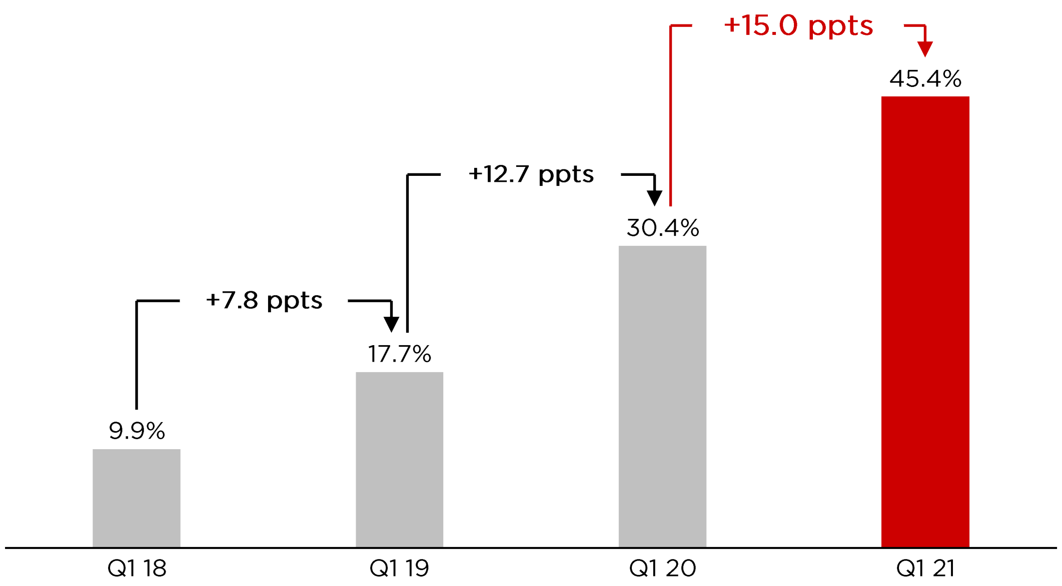
Fiber:
Cruising speed reached

FTTH SUBSCRIBER BASE (000s)

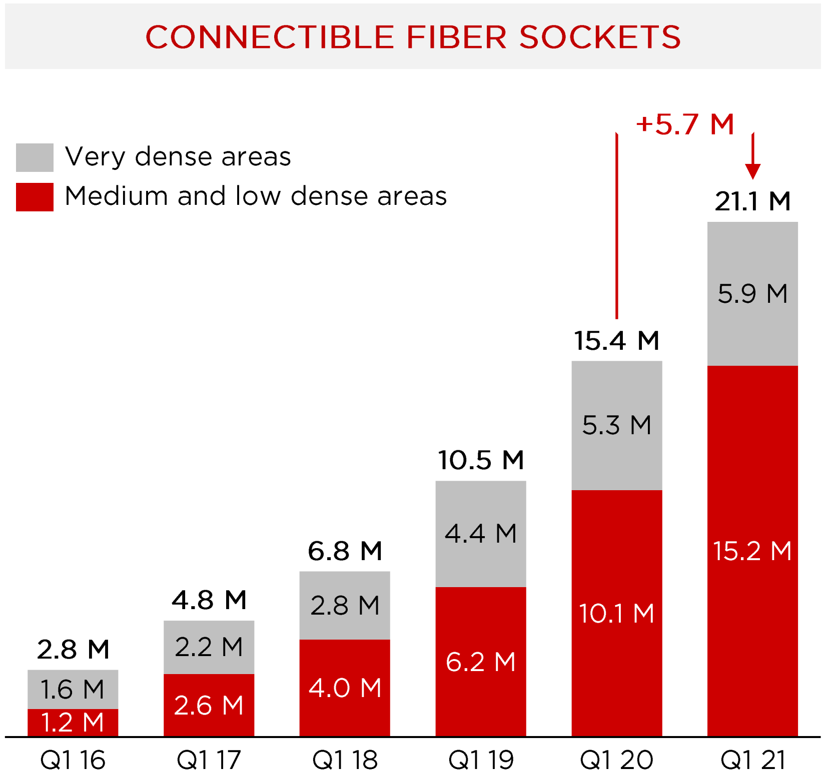


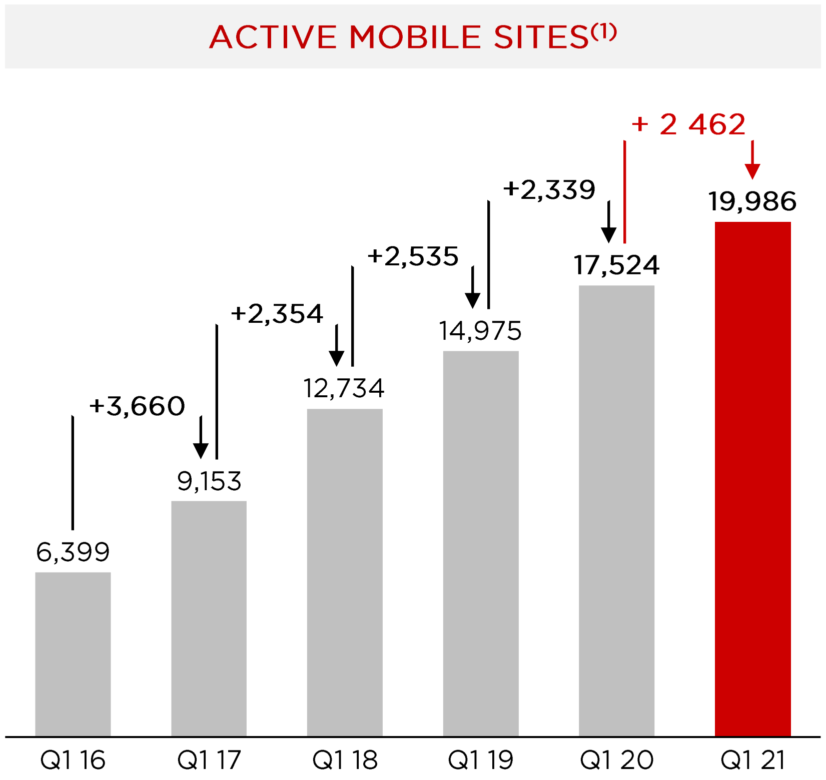
FTTH TAKE-UP RATE AMONG THE BROADBAND SUBSCRIBER BASE



- **Current pace in line with our 2023 target (to have more than** 5 million **Fiber subscribers)**
- Around two thirds of our Fiber subscribers are located in medium and low dense areas

Networks:
Keeping up the strong momentum



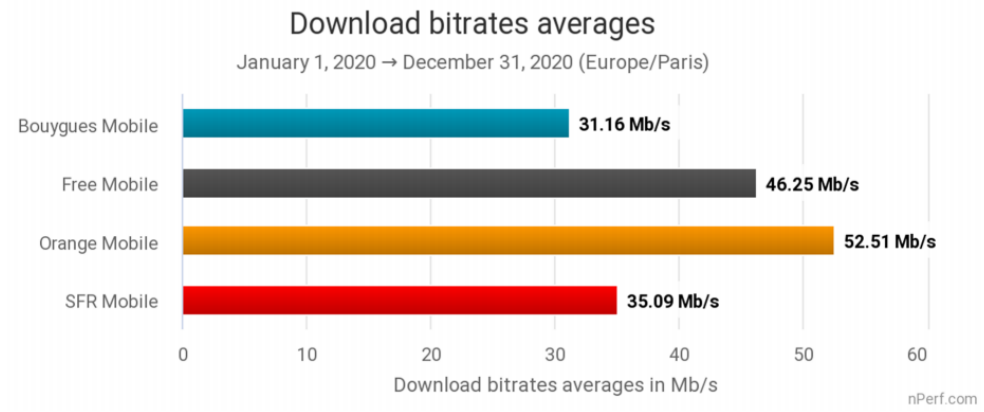


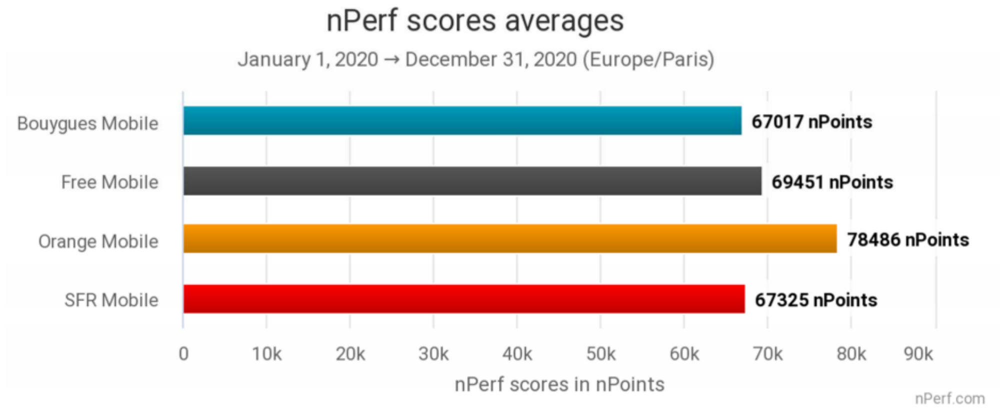
- Network rollout momentum in line with our Odyssey plan objectives

(1) ANFR

Mobile Service Quality:
Free Mobile's network increasingly recognized and rewarded

FREE: NO.2 MNO FOR 4G ACCORDING TO NPERF [1]





OPENSIGNAL Global Awards 2021

Global Rising Stars
(most improved)

free mobile

Download Speed Experience

Upload Speed Experience

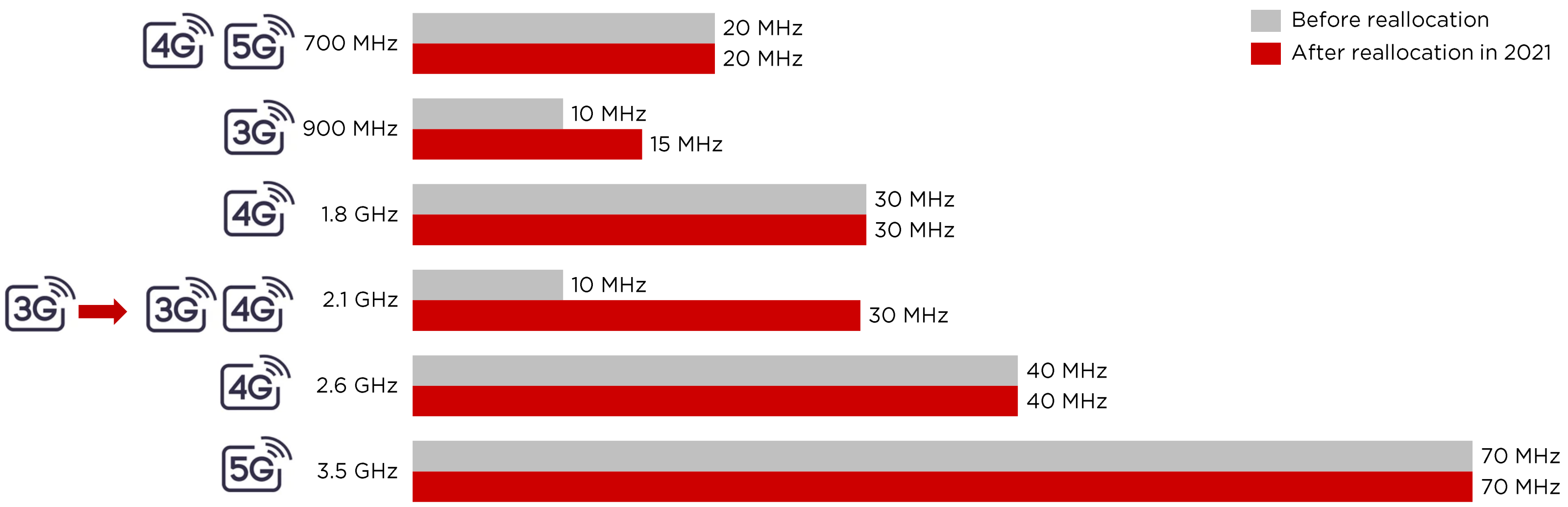
4G Availability

Voice App Experience

(1) Nperf – 2020 Mobile network performance survey
(2) ARCEP 5G monitor – Statistics at December 31, 2020 – Maximum theoretical bandwidth – Sites declared by each operator

Network quality:
Free network to get more 4G capacity in H2 2021

ACTIVATING 4G ON 2.1GHz[1]

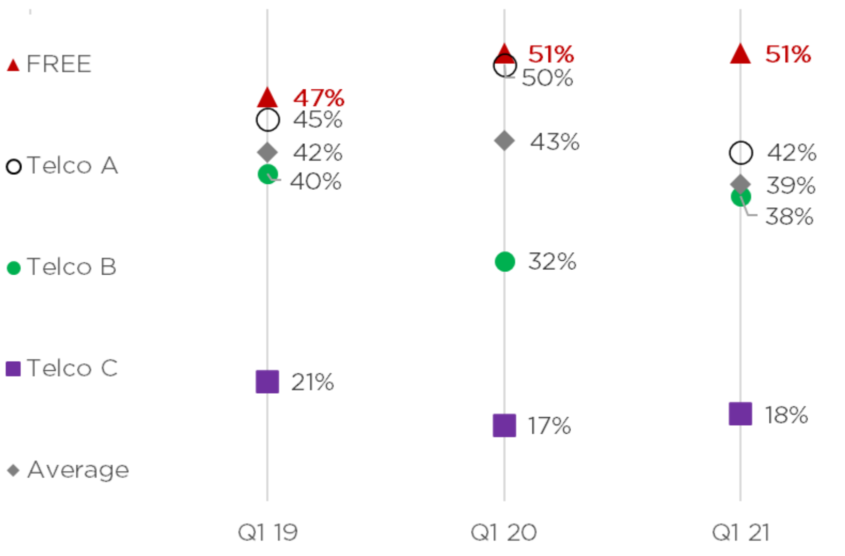


- Free Mobile is currently using 100% of its 10MHz (symmetric) spectrum in 2.1GHz band for its 3G service
- By using its additional 2.1GHz spectrum for 4G, Free Mobile will see its 4G capacity increase by 22%

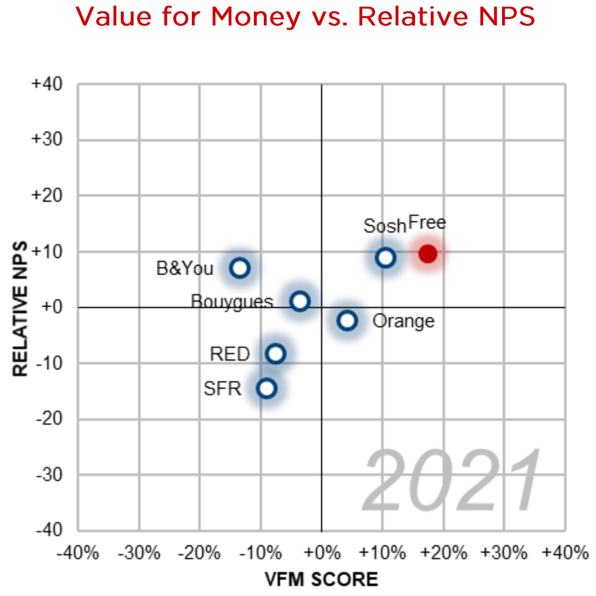
(1) Symetrical bands except for the 3.5GHz

Mobile Service Quality:
High customer satisfaction, room for growth

% OF SUBSCRIBERS STRONGLY RECOMMENDING THEIR MOBILE OPERATOR[1]



FREE BRAND POSITION SHOWS UPSIDE[2]



- Strong NPS[1] at 23 in Q1 21 (25 in Q1 20, 14 in Q1 19)
- Network quality is constantly improving, customer satisfaction is high

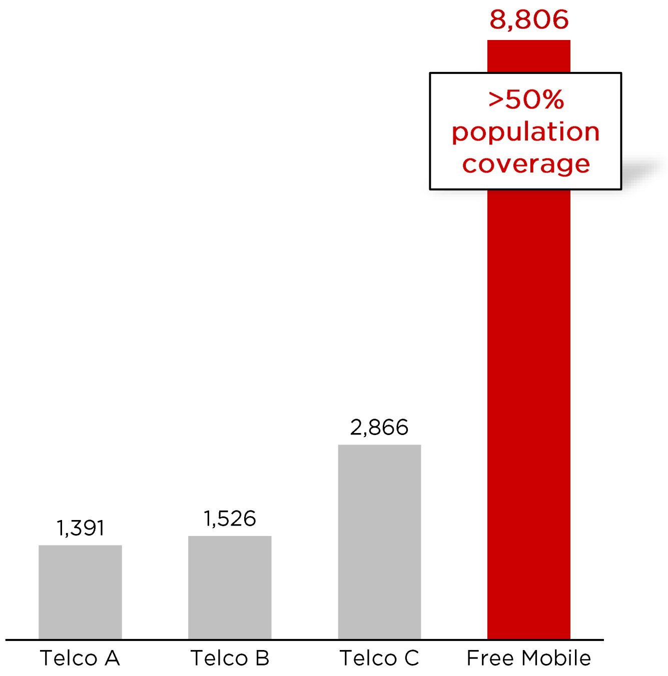
↳ Free has a great opportunity with 5G to increase its network recognition and its revenue market share

(1) IFOP survey commissioned by iliad

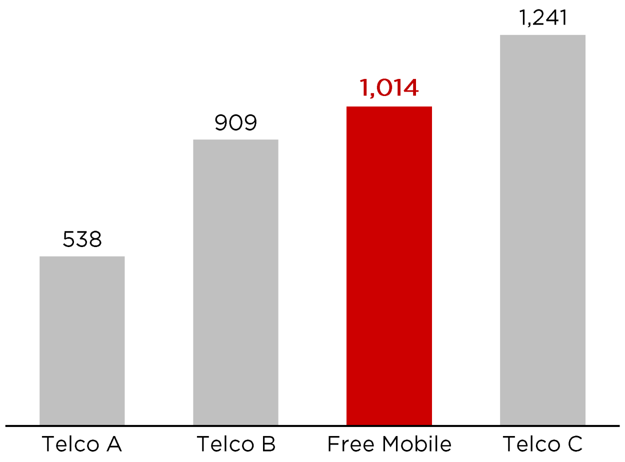
(2) EXANE BNP PARIBAS 2021 STAMP

5G:
Better & Faster

FREE MOBILE NO.1 FOR 5G
(end-April 2021)[1]



FREE: NO.2 FOR 3.5GHz
(end-April 2021)[1]



Acceleration of our 5G capex program as we prepare to address the high end market

Expected population coverage expected at end-2021:

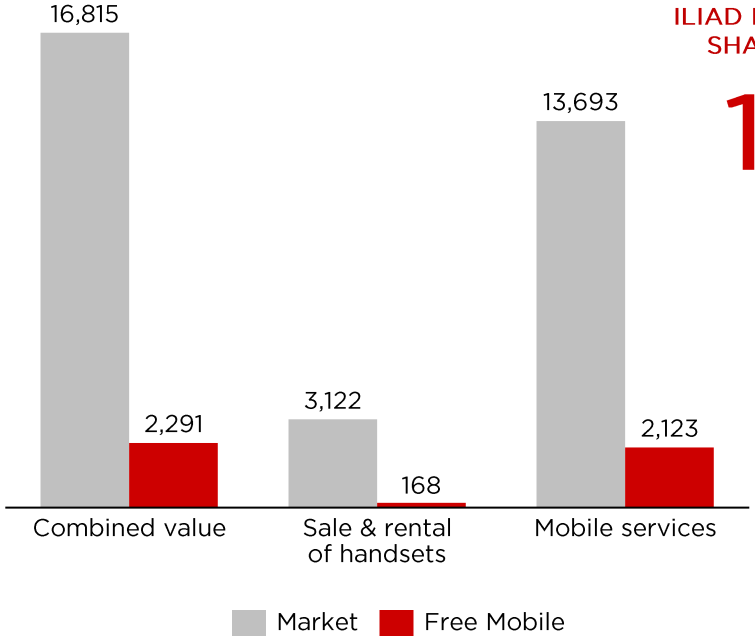
>80%

Iliad's 5G program is based on both low frequencies (700 MHz) which offer extended range to bring 5G to more places, and middle frequencies (3.5 GHz) which offer faster speeds

(1) ANFR –technically operational 5G sites

Clear upside potential:
iliad is well-positioned to target a higher share of the market

FREE MOBILE VS TOTAL MOBILE MARKET IN VALUE IN 2020 (€M)[1]



ILIAD RETAIL MARKET SHARE IN VALUE

16%

FREE MOBILE'S SPECTRUM MARKET SHARE[2]

23%

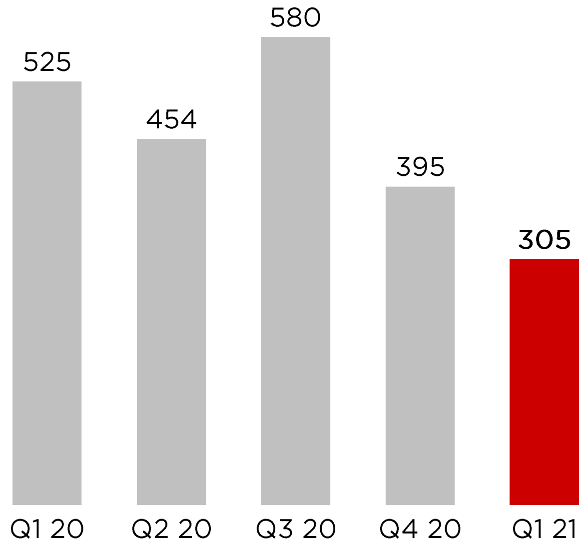
Significant headroom for iliad to grow its revenue market share

(1) Based on ARCEP's Electronic communications market: quarterly surveys – includes value added services from mobile operators
(2) Post refarming in August 2021

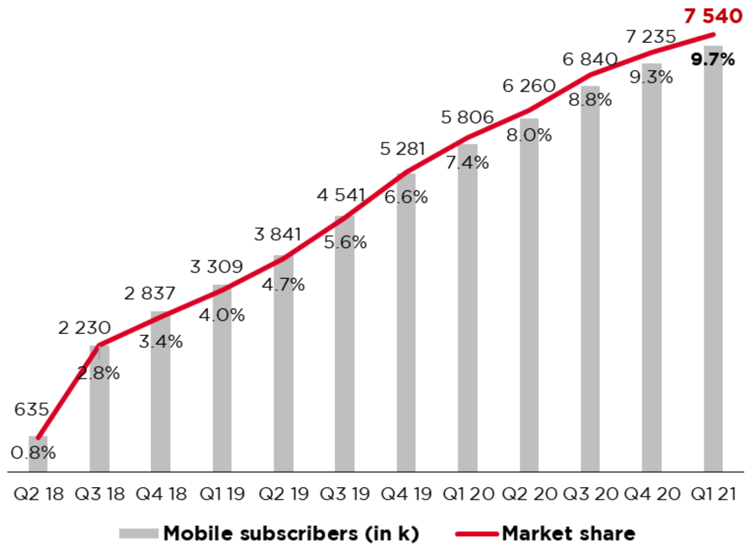
Italy

Italy:
Satisfactory performance in a market slowed down by new lockdown

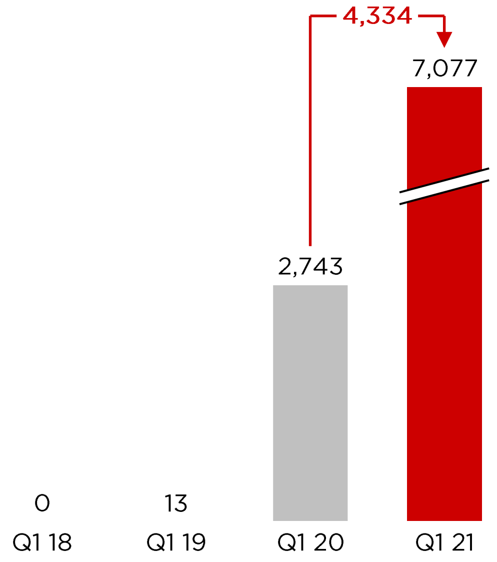
MOBILE NET ADDS (000s)



MOBILE SUBSCRIBER BASE (000s)(1)



ACTIVE MOBILE SITES



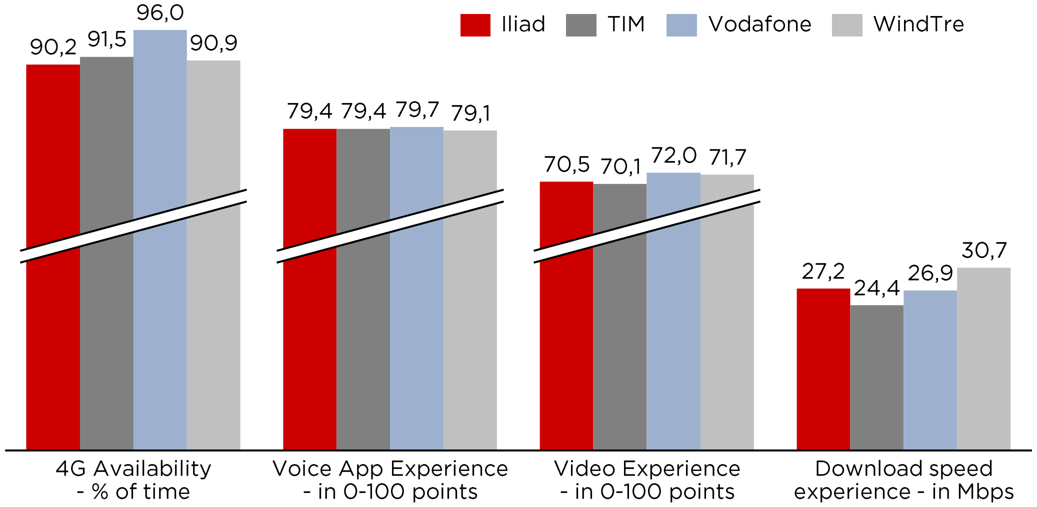
- Lockdown measures limited our sales traction with most of our corners closed during week-ends for the full quarter / targeted winback offers still very aggressive
- Fixed broadband launch postponed to after the Summer
- Network rollout is continuing at a brisk pace, FY target of c8,500 active sites in sight
- Strategic stake in Unieuro, the leading electronic retailer in Italy

(1) Market share calculated using AGCOM Quarterly Report / Human SIMs only / Q1 21 based on Q4 20 numbers for the market

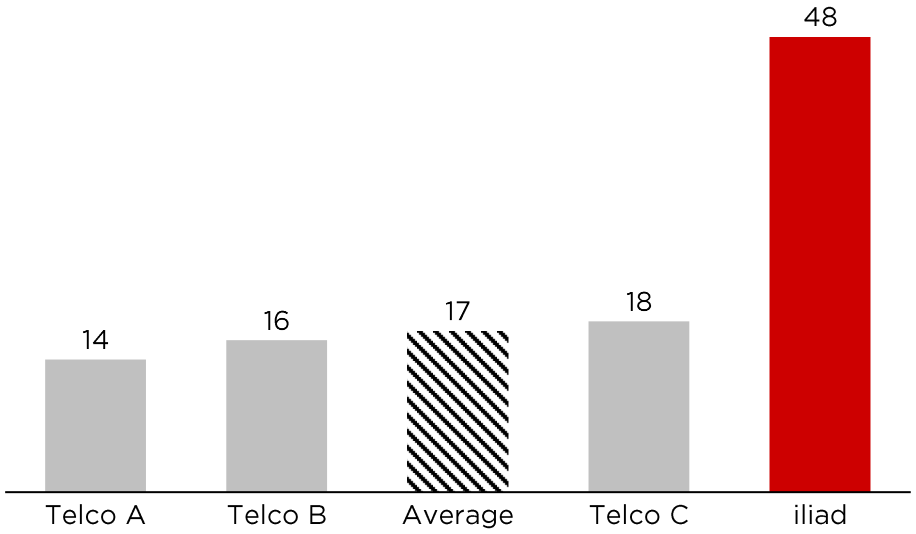
Italy:
Strong NPS and 5G offer launch bode well for our growth profile

MORE FOR MORE WITH 5G OFFER

ILIAD NETWORK ALREADY MATCHING PEERS ON SOME KEY CRITERIAS[1]



NPS COMPARISON vs PREMIUM BRANDS



(1) OPENSIGNAL ITALY - Mobile Network Experience Report - May 2021

Poland

Poland:
Integration ahead of plans

EXECUTIVE COMMITTEE REVAMPED

- Executive Committee extended from 7 to 10 members
- New CFO – Beata Zborowska (extensive experience in IT, FMCG Energy and Telecoms sectors (including with Polkomtel, Exatel and Virgin Mobile Polska)
- Extended ExCo team, with new IT, Sales, Customer Service, HR and Corporate Communication Chief Officers promoted internally
- Representation of women increased from 0% to 30%

10 PRIORITIES SELECTED FROM 56 INITIATIVES

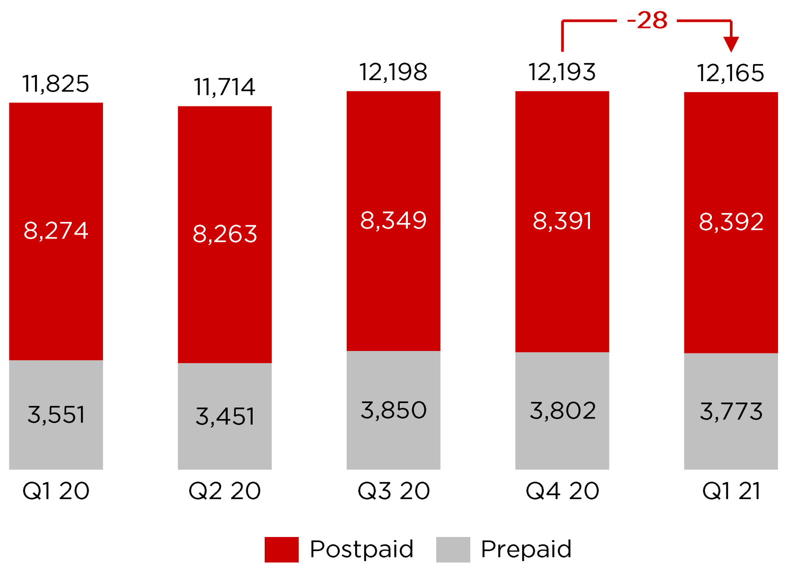
- Streamlining of product portfolio
- Accelerated digitalization of sales channels
- Fixed Broadband development
- Procurement synergies with iliad Group
- Reinforced 5G ambition (rollout, fiber backhaul)
- Inhousing of core competencies

CLOSING OF TOWER DEAL

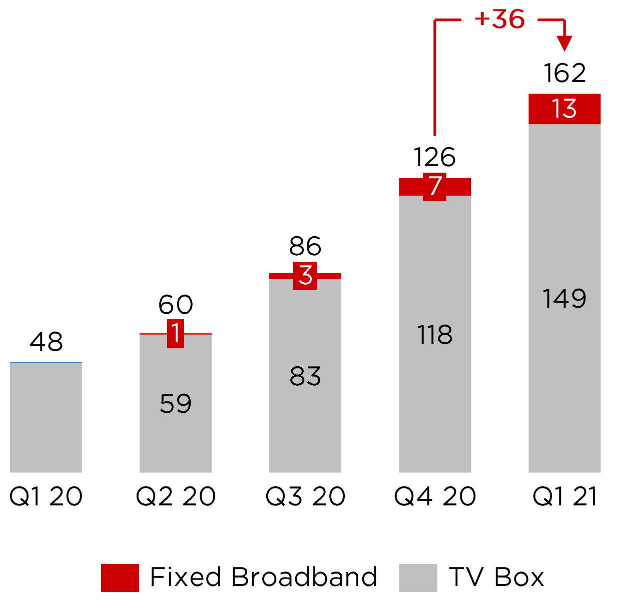
- Sale of 60% of OnTower Poland to Cellnex for €0.8bn
- Strategic partnership strengthening Play's capex capacity
- The deal and the BTS program are enablers for (i) deploying and purchasing 5G frequencies (ii) densifying Play's mobile network (iii) supporting Play's plans to expand its positions in the Polish Fixed Broadband market

Poland:
Successful value strategy

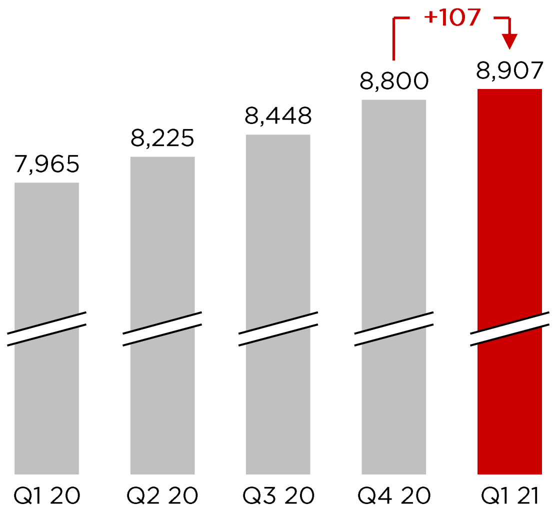
ACTIVE MOBILE SUBSCRIBER BASE (000s)[1]



HOME SUBSCRIBER BASE (000s)



NETWORK - ACTIVE SITES



- Mobile: Active Postpaid Subscriber base stable despite Covid-19 lockdown
- Home: Home Subscriber base +29% QoQ and x3.5 in 12 months
- Network rollout to accelerate post completion of the transaction with Cellnex

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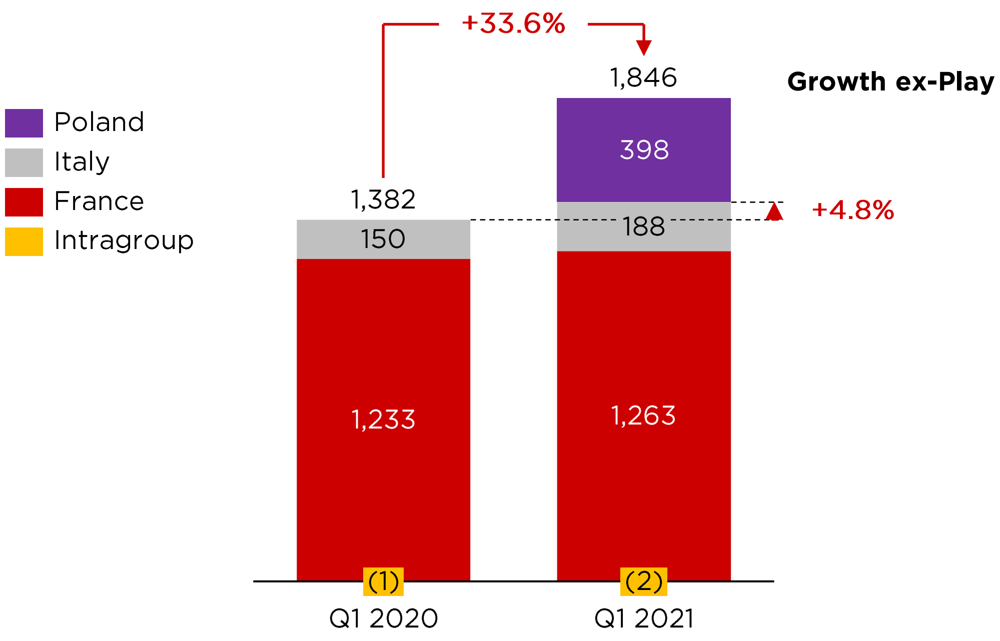
Financial review

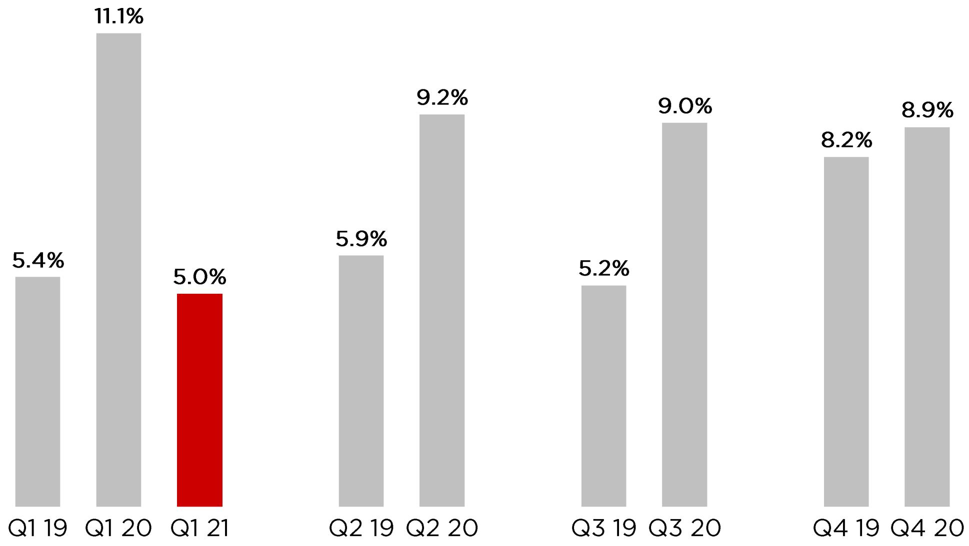
Nicolas Jaeger - Delegate CEO, Executive Finance

Q1 2021 Group revenues: 1st full quarter with consolidation of Poland

Q1 2021 REVENUES (€m)



QUARTERLY ORGANIC SERVICE REVENUE GROWTH[1]

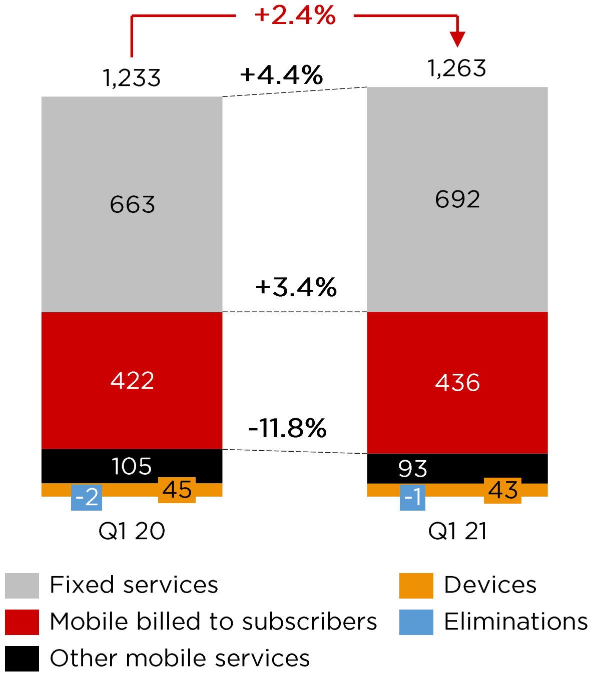


- Total Group revenues up 33.6% as reported in Q1 21 and 4.8% excluding Play
- Services revenues up 28.3% as reported in Q1 21 and 5.0% excluding Play

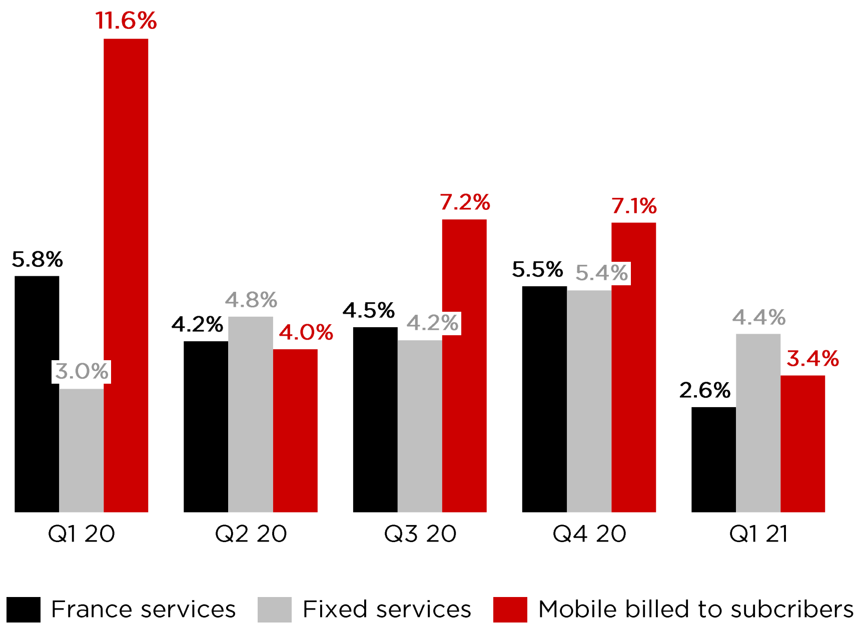
(1) Organic growth: excludes M&A and impact of e-books

France:
Q1 2021 revenue trends

FRANCE Q1 21 REVENUES (€m)



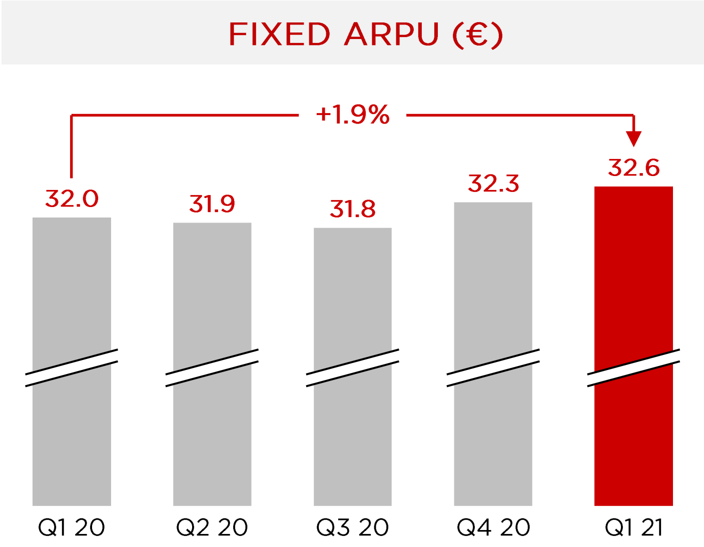
TOUGH BASIS OF COMPARISON IN MOBILE

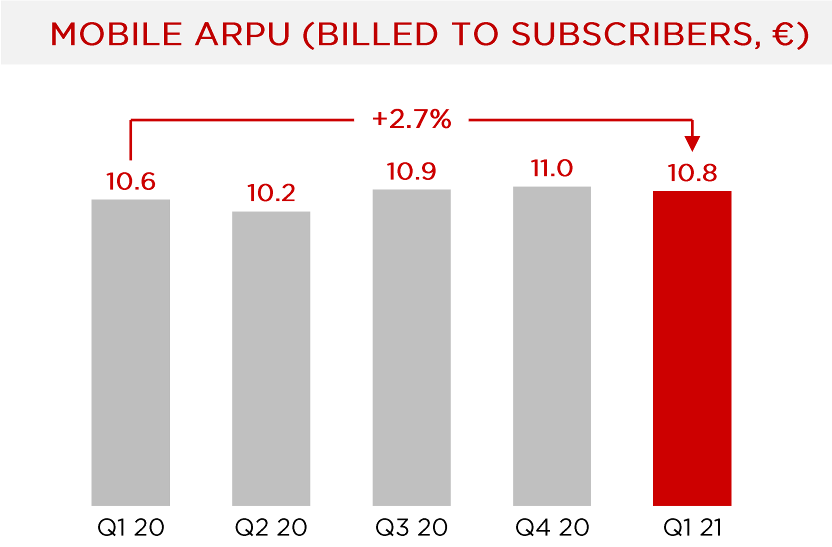


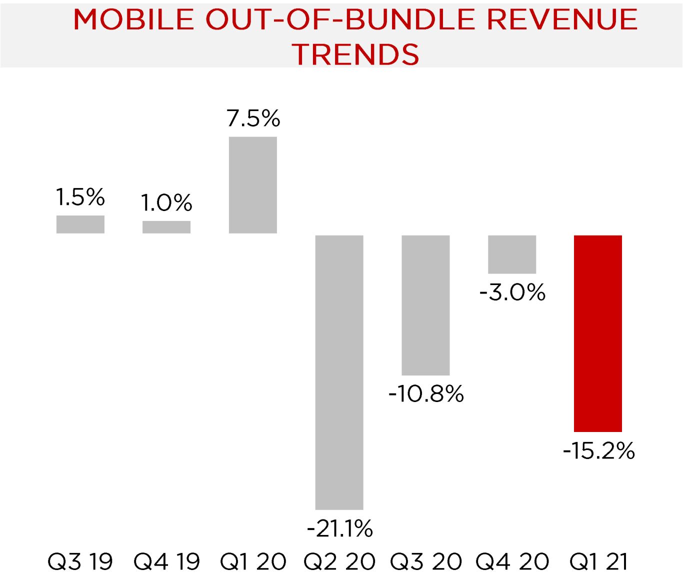
- Revenues up 2.4% in Q1 21, with services revenues rising 2.6%
- Fixed services up 4.4% driven by a combination of volume growth (+2.1%) and value growth (ARPU up 1.9%). Solid recovery for the Fixed business with a 5th consecutive quarter of growth
- Mobile services up 3.4% with a tough basis of comparison (Q1 20 up 11.6%) and negative impacts of COVID-19 on roaming

(1) Organic growth: excludes M&A and impact of e-books

France:
ARPU trends continuing to improve



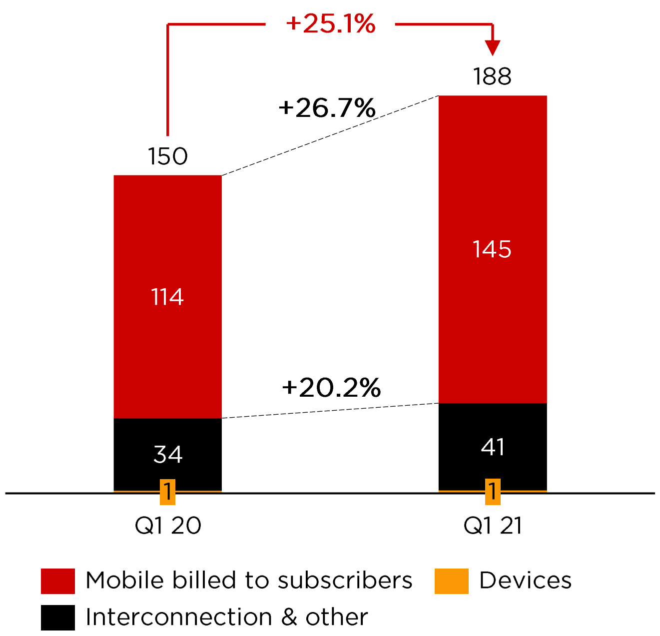




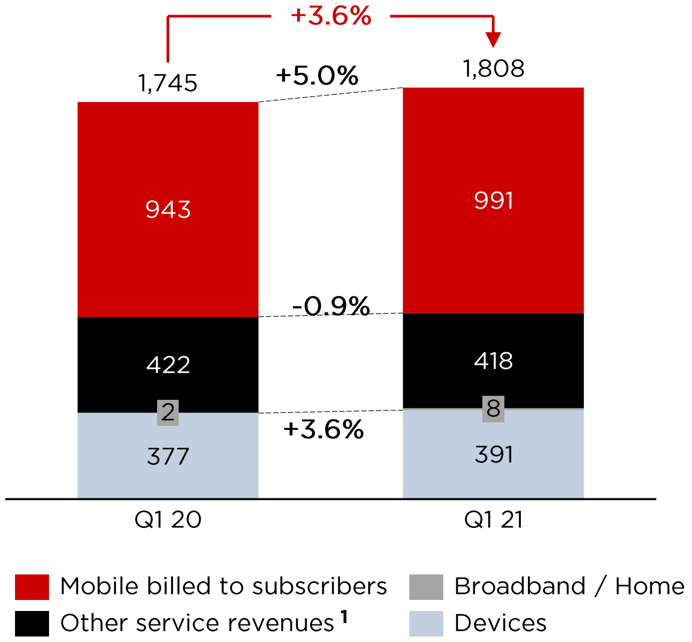
- **Improvement in ARPU trends driven by:**
  - Similarly to previous quarters, a better subscriber mix: c65% of mobile subscriber base on 4G plan, >45% of broadband subscriber base on FTTH
  - Migrations / upsells in **Mobile** partially offset by negative impacts of COVID-19 (unfavorable basis of comparison for out-of-bundle revenues)
  - Frontbook ARPU in **Fixed** increasing thanks to the commercial success of the Freebox Pop and higher demand for the Freebox Delta (more than half of new subscribers)

Italy & Poland: Q1 2021 revenue trends

ITALY Q1 21 REVENUES (€m)



POLAND Q1 21 REVENUES (PLNm)



- ITALY: Q1 growth momentum slowed due to lower activation fees vs Q4 as gross additions suffer from lower churn rate
- POLAND: Strong performance in Mobile billed to subscribers led by a 2.3% YoY increase in ARPU – MTR cut (~27%) to be implemented from July 1st

(1) Other service revenues: interconnection revenues, wholesale, M2M and B2B activities such as 3S

Group outlook

Nicolas Jaeger - Delegate CEO, Executive Finance

Group outlook

FRANCE

LONG TERM GOAL

Achieve a 25% share of the Mobile, Broadband and Ultra-Fast Broadband markets in the long term

FIXED
- Have more than 5 million Fiber subscribers by end-2023
- Have 30m connectible Fiber sockets by end-2022

MOBILE
- Have more than 80% of the subscriber base signed up to the Free Mobile Unlimited 4G/5G Plan by end-2024
- Have more than 25,000 sites by end-2023

B2B
- Obtain a B2B market share of around 4% to 5% by 2024
- Generate B2B revenues of between €400 million and €500 million by 2024

FINANCIALS
- Achieve an EBITDAaL less capex figure in France (excluding B2B activities) of around €900 million in 2021 (objective under review following the decision to allocate part of the proceeds from the upcoming sale of our 30% stake in On Tower France to our 5G capex program)

ITALY

MOBILE
- Have around 8,500 active mobile sites at end-2021
- Have rolled out between 10,000 to 12,000 mobile sites by end-2023

FIXED
- Launch delayed until after the summer of 2021 (vs. "before summer 2021")

FINANCIALS
- Achieve positive EBITDAaL for full-year 2021 (objective revised upwards)
- Generate €1.5bn in revenues in Italy in the long term

POLAND

FINANCIALS
- Grow EBITDAaL less capex in 2021

appendix

Group revenues

	2019								2020							2021
	Q1	Q2	H1	Q3	9M	Q4	H2	FY	Q1	Q2	H1	Q3	9M	Q4	FY	Q1
France (€m)	1,213	1,219	2,432	1,229	3,661	1,251	2,485	4,917	1,233	1,242	2,475	1,252	3,728	1,277	5,004	1,263
Fixed services	654	658	1,312	661	1,973	666	1,327	2,640	663	672	1,336	673	2,009	686	2,695	692
Mobile services	487	510	997	524	1,521	527	1,057	2,054	527	514	1,041	537	1,578	545	2,123	529
o/w billed to subscribers	384	405	789	423	1,212	425	848	1,636	422	408	830	439	1,270	442	1,711	436
Devices	73	53	126	45	171	59	104	229	45	58	103	44	146	48	194	93
Intercompany sales – France	(2)	(2)	(3)	(1)	(4)	(1)	(3)	(6)	(1)	(3)	(4)	(1)	(5)	(2)	(7)	(1)
Italy (€m)	81	96	177	109	286	140	250	427	150	162	312	171	483	192	674	188
Mobile services	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	149	161	309	170	479	190	670	186
Poland (€m)	-	-	-	-	-	-	-	-	-	-	-	-	-	200	200	398
Mobile services	-	-	-	-	-	-	-	-	-	-	-	-	-	152	152	312
Poland (PLN)	-	-	-	-	-	-	-	-	*1,745*	*1,755*	*3,499*	*1,802*	*5,302*	*1,858*	*7,160*	*1,808*
Mobile billed to subscribers	-	-	-	-	-	-	-	-	*943*	*937*	*1,880*	*977*	*2,858*	*993*	*3,851*	*991*
Other service revenues	-	-	-	-	-	-	-	-	*422*	*441*	*863*	*398*	*1,261*	*430*	*1,691*	*418*
Equipments	-	-	-	-	-	-	-	-	*377*	*373*	*751*	*423*	*1,174*	*429*	*1,603*	*391*
Home	-	-	-	-	-	-	-	-	*2*	*3*	*5*	*4*	*9*	*6*	*14*	*8*
Intra-group sales	(1)	(1)	(2)	(2)	(4)	(2)	(4)	(6)	(1)	(2)	(3)	(2)	(5)	(2)	(8)	(2)
Group revenues	1,293	1,314	2,607	1,336	3,943	1,389	2,725	5,332	1,382	1,402	2,784	1,420	4,205	1,666	5,871	1,846

Group KPIs

	2019				2020				2021
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
FRANCE									
Mobile subscribers (000s)	**13,391**	**13,314**	**13,296**	**13,313**	**13,326**	**13,406**	**13,476**	**13,376**	**13,382**
o.w. 4G plans	7,858	7,928	8,075	8,177	8,278	8,383	8,503	8,563	*8,657*
o.w. voice plan	5,533	5,386	5,221	5,136	5,048	5,023	4,973	4,813	*4,725*
Broadband subscribers (000s)	**6,411**	**6,396**	**6,428**	**6,460**	**6,507**	**6,572**	**6,671**	**6,721**	**6,765**
o.w. FTTH	1,133	1,305	1,515	1,760	1,975	2,218	2,517	2,803	*3,072*
% FTTH take-up	17.7%	20.4%	23.6%	27.2%	30.4%	33.7%	37.7%	42.0%	45,4%
Total subscriber base (000s)	**19,802**	**19,710**	**19,724**	**19,773**	**19,833**	**19,978**	**20,147**	**20,097**	**20,147**
Broadband & Ultra Fast Broadband ARPU (€ per month)	32.5	32.5	32.5	32.6	32.0	31.9	31.8	32.3	32.6
Mobile ARPU billed to subscribers (€ per month)	9.5	10.1	10.6	10.6	10.6	10.2	10.9	11.0	10.8
Connectible FTTH sockets	10.5m	11.5m	12.0m	13.9m	15.4m	16.8m	18.2m	19.9m	21.1m
ITALY									
Mobile subscribers	**3,309**	**3,841**	**4,541**	**5,281**	**5,806**	**6,260**	**6,840**	**7,235**	**7,540**
POLAND									
Reported mobile subscribers (000s)	**15,032**	**15,006**	**15,107**	**15,265**	**15,197**	**14,983**	**15,389**	**15,402**	**15,373**
Active mobile subscribers (000s) ex-M2M and technical SIMs	**11,748**	**11,828**	**11,854**	**11,897**	**11,825**	**11,714**	**12,198**	**12,193**	**12,165**
o.w. postpaid	8,134	8,213	8,238	8,295	8,274	8,263	8,349	8,391	*8,392*
o.w. prepaid	3,613	3,615	3,616	3,602	3,551	3,451	3,850	3,802	*3,773*
Home subscribers (TV Box + Fixed Broadband) (000s)	**7**	**18**	**20**	**32**	**48**	**60**	**86**	**126**	**162**
o.w. TV Box	7	18	20	32	47	59	83	118	149
o.w. Fixed Broadband	-	-	-	-	0	1	3	7	13
Total active subscriber base (000s)	**11,755**	**11,845**	**11,874**	**11,929**	**11,872**	**11,774**	**12,284**	**12,319**	**12,327**
Mobile ARPU billed to subscribers (PLN per month)	25.6	26.5	27.0	26.4	26.5	26.5	27.3	27.1	27.1