Annual Report

2023

orange™

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We look for what connects us

Chapter 1

Orange Slovensko, a.s.

Orange Slovensko, a.s. Member of the Global Orange Group

Registered Office

Metodova 8, 821 08 Bratislava, Slovak Republic

Company Identification Number (IČO)

35697270

Date of Entry in the Commercial Register of the Slovak Republic

3 September 1996

Legal Form

Joint-stock Company

Identification of the Entry in the Commercial Register

Registered in the City Court Bratislava III

Commercial Register Section: Sa, Insert No.: 1142/B

Description of the Company

Orange Slovensko, a.s. is a leader in providing comprehensive telecommunications services, and the largest mobile network operator in Slovakia. It has been operating on the Slovak market since 1997. As at 31 December 2023, Orange Slovensko, a.s. recorded 2.389 million active mobile network customers, 323 thousand fixed internet customers and 188 thousand digital TV accesses. As at 31 December 2023, revenue of Orange Slovensko, a.s. reported under IFRS 15 standards amounted to EUR 591 million.

Orange Slovensko is a member of the global Orange Group, one of the world's leading telecommunications operators. As at 31 December 2023, the Orange Group's revenue reached 44.1 billion and its services were used by 298 million customers in 26 countries.

The company is providing mobile services through the 2G network covering 99.8% of the population, the 4G network available to 99.1% of the Slovak population and the high speed 5G network with maximal theoretical speed up to 1 600 Mbit/s that has been already available to 65.6% of the Slovak population at the end of 2023. Fixed Internet from Orange, whether via optical network, DSL or fixed LTE, is the most accessible Internet in Slovakia with access for almost 1.8 million households, while the fiber-optic network from Orange is available to 592,044 households in 70 towns and optical services from Orange provided through partner networks are available to 615,619 households in 703 towns and municipalities of Slovakia.

The quality of services provided by Orange Slovensko, a.s. is compliant with the ISO 9001:2000 certificate criteria; in addition, the company holds an environmental management certificate pursuant to the ISO 14001:2004 standard. It is a long-term leader in CSR and corporate philanthropy. This area is also covered by Nadácia Orange (Orange Foundation) which is identified as the most trusted corporate foundation in Slovakia. In 2023, it won the responsible business award in the Fair Player in the Market category which is awarded annually by Nadácia Pontis (Pontis Foundation).

The 100% shareholder of Orange Slovensko, a.s. is the Orange Group, via Atlas Services Belgium.

Company Bodies

Board of Directors

Chairman

Mariusz Gatza

Members

Katarína Boledovičová
Eve Bourdeau
Pawel Galej
Eric Maintenay
Martin Mosný

Supervisory Board

Chairman

Bruno Duthoit

Vice-Chairman

Christian Urs Luginbühl

Members

Igor Berta
Jean-Marie Culpin
Gilles Deloison
Ľuboš Brozman
Marc Ricau
Milena Harito Shteto
Peter Škodný
Bohumil Suchánek

Company Management

Chief Executive Officer
Mariusz Gatza

Chief Customer Experience & B2B Officer
Katarína Boledovičová

Chief Financial Officer
Eve Bourdeau

Chief Commercial Officer B2C
Pawel Galej

Chief Technical & IT Officer
Eric Maintenay

Chief Strategy Officer
Martin Mosný

Chief People & Culture Officer
Martin Pakan

Chief Corporate & Brand Reputation Officer
Tomáš Palovský

Mariusz Gatza

Chief Executive Officer and Chairman of the Board of Directors

Born in 1973. He has a master's degree in civil engineering from the Polytechnic University of Bydgoszcz, also studied management at the University of Warsaw and received an MBA from the University of Illinois. He has more than 20 years of experience in Orange Poland where he held various senior positions, including Deputy General Manager responsible for business and residential segments. After successfully serving as CEO in Orange Moldova between the years 2020 and 2022, in 2022 he became CEO and Chairman of the Board of Directors of Orange Slovensko, a.s.

Katarína Boledovičová

Chief Customer Experience & B2B Officer

Born in 1981. She graduated from the Faculty of Mathematics, Physics and Informatics at Comenius University in Bratislava. For more than 17 years, she has held several positions in the banking sector, most recently she led the retail strategy and digital transformation of the Raiffeisen Group, where she was primarily responsible for strategic projects, ESG, customer experience, digital transformation and innovation, and the overall business performance of 12 countries. She was a member of the Supervisory Boards of Raiffeisen Bank International - in Serbia, Bulgaria and Austria. In Slovakia, she led private banking, retail segments and sales at Tatra banka. She joined Orange Slovensko, a.s. in January 2023 as Chief Customer Experience and B2B Officer.

Eve Bourdeau

Chief Financial Officer, BoD member

Born in 1982. She graduated from INSEAD, she has an engineering master's degree from INSA LYON University and a business master's degree in Strategy and Management of International Business at ESSEC Business School in Paris. She worked on various positions within the Orange Group as, for instance, between 2006-2010, she was active in the position of mergers and acquisitions manager, between 2010-2013, in the position of Sales Director in Orange France, from 2014 in the position of Chief Financial Officer for the Asia Pacific region in Orange Business. She has been in the position of Chief Financial Officer in Orange Slovensko, a.s. since September 2020. In 2023, she has been appointed Chairwoman at the Board of Directors of Nadácia Orange.

Ivana Braunsteinerová (until October 2023)

Chief People and Culture Officer

Born in 1974. She obtained her master's degree in German studies - social pedagogy at the Faculty of Arts of Comenius University in Bratislava and she also completed part of her studies at the University of Koblenz in Germany. She has been working in the field of human resources management since 2002 and has been active in several companies in the automotive and retail industry. From 2011 to 2017, she worked as HR Country Manager in Lidl Slovenská republika, v.o.s. She joined Orange Slovensko, a.s. as Human Resources Director in 2018 and from 2020 to 2022, she was a member of the Board of Directors of Nadácia Orange (Orange Foundation).

Pawel Galej

Chief Commercial B2C Officer

Born in 1978. He received his master's degree from the University of Wrocław. He started his professional career at Cyfrowy Polsat company, which was the leader in pay-TV on the Polish market. Between the years 2006 and 2017, he held various marketing positions at Orange Poland, among others as Director of TV and Broadband. Between 2018 and 2022, he served as Sales & B2C Operations Director at Orange Poland, where he led the transformation of the largest telecommunications distribution network in the Central European region. He joined Orange Slovensko, a.s. in 2022 as Chief Commercial B2C Officer.

Eric Maintenay

Chief Technical & IT Officer

Born in 1961. He graduated in electrical engineering at the Marseille-Provence University. He has been working in Orange Slovensko, a.s. company from 1997 when he started his career as Operations Centre Manager in Banská Bystrica. Between 2002 and 2008, he was responsible for quality and operations activities within the technical department, later he was Senior Manager for Networks and Deputy Director of Information Systems and Networks. He became Chief Technical & IT Officer at Orange Slovensko, a.s. in July 2020.

Martin Mosný

Chief Strategy Officer

Born in 1973. He graduated in telecommunications at the Faculty of Electrical Engineering and Information Technology of STU in Bratislava, where he obtained an engineering degree. He extended his education in economics and management at the University of Economics in Bratislava and at IFL Stockholm. He has applied his expertise in companies such as Telenor Netherlands, Vizada Networks and Siemens in Slovakia and also in Austria. He joined Orange Slovensko,a.s. from the SWAN company, where he most recently held the position of Business Development Director. He joined SWAN in 2008 as Strategy and Development Director. From July 2015, he led the company as Managing Director and later as CEO.
He joined Orange Slovensko, a.s. in 2020 and has held the position of Chief Strategy Officer since July 2022.

Martin Pakan

Chief People and Culture Officer (from February 2024)

Born in 1983. He completed his studies at the Alexander Dubček University in Trenčín, where he graduated in human resources and management. He joins Orange Slovensko,a.s. from the position of Head of Human Resources at VUB, where he worked for more than 3 years and mainly supported the strategic management of business partnering. Prior to that position, for more than 20 years, he worked in various HR positions, most recently at Erste Group IT since 2013, where he had held the position of Regional HR Director since 2017 and at the same time was a board member for Austria, Slovakia and the Czech Republic. He joined Orange Slovensko, a.s. in 2024 as Chief People and Culture Officer.

Tomáš Palovský

Chief Corporate & Brand Reputation Officer

Born in 1983. Graduated from the Faculty of Human Sciences at the University of Žilina. During and after his studies he worked in several media with a focus on economics, business and technology. After moving into the field of corporate communications and public relations, he was strategically occupied with these topics in both the telecommunications and financial sectors. He joined Orange Slovensko, a.s. in 2017 as Corporate Relations Manager and since 2023 he has held the position of Chief Corporate & Brand Reputation Officer.

Letter from the CEO

Chapter 2

Together we can always find each other

Letter from the CEO

Dear Ladies and Gentlemen,

simplifying and making the whole portfolio more attractive, developing 5G, AI and IoT solutions, as well as ESG initiatives - all these activities have been our compass on the path we have taken in 2023 and they are guiding us towards our major goal of continuously improving customer experience. It's not an easy path, but we know it is the right one, and at its end, there is what matters most to us - a satisfied customer. Let me take you through this path now and through the following lines proudly present to you the activities we have carried out, the challenges we have faced and the results we have achieved in 2023.

Although we still maintain our position as the leader in the mobile market in a challenging competitive environment, our activities have long-term been directed also towards fixed network services and, primarily, towards the bundling of services in both mobile and fixed networks. We are aware that customers expect simple and, in particular, high-quality solutions from their operator that meet the specific needs of their household or business. That is why we have a continuing strategic focus on simplification of our services and convergence, namely bundling of mobile and fixed services into a single offer - the Love offer. And so it was also in 2023.

Simplifying and making the whole portfolio more attractive were the fundamental activities of the past year. We want to make the choice of services as easy as possible for our customers and at the same time we want to reward them for their loyalty. We have introduced a new simplified Plus flat-rate portfolio that includes a unique novelty - a reward for loyalty in the form of annual and automatic increase in the volume of free data. We have also made our fixed internet offer more transparent, regardless of the technology the customer uses, as well as our TV offer. Due to this, we have been able to bring our customers an even clearer and more convenient convergent range of services in one Love package.

We consider the repeated, fourth consecutive award for the best mobile network in Slovakia to be a significant recognition of our efforts to bring the utmost quality to our customers. Thanks to its best mobile network, Orange as a technology leader can also focus on smart solutions in the field of artificial intelligence and the Internet of Things, which bring customers modern technological answers to complex challenges, not only in the business field. In the past year, we have focused intensively on expanding the 5G network coverage, which we have managed to increase by 40%, from 25% coverage at the beginning of 2023 to more than 65% coverage at the end of 2023. In the following year, we will continue to expand the 5G coverage to additional locations. We plan to make the 5G network available in all Slovak towns and also in all municipalities with over 4,000 inhabitants. In addition to the expansion of the 5G coverage itself, we also plan to further strengthen the 5G capacity in the largest towns.

The previous year was also the last one when customers could use the 3G network. We only guaranteed its functionality until the end of the year while it was fully replaced by the newer 4G and the most up-to-date 5G networks and it is the further development of these networks that we intend to continually focus on strategically.

The year 2023 was also an exceptional year for us in the business customer services segment. As a technology leader with the highest-quality network, we have long-term been providing companies with smart solutions in the fields of artificial intelligence and the Internet of Things, whether in the food industry, energy saving, healthcare or security field. Also in the business customer segment, we have focused on simplifying our portfolio, have brought a new Pro business concept consisting of a new voice and fixed portfolio and a new convergent offering for SOHO/SME called Love Pro. With the 5G technology, we have entered a new era with business Internet. The newly created Tele Account Manager sales channel will help us take even better care of our business customers.

Understandably, we pay above-standard attention to the care and provision of quality service to our customers with the utmost respect for their needs and expectations. The digital channels, which we are focusing on and are constantly improving, are becoming an increasingly popular and effective contact point. We are delighted to see growing trends in the use of digital communication tools such as Facebook, Chat, WhatsApp. Their usage has increased by more than 10% compared to the previous year and digital channels account for up to one third of the total number of contacts, which is a more than 40% increase compared to the previous year. We also allow customers to obtain information via a chatbot that is available for them around the clock and is able to provide advice on a wide variety of areas. We also record an increase in active users with the My Orange app with the number of users growing year-on-year to 451 thousand per year. We do not forget about customers who expect technical support from us and for those we have created an entirely free line where we are happy to provide it.

Beside our commercial activities, we have long-term focused on our responsible approach to the society in which we operate. We have continued to build photovoltaic solutions at our base stations, thus currently we have got over 440 transmitters connected to solar panels. We are also committed to improving digital education and inclusion through Nadácia Orange (Orange

Foundation) or the beznastrah.online (without-pitfalls.online) programme with the intention to educate adults on how they can protect children and young people from the negative impacts of digital media use.

It is them we dedicate superior care and create high-quality working conditions for them in a motivating environment. In the past year, we have primarily focused on the cultural transformation of the company, introduced new corporate values and jointly established a new mission called „Digital future accessible to all“. Our main goal is to have a quality leadership team that sets an example for all employees. We have introduced regular measurement of our employees‘ satisfaction and engagement so that we can directly target any potential improvements. I believe we have initiated the right strategy to manage both our key transformation and business objectives. A confirmation of our right path is the Techbox Operator of the Year 2023 award, which we were honored with by our customers, as well as the financial results that we have managed to achieve together.

The total revenue of Orange Slovensko, a.s. as at 31 December 2023 reported under IFRS 15 standards increased by 3.2% year-on-year and amounted to EUR 591 million. Revenue from equipment sales increased by almost 4% year-on-year to EUR 132 million, service revenue also grew by more than 3% to EUR 457 million. In the past year, we were able to generate EBITDAaL revenue in the amount of EUR 218 million which represents a 6% year-on-year increase. Almost half of our profit, namely EUR 72.83 million, was returned to the company in the form of CAPEX investments.

Dear shareholders, customers, dear employees. We all know how demanding the year 2023 has been, we have faced several challenges both internally and externally, and yet we have been successful in several respects. We have managed not only meet most of our set targets but even exceed them and some of them remain a challenge also in the period ahead. We acknowledge that the market in which we operate is increasingly competitive and this competitive dynamic has a constantly accelerating tendency. Our company‘s goals for the coming years are unambiguous; we want to be the fastest growing challenger in the fixed market and the indisputable leader in the mobile segment. We want to be the convergent player that customers choose and value. We want to be innovative, digital, fast in decision-making and action. We want to be a modern employer where people can develop their passions and professional experience. We need to be prepared to be able to adapt quickly and flexibly to situations and to think ahead. That is why we will continue to focus on providing the highest possible quality, innovative solutions and relevant services to maintain our position as a modern digital company with excellent telecommunications services and satisfied customers also in the 27th year of our presence on the market.

Ladies and gentlemen, let me use this opportunity to thank our shareholders for their trust, without which we would not be able to bring new inspiring and relevant products and services to our customers. Additionally, I would like to thank our employees for their daily commitment, professionalism, engagement and contribution to our shared successes and, last but not least, to our customers for placing their trust in us. I also look forward to the next challenges in 2024. I believe they will bring us as much inspiration as possible to make us even more excelling and every day be able to connect people with everything that matters to them.

Mariusz Gatza
Chief Executive Officer and Chairman
of the Board of Directors
Orange Slovensko, a.s.

Key milestones in 2023

Chapter 3

Every challenge moves us further

How Orange Slovensko fared in 2023

The best mobile network in Slovakia

4x The best mobile network in Slovakia awarded fourth time in a row

We won the **the Nay Techbox Operator of the Year** award

Revenue
EUR 591 mil.

EBITDAaL
EUR 218 mil.

Investments into mobile networks
EUR 60.13 mil.

Investments into fixed networks
EUR 12.70 mil.

112.75 mil. GB
transferred in mobile data network in Slovakia

9.25 mil. GB
transferred in roaming in EU

65.6 %
coverage of high speed 5G network

99.1 %
coverage of 4G network

323 thousand
customers of fixed internet

2,389 thousand
customers of mobile services

592,044 households with available optical network from Orange

TV services

188 thousand accesses

mobile ARPU
EUR 13.7

180 thousand
Customers of convergent services

615,619 households with available optical network from Orange provided by partner networks

27 thousand
customers using eSIM

1,041
employees

Love

#toludskevnas
The given data represent data as of December 31, 2023

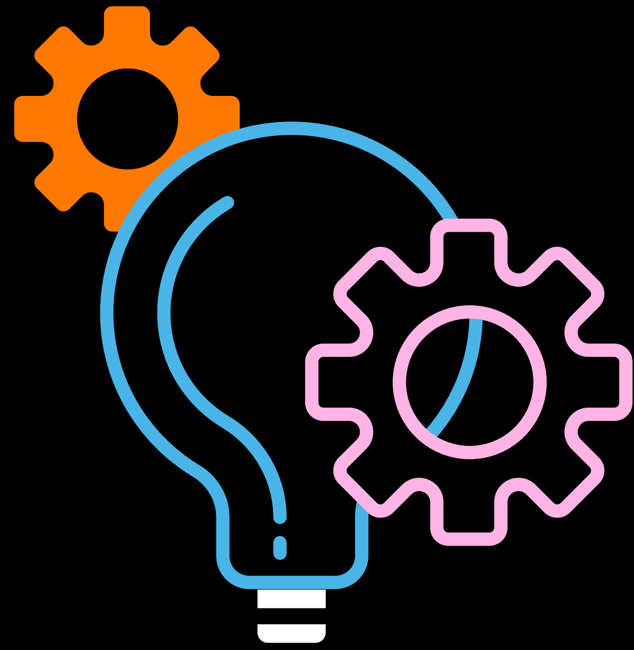
#toludskevnas
The given data represent data as of December 31, 2023

Spájame vás s tým, na čom skutočne záleží

orange

470
transmitters in operation with solar power

72 % (60,4 GWh) of our energy consumption came from renewable sources, representing approximately
9,000 tonnes of CO_2
that we did not emit

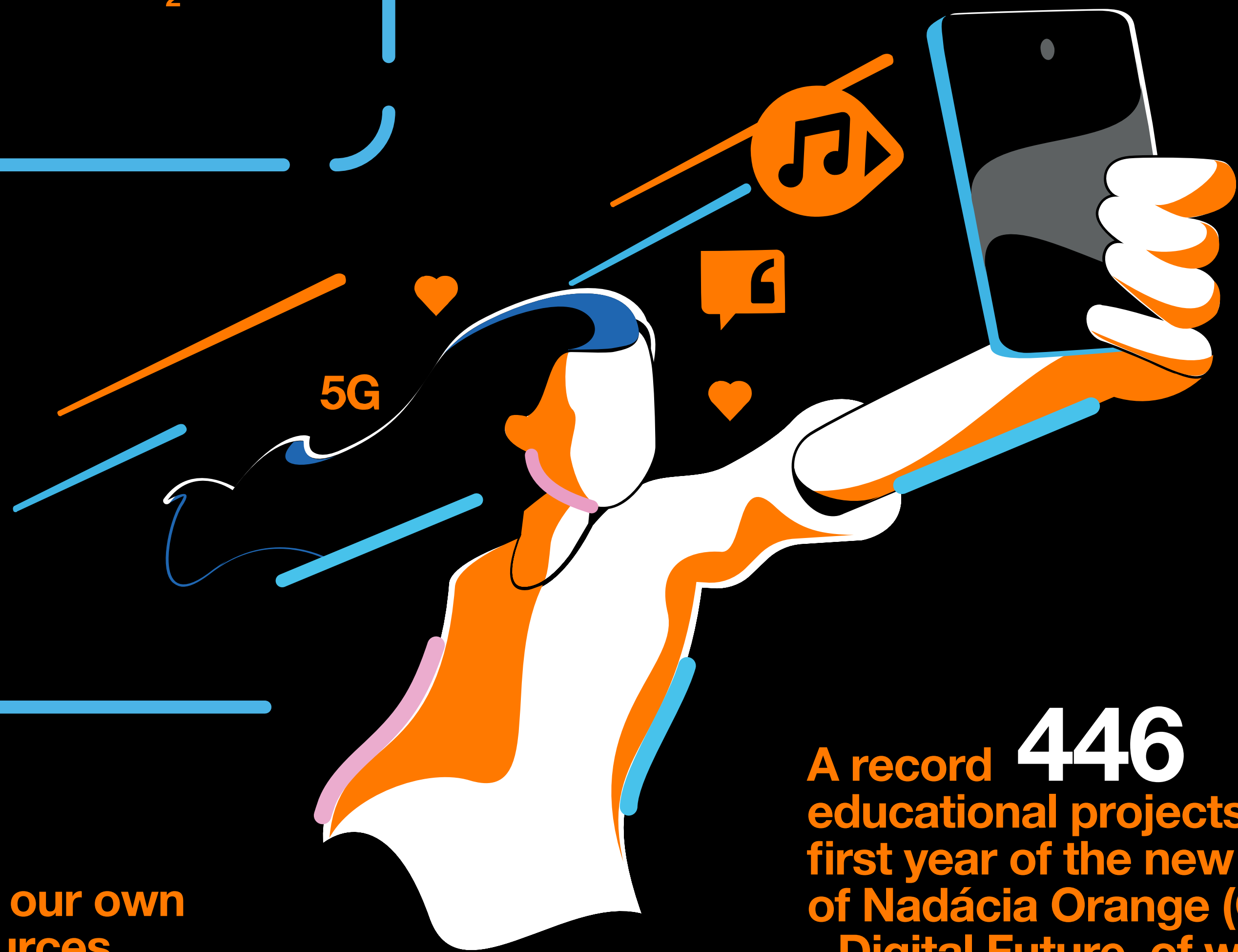


114
projects and applications from all over Slovakia supported by Nadácia Orange (Orange Foundation)

449,967.07 eur
redistributed by Nadácia Orange (Orange Foundation) among individual projects

114,647
benefiting individuals we have reached through activities of Nadácia Orange (Orange Foundation) in 2023

27,115
benefiting individuals trained in digital skills through activities and programs of Nadácia Orange (Orange Foundation)



823.21 MWh
of electricity produced from our own production of renewable sources, thus saving **106.19 tonnes** of CO_2

A record **446**
educational projects submitted in the first year of the new grant programme of Nadácia Orange (Orange Foundation) - Digital Future, of which
36 projects
were supported, among which a total of **EUR 80,000**
were redistributed

85 %
invoiced customer base using eInvoice

#toludskevnas
The given data represent data as of December 31, 2023 Publications related to the environmental, social and employment fields, including the EU taxonomy, are included in the consolidated annual report of the company ORANGE SA, and are not mentioned in this annual report.

Spájame vás s tým, na čom skutočne záleží

orange

Financial Statement

Chapter 4

The right direction leads us to great results

Orange Slovensko, a.s.

INDEPENDENT AUDITOR'S REPORT
AND SEPARATE FINANCIAL STATEMENTS

(prepared in accordance with
International Financial Reporting
Standards as adopted by the EU)

Year ended 31 December 2023

Company identification number:
35 69 72 70

Tax identification number:
SK2020310578

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Independent Auditors' Report

Deloitte.

Deloitte Audit s.r.o.
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Slovak Republic

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Registered in the Business
Register of the City Court Bratislava III
Section Sro, File 4444/B
Company ID: 31 343 414
VAT ID: SK2020325516

Orange Slovensko, a.s.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders, Supervisory Board and Board of Directors of Orange Slovensko, a.s.:

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Orange Slovensko, a.s. (the "Company"), which comprise the separate statement of financial position as at 31 December 2023, and the separate statement of comprehensive income, the separate statement of changes in equity and the separate statement of cash flows for the year then ended, and notes to the separate financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying separate financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union (EU).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the provisions of Act No. 423/2015 Coll. on Statutory Audit and on Amendment to and Supplementation of Act No. 431/2002 Coll. on Accounting, as amended (hereinafter the "Act on Statutory Audit") related to ethical requirements, including the Code of Ethics for Auditors that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS as adopted in the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing 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 of users taken on the basis of these financial statements.

This is a translation of the original auditor's report issued in the Slovak language to the accompanying financial statements translated into the English language

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our 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 internal control 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on 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. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance about, inter alia, the planned scope and time schedule of the audit and significant audit findings, including all material deficiencies of internal control identified during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on Information Disclosed in the Annual Report

The statutory body is responsible for information disclosed in the annual report prepared under the requirements of the Act on Accounting No. 431/2002 Coll. as amended (the "Act on Accounting"). Our opinion on the financial statements stated above does not apply to other information in the annual report.

In connection with the audit of financial statements, our responsibility is to gain an understanding of the information disclosed in the annual report and consider whether such information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit of the financial statements, or otherwise appears to be materially misstated.

As at the issuance date of the auditor's report on the audit of financial statements, the annual report was not available to us.

When we obtain the annual report, we will assess whether the Company's annual report includes information whose disclosure is required under the Act on Accounting, and based on procedures performed during the audit of the financial statements, we will express an opinion on whether:

- Information disclosed in the annual report prepared for 2023 is consistent with the financial statements for the relevant year; and
- The annual report includes information pursuant to the Act on Accounting.

Furthermore, we will disclose whether material misstatements were identified in the annual report based on our understanding of the Company and its position, obtained in the audit of the financial statements.

Bratislava, 24 May 2024

Jakub Holý

Mgr. Jakub Holý
Responsible Auditor
Licence UDVA No. 1244

On behalf of
Deloitte Audit s.r.o.
Licence SKAu No. 014

This is a translation of the original auditor's report issued in the Slovak language to the accompanying financial statements translated into the English language.

Separate statement of financial position as at 31 december 2023

In thousands of EUR	Note	31 December 2023	31 December 2022
ASSETS			
Non-current assets			
Property, plant and equipment	4	433 609	425 524
Intangible assets	5	137 798	140 954
Right-of-use assets	6	98 770	100 787
Investments in unconsolidated subsidiaries	7	306	306
Non-current receivables	10	23 312	18 711
Contract assets	11	4 253	7 047
Cost to obtain contract	11	1 977	2 002
Other non-current assets	10	24 663	22 308
		724 688	**717 639**
Current assets			
Inventories	9	18 486	19 446
Trade and other receivables	10	100 675	92 570
Contract assets	11	28 960	35 772
Cost to obtain contract	11	7 770	7 976
Other assets		2 794	3 190
Current income tax receivable			–
Current financial assets	12	19 037	24 984
Cash and cash equivalents	13	4 539	4 047
		182 261	**187 985**
Total assets		**906 949**	**905 624**

In thousands of EUR	Note	31 December 2023	31 December 2022
EQUITY AND LIABILITIES			
Equity	**14**		
Share capital		39 222	39 222
Reserves		15 260	15 260
Retained earnings		247 658	258 755
Profit for the year		82 224	71 852
		384 364	**385 089**
Non-current liabilities			
Provisions	16	29 628	28 370
Long-term debt/loan	15	–	210 000
Lease liabilities	6	85 923	86 401
Deferred tax liabilities	8	12 092	12 604
Non-current payables	16	24 986	18 429
		152 629	**355 804**
Current liabilities			
Trade payables and other liabilities	17	100 491	106 338
Current provisions		63	–
Short-term debt/loan	15	210 000	–
Lease liabilities	6	11 919	11 623
Current income tax payable		4 740	2 876
Contract liabilities	11	25 898	25 992
Deferred income	10	16 845	17 902
		369 956	**164 731**
Total equity and liabilities		**906 949**	**905 624**

Separate statement of comprehensive income for the year ended 31 december 2023

In thousands of EUR	Note	2023	2022
Revenues	**18**	**590 951**	**572 571**
External purchases	19	(291 602)	(285 972)
Other operating expenses	20	(16 629)	(18 115)
Other operating income	20	7 884	6 838
Wages and contributions	21	(49 205)	(56 279)
Impairment loss on trade receivables and contract assets	10	(7 491)	(5 260)
Depreciation and amortization of right-of-use assets	6	(11 649)	(12 531)
Amortisation and depreciation expenses	4,5	(101 314)	(100 565)
Operating profit		**120 945**	**100 687**
Interest income		1 364	235
Interest expenses		(9 591)	(3 815)
Interests on lease liabilities		(3 811)	(1 011)
Other finance expenses		(19)	(35)
Other finance income		30	7
Profit before tax		**108 918**	**96 068**
Income tax	22	(26 694)	(24 216)
Profit for the year		**82 224**	**71 852**
Other comprehensive income		–	–
Total comprehensive income for the year		**82 224**	**71 852**
Total comprehensive income attributable to:			
Owners of the Company		82 224	71 852

Separate statement of changes in equity for the year ended 31 december 2023

In thousands of EUR	Note	Share capital	Reserves	Retained earnings	Total
Balance as at 1 January 2022		**39 222**	**15 260**	**358 708**	**413 190**
Profit for the year		–	–	71 852	71 852
Share based plan		–	–	47	47
Transactions with shareholders					
Dividends paid		–	–	(100 000)	(100 000)
Balance as at 31 December 2022		**39 222**	**15 260**	**330 607**	**385 089**
Balance as at 1 January 2023		**39 222**	**15 260**	**330 607**	**385 089**
Profit for the year		–	–	82 224	82 224
Share based plan		–	–	51	51
Transactions with shareholders					
Dividends paid		–	–	(83 000)	(83 000)
Balance as at 31 December 2023		**39 222**	**15 260**	**329 882**	**384 364**

Separate Statement of Cash Flow for the Year Ended 31 December 2023

In thousands of EUR	Note	2023	2022
Profit for the year		**82 224**	**71 852**
Taxes	22	27 206	24 216
Interest expenses		9 591	3 815
Interest income		(1 363)	(235)
Depreciation and amortisation of tangible and intangible assets	4,5	101 314	100 883
Depreciation and amortisation of right–of–use – leased assets	6	11 649	12 213
Increase/ (Decrease) in provisions	16	199	(15 344)
Increase / (Decrease) in value adjustment to receivables	10	6 041	301
Increase/(Decrease) in value adjustment to inventories	9	1 991	(672)
Result on disposal of property, plant and equipment	20	(389)	(525)
Other		(52)	342
Share based compensation		–	(25)
Profit from operating activities before changes in working capital		**238 411**	**196 821**
Decrease/(Increase) in trade and other receivables, contract assets, costs to obtain the contract and other assets		(10 156)	(24 956)
Decrease/(Increase) in inventory		(1 031)	(4 445)
(Decrease)/Increase in trade liabilities,contract liabilities (including accruals/deferrals of liabilities)	16,17	(1 615)	32 408
Cash generated from operations		**225 609**	**199 828**
Interest received		1 363	235
Interest paid		(8 335)	(1 906)
Taxes paid		(25 342)	(21 523)
Cash flows from operating activities		**193 295**	**176 634**

In thousands of EUR	Note	2023	2022
INVESTING ACTIVITY			
Purchase of property, plant and equipment and intangible assets	4,5	(105 997)	(101 345)
Proceeds from sale of non–current assets		333	736
(Increase)/ decrease in financial assets		5 947	33 813
Net cash outflow from investing activities		**(99 717)**	**(66 796)**
FINANCING ACTIVITY			
Repayment of lease liabilities interests		(3 811)	(1 011)
Repayment of lease liabilities		(6 274)	(11 291)
Dividends paid	14	(83 000)	(100 000)
Net cash outflow from financing activities		**(93 085)**	**(112 302)**
Net increase /(decrease) in cash and cash equivalents		493	(2 464)
Cash and cash equivalents at the beginning of the year	12	4 047	6 512
Cash and cash equivalents at the end of the year	**12**	**4 539**	**4 047**

1) Basis of Preparation

a) Reporting entity's general information

Orange Slovensko, a.s. (hereinafter also referred to as the "Company") is a joint stock company established on 29 July 1996 and incorporated on 3 September 1996 with its registered office at Metodova 8, 821 08 Bratislava, Slovak Republic. In August 2008, Atlas Services Belgium, S.A. acquired all the shares held by Wirefree Services Nederland B.V., which had been the major shareholder since November 2005, when it acquired all the shares held by minority shareholders and became the 100% shareholder of Orange Slovensko, a.s. The Company's principal activity is the establishment and operation of public mobile telecommunication networks at assigned frequencies as well as the operation of fibre-optic cable networks. The Company is not an unlimited guarantor in any other entity. From 2013 the Company is a Payment Institution licensed by the National Bank of Slovakia (NBS). The Company provides different payment services under this license (i.e. parking, public traffic tickets, donations, etc.).

Approval of the 2022 Financial Statements

On 30 June 2023, the General Meeting approved the Company's 2022 financial statements.

Members of the Company's Bodies

Body	Function	Name
Board of Directors	Chairman and Chief Executive Officer	Mariusz Gatza
	Member	Eve Bourdeau
	Member	Eric Maintenay
	Member	Pawel Galej
	Member (since 1 January 2023)	Katarína Boledovičová
	Member (since 1 July 2023)	Martin Mosný
Supervisory Board	Chairman	Bruno Duthoit
	Member	Gilles Deloison
	Member	Peter Školdný
	Member (since 22 September 2023)	Ľuboš Brozman
	Member (since 22 September 2023)	Bohumil Suchánek
	Member (since 22 September 2023)	Igor Berta
	Member	Jean-Marie Culpin
	Member	Christian Urs Luginbühl
	Member	Milena Harito Shteto
	Member	Marc Ricau
	Member (until 21 September 2023)	Marcela Rédlerová
	Member (until 21 September 2023)	Ľuboš Dúbravec

Employees

	31 December 2023	31 December 2022
Number of employees as at	**1 041**	**1 119**
Of which: managers	102	117
Average number of employees	**1 026**	**1 138**

b) Basis of accounting

The financial statements were prepared for the reporting period from 1 January 2023 to 31 December 2023 in accordance with IFRS as adopted by the EU.

These financial statements are the Company's separate financial statements prepared under Act on Accounting No. 431/2002 Coll. on Accounting, as amended. According to § 17a of the Act on Accounting, the Company prepares financial statements in accordance with IFRS as adopted by the EU. The Company elected to use the exemption from consolidation in accordance with the 7th Directive of the EU as well as with IAS 27.10 and not to present consolidated financial statements (with its 100% owned subsidiaries Orange Corpsec s.r.o. and Orange Finance sluzby s.r.o.), which is also incorporated into the Act on Accounting No. 431/2002 Coll. on Accounting, as amended. These financial statements are intended for general use and information; they are not intended for the purpose of any specific user or for the consideration of any specific transaction. Accordingly, users should not rely exclusively on these financial statements when making decisions.

Orange SA (France), the Company's ultimate parent company and the ultimate controlling party, prepares consolidated financial statements in accordance with IFRS as adopted by the EU for a group of companies, which also includes Orange Slovensko a.s. and its subsidiary Orange CorpSec s.r.o.

The consolidated financial statements of Orange SA are available at its registered office at 111, quai du Président Roosevelt, 92130 Issy-les-Moulineaux, France

(c) Functional and presentations currency

The financial statements are presented in euro, which is the Company's functional currency. All amounts have been rounded to the nearest thousand.

2) Adoption of New and Revised Standards

In the current year, International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB have not issued any new or revised standards or interpretations that could be relevant to the Company's operations for accounting periods beginning on 1 January 2023.

(a) Standards and interpretations adopted by EU effective in 2023 but not relevant to the Company's operation

The following standards, amendments, and interpretations adopted by the EU are mandatory for accounting periods beginning on or after 1 January 2023 but did not have any significant impact on the Company's financial statements:

- IFRS 17 "Insurance contracts" (effective for annual periods beginning on or after 1 January 2023)
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies (effective for annual periods beginning on or after 1 January 2023)
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates (effective for annual periods beginning on or after 1 January 2023)
- Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for annual periods beginning on or after 1 January 2023)

b) Standards, interpretations, and amendments to the existing standards and interpretations not yet effective

- Amendments to IFRS 16 "Leases" - Lease Liability in a Sale and Leaseback (effective for annual periods beginning on or after 1 January 2024)
- Amendments to IAS 1 "Presentation of Financial Statements" - Classification of Liabilities as Current or Non-Current (effective for annual periods beginning on or after 1 January 2024)
- Amendments to IAS 1 "Presentation of Financial Statements" - Non-current Liabilities with Covenants (effective for annual periods beginning on or after 1 January 2024)

The Company anticipates that adopting most of these standards and amendments to the existing standards and interpretations will have no material impact on the Company's financial statements in the period of initial application.

3) Significant Accounting Policies

a) Statement of Compliance

The separate financial statements have been prepared in accordance with IFRS as adopted by the EU and on the going concern assumption. IFRS as adopted by the EU do not currently differ from IFRS as issued by the IASB, except for certain standards and interpretations that have not been effective as at the balance sheet date.

b) Foreign Currency

Foreign Currency Transactions

Transactions denominated in foreign currencies are translated into euro using the exchange rate of the day prior to the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate valid on the balance sheet date. The exchange rate differences upon translation are charged to the result for the period. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into euro at the foreign exchange rates valid on the dates on which the fair value is determined.

c) Property, Plant, and Equipment

Owned Assets

Items of property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses, if applicable. Cost consists of the price at which the asset was acquired plus the costs related to the acquisition (installation and commissioning, transport, assembling cost, etc). The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate (where relevant) of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads. SIM cards, set top boxes are capitalized as an item of property, plant and equipment.

Items of property, plant, and equipment are accounted for on a component-by-component basis at a level that allows for the depreciation of each component over its expected useful life and allows the proper accounting of asset disposal and withdrawal.

Subsequent Expenditure

The Company recognises in the carrying amount of an item of property, plant, and equipment the additional costs or cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Company and the cost of the item can be measured reliably. All other costs are recognised as an expense when incurred.

Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful life of each category of an item of property, plant, and equipment. Land is not depreciated. Depreciation starts when the assets are ready for their intended use. The estimated useful lives for the current and comparative periods are as follows:

	2023	2022
Mobile RAN equipment	5 to 9 years	5 to 9 years
RAN CW&shelters, power connection	10 years	10 years
RAN CW&tower, pylons, constructions	20 to 28 years	20 to 28 years
Transmission equipment	5 to 10 years	5 to 10 years
Transmission optical fibres	15 years	15 years
Transmission CW&poles, terrestrian cables	20 to 30 years	20 to 30 years
Switching	5 to 8 years	5 to 8 years
Data Network	4 to 5 years	4 to 5 years
Dedicated Platforms	5 years	5 years
Other Network	8 to 10 years	8 to 10 years
IT Non-Network Hardware & Infrastructure	3 to 5 years	3 to 5 years
Buildings	10 to 30 years	10 to 30 years
Other Non-Network Equipment	3 to 10 years	3 to 10 years
Optical fibre control equipment	10 years	10 years
Optical fibre cables	15 years	15 years
CW*&poles	28 to 30 years	28 to 30 years
SIM cards	5 to 6 years	5 to 6 years
Set top boxes	2 years	2 years

* CW – Civil Works, RAN – Radio Access Network

At the Company level, the revision of an individual asset's useful life is performed when indicators of an earlier or later end of life exist. There were not significant changes in the accounting estimates during the period.

d) Intangible Assets

Intangible assets acquired separately by the Company are stated at cost less accumulated amortisation and impairment losses if applicable. Intangible assets mainly comprise software and licences for operating the telecommunication network.

Telecommunication licenses

Upon the granting of the telecommunication licenses (GSM, UMTS, LTE) Orange Slovensko, a.s. is obliged to pay to the Telecommunication Office an one off license fee and two types of recurrent fees:

- Administrative variable fees
- Spectrum fixed fees

The license fees and the spectrum fees are capitalized as intangible assets and amortized over the license period. The administrative fees are expensed as incurred.

Capitalisation of Spectrum fees

Spectrum fees are the unavoidable payments computed on the principle of allocated bandwidth and fix tariff for the whole period to which a license is granted. Payment is done on a quarterly basis during the whole license period.

The Company discounts the value of future spectrum fees to their present value and recognizes them as other intangible assets. Related future spectrum fees payables are presented as both current and non-current liability.

Subsequent Expenditures

Subsequent expenditures on capitalised intangible assets are capitalised only when they increase the future economic benefits embodied in the specific assets to which they relate. All other expenditures are expensed as incurred.

Amortisation

Intangible assets are amortised from the date they become available for use, using the straight-line method over the following estimated useful lives:

	2023	2022
Software	3 to 10 years	3 to 10 years
Licences	3 to 15 years	3 to 15 years

At the Company level, the revision of an individual asset's useful life is performed when indicators of an earlier or later end of life exist. There were not significant changes in the accounting estimates during the period and their impact was immaterial.

e) Lease agreements

At inception of a contract, the Company assesses whether a contract is, or contains, lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company considers a contract to be a lease in case that all following conditions are met:

- the contract involves the use of an identified asset, this may be specified explicitly or implicitly, and
- the Company has the right to obtain substantially all of the economic benefits from use of asset, and
- the Company has the right to direct the use of the asset.

This policy is applied to contracts entered into on or after 1 January 2019.

On transition to IFRS 16, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is lease. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 January 2019.

The Company applies a practical expedient not to deduct the non-lease component from the contract lease payments.

Leases (Company as a Lessee)

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred less any lease incentives received. Any obligation regarding the costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located after the end of lease period is recognized as Asset retirement obligation ("ARO") provision according to the IAS 37. The costs for ARO obligation are recognized in the plant and equipment.

The Company systematically determines the lease term as the period during which leases cannot be canceled, plus periods covered by any extension options that the lessee is reasonably certain to exercise and by any termination options that the lessee is reasonably certain not to exercise. This period is also defined taking into account any laws and practices specific to each jurisdiction and business sector regarding the firm lease commitment term granted by lessors. The Company nonetheless assesses the enforceable period, based on the circumstances of each lease, taking into account certain indicators such as the existence of more than insignificant penalties in the event of termination by the lessee. To determine the length of this enforceable period, the Company considers the economic importance of the leased asset and the assumptions made in its strategic plan.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. If the lease contains transfer of ownership or call option, the right-of-use asset is depreciated using the straight-line method during the useful life of the asset. Depreciation begins on the date of commencement of the lease. The impairment assessment of the right-of-use asset is carried out in a similar way as impairment assessment of property, plant and equipment described in accounting policy f).

The lease liability is initially measured on the date when the leased asset is made available to the lessee (the lease commencement date). The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate.

Company's incremental borrowing rate was determined based on available financial information relating to the Company. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero (so that the final right-of-use asset will amount to zero). During the accounting period the Company did not recognise the remeasurement of the lease liability due to the above changes.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases for all types of leases that have a lease term of 12 months or less. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Company has also elected not to recognise right-of-use assets and lease liabilities with low values. The estimated value of asset is based on the assumption that the asset is new. If the value of the asset cannot be reliably measured, the optional exception is not applied.

The Company recognises right-of-use asset as a part of property, plant and equipment and lease liabilities as a part of short-term and long-term loans and borrowings in the Statement of financial position. The Company recognises lease transactions in the Statement of cash flows as follows:

- principal lease payments as a part of financing activities,
- interest payments on lease liabilities as a part of operating activities (application of requirements for interest paid in accordance with IAS 7),
- payments relating to the short-term leases, leases of low-value assets and variable lease payments that are not included in the measurement of lease liabilities within cash flow from operating activities.

After the lease commencement date, the amount of the lease liability may be reassessed to reflect changes introduced in the following main cases;

- a change in term resulting from a contract amendment or a change in assessment of the reasonable certainty that a renewal option will be exercised or a termination option will not be exercised;
- a change in the amount of lease payments, for example following application of a new index or rate in the case of variable payments;
- a change in assessment of whether a purchase option will be exercised;
- any other contractual change, for example a change to the scope of the lease or the underlying asset.

f) Impairment

Financial assets

The Company measures loss allowances for trade receivables, non current receivables and contract assets at an amount equal to lifetime expected credit losses (hereinafter referred to as "ECL") .

To determine the credit risk of financial assets when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

The Company assumes that the credit risk on a financial asset from domestic customers has increased significantly if it is more than 35 days past due, when the Company initiates the termination of the future service deliveries.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECL's

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are not discounted as the financing component is not considered significant.

All impairment losses are recognized in profit or loss.

Non-financial assets

The carrying amounts of the Company's assets, other than property, plant and equipment, intangible assets, inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups.

Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (group of units) and then, to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognized. Impairment loss is never reversed in case of goodwill.

Impairment of property, plant and equipment and intangible assets excluding goodwill

At each reporting date, the Company reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication at the end of a reporting period that the asset may be impaired.

g) Investments in Subsidiaries

Investments in subsidiaries represent investments in 3 wholly-owned subsidiaries: Orange CorpSec, spol. s r.o., Nadácia Orange ("the Foundation"), and Orange Finance sluzby, s.r.o. – all three having the seat on Metodova 8, 821 08 Bratislava. The Company's investments have been accounted for at acquisition costs, less impairment if any.

h) Inventories

Inventories are stated at the lower of cost and the net realisable value. The net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary for completing the sale and selling expenses.

The cost is based on the weighted average principle and includes expenditures incurred in acquiring the inventories and bringing them to their existing location and condition.

i) Trade Receivables

The trade receivables are mainly short-term with no stated interest rate and are measured at transaction price, , subsequent to initial recognition they are stated at their amortized costs using the effective interest rate method, less provisions for any impairment of the receivables.

Those receivables which include deferred payment terms over 12 up to 24 months for the benefit of customers who purchased devices are initially recognised at fair value and discounted and classified according to their remaining maturities. For impairment provision to receivables refer to Note 10.

j) Contract assets and contract liabilities

The timing of revenue recognition may differ from the customer invoicing.

Trade receivables presented in the statement of financial position represent an unconditional right to receive consideration (primarily cash), i.e. the services and goods promised to the customer have been transferred.

Conversely, contract assets mainly concern amounts allocated pursuant to IFRS 15 to consideration for goods and services transferred to a customer, where the unconditional right to collect is subordinated to the transfer of other goods or services under the same contract. This is the case in a bundled offering combining the sale of a equipment and mobile communication services for a fixed period, where the mobile phone is invoiced at a subsidised price leading to the reallocation of a portion of amounts invoiced for telephone communication services to the supply of the mobile phone. The excess of the amount allocated to the mobile phone over the price invoiced is recognized as a contract asset and transferred to the trade receivables as the service is invoiced.

Contract asset, like trade receivables, are subject to the impairment for credit risk. Upon recognition of contract assets, the related impairment loss is recognized at the credit default rate.

Contract liabilities represent amounts paid by customers to Company before receiving the goods and/or services promised in the contract. This is typically the case for advances from customers or amounts invoiced and paid for goods or services not yet transferred, such as contract payable in advance or prepaid packages (previously recorded in deferred income).

Cost of obtaining a contract

Where a telecommunications services contract is signed via a third-party distributor, this distributor is entitled to receive the remuneration, generally paid in the form of a commission for each contract or invoiced-indexed commission. Where the commission is incremental and would not have been paid in absence of the contract, the commission cost is capitalised in the balance sheet. The Company has adopted the simplification measure authorized by IFRS 15 to recognize the costs of obtaining contracts as an expense when they are incurred if the amortization period of the asset would otherwise be twelve months or less. The costs of obtaining fixed-period mobile service contracts are capitalized and released to profit and loss on a straight-line basis over the enforceable contract term.

k) Cash and Cash Equivalents

Cash and cash equivalents consist of balances with banks, and highly-liquid investments with insignificant risk of changes in value.

l) Financial Assets

Financial assets are classified as measured at: amortised cost; fair value through other comprehensive income "FVOCI" or fair value through profit or loss "FVTPL". The Company has only financial assets classified at amortised costs.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The classification depends on the nature and purpose of the financial assets and is determined at the time of the initial recognition.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

As at 31 December 2023, the Company holds trade receivables, bank accounts and current cash-pool account held by parent company Orange SA categorised as 'measured at amortised costs'.

m) Financial Liabilities

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised costs using the effective interest rate method, with interest recognised on an effective yield basis. The Company's financial liabilities relates to overdraft on the current account held by parent company Orange SA and long term loan received from the parent company.

n) Borrowing Cost

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

o) Provisions

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The Company records a provision for asset retirement, a provision for retirement benefit cost and a provision for litigations (see Note 16).

p) Trade and Other Payables

Trade and other payables are recognized initially at fair value. Subsequent to initial recognition they are stated at amortized cost.

q) Revenues

Revenue falls within the application scope of IFRS 15 "Revenue from contracts with customers". Our products and services are offered to customers under service contracts only and contracts combining the equipment used to access services and/or other service offerings. Revenue is recognized net of VAT.

Standalone service offerings (mobile service only, fixed service only, convergence service)

The Company proposes to Mass market and Corporate markets customers a range of fixed-line and mobile telephone services, fixed-line and mobile Internet access services and content offerings (TV, video, media, added-value audio service, etc.). Certain contracts are for a fixed term (generally 12 or 24 months), while others may be terminated at short notice (i.e. monthly arrangements or portions of services).

The service fees are usually billed upfront in 12 different bill days over the month. The Company grants predominantly 14 days payment terms to its customers. Service revenues are recognized over time when the service is rendered, the billed service fees are proportionally split to correct period either based on use (e.g. minutes of traffic) or the period (e.g. monthly service costs).

In minor cases some customers uses the prepaid cards, which are recorded as service revenues at the time of actual use (i.e. minutes of traffic). Under certain content offerings, The Company may act solely as an agent enabling the supply by a third-party of goods or services to the customer and not as a principal in the supply of the content. In such cases, revenue is recognized net of amounts transferred to the third-party. The Company does not obtain the control over the content prior to selling it to these customers.

Contracts with customers generally do not include a material right, as the price invoiced for contracts and the services purchased and consumed by the customer beyond the specified scope (e.g. additional consumption, options, etc.) generally reflect their standalone selling prices. Service obligations transferred to the customer at the same time are treated as a single obligation.

The initial service connection in the context of a service contract is not considered to be a distinct service and it is recognized as revenue over the average term of the expected contractual relationship.

Convergent services are considered to be the revenues, where the customers does have mobile services and purchase additional services with a convergent discount, i.e. fixed-line internet services. In case the customer purchase both services with a convergent discount the whole revenue is classified as a convergent sale, i.e. the convergent discount is accounted within revenues from convergent sales together with all services in convergent offer.

Equipment sales

The Company proposes to Mass market and Corporate markets customers several ways to buy their equipment (primarily mobile phones): equipment sales may be separate from or bundled with a service offering. When separate from a service offering, the amount invoiced is recognized in revenue on delivery and receivable immediately or in instalments usually over a period of up to 24 months. Where payment is received in instalments, the offering comprises a financial component and interest is calculated and deducted from the amount invoiced and recognized over the payment period in net finance costs. When the equipment sale is combined with a service offering, the amount allocated to the equipment (bundled sale – see below) is recognized in revenue on delivery and collected over the service contract. In this case, the Company does not calculate interest based on the contractual analysis of offers and the current level of interest rates, as it was considered not material. This judgement could subsequently be amended in the event of a change in commercial offers or interest rates.

Where the Company purchases and sells equipment to indirect channels, the Company generally retains control until sale to the end-customer (the distributor acts as an agent). Sales proceeds are therefore recognized when the end-customer takes possession of the equipment (on activation). The consideration for the equipment sale is collected either immediately on the transfer of control over the equipment or the consideration is collected via instalments in the period up to 24 months. The instalments are billed to the customers together with the monthly service fees.

Bundled equipment and service offerings

The Company proposes numerous offerings to its Mass market and Corporate markets customers comprising equipment (e.g. a mobile terminal) and services (e.g. a communications contract). The bundled contracts have a contractual period with a significant termination penalty.

Both Equipment sale and service revenue are considered as a separate performance obligation from the customer contract, as both equipment sale and service revenues are distinct. The total consideration from the customer contract is allocated to each individual performance obligation based on proportion of stand alone selling prices. To determine the stand alone selling prices the Company uses an observable price, where the individual selling price of the equipment is considered equal to its purchase cost and logistics expenses plus a commercial margin based on market inputs.

The supply of a set-top box (Internet proprietary box) is neither a separate performance obligation of the Internet access service nor a finance lease, as Company retains the control of the box during the whole customer contract.

Service offerings to carriers (wholesale)

Two types of commercial agreement are entered into with Operator customers for domestic wholesale activities and International carrier offerings:

- Pay-as-you-go model (PAYG): generally applied where contract services are not covered by a firm volume commitment. Revenue is recognized as revenues from wholesale at point in time when the services are rendered (which corresponds to transfer of control). The billed price for the roaming contracts is decreased for an estimated discount that represents a variable consideration to be given to the customers. The amount of variable consideration is estimated based on the historical experience and expected results of negotiations within a larger group of telecom operators;
- Mixed model: hybrid contract combining the “Pay-as-you-go “ and “Send-or-pay” models, comprising a fixed entry fee providing access to preferential pricing conditions for a given volume (“Send or pay” component) and invoicing of traffic consumption (“Pay-as-you-go” component). Revenue is recognized as revenues from wholesale if it is expected the traffic would not exceed the committed volumes, the revenue is recorded over the contract period.

r) Taxation

Income tax expenses for the year comprise current and deferred tax and special levy.

Current Income Tax

Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. Taxable profit differs from profit as reported in the separate income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Special levy

Special contribution made by a regulated entity from activities in regulated industries. The base for the levy is the economic result reported for the current accounting period. The monthly levy rate was 0.363% for 2023 (2022: 0.363%) from the operating profit, which is broadly similar to profit in the financial statements. The annual special levy was 4.356 % of operating profit (2022: 4.356 %)

Deferred Tax

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using the tax rates enacted or substantially enacted at the balance sheet date including the special levy. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefits will be realised.

s) Employee Benefits

Long-Term Service Benefits

The Company’s net obligation in respect of long-term service benefits is the amount of future benefits that employees have earned in return for their service in prior periods. The obligation is calculated using actuarial methods and discounted to its present value using a risk free interest rate. The Company’s employee benefits contain only statutory retirement benefit.

4) Property, Plant, and Equipment

In thousands of EUR	Land and Buildings	Plant and Equipment	Motor Vehicles	Fixtures and Fittings	Under Construction	Total
Cost						
As at 1 January 2022	**5 176**	**925 407**	**4 886**	**30 055**	**28 618**	**994 142**
Additions	–	75	–	–	66 122	66 197
Disposals	–	(28 369)	(968)	(1 427)	–	(30 764)
Transfer	312	55 851	–	1 000	(57 163)	–
As at 31 December 2022	**5 488**	**952 964**	**3 918**	**29 628**	**37 577**	**1 029 575**
As at 1 January 2023	**5 488**	**952 964**	**3 918**	**29 628**	**37 577**	**1 029 575**
Additions	–	–	–	–	80 328	80 328
Disposals	–	(11 271)	(398)	(269)	–	(11 938)
Transfer	126	67 842	–	518	(68 486)	–
As at 31 December 2023	**5 614**	**1 009 535**	**3 520**	**29 877**	**49 419**	**1 097 965**
Accumulated depreciation						
As at 1 January 2022	**2 806**	**532 445**	**3 415**	**25 581**	**–**	**564 247**
Charge for the year	303	67 473	629	1 741	–	70 146
Disposals	–	(28 113)	(806)	(1 423)	–	(30 342)
As at 31 December 2022	**3 109**	**571 805**	**3 238**	**25 899**	**–**	**604 051**
As at 1 January 2023	**3 109**	**571 805**	**3 238**	**25 899**	**–**	**604 051**
Charge for the year	171	70 154	363	1 255	–	71 943
Disposals	–	(10 727)	(642)	(269)	–	(11 638)
As at 31 December 2023	**3 280**	**631 232**	**2 959**	**26 885**	**–**	**664 356**
Carrying amount						
As at 1 January 2022	2 370	392 962	1 471	4 474	28 618	429 895
As at 31 December 2022	**2 379**	**381 159**	**680**	**3 729**	**37 577**	**425 524**
As at 1 January 2023	2 379	381 159	680	3 729	37 577	425 524
As at 31 December 2023	**2 334**	**378 303**	**561**	**2 992**	**49 419**	**433 609**

As at 31 December 2023, none of the properties were pledged to secure bank loans.

In 2023, transfers from assets under construction to property, plant, and equipment mainly comprised investments to upgrade of the existing network, particularly Mobile RAN (Radio Access Network) and Mobile RAN Infrastructure and increase in customer equipment and terminals.

During 2023, the Company had a disposal in gross value of EUR 11 938 thousand (book value of EUR 300 thousand) relating mainly to old fully depreciated equipment.

Property and equipment, excluding motor vehicles, is insured to a limit of EUR 782 056 thousand (2022: EUR 782 056 thousand). Each motor vehicle is insured to a limit of EUR 5 000 thousand (2022: EUR 5 000 thousand) for damage on health and expenses related to death and EUR 2 000 thousand (2022: EUR 2 000 thousand) for damage caused by destroyed, seized or lost items.

5) Intangible Assets

In thousands of EUR	Software	Telecom. Licences	Other Intangible Assets	Under Construction	Total
Cost					
As at 1 January 2022	**175 026**	**187 809**	**19 549**	**39 250**	**421 634**
Additions	–	–	–	35 027	35 027
Disposals	(45 264)	–	(4)	–	(45 268)
Transfer	(810)	49 889	462	(49 541)	–
As at 31 December 2022	**128 952**	**237 698**	**20 007**	**24 736**	**411 393**
As at 1 January 2023	**128 952**	**237 698**	**20 007**	**24 736**	**411 393**
Additions	–	–	–	25 445	25 445
Disposals	–	–	–	–	–
Transfer	13 886	–	205	(14 091)	–
As at 31 December 2023	**142 838**	**237 698**	**20 212**	**36 090**	**436 838**
Accumulated amortisation					
As at 1 January 2022	**142 300**	**128 765**	**14 340**	**–**	**285 405**
Charge for the year	17 636	11 162	1 500	–	30 298
Disposals	(45 264)	–	–	–	(45 264)
As at 31 December 2022	**114 672**	**139 927**	**15 840**	**–**	**270 439**
As at 1 January 2023	**114 672**	**139 927**	**15 840**	**–**	**270 439**
Charge for the year	12 937	14 711	1 378	–	29 026
Disposals	(425)	–	–	–	(425)
As at 31 December 2023	**127 184**	**154 638**	**17 218**	**–**	**299 040**
Carrying amount					
As at 1 January 2022	32 726	59 044	5 209	39 250	136 229
As at 31 December 2022	**14 280**	**97 771**	**4 167**	**24 736**	**140 954**
As at 1 January 2023	14 280	97 771	4 167	24 736	140 954
As at 31 December 2023	**15 654**	**83 060**	**2 994**	**36 090**	**137 798**

6) Lease Agreements

Right-of-use assets

In thousands of EUR	Buildings	Lands for sites	Other	Total
Cost				
As at 1 January 2022	**24 588**	**113 818**	**4 838**	**143 244**
Net change	(1 333)	3 612	1 562	3 841
As at 31 December 2022	**23 255**	**117 430**	**6 400**	**147 085**
As at 1 January 2023	**23 255**	**117 430**	**6 400**	**147 085**
Net change	1 178	8 556	169	9 903
As at 31 December 2023	**24 433**	**125 986**	**6 569**	**156 988**
Accumulated amortisation				
As at 1 January 2022	**8 785**	**24 943**	**39**	**33 767**
Charge for the year	3 230	8 826	475	12 531
As at 31 December 2022	**12 015**	**33 769**	**514**	**46 298**
As at 1 January 2023	**12 015**	**33 769**	**514**	**46 298**
Charge for the year	2 911	8 481	528	11 920
As at 31 December 2023	**14 926**	**42 250**	**1 042**	**58 218**
Carrying amount				
As at 1 January 2022	**15 803**	**88 875**	**4 799**	**109 477**
As at 31 December 2022	**11 240**	**83 661**	**5 886**	**100 787**
As at 1 January 2023	**11 240**	**83 661**	**5 886**	**100 787**
As at 31 December 2023	**9 507**	**83 736**	**5 527**	**98 770**

Lease liabilities

As of 31 December, 2023, lease liabilities total 97 842 thousands EUR, including non-current lease liabilities of EUR 85 923 thousands and current lease liabilities of EUR 11 919 thousands.

Maturity analysis of lease liabilities is shown in the following table:

In thousands of EUR	31 December 2023	31 December 2022
Less than one year	11 919	11 623
One to five years	49 775	46 932
More than five years	36 148	39 469
	97 842	**98 024**

Statement of Comprehensive Income

Overview of lease transactions recognised in Statement of comprehensive income is shown in the following table:

In thousands of EUR	31 December 2023	31 December 2022
Interest of lease liabilities	(3 811)	(1 011)
Expenses relating to the short-term leases	(30)	(45)
	(3 841)	**(1 056)**

Statement of Cash Flow

Overview of lease transactions recognised in Statement of cash flows is shown in the following table:

In thousands of EUR	31 December 2023	31 December 2022
Total cash outflow for leases	(10 085)	(12 302)
	(10 085)	**(12 302)**

The cash outflows from the lease liabilities represent lease payments and are presented in the cash flow from financing activities.

Fair values

The liabilities were initially discounted to the fair value at discount rate that ranges from 3,87% to 4,13% p.a. (2022: 0,4% to 1,95% p.a.). Fair value of the lease liability using the discount rate used for calculation of present value of asset retirement obligation (ARO) of 4.402% (in 2022: 4.154%) would be by EUR 32.2 million (2022: EUR 32.2 million) lower compared to its carrying amount at the balance sheet date.

7) Investments in Subsidiaries

Investment in subsidiary Orange CorpSec, spol. s r.o. at a cost of EUR 100 thousand represent an investment in the wholly-owned subsidiary with 100% of voting rights. The subsidiary was registered in the Commercial Register on 1 February 2005.

The table below summarises the Orange CorpSec's financial information:

In thousands of EUR	Assets	Liabilities	Equity	Revenues	Profit/loss for the Period
As at 31 December 2023	515	215	300	1 316	28
As at 31 December 2022	525	253	272	1 226	15

In 2010, the Company recognised an investment in Nadácia Orange (hereinafter also referred to as the "Foundation") at a cost of EUR 6 thousand, which is considered immaterial for the purpose of these financial statements.

In September 2017, the Company recognized investment in Orange Finančné služby, s.r.o. at cost of EUR 200 thousand (100% ownership / 100% of voting rights). As at 31 December 2023 the subsidiary had limited number of transactions which is immaterial to publish.

8) Deferred Tax Assets And Liabilities

Movement in the deferred tax account is as follows:

In thousands of EUR	31 December 2023	31 December 2022
At beginning of period – net deferred tax liability	12 604	13 055
Income statement	(512)	(451)
At end of period – net deferred tax liability	**12 092**	**12 604**

Deferred tax assets and deferred tax liabilities are attributable to the items detailed for the current as well as preceeding period in the table below:

	31 December 2023			31 December 2022		
In thousands of EUR	Assets	Liabilities	Net	Assets	Liabilities	Net
Property, plant, and equipment	–	31 143	(31 143)	–	30 011	(30 011)
Rights of use of leased assets	–	23 902	(23 902)	–	24 326	(24 326)
Lease liabilities	24 809	–	24 809	24 855	–	24 855
Inventories	624	–	624	120	–	120
Receivables	2 156	–	2 156	1 565	–	1 565
Accruals	6 274	–	6 274	5 911	–	5 911
Provisions	9 090	–	9 090	9 282	–	9 282
Net deferred tax	**42 953**	**55 045**	**(12 092)**	**41 733**	**54 337**	**(12 604)**

Deferred tax assets and liabilities were offset on the grounds that the Company has the legally-enforceable right to offset their current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

The statutory tax rate for 2023 was 21% (2022: 21%) plus the special levy for the regulated industries of 4.356 % of operating profit (2022: 4.356 %). The rate effective from 1 January 2023 is 25.356% and was used in the deferred tax calculation.

9) Inventories

In thousands of EUR	31 December 2023	31 December 2022
Raw materials and consumables	717	968
Merchandise	20 232	18 950
Provision for slow moving merchandise	(2 463)	(472)
	18 486	**19 446**

As at 31 December 2023, no inventories were pledged to secure bank loans.

Write-down to NRV for slow moving merchandise are recognised under Note 18 line" Purchased goods and services".

10) Trade and Other Receivables, Net and Non-Current Receivables

Non-current receivables

Non-current receivables mostly represent receivables from sales of handset with payment on instalments that are payable in more than 12 months. The receivables are discounted to the fair value at discount rate 3.44% (2022: 3.44%). The discount rate must be the prevailing market rate for the type of customers: it is at least equal to the company's marginal borrowing rate plus the expected customer credit loss. The discount rate used at inception remains unchanged over the instalment period.

Other non-current assets

Non-current assets and Deferred income in Current liabilities in vast majority includes the new project - fixed network sharing.

The rest of non current assets represent the advance payments related to upgrade of the existing network.

Ageing structure of the trade and other receivables is provided in the table below:

In thousands of EUR	31 December 2023	31 December 2022
Not past due	83 905	79 640
Past due	51 574	41 559
Trade and other receivables - gross	**135 479**	**121 199**
Provision for impairment	(34 804)	(28 629)
Trade and other receivables - net	**100 675**	**92 570**

Expected credit loss assessment for non-current, trade and other receivables as at 1 January and 31 December 2023

The Company allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss (including but not limited to audited financial statements, management accounts and cash flow projections and available press information about corporate customers) and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default. Expected credit loss “ECL” rate is calculated on delinquency status and actual credit loss experience over the past two years.

The Company uses a provision matrix to calculate expected lifetime credit losses for trade receivable: subscribers, distributors and others. The following table sets total gross book values at default in payment (“Gross”) and the ECL in 2023 calculated with provision matrix for trade receivables:

In thousands of EUR	Weighted-average loss rate in 2023	Gross 31 December 2023	ECL 31 December 2023	Weighted-average loss rate in 2022	Gross 31 December 2022	ECL 31 December 2022
unbilled and not yet due	0,4%	83 905	370	0,5%	79 640	370
Past due 0-30 days	4%	6 169	247	4%	4 809	192
Past due 31-60 days	22%	1 224	269	22%	854	188
Past due 61-90 days	33%	852	281	33%	653	216
Past due 91-180 days	43%	2 254	969	43%	1 979	851
Past due 181-360 days	52%	5 269	2 740	52%	3 256	1 693
Past due 361 -720 days	59%	6 770	3 995	59%	3 823	2 257
Past due 721 -1080 days	65%	2 988	1 942	65%	3 619	2 353
Past due 1081 and more days	100%	11 241	11 241	100%	9 260	9 260
Contract penalties	86%	14 807	12 750	85%	13 306	11 249
Total		**135 479**	**34 804**		**121 199**	**28 629**

The Company has grouped trade receivable according to loss patterns observed in the past and the provision rates are based on days past due. The provision matrix is based on the Company's historically observed default rates, which are updated on a yearly basis.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated for the all customers balances, and the customers are not further segmented, as the collection policy is the same for all customers as well as management is a view that further segmentation will require undue costs and efforts and will not result in more precise information about the impairment provision.

Movements in the allowance for doubtful debts

In thousands of EUR	31 December 2023	31 December 2022
Impairment allowance to short term receivables		
At 1 January	**28 629**	**28 308**
Specific provision related to contract penalties	1 500	623
Impairment of trade receivables used during the year	5 437	1 818
Impairment of trade receivables reversed during the year	(762)	(2 120)
At 31 December	**34 804**	**28 629**
Impairment allowance to non current receivables		
At 1 January	**88**	**68**
Net creation of provision for impairment Non-current receivables	22	20
At 31 December	**110**	**88**

During 2023 there were no receivables written-off which are still subject to enforcement activity.

11) Contract Net Asset And Liabilties

In thousands of EUR	31 December 2023	31 December 2022
Current net contract assets	**33 213**	**42 818**
Customer contract assets	33 727	43 469
Impairment provision	(514)	(651)
Customer net contract assets	**33 213**	**42 818**
Costs of obtaining a contract	9 747	9 978
Costs of obtaining a contract	**9 747**	**9 978**
Contract liabilities	**25 898**	**25 991**
Anticipated spread of subsidy	2 683	1 976
Deffered revenue – Prepaid telephone cards	5 769	5 776
Deffered revenue – Monthly service fees	16 162	16 065
Loyalty programm	–	744
Connection fees	1 284	1 430
Customer contract net liabilities	**25 898**	**25 991**

For detailed description of Contract asset and liabilities pls see Note 3 (j).

Impairment of contract assets

Contract asset, like trade receivables, are subject to the impairment for credit risk. Upon recognition of contract assets, the related impairment loss is recognized at the credit default rate.

Movements on the provision for impairment of contract asset are as follows:

In thousands of EUR	2023	2022
At 1 January	**651**	**692**
Net creation of provision for impairment	(137)	(41)
At 31 December	**514**	**651**

Transaction price allocated to the remaining performance obligations

The contract liability represents in vast majority the monthly services fees, which will be recorded to revenues in January 2024 and prepaid telephone cards, which will be recorded to revenues broadly during first half of 2024.

The Company applies the practical expedient and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

The Company applies the practical expedient and does not disclose the amount of the transaction price allocated to the remaining performance obligations and an explanation of when the Company expects to recognise that amount as revenue as at 31 December 2023.

12) Current Financial Assets

The balance of EUR 19 037 thousand (2022: EUR 24 984 thousand) represents the receivable on the cash-pooling account of the Company with Orange SA. On 15 March 2006, the Company signed a Centralised Treasury Management Agreement with France Telecom S.A (the successor company Orange SA) with the aim of centralisation and optimisation of affiliated companies' cash surplus under the best technical and financial conditions and ensuring a fine-tuning of the liquidity at the Group level.

Cash balances are not subject to any foreign exchange risk as they are denominated in the local currency. Maximum borrowing headroom is EUR 66 million. The balances bear an interest rate calculated as €STER (€STER: Euro Short-term rate). Interest is accounted for on a monthly basis and capitalised on the Company's current account. In the event of an overdraft, the interest is paid on a monthly basis and is calculated as EONIA plus the fixed rate of interest. The interest rate was 3.882% as at 31 December 2023 (1.890% as at 31 December 2022).

13) Cash and Cash Equivalents

In thousands of EUR	31 December 2023	31 December 2022
Cash on hand and cash equivalents	69	81
Bank balances and deposits	4 470	3 967
Cash and cash equivalents in the balance sheet	**4 539**	**4 048**

The Company's cash balance includes current bank accounts and overnight balances with banks. The Company transfers free cash to its current account held by Orange SA, except for reasonable level held for operational reasons.

14) Equity

Share capital

As at 31 December 2023, the authorised share capital comprised 1 181 755 ordinary shares (2022: 1 181 755), with a nominal value of EUR 33.19 each, 1 ordinary share (2022: 1) with a nominal value of EUR 13.78, and 1 ordinary share (2022: 1) with a nominal value of EUR 0.66. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at the general meetings of the Company.

Reserves

Reserves of EUR 15 260 thousand (2022: EUR 15 260 thousand) relate to the Legal Reserve Fund. The Company is obliged by Slovak law to create a legal reserve totalling a minimum of 5% of net profit (annually) and up to a maximum of 10% of registered share capital.

As the fund's balance has already reached the maximum balance, no further distribution from the Company's profits is required by law. The Legal Reserve Fund is not available for distribution and should be used to cover future losses arising from business activities, if any.

Dividends

As at the preparation date of these financial statements the Board of Directors made no decision regarding the amount of dividends to be paid from the 2023 profit.

In June 2023, the shareholders approved a dividend payment of EUR 83 million related to undistributed profits from previous years at their annual general meeting. An amount of EUR 50 million was paid in July 2023 and EUR 33 million was paid in November 2023.

15) Loans and Borrowings

On 30 June 2015 the Company has entered into a Credit Facility Agreement with Atlas Services Belgium S.A.. The credit facility was drawn down in two tranches: Tranche A in the amount of EUR 110 000 thousand was drawn down as at 30 June 2015 and Tranche B in the amount of EUR 100 000 thousand was drawn down as at 20 June 2016. The credit facility was refinanced in full amount in June 2020.

The final maturity date is 30 June 2024. The Company paid an arrangement fees in June 2020 in amount of EUR 462 thousand. Interest is paid on a quarterly basis and is calculated as 3M EURIBOR plus 0.73% margin. The interest rate was 4.655% as at 31 December 2023 (2.132% as at 31 December 2022).

The loan is unsecured and the Company may use the funds for the general corporate operation purposes. As at the preparation date of these financial statements the Board of Directors made no decision regarding the amount of loan to be refinanced.

16) Provisions and Non-Current Payables

Provisions

In thousands of EUR	Provision for Asset Retirement	Other	Total
Balance at 31 December 2022	**23 341**	**5 029**	**28 370**
Provisions made during the year	203	1 449	1 652
Provisions used during the year	–	(394)	(394)
Provisions reversed during the year	–	–	–
Balance at 31 December 2023	**23 544**	**6 084**	**29 628**

In thousands of EUR	31 December 2023	31 December 2022
Non–current	29 628	28 370
Current	–	–
	29 628	**28 370**

A provision for asset retirement obligation was recorded in the amount of EUR 23 544 thousand (2022: EUR 23 341 thousand), using the following assumptions based on an expert's study: average costs of site demolition of EUR 10.6 thousand, an average site usage of 15 years, discount rate of 4.402%, dismantling cost index of 3.61% and number of sites of 2 507 (2022: EUR 10.6 thousand, 15 years, 4.154%, 3.31%, and of 2 487 sites, respectively). The Company records the carrying amount of EUR 2 196 thousand (2022: EUR 3 177 thousand) in the asset side of the balance sheet (Note 4).

Other provisions represent a provision for retirement benefit costs EUR 878 thousand and provision for litigations EUR 5 206 thousand.

Non-current payables

Non-current payables of EUR 24 986 thousand (2022: EUR 18 428 thousand) from which EUR 12 million represent payable in 2025 and 2026 for 3,5MHz frequency, EUR 8 million represents payable till 2029 for 1800 MHz and rest is long-term liability resulted from the capitalised unavoidable future spectrum fees payable to Telecommunication Office. Short-term liability related to spectrum fees is presented within trade payables and other liabilities EUR 2 078 thousand (2022: EUR 2 078 thousand).

The liabilities were initially discounted to the fair value at discount rate that ranges from 2.69% to 2.8%. The liability is amortised using the effective interest rate method. Fair value of the liability using the discount rate of 4.402% is by EUR 0.4 million lower compared to its carrying amount at the balance sheet date.

17) Trade Payables and Other Liabilities

In thousands of EUR	31 December 2023	31 December 2022
Trade payables	38 933	46 415
Accrued liabilities	38 382	37 308
Tax liabilities (VAT)	12 724	8 240
Liabilities to employees	10 032	9 603
Other current liabilities	421	4 772
Total	**100 492**	**106 338**

Accounts payables are classified as current liabilities if the payment is due within one year or less. Trade payables are non-interest bearing and the prevailing credit period on purchases is from one to two months.

Payables within and after maturity

31 December 2023

In thousands of EUR	within maturity period	within 360 days overdue	more than 360 days overdue	Total
Trade payables	38 245	688	–	38 933
Accrued liabilities	38 382	–	–	38 382
Tax liabilities (VAT)	12 724	–	–	12 724
Liabilities to employees	10 032	–	–	10 032
Other current liabilities	421	–	–	421
Total	**99 804**	**688**	**–**	**100 492**

31 December 2022

In thousands of EUR	within maturity period	within 360 days overdue	more than 360 days overdue	Total
Trade payables	45 671	632	112	46 415
Accrued liabilities	37 308	–	–	37 308
Tax liabilities (VAT)	8 240	–	–	8 240
Liabilities to employees	9 603	–	–	9 603
Other current liabilities	4 773	–	–	4 773
Total	**105 595**	**632**	**112**	**106 339**

Liabilities to employees include social fund liabilities:

In thousands of EUR	2023	2022
As at 1 January	**90**	**55**
Additions	408	549
Utilisation	503	514
As at 31 December	**(5)**	**90**

18) Revenues

Revenues are broken down by product line as follows:

In thousands of EUR	2023	2022
Convergence services	98 669	84 099
Mobile services only	269 023	269 405
Fixed services only	32 499	31 002
IT & integration services	18 946	13 907
Wholesale	30 303	36 544
Equipment sales	131 541	127 002
Other revenues	9 970	10 612
Total revenue	**590 951**	**572 571**

- Convergent services: revenue from convergent Mass market services (Internet + Mobile offerings)
- Mobile services only: mobile service revenue is generated by incoming and outgoing calls (voice, SMS and data), excluding convergent services.
- Fixed services only: revenue from fixed services includes fixed broadband
- IT & integration services: revenue from unified communication and collaboration services (LAN and telephony, advising, integration, project management), hosting and infrastructure services (including Cloud Computing), applications services (customer relations management and other applications services), security services, video conferencing offers as well as sales of equipment related to the above products and services
- Wholesale: roaming revenues from customers of other networks (national and international), revenues from Mobile Virtual Network operators and from network sharing
- Equipment sales: all equipment sales (mobile phones, broadband equipment, connected objects and accessories), excluding sales of equipment related to integration and information technology (i.e. set top boxes)

19) External Purchases

External purchases are presented in the table below:

In thousands of EUR	2023	2022
Cost of equipment sold	111 598	108 270
Purchased goods and services	96 582	83 344
Service fees and interoperator costs	60 391	70 090
Costs associated with non-current assets	2 563	2 616
Audit fees	105	91
Other	20 363	21 561
Total external purchases	**291 602**	**285 972**

Audit services were provided to the Company by Deloitte Audit s.r.o. (2022: Deloitte Audit s.r.o.)

20) Other Operating Expenses/(Income), Net

Other operating expenses are presented in the table below:

In thousands of EUR	2023	2022
Brand royalty and management fees	14 568	13 913
FX differences net	14	65
Other operating expenses	2 047	4 137
Total other operating expenses	**16 629**	**18 115**

Other operating income is presented in the table below:

In thousands of EUR	2023	2022
Property fees	888	1 130
Late payment interest on trade receivables	100	341
Gain on disposal of property, plant and equipment	35	312
Other operating income	6 861	5 055
Total other operating income	**7 884**	**6 838**

21) Wages and Contributions

External purchases are presented in the table below:

In thousands of EUR	2023	2022
Wages and salaries	26 270	26 781
Bonuses and untaken holiday payroll provision	6 719	7 148
Social contribution	13 999	14 107
Restructuring cost	(137)	5 705
Other	2 354	2 538
Total wages and contributions	**49 205**	**56 279**

22) Income Tax

Reconciliation of the effective tax rate is shown in the table below:

In thousands of EUR	2023	2022
Income tax payable		
from operating activities	27 206	24 667
Deferred income tax		
from operating activities	(512)	(451)
Total income tax	**26 694**	**24 216**

The Slovak Corporate Tax is 21% effective from 1 January, 2017.

In thousands of EUR	2023	%	2022	%
Profit before tax	108 918		96 068	
Income tax at the rate of 21% (2022: 21%)	22 873	21,0%	20 174	21,0%
Income tax in respect of prior year	(469)	-0,4%	100	0,1%
Special levy 4.356% (2022: 4.356%) for regulated businesses	3 399	3,1%	2 951	3,1%
Impact of adjusting items:				
permanent differences and other differences	891	0,8%	991	1,0%
Total income tax	**26 694**	**24,5%**	**24 216**	**25,2%**

23) Financial Instruments

Risk Management Policies

The Company's activities expose it to a variety of financial risks, including mainly credit risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and the economic environment and seeks to minimise potential adverse effects on its financial performance.

Capital Risk Management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders and benefits to other stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of cash and cash equivalents (Note 13), cash pooling (Note 12), long term and short term debt/loan (Note 15) and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in Note 14.

The Company reviews the capital structure regularly. Based on the review and the General Meeting's approval, the Company balances its overall capital structure through the payment of dividends, the issue of new debt, or the redemption of existing debt.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total loans (as shown in the separate balance sheet) less cash and cash equivalents.

The gearing ratios as at 31 December 2023 and 2022 were as follows:

In thousands of EUR	Note	31 December 2023	31 December 2022
Cash and cash equivalents	13	(4 539)	(4 047)
Loan	15	210 000	210 000
Current financial (assets)/liabilities	12	(19 037)	(24 984)
Net debt		**186 424**	**180 969**
Equity		384 364	385 089
Gearing ratio (Net debt to equity)		49%	47%

Main Categories of Financial Instruments :

In thousands of EUR	Note	31 December 2023	31 December 2022
Financial assets			
Cash and cash equivalents	13	4 539	4 047
Trade and other receivables	10	100 675	92 570
Current financial assets	12	19 037	24 984
Financial liabilities			
Loan	15	210 000	210 000
Trade payables and other liabilities	17	100 492	106 338
Lease liabilities	6	97 842	98 024

Financial Risk Management

The Company's activities expose it to financial risks in foreign currency exchange rates and interest rates. The Company does not use any official statistical methods for measuring market risk exposures; however, management's assessments of the Company's exposure to those risks are described below:

Foreign Exchange Risk

The Company's exposure is to changes in USD, which represents a minor risk in respect of the US dollar's position to the total amount of liabilities/assets, and therefore no sensitivity analysis was performed.

The carrying amounts of the Company's foreign currency denominated assets and liabilities at the reporting date are as follows:

	Liabilities		Assets	
In thousands of EUR	2023	2022	2023	2022
Currency USD	478	677	459	222

Interest Rate Risk

The Group's Treasury department exercises the policy of cash pooling of the Company's available funds to maximise economic returns and to manage the cash optimisation and centralisation under the best financial conditions for most of the affiliated companies (see Note 12). Such instruments are not exposed to the risk of interest rate fluctuation. Owing to the character of the financial liabilities/assets, the Company does not assume any risk relating to interest rate movements.

Management has entered into loan contracts which are exposed to floating interest rates in the normal course of business. Management policy is to enter in the variable interest rates borrowings contracts only. Management does not see the need to hedge the interest rates related to these contracts.

An increase or decrease of interest rate (EURIBOR) by 100 basis points, considering all other factors remain unchanged, would cause a decrease or an increase of profitability by EUR 10 799 thousand (2022: EUR 4 736 thousand).

The sensitivities were estimated based on year end balances and the actual results might differ from these estimates.

Management has lease liabilities for which a fixed interest rate was set.

Fair values versus carrying amounts

The fair value of trade and other receivables, cash and cash equivalents, trade and other payables loans and interest bearing borrowings with variable interest rate is approximated by their carrying amounts as at 31 December 2023 as well as at 31 December 2022. The fair values of non current payables are disclosed in the Note 16) and lease liabilities in the Note 6).

Basis for determining fair values

The fair value of trade and other receivables, cash and cash equivalents, finance lease receivables, trade and other payables, including long term payables (refer to Note 15) loans and interest bearing borrowings is estimated as the present value of the future cash flows discounted at market rate of interest at the reporting date.

Credit Risk

Financial instruments that could potentially expose the Company to concentration of counterparty risk consist primarily of trade receivables and cash and cash equivalents.

The Company considers that it has limited concentration in credit risk with respect to trade accounts receivables due to its large and diverse customer base (residential, professional and large business customers) operating in numerous industries and located in many regions. In addition, the maximum value of the counterparty risk on these financial assets is equal to their recognized net book value. An analysis of net trade receivables past due is provided in Note 10.

In addition, should a customer fail to pay any due payment for services, the Company will limit the customer's outgoing calls and, thereafter, the provision of services will be disconnected.

The Company held cash and cash equivalents of EUR 4 539 thousand at 31 December 2023 (2022: EUR 4 047 thousand). The cash and cash equivalents are held with bank and financial institution counterparties, which are rated AA- to AA+, based on Standard & Poor's ratings. The Company held also cash at cash-pooling account with Orange SA.

Impairment on cash and cash equivalents and cash-pool account has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents and cash-pool account have low credit risk based on the external credit ratings of the counterparties.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Management monitors risks with rolling 12-month forecasts of the Company's liquidity reserve (comprising loan facility and cash and cash equivalents) on the basis of expected cash flows.

The Group's Treasury department exercises the policy of cash pooling the Company's available funds to maximise economic returns and to manage the cash optimisation and centralisation under the best financial conditions for most of the affiliated companies (see Note 12).

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities without provisions in which the maturity is unknown. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes the principal and interest cash flows if applicable.

Management plan to negotiate the extension of the Final maturity of intercompany loan and it is expected the extension will be agreed based on the historical experience.

2023

In thousands of EUR	Note	Year end effective interest rate	Less than 1 month	1 – 3 months	3 months to 1 year	1–5 years	5+ years	Total
Non–current payables	16		–	–	–	23 392	1 594	24 986
Non–interest bearing liabilities	17		37 684	61 249	1 558	–	–	100 491
Lease liability and interest	6		1 001	1 991	8 927	49 775	36 148	97 842
Loan	15		–	–	210 000	–	–	210 000
Interest and commitment fee from Long term loan	15	4.655%	–	2 444	2 444	–	–	4 888
Total			**38 685**	**65 684**	**222 929**	**73 167**	**37 742**	**438 207**

2022

In thousands of EUR	Note	Year end effective interest rate	Less than 1 month	1 – 3 months	3 months to 1 year	1–5 years	5+ years	Total
Non–current payables	16		–	–	–	17 643	786	18 429
Non–interest bearing liabilities	17		46 713	38 130	1 558	–	–	86 401
Lease liability and interest	6		981	1 963	8 679	46 932	39 469	98 024
Loan	15		–	–	–	210 000	–	210 000
Interest and commitment fee from Long term loan	15	2.132%	–	1 119	3 358	6 716	–	11 193
Total			**47 694**	**41 212**	**13 595**	**281 291**	**40 255**	**424 047**

The following tables detail the Company's expected maturity for its non-derivative financial assets. The tables have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

2023

In thousands of EUR	Note	Year end effective interest rate	Less than 1 month	1 – 3 months	3 months to 1 year	1–5 years	Total
Non–current receivables	10	–	–	–	–	23 312	23 312
Non–interest bearing receivables	10	–	52 311	10 351	38 013	–	100 675
Cash and cash equivalents	13	0.0%	4 539	–	–	–	4 539
Variable interest rate instruments	12	3.88%	19 037	–	–	–	19 037
Total			**75 887**	**10 351**	**38 013**	**23 312**	**147 563**

2022

In thousands of EUR	Note	Year end effective interest rate	Less than 1 month	1 – 3 months	3 months to 1 year	1–5 years	Total
Non–current receivables	10	–	–	–	–	18 711	18 711
Non–interest bearing receivables	10	–	54 200	8 007	30 363	–	92 570
Cash and cash equivalents	13	0.0%	4 047	–	–	–	4 047
Variable interest rate instruments	12	1.89%	24 984	–	–	–	24 984
Total			**83 231**	**8 007**	**30 363**	**18 711**	**140 312**

24) Related Party Transactions

The immediate parent company and the ultimate controlling party of the Company are Atlas Services Belgium, S.A., (from August 2008, up to July: Wirefree Services Nederland B.V.) and Orange SA (incorporated in France), respectively. Transactions with related parties have been conducted under standard business conditions. Receivables, liabilities, purchases and sales with related parties are summarised in the following tables:

In thousands of EUR	31 December 2023	31 December 2022
Liabilities – non current		
Atlas Service Belgium (parent company)	–	210 000
Liabilities – current and unbilled supplies		
Atlas Service Belgium (parent company)	210 000	–
Orange Brand Services (fellow subsidiary)	2 391	4 457
Orange SA (ultimate control.party)	1 523	1 711
Orange Polska (fellow subsidiary)	550	116
Orange CorpSec (subsidiary)	238	148
Other	340	543
	215 042	**6 975**
Dividends paid		
Atlas Service Belgium (parent company)	(83 000)	(100 000)
	(83 000)	**(100 000)**

In thousands of EUR	2023	2022
Purchases		
Orange SA (ultimate control.party)	10 727	12 568
Orange Brand Services (fellow subsidiary)	8 917	8 323
Atlas Service Belgium (mother company)	8 460	1 825
Orange Global International Mobility (fellow subsidiary)	1 880	1 116
Orange CorpSec (subsidiary)	1 314	1 223
Orange Polska (fellow subsidiary)	1 097	599
Other	909	117
	33 304	**25 771**

In thousands of EUR	31 December 2023	31 December 2022
Trade accounts receivable – current		
Orange SA (ultimate control.party)	999	441
Orange SA – cash pool account	19 037	24 984
Orange Polska (fellow subsidiary)	552	79
Orange Brand Services (fellow subsidiary)	–	200
Atlas Service Belgium (parent company)	58	173
Other	153	835
	20 799	**26 712**

In thousands of EUR	2023	2022
Sales		
Orange Polska (fellow subsidiary)	449	1 024
Equant (fellow subsidiary)	2 000	2 233
Orange SA (ultimate control.party)	5 786	3 911
Other	38	168
	8 273	**7 336**

The following related party transactions are applicable for the Company:

- Management fees, brand fees – transactions mainly with Orange Brand Services and Orange SA (ultimate parent company);
- Intra-group international telecom services – mobile and other telecom services with other group companies; and
- Shared products – mobile and other telecom services with other group companies.

All outstanding balances with these related parties are priced on an arm's length basis and are to be settled in cash mostly within 6 months of the reporting date, except for cash pool account and long term debt as these have individual maturities. None of the balances is secured. No expense has been recognised in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties. No guarantees have been given or received.

25) Information on Income and Emoluments of Members of the Statutory Bodies, Supervisory Bodies, and Other Bodies of the Accounting Entity

The income and emoluments of the Company's members of the statutory body, supervisory body and other bodies are summarised in the following table:

In thousands of EUR	2023	2022
Executive Management Board	2 368	2 280
Total	**2 368**	**2 280**

26) Commitments and Contingencies

Litigation

The Company is not involved in any legal proceedings outside of the normal course of business except for litigations for which provision was created (see Notes 16). Management does not believe that the resolution of the Company's legal proceedings will have a material adverse effect on its financial position, the result of the operations, or cash flows.

Commitments

The Company has CAPEX commitments in a total amount of EUR 27 807 thousand (2022: EUR 41 000 thousand). The main consists of investment in network assets in the amount of EUR 11 383 thousand (2022: EUR 22 958 thousand), investments in fixed lines network assets in the amount of EUR 10 861 thousand (2022: EUR 8 795 thousand) and the other less material investments in long-life assets.

The Company also has OPEX commitments in the total amount of EUR 44 792 thousand (2022: EUR 104 991 thousand) mainly related to the purchase of handsets in amount of EUR 21 989 thousand (2022: EUR 56 649 thousand), energy purchase of EUR 15 448 thousand (2022: EUR 37 727 thousand), and network maintenance in amount of EUR 5 771 thousand (2022: EUR 5 863 thousand).

Legal Commitments

The Company has not given any guarantees to third parties in 2023 (2022: EUR 0 thousand).

27) Critical Accounting Estimates, Key Judgements, and Key Sources of Estimate Uncertainty

The preparation of the financial statements in conformity with IFRS as adopted by the EU requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. The estimates and the associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Estimated Useful Lives of Property, Plant, and Equipment

Useful lives, which are described in Note 3 (c) and (d), are determined based on the Company's best estimate of the useful lives of long-term assets and are reviewed annually.

A change in estimated useful lives of assets by 10% against the actual depreciation as at 31 December 2023 would have increased / (decreased) the property plant and equipment amounts as shown below:

	31 December 2023		31 December 2022	
In thousands of EUR	Increase	Decrease	Increase	Decrease
Estimated useful life in years +/-10%	6 540	(7 994)	6 377	(7 794)

The sensitivities were estimated based on year end balances and the actual results might differ from these estimates.

Estimated ARO

The Company is obligated to dismantle technical equipment and restore technical sites when terminates its operation. The provision is based on dismantling costs (on a per-site basis) incurred by the Company to meet its environmental commitments over the asset dismantling and site restorations planning. The provision is assessed on the basis of the identified costs for the current financial year, extrapolated for future years by using the best estimate for the commitment settlement. It is discounted at a risk-free rate. This estimate is revised annually and the provision is consequently adjusted against the relevant asset where appropriate.

Sensitivity of ARO reserves

A change in discount rate by 100 bps and change in dismantling costs by 10% against initial assumption as at 31 December 2023 would have increased / (decreased) the Estimated ARO by the amounts shown below:

	31 December 2023		31 December 2022	
In thousands of EUR	Increase	Decrease	Increase	Decrease
Discount rate +/- 100 bps	(3 137)	3 656	(3 117)	3 634
Dismantling costs +/- 10%	3 648	(3 187)	3 628	(3 169)
Length +/- 1 year	(178)	179	(190)	191

The sensitivities were estimated based on year end balances and the actual results might differ from these estimates.

Estimated enforceable period

IFRS 15 requires judgements and assumptions regarding the enforceable period of contract. Determining the enforceable period, the Company takes into account the economic logic of the transaction, and also over which period the contractual terms have made the rights and obligations enforceable through exit options, early renewal options and other business practices. In developing the judgments management used information from the historical behaviour of clients as well as their contractual terms to determine enforceable period.

Sensitivity of enforceable period

A change in enforceable period by 1 month against initial assumption as at 31 December 2023 would have increased / (decreased) the contract asset with direct impact to equity amount as shown below:

	31 December 2023		31 December 2022	
In thousands of EUR	Increase	Decrease	Increase	Decrease
Enforceable period +/- 1month	690	(3 298)	1 784	(5 615)

The sensitivities were estimated based on year end balances and the actual results might differ from these estimates.

Sensitivity of lease term and discount rate for lease liability

A change in discount rate by 100 bps and change in lease term by 1 year against initial assumption as at 31 December 2023 would have increased / (decreased) the lease liability by amounts shown below:

	31 December 2023		31 December 2022	
In thousands of EUR	Increase	Decrease	Increase	Decrease
Discount rate +/- 100bpsonth	(6 767)	7 495	(7 860)	8 715
Length +/- 1year	6 397	(7 067)	9 328	(9 651)

The sensitivities were estimated based on year end balances and the actual results might differ from these estimates.

28) Subsequent Events

No other events with a material impact on the true and fair presentation of facts as presented in these financial statements occurred after 31 December 2023 up to the preparation date of these financial statements.

29) Authorisation Of Financial Statements

The financial statements were authorised for issue by management on 24 May 2024.

Mariusz Gatza
Chief Executive Officer

Eve Bourdeau
Chief Financial Officer