☐ - adjusted

POLISH FINANCIAL SUPERVISION AUTHORITY

Quarterly consolidated report for the third quarter of 2021

(year)

(according to par. 60 s. 2 and par. 62 s. 1 of the Decree on current and periodic information)
for the issuers in sectors of production, construction, trade or services
(type of issuer)

for the third quarter of **2021**, i.e. **from 1 January 2021 to 30 September 2021**

including condensed consolidated financial statements prepared under: **International Financial Reporting Standards**
in currency: **PLN**

and condensed separate financial statements prepared under: **International Financial Reporting Standards**
in currency: **PLN**

date of issuance: **25 October 2021**

ORANGE POLSKA SA
(full name of issuer)

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(abbreviated name of the issuer)	(classification according to WSE/sector)
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SELECTED FINANCIAL DATA	PLN '000		EUR '000	
	3 quarter cumulative period from 01/01/2021 to 30/09/2021	3 quarter cumulative period from 01/01/2020 to 30/09/2020	3 quarter cumulative period from 01/01/2021 to 30/09/2021	3 quarter cumulative period from 01/01/2020 to 30/09/2020
	condensed consolidated financial statements data			
I. Revenue	8,757,000	8,425,000	1,921,027	1,896,668
II. Operating income	2,196,000	347,000	481,737	78,118
III. Profit before income tax	1,999,000	83,000	438,521	18,685
IV. Net income	1,741,000	67,000	381,924	15,083
V. Net income attributable to owners of Orange Polska S.A.	1,741,000	67,000	381,924	15,083
VI. Earnings per share (in PLN/EUR)	1.33	0.05	0.29	0.01
VII. Weighted average number of shares (in millions)	1,312	1,312	1,312	1,312
VIII. Total comprehensive income	1,845,000	22,000	404,738	4,953
IX. Total comprehensive income attributable to owners of Orange Polska S.A.	1,845,000	22,000	404,738	4,953
X. Net cash provided by operating activities	2,554,000	2,256,000	560,272	507,879
XI. Net cash used in investing activities	(973,000)	(1,612,000)	(213,448)	(362,900)
XII. Net cash used in financing activities	(1,275,000)	(729,000)	(279,697)	(164,115)
XIII. Net change in cash and cash equivalents	306,000	(85,000)	67,127	(19,136)
	balance as at 30/09/2021	balance as at 31/12/2020	balance as at 30/09/2021	balance as at 31/12/2020
XIV. Total current assets	3,937,000	3,363,000	849,792	728,742
XV. Total non-current assets	21,464,000	20,937,000	4,632,951	4,536,925
XVI. Total assets	25,401,000	24,300,000	5,482,743	5,265,667
XVII. Total current liabilities	4,048,000	7,637,000	873,751	1,654,893
XVIII. Total non-current liabilities	8,920,000	6,064,000	1,925,360	1,314,033
XIX. Total equity	12,433,000	10,599,000	2,683,632	2,296,741
XX. Equity attributable to owners of Orange Polska S.A.	12,431,000	10,597,000	2,683,201	2,296,308
XXI. Share capital	3,937,000	3,937,000	849,792	853,125
	condensed separate financial statements data			
	3 quarter cumulative period from 01/01/2021 to 30/09/2021	3 quarter cumulative period from 01/01/2020 to 30/09/2020	3 quarter cumulative period from 01/01/2021 to 30/09/2021	3 quarter cumulative period from 01/01/2020 to 30/09/2020
I. Revenue	7,881,000	7,758,000	1,728,858	1,746,511
II. Operating income	1,389,000	326,000	304,705	73,390
III. Profit before income tax	1,218,000	80,000	267,193	18,010
IV. Net income	986,000	67,000	216,299	15,083
V. Earnings per share (in PLN/EUR)	0.75	0.05	0.16	0.01
VI. Weighted average number of shares (in millions)	1,312	1,312	1,312	1,312
VII. Total comprehensive income	1,090,000	22,000	239,114	4,953
VIII. Net cash provided by operating activities	2,505,000	2,263,000	549,523	509,455
IX. Net cash used in investing activities	(939,000)	(1,648,000)	(205,989)	(371,004)
X. Net cash used in financing activities	(1,272,000)	(696,000)	(279,039)	(156,686)
XI. Net change in cash and cash equivalents	294,000	(81,000)	64,495	(18,235)
	balance as at 30/09/2021	balance as at 31/12/2020	balance as at 30/09/2021	balance as at 31/12/2020
XII. Total current assets	3,479,000	2,991,000	750,933	648,132
XIII. Total non-current assets	20,706,000	20,913,000	4,469,339	4,531,724
XIV. Total assets	24,185,000	23,904,000	5,220,272	5,179,856
XV. Total current liabilities	3,765,000	7,399,000	812,666	1,603,320
XVI. Total non-current liabilities	8,808,000	5,972,000	1,901,185	1,294,097
XVII. Total equity	11,612,000	10,533,000	2,506,421	2,282,439
XVIII. Share capital	3,937,000	3,937,000	849,792	853,125

ORANGE POLSKA GROUP

CONDENSED IFRS QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS FOR THE 3 MONTHS ENDED 30 SEPTEMBER 2021

October 25, 2021

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CONSOLIDATED INCOME STATEMENT

(in PLN millions, except for earnings per share)	Note	3 months ended 30 September 2021	9 months ended 30 September 2021	3 months ended 30 September 2020	9 months ended 30 September 2020
Revenue	5	2,885	8,757	2,793	8,425
External purchases		(1,562)	(4,857)	(1,537)	(4,684)
Labour expense		(322)	(1,044)	(324)	(1,018)
Other operating expense		(147)	(378)	(89)	(293)
Other operating income		93	219	59	198
Impairment of receivables and contract assets		(16)	(62)	(30)	(116)
Gain on the loss of control of Światłowód Inwestycje	8	1,543	1,543	-	-
Gains on disposal of other assets		37	24	6	21
Depreciation and impairment of right-of-use assets		(119)	(352)	(110)	(324)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	8	(546)	(1,664)	(618)	(1,862)
Share of profit of joint venture		10	10	-	-
Operating income		**1,856**	**2,196**	**150**	**347**
Interest income		11	26	8	25
Interest expense on lease liabilities		(13)	(40)	(15)	(47)
Other interest expense and financial charges		(53)	(150)	(51)	(164)
Discounting expense		(15)	(35)	(11)	(34)
Foreign exchange gains/(losses)		(16)	2	(14)	(44)
Finance costs, net		**(86)**	**(197)**	**(83)**	**(264)**
Income tax	8	(184)	(258)	(14)	(16)
Net income		**1,586**	**1,741**	**53**	**67**
Net income attributable to owners of Orange Polska S.A.		1,586	1,741	53	67
Net income attributable to non-controlling interests		-	-	-	-
Earnings per share (in PLN)		**1.21**	**1.33**	**0.04**	**0.05**
Weighted average number of shares (in millions)		1,312	1,312	1,312	1,312

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in PLN millions)	3 months ended 30 September 2021	9 months ended 30 September 2021	3 months ended 30 September 2020	9 months ended 30 September 2020
Net income	**1,586**	**1,741**	**53**	**67**
Items that will not be reclassified to profit or loss				
Actuarial losses on post-employment benefits	(1)	(1)	(2)	(6)
Income tax relating to items not to be reclassified	-	-	-	1
Items that may be reclassified subsequently to profit or loss				
Gains/(losses) on cash flow hedges	47	130	33	(53)
Income tax relating to items that may be reclassified	(9)	(25)	(5)	13
Other comprehensive income/(loss), net of tax	**37**	**104**	**26**	**(45)**
Total comprehensive income	**1,623**	**1,845**	**79**	**22**
Total comprehensive income attributable to owners of Orange Polska S.A.	1,623	1,845	79	22
Total comprehensive income attributable to non-controlling interests	-	-	-	-

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in PLN millions)	Note	At 30 September 2021	At 31 December 2020
ASSETS			
Goodwill		2,285	2,285
Other intangible assets		3,965	4,184
Property, plant and equipment		9,506	10,301
Right-of-use assets		2,850	2,768
Investment in joint venture	8	1,313	-
Trade receivables	10	311	382
Contract assets		74	70
Contract costs		116	106
Derivatives	9,10	48	-
Other assets	8	448	41
Deferred tax assets	8	548	800
Total non-current assets		**21,464**	**20,937**
Inventories		238	230
Trade receivables	10	1,780	1,850
Contract assets		74	87
Contract costs		378	368
Loan to related party	8	158	-
Derivatives	9,10	15	147
Income tax receivables	8	112	-
Other assets		424	240
Prepaid expenses		94	83
Cash and cash equivalents		664	358
Total current assets		**3,937**	**3,363**
TOTAL ASSETS		**25,401**	**24,300**
EQUITY AND LIABILITIES			
Share capital		3,937	3,937
Share premium		832	832
Other reserves		(31)	(123)
Retained earnings		7,693	5,951
Equity attributable to owners of Orange Polska S.A.		**12,431**	**10,597**
Non-controlling interests		2	2
Total equity		**12,433**	**10,599**
Trade payables	10	103	242
Lease liabilities		2,281	2,216
Loans from related party	9,10	4,937	2,406
Other financial liabilities at amortised cost	9	11	2
Derivatives	9,10	27	100
Provisions	12	552	657
Contract liabilities	8	921	338
Employee benefits		64	53
Other liabilities		24	50
Total non-current liabilities		**8,920**	**6,064**
Trade payables	10	2,074	2,236
Lease liabilities		502	488
Loans from related party	9,10	2	3,584
Other financial liabilities at amortised cost	9	39	19
Derivatives	9,10	5	32
Provisions	12	201	254
Contract liabilities	8	658	476
Employee benefits		167	204
Income tax liabilities		-	18
Other liabilities		400	326
Total current liabilities		**4,048**	**7,637**
TOTAL EQUITY AND LIABILITIES		**25,401**	**24,300**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in PLN millions)

	Share capital	Share premium	Other reserves			Retained earnings	Equity attributable to owners of OPL S.A.	Non-controlling interests	Total equity
			Cash flow hedge reserve	Actuarial losses on post-employment benefits	Deferred tax				
Balance at 1 January 2021	**3,937**	**832**	**(89)**	**(62)**	**28**	**5,951**	**10,597**	**2**	**10,599**
Total comprehensive income for the 9 months ended 30 September 2021	-	-	130	(1)	(25)	1,741	1,845	-	1,845
Share-based payments	-	-	-	-	-	1	1	-	1
Transfer to inventories	-	-	(15)	-	3	-	(12)	-	(12)
Balance at 30 September 2021	**3,937**	**832**	**26**	**(63)**	**6**	**7,693**	**12,431**	**2**	**12,433**
Balance at 1 January 2020	**3,937**	**832**	**(50)**	**(59)**	**20**	**5,875**	**10,555**	**2**	**10,557**
Total comprehensive income for the 9 months ended 30 September 2020	-	-	(53)	(6)	14	67	22	-	22
Share-based payments	-	-	-	-	-	2	2	-	2
Transfer to inventories	-	-	(17)	-	-	-	(17)	-	(17)
Other movements	-	-	-	-	-	48	48	-	48
Balance at 30 September 2020	**3,937**	**832**	**(120)**	**(65)**	**34**	**5,992**	**10,610**	**2**	**10,612**

CONSOLIDATED STATEMENT OF CASH FLOWS

(in PLN millions)	3 months ended 30 September 2021	9 months ended 30 September 2021	3 months ended 30 September 2020	9 months ended 30 September 2020
OPERATING ACTIVITIES				
Net income	1,586	1,741	53	67
Adjustments to reconcile net income to cash from operating activities				
Gains on disposal of assets	(1,580)	(1,567)	(6)	(21)
Depreciation, amortisation and impairment of property, plant and equipment, intangible assets and right-of-use assets	665	2,016	728	2,186
Share of profit of investments accounted for using the equity method	(10)	(10)	-	-
Finance costs, net	86	197	83	264
Income tax	184	258	14	16
Change in provisions and allowances	(18)	(74)	(62)	(137)
Operational foreign exchange and derivatives (gains)/losses, net	(1)	3	(4)	(12)
Change in working capital				
(Increase)/decrease in inventories, gross	2	(9)	53	(15)
Decrease in trade receivables, gross	59	156	117	353
Decrease in contract assets, gross	1	8	12	37
Increase in contract costs	(7)	(20)	(13)	(16)
Increase/(decrease) in trade payables	88	74	(62)	(123)
Increase/(decrease) in contract liabilities	53	70	(6)	(4)
(Increase)/decrease in prepaid expenses and other receivables	16	(32)	31	(16)
Increase/(decrease) in other payables	(5)	55	(128)	(20)
Interest received	8	23	8	25
Interest paid and interest rate effect paid on derivatives, net	(149)	(301)	(156)	(308)
Exchange rate and other effect received on derivatives, net	-	4	1	2
Income tax paid	(30)	(38)	(5)	(22)
Net cash provided by operating activities	**948**	**2,554**	**658**	**2,256**
INVESTING ACTIVITIES				
Payments for purchases of property, plant and equipment and intangible assets	(476)	(1,536)	(500)	(1,566)
Investment grants received	4	95	53	82
Investment grants paid to property, plant and equipment and intangible assets suppliers	(59)	(157)	(57)	(160)
Exchange rate effect received on derivatives economically hedging capital expenditures, net	1	3	2	4
Proceeds from sale of property, plant and equipment and intangible assets	34	82	2	32
Proceeds from loss of control of Światłowód Inwestycje, net of cash and transaction costs (see Note 8)	872	872	-	-
Income tax paid in relation to loss of control of Światłowód Inwestycje (see Note 8)	(122)	(122)	-	-
VAT paid in relation to loss of control of Światłowód Inwestycje (see Note 8)	(209)	(209)	-	-
Cash paid for subsidiaries, net of cash acquired	-	(5)	-	(5)
Receipts from/(payments on) other financial instruments, net	1	4	(1)	1
Net cash provided by/(used in) investing activities	**46**	**(973)**	**(501)**	**(1,612)**
FINANCING ACTIVITIES				
Repayment of long-term loans from related party	-	(101)	-	-
Repayment of lease liabilities	(125)	(374)	(104)	(308)
Decrease in revolving credit line and other debt	(515)	(891)	(124)	(421)
Exchange rate effect received/(paid) on derivatives hedging debt, net	-	91	(1)	-
Net cash used in financing activities	**(640)**	**(1,275)**	**(229)**	**(729)**
Net change in cash and cash equivalents	**354**	**306**	**(72)**	**(85)**
Effects of exchange rate changes on cash and cash equivalents	-	-	-	2
Cash and cash equivalents at the beginning of the period	310	358	393	404
Cash and cash equivalents at the end of the period	**664**	**664**	**321**	**321**

Notes to the Condensed IFRS Quarterly Consolidated Financial Statements

1. The Orange Polska Group

Orange Polska S.A. ("Orange Polska" or "the Company" or "OPL S.A."), a joint stock company, was incorporated and commenced its operations on 4 December 1991. The Orange Polska Group ("the Group") comprises Orange Polska and its subsidiaries. The Group is a part of Orange Group based in France. Orange Polska shares are listed on the Warsaw Stock Exchange.

The Group is the principal provider of telecommunications services in Poland. The Group provides mobile and fixed telecommunications services, including calls, messaging, content, access to the Internet and TV. In addition, the Group provides IT and integration services, leased lines and other telecommunications value added services, sells telecommunications equipment, provides data transmission, constructs telecommunications infrastructure and sells electrical energy.

Orange Polska's registered office is located in Warsaw, Poland, at 160 Aleje Jerozolimskie St.

The list of entities included in the Condensed IFRS Quarterly Consolidated Financial Statements of the Group (the "Condensed Quarterly Consolidated Financial Statements") as at and for the 9 months ended 30 September 2021 is presented in Note 1.2 to the Orange Polska Group IFRS Consolidated Financial Statements ("IFRS Consolidated Financial Statements") for the year ended 31 December 2020. Additionally, the Group disposed of its 50% stake in Światłowód Inwestycje Sp. z o.o. (see Note 8).

2. Segment information and performance measures

The Group reports a single operating segment as decisions about resources to be allocated and assessment of performance are made on a consolidated basis. Group performance is evaluated by the Management Board based on revenue, EBITDAaL, net income, eCapex (economic capital expenditures), organic cash flows, net financial debt and net financial debt to EBITDAaL ratio based on cumulative EBITDAaL for the last four quarters.

Since the calculation of EBITDAaL, eCapex, organic cash flows and net financial debt is not defined by IFRS, these performance measures may not be comparable to similar indicators used by other entities. The methodology adopted by the Group is presented below.

EBITDAaL is the key measure of operating profitability used by the Management Board and corresponds to operating income before gains/losses on disposal of assets, depreciation, amortisation and impairment of property, plant and equipment and intangible assets and share of profits/losses of associates and joint ventures, decreased by interest expense on lease liabilities and adjusted for the impact of deconsolidation of subsidiaries, costs related to acquisition, disposal and integration of businesses, employment termination programs, restructuring costs, significant claims, litigation and other risks as well as other significant non-recurring items.

eCapex (economic capital expenditures) is the key measure of resources allocation used by the Management Board and represents acquisitions of property, plant and equipment and intangible assets excluding telecommunications licences, decreased by the proceeds accrued on disposal of these assets ('proceeds accrued on disposal of assets'). eCapex does not include acquisitions of right-of-use assets.

Organic cash flows are the key measure of cash flow generation used by the Management Board and correspond to net cash provided by operating activities decreased by payments for purchases of property, plant and equipment and intangible assets and repayment of lease liabilities, increased by impact of net exchange rate effect received/paid on derivatives economically hedging capital expenditures and lease liabilities and proceeds from sale of property, plant and equipment and intangible assets and adjusted for the payments for acquisition of telecommunications licences, payments for costs related to acquisition, disposal and integration of businesses not included in purchase price and payments relating to significant claims, litigation and other risks. Cash flows arising from obtaining or losing control of subsidiaries or other businesses, including significant tax cash flows specifically identified with these transactions, are classified as investing activities and by definition are not included in organic cash flows.

Net financial debt and net financial debt to EBITDAaL ratio are the key measures of indebtedness and liquidity used by the Management Board. The calculation of net financial debt is presented in Note 9.

Basic financial data of the operating segment is presented below:

(in PLN millions)	9 months ended 30 September 2021	9 months ended 30 September 2020
Revenue	8,757	8,425
EBITDAaL	2,256	2,143
Net income	1,741	67
eCapex	1,087	1,206
Organic cash flows	736	418

	At 30 September 2021	At 31 December 2020
Net financial debt (in PLN millions, see Note 9)	4,320	5,549
Net financial debt/EBITDAaL ratio	1.5	2.0

Calculation of performance measures of the operating segment is presented below:

(in PLN millions)	9 months ended 30 September 2021	9 months ended 30 September 2020
Operating income	2,196	347
Less gain on the loss of control of Światłowód Inwestycje	(1,543)	-
Less gains on disposal of other assets	(24)	(21)
Add-back of depreciation, amortisation and impairment of property, plant and equipment and intangible assets	1,664	1,862
Less share of profit of joint venture	(10)	-
Interest expense on lease liabilities	(40)	(47)
Adjustment for the impact of employment termination programs	(7)	(9)
Adjustment for the costs related to acquisition, disposal and integration of subsidiaries	20	11
EBITDAaL	**2,256**	**2,143**

(in PLN millions)	9 months ended 30 September 2021	9 months ended 30 September 2020
Acquisitions of property, plant and equipment and intangible assets	1,259	1,241
Less proceeds accrued on disposal of assets	(172)	(35)
eCapex	**1,087**	**1,206**

(in PLN millions)	9 months ended 30 September 2021	9 months ended 30 September 2020
Net cash provided by operating activities	2,554	2,256
Payments for purchases of property, plant and equipment and intangible assets	(1,536)	(1,566)
Exchange rate effect received on derivatives economically hedging capital expenditures, net	3	4
Proceeds from sale of property, plant and equipment and intangible assets	82	32
Repayment of lease liabilities	(374)	(308)
Adjustment for payment for costs related to acquisition, disposal and integration of subsidiaries	7	-
Organic cash flows	**736**	**418**

3. Statement of compliance and basis of preparation

Basis of preparation

These unaudited Condensed Quarterly Consolidated Financial Statements have been prepared in accordance with International Accounting Standard ("IAS") 34 - Interim Financial Reporting ("IAS 34") and with all accounting standards applicable to interim financial reporting adopted by the European Union, issued and effective as at the time of preparing the Condensed Quarterly Consolidated Financial Statements (see also Note 4).

These Condensed Quarterly Consolidated Financial Statements should be read in conjunction with the audited IFRS Consolidated Financial Statements for the year ended 31 December 2020.

The Condensed Quarterly Consolidated Financial Statements include the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows and selected explanatory notes.

These Condensed Quarterly Consolidated Financial Statements have been prepared on the going concern basis.

Costs that arise unevenly during the year are anticipated or deferred in the quarterly financial statements only if it would also be appropriate to anticipate or defer such costs at the end of the year.

These Condensed Quarterly Consolidated Financial Statements are prepared in millions of Polish zloty ("PLN") and were authorised for issuance by the Management Board on 25 October 2021.

Adoption of standards and interpretations in 2021

There were no new standards or interpretations issued from the date when the IFRS Consolidated Financial Statements for the year ended 31 December 2020 were published.

4. Statement of accounting policies

The accounting policies and methods of computation used in the preparation of the Condensed Quarterly Consolidated Financial Statements are materially consistent with those described in Notes 2 and 33 to the audited IFRS Consolidated Financial Statements for the year ended 31 December 2020.

5. Revenue

Revenue is disaggregated as follows:

Mobile only services	Revenue from mobile offers (excluding consumer market convergent offers) and Machine to Machine connectivity. Mobile only services revenue does not include equipment sales, incoming and visitor roaming revenue.
Fixed only services	Revenue from fixed offers (excluding consumer market convergent offers) including mainly (i) fixed broadband (including wireless for fixed), (ii) fixed narrowband, and (iii) data infrastructure and networks for business customers.
Convergent services (consumer market)	Revenue from consumer market convergent offers. A convergent offer is defined as an offer combining at least a broadband access and a mobile voice contract with a financial benefit (excluding MVNOs). Convergent services revenue does not include equipment sales, incoming and visitor roaming revenue.
Equipment sales	Revenue from all retail mobile and fixed equipment sales, excluding equipment sales associated with the supply of IT and integration services.
IT and integration services	Revenue from ICT (Information and Communications Technology) services and Internet of Things services, including equipment sales associated with the supply of these services.
Wholesale	Revenue from telecom operators for (i) mobile: incoming, visitor roaming, domestic mobile interconnection (i.e. domestic roaming agreement and network sharing) and MVNO, (ii) fixed carriers services, and (iii) other (mainly data infrastructure and networks).
Other revenue	Include (i) equipment sales to brokers, (ii) revenue from sale of electrical energy, (iii) revenue from infrastructure projects, and (iv) other miscellaneous revenue e.g. from property rentals, research and development activity.

(in PLN millions)	3 months	9 months	3 months	9 months
	ended 30 September 2021		ended 30 September 2020	
Mobile only services	**682**	**1,965**	**645**	**1,913**
Fixed only services	**484**	**1,482**	**518**	**1,568**
Narrowband	165	521	194	608
Broadband	214	642	216	641
Network solutions (business market)	105	319	108	319
Convergent services (consumer market)	**511**	**1,480**	**438**	**1,285**
Equipment sales	**342**	**1,015**	**325**	**939**
IT and integration services	**255**	**774**	**186**	**657**
Wholesale	**493**	**1,689**	**590**	**1,804**
Mobile wholesale	317	1,048	345	1,060
Fixed wholesale	86	375	162	498
Other	90	266	83	246
Other revenue	**118**	**352**	**91**	**259**
Total revenue	**2,885**	**8,757**	**2,793**	**8,425**

IT and integration services, wholesale and other revenue for the 9 months ended 30 September 2021 and 2020 include, respectively, PLN 62 million and PLN 61 million of lease revenue that is outside the scope of IFRS 15 "Revenue from Contracts with Customers".

6. Impairment test

Vast majority of the Group's individual assets do not generate cash inflows independently from other assets due to the nature of the Group's activities, therefore the Group identifies all telecom operations as a single telecom operator Cash Generating Unit ("CGU").

As at 30 June 2021 and 31 December 2020 the Group performed impairment tests of the CGU (including goodwill). No impairment loss was recognised in the years 2021 and 2020.

The following key assumptions were used to determine the value in use of the telecom operator CGU:
- value of the market, penetration rate, market share and the level of the competition, level of prices and decisions of the regulator in terms of pricing, customer base, the level of commercial expenses required to replace products and keep up with existing competitors or new market entrants, the impact of changes in revenue on direct costs;
- the level of capital expenditures which may be affected by the roll-out of necessary new technologies or regulatory decisions concerning telecommunications licences allocation;
- the length and severity of the COVID-19 pandemic and its impact on the CGU performance;
- discount rate which is based on weighted average cost of capital and reflects current market assessment of the time value of money and the risks specific to activities of the CGU; and
- perpetuity growth rate which reflects Management's assessment of cash flows evolution after the last year covered by the cash flow projections.

The amounts assigned to each of these parameters reflect past experience adjusted for expected changes over the timeframe of the business plan, but may also be affected by unforeseeable changes in the political, economic or legal framework.

Telecom operator CGU	At 30 June 2021	At 31 December 2020
Basis of recoverable amount	Value in use	Value in use
Sources used	Business plan	Business plan
	5 years cash flow projections	5 years cash flow projections
Perpetuity growth rate	1.5 %	1.5 %
Post-tax discount rate	7.00 %	7.25 %
Pre-tax discount rate [1]	8.15 %	8.47 %

[1] Pre-tax discount rate is calculated as a post-tax discount rate adjusted to reflect the specific amount and timing of the future tax cash flows.

Sensitivity of recoverable amount

The value in use of the telecom operator CGU as at 30 June 2021 exceeded its carrying value by PLN 4.7 billion. Any of the following changes in key assumptions:
- a 26% fall in projected cash flows after fifth year or
- a 1.3 p.p. decrease in growth rate to perpetuity or
- a 1.5 p.p. increase in post-tax discount rate

would bring the value in use of the telecom operator CGU to the level of its carrying value.

7. Explanatory comments about the seasonality or cyclicality of interim Group operations

The Group's activities are subject to some seasonality. The fourth quarter is typically a peak sales season with high commercial spending and with increased capital expenditures resulting from investment cycle management applied by the Group. Seasonally high capital expenditures in the fourth quarter are followed by higher payments to property, plant and equipment and intangible assets suppliers in the first quarter of the subsequent year resulting in higher cash used in investing activities.

8. Items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence

Impact of the COVID-19 pandemic

The situation related to the COVID-19 pandemic remained volatile, with Poland and other countries experiencing new waves of COVID-19 in 2021. The pandemic has significantly impacted the Polish economy. Poland's GDP decreased by 2.7% in 2020, by 0.9% in the first quarter of 2021 and started to grow from the second quarter of 2021 (year-on-year). The consensus indicates that GDP in Poland should reach single digit growth in 2021.

Since the beginning of the COVID-19 pandemic in the first quarter of 2020, the Management has adopted a number of counteractive measures to mitigate the negative impact of the pandemic on Group's business performance. The results achieved by the Group indicate that the core of the Group's operations remain relatively immune to the impact of the pandemic. Data and voice connectivity has become more essential than ever to the needs of consumers and businesses. The majority of revenue and profits are derived from subscription-based services, which allows the Group to rely on relatively stable and predictable revenue streams.

Based on the Group's latest assessment of the impact of COVID-19 on the bad debt allowance, the Group recognised PLN 4 million of additional impairment of trade receivables in the 9 months ended 30 September 2021.

The impact of the COVID-19 pandemic on the Group, its financial position and performance in next periods depends on many factors which are beyond the control of the Group. These factors include, among others: the length and severity of the pandemic, measures taken by the government to limit the pandemic and to protect society from the effects of the crisis and in result its ultimate impact on the Polish economy including inflationary pressure and energy prices. The Group will monitor the situation, its impact on the Polish economy and indicators more specific to the Group.

Joint venture with APG Group

On 31 August 2021, the Orange Polska Group and the APG Group (APG's subsidiary Acari Investments Holding B.V., "APG") finalised a share sale agreement under which the Group disposed of its 50% stake in Światłowód Inwestycje Sp. z o.o., a fully-owned subsidiary of OPL S.A. whose scope of activities comprises building fibre infrastructure and offering wholesale access services to other operators. Total fair value of the consideration amounted to PLN 1,323 million and consisted of:

a. PLN 897 million received in cash and
b. PLN 426 million to be received in years 2022-2026 conditional on the Group delivering on the agreed network rollout schedule (maximum contractual amount of PLN 487 million before discounting). The amount receivable from APG Group is recognised as other assets in the consolidated statement of financial position.

The Group applied the expected present value technique to measure the fair value of the deferred consideration receivable. More details on the assumptions and valuation methodology are described in the Note 10.

As a result of the transaction, the Group derecognised the following assets and liabilities of Światłowód Inwestycje:

(in PLN millions)	
Assets:	
Property, plant and equipment	388
Cash and cash equivalents	21
Other assets [1]	920
Total assets	**1,329**
Liabilities:	
Financial liabilities at amortised cost [2]	162
Derivatives	17
Other liabilities	65
Total liabilities	**244**
Net assets derecognised	**1,085**

[1] Includes PLN 691 million of prepayment made by Światłowód Inwestycje to OPL S.A. for lease and services to be rendered in the future by OPL S.A. On the deconsolidation date, the Group recognised the prepayment received in contract liabilities in the consolidated statement of financial position.

[2] Includes PLN 158 million of loan made by OPL S.A. to Światłowód Inwestycje, recognised on the deconsolidation date in loan to related party in the consolidated statement of financial position.

Gain on the loss of control of Światłowód Inwestycje recognised in the consolidated income statement amounted to PLN 1,543 million and consisted of:

(in PLN millions)	
Fair value of the consideration received for the 50% stake sold	1,323
Fair value of the remaining 50% stake retained	1,323
Net assets of Światłowód Inwestycje derecognised	(1,085)
Transaction costs incurred	(18)
Gain on the loss of control of Światłowód Inwestycje	**1,543**

As a result of the above transaction, Światłowód Inwestycje became a jointly controlled entity accounted for using the equity method. Additionally, the transaction assumes equity contributions for each party of around PLN 300 million to be made in years 2023-2026. Orange Polska has an option to buy c.1% of additional stake in Światłowód Inwestycje and obtain control in years 2027-2029.

In the 3 months ended 30 September 2021, the Group paid PLN 122 million of CIT (after utilisation of tax losses from previous years) and PLN 209 million of VAT with respect to the transaction. These payments are classified as cash flows from investing activities as they can be specifically identified with the loss of control of Światłowód Inwestycje. The payment occurred before the Group obtained tax ruling at the end of September 2021. Consequently, as at 30 September 2021, the Group recalculated the taxable gain on the sale of 50% stake in Światłowód Inwestycje, recognised income tax receivable of PLN 92 million and decreased deferred tax asset by PLN 81 million.

Other events

From 2021, as a result of an annual review of the estimated useful lives of fixed assets, the Group extended the estimated useful lives for certain items of software which decreased the amortisation expense by PLN 91 million in the 9 months ended 30 September 2021 in comparison to the previous year. Amortisation expense in 2021 relating to these assets is expected to be lower by approximately PLN 117 million in comparison to 2020.

The Group finalised the accounting for the acquisition of Craftware Sp. z o.o. There were no adjustments in 2021 to the assets and liabilities recognised as at 31 December 2020 as a result of this acquisition. For details, see Note 4 to the IFRS Consolidated Financial Statements for the year ended 31 December 2020.

The amount of trade payables subject to reverse factoring increased from PLN 117 million as at 31 December 2020 to PLN 162 million as at 30 September 2021. These payables are presented together with the remaining balance of trade payables, as analysis conducted by the Group indicates they have retained their trade nature.

9. Net financial debt

Net financial debt is a measure of indebtedness used by the Management Board. Since the calculation of this aggregate is not defined by IFRS, the methodology adopted by the Group is presented below:

(in PLN millions)	At 30 September 2021	At 31 December 2020
Loans from related party	4,939	5,990
Other financial liabilities at amortised cost	50	21
Derivatives – net (liabilities less assets)	(31)	(15)
Gross financial debt after derivatives	**4,958**	**5,996**
Cash and cash equivalents	(664)	(358)
Cash flow hedge reserve	26	(89)
Net financial debt	**4,320**	**5,549**

On 29 January 2021, the Group and Atlas Services Belgium S.A., a subsidiary of Orange S.A., concluded a Loan Agreement for PLN 2,700 million with repayment date in June 2026. The new Loan Agreement, together with the Revolving Credit Facility, provided non-cash-refinancing of loans granted by Atlas Services Belgium S.A.: EUR 190 million which expired in May 2021 and PLN 2,700 million which expired in June 2021. Additionally, on 17 June 2021, the Group and Atlas Services Belgium S.A. concluded an Annex to existing Revolving Credit Facility Agreement, extending its maturity to 29 July 2022. On 25 June 2021, the Group and Orange S.A. updated the Cash Management Treasury Agreement, extending access to back-up liquidity funding to 28 February 2023.

In the 9 months ended 30 September 2021, the net cash flows from issuance and repayments of the Revolving Credit Facility from Atlas Services Belgium S.A., a subsidiary of Orange S.A., amounted to PLN (920) million. As a result, the unused Revolving Credit Facility amounts to PLN 1,500 million as at 30 September 2021.

As at 30 September 2021, the total outstanding balance of loans from the related party amounted to PLN 4,939 million, including accrued interest and arrangement fees. The weighted average effective interest rate on loans from the related party amounted to 1.81% before swaps and 2.76% after swaps as at 30 September 2021.

In the 9 months ended 30 September 2021, the Group entered into new derivative transactions under the agreement with Orange S.A. hedging interest rate risk related to the Loan Agreement concluded in January 2021 described above. As at 30 September 2021, the total nominal amount of interest rate swaps, outstanding under the agreement with Orange S.A. concerning derivative transactions, was PLN 4,300 million with a total fair value amounting to PLN 16 million.

10. Fair value of financial instruments

The Group's financial assets and liabilities that are measured subsequent to their initial recognition at fair value comprise derivative instruments, selected trade receivables arising from sales of mobile handsets in instalments and the deferred consideration receivable arising from the sale of 50% stake in Światłowód Inwestycje (see Note 8).

As at 30 September 2021 and 31 December 2020, the total fair value of derivatives amounted to PLN 31 million and PLN 15 million, respectively, and fair value of selected trade receivables arising from sales of mobile handsets in instalments amounted to PLN 144 million and PLN 211 million, respectively. The fair value of these instruments is determined as described in Notes 14.1 and 23 to the IFRS Consolidated Financial Statements for the year ended 31 December 2020. Significant inputs to the valuation techniques used by the Group to measure the fair value of derivatives and selected trade receivables are classified to Level 2 of the fair value hierarchy described in Note 24.1 to the IFRS Consolidated Financial Statements for the year ended 31 December 2020.

As at 30 September 2021, the fair value of the deferred consideration receivable from the sale of 50% stake in Światłowód Inwestycje amounted to PLN 427 million. The Group applied the expected present value technique to measure the fair value of this receivable. The expected cash flows have been calculated as the probability-weighted average of possible future cash inflows from the deferred consideration. The discount rates used in the calculation of the present value of the expected cash flows range from 2.8% in 2022 to 4.1% in 2026 and are based on the market risk-free interest rates increased by the credit risk margin estimated for the APG Group. Significant inputs to the valuation technique used by the Group to measure the fair value of the deferred consideration receivable are unobservable and classified to Level 3 of the fair value hierarchy described in Note 24.1 to the IFRS Consolidated Financial Statements for the year ended 31 December 2020. These unobservable inputs include the credit risk margin estimated for the APG Group and probabilities assigned to possible future cash inflows used to calculate the expected value. The Group has performed sensitivity analysis for the impact of changes in unobservable inputs and concluded that reasonably possible change in any unobservable input would not materially change the fair value of the deferred consideration receivable.

The carrying amount of the Group's other financial instruments excluding lease liabilities approximates their fair value, except for telecommunications licence payables and a loan from related party based on fixed interest rate for which as at 30 September 2021 the estimated fair value exceeded the carrying amount respectively by PLN 26 million and PLN 21 million (PLN 47 million and PLN 45 million as at 31 December 2020) due to significant change between the original effective interest rates at the date of the initial recognition and current market rates.

11. Dividend

In accordance with the recommendation of the Management Board of the Company there was no dividend paid in 2021.

12. Changes in major litigation, claims and contingent liabilities since the end of the last annual reporting period

The information hereunder refers to the matters presented in Note 30 to the IFRS Consolidated Financial Statements for the year ended 31 December 2020 or describes major matters that occurred after 31 December 2020.

On 14 May and 23 July 2021, UOKiK instituted proceedings regarding practices violating collective interests of consumers in the provision of certain additional services by Orange Polska alleging, among others, insufficient information for consumers in activating the service, lack of information on a durable medium and insufficient replies to customer complaints.

Operational activities of the Group are subject to legal, tax, social and administrative regulations and the Group is a party to a number of legal and tax proceedings and commercial contracts related to its operational activities. Some regulatory decisions can be detrimental to the Group and court verdicts within appeal proceedings against such decisions can have negative consequences for the Group. Also, there are claims including for damages, contractual penalties or remuneration raised by counterparties to commercial contracts, or claims for other payments resulting from breach of law which may result in cash outflows.

Furthermore, the Group uses fixed assets of other parties in order to provide telecommunications services. The terms of use of these assets are not always formalised and as such, the Group is subject to claims and might be subject to future claims in this respect, which will probably result in cash outflows in the future. The amount of the potential obligations or future commitments cannot yet be measured with sufficient reliability due to legal complexities involved.

Some of the above determined matters may be complex in nature and there are many scenarios for final settlement and potential financial impact for the Group. The Group monitors the risks on a regular basis and the Management Board believes that adequate provisions have been recorded for known and quantifiable risks. Information regarding the range of potential outcomes has not been separately disclosed as, in the opinion of the Group's Management, such disclosure could prejudice the outcome of the pending cases.

13. Related party transactions

As at 30 September 2021, Orange S.A. owned 50.67% of shares of the Company. Orange S.A. has majority of the total number of votes at the General Meeting of OPL S.A. which appoints OPL S.A.'s Supervisory Board Members. The Supervisory Board decides about the composition of the Management Board. According to the Company's Articles of Association, at least 4 Members of the Supervisory Board must be independent. The majority of Members of the Audit Committee of the Supervisory Board are independent.

The Group's income earned from the Orange Group comprises mainly wholesale telecommunications services and research and development income. The purchases from the Orange Group comprise mainly brand fees and wholesale telecommunications services.

Financial receivables, liabilities, finance costs, net and other comprehensive income/loss concerning transactions with the Orange Group relate to loan agreements concluded with Atlas Services Belgium S.A. and agreement with Orange S.A. concerning derivative transactions to hedge exposure to foreign currency risk and interest rate risk related to the above-mentioned loan agreements. Cash and cash equivalents deposited with Orange S.A. relate to the Cash Management Treasury Agreement.

The Group's transactions with joint venture relate to transactions with Światłowód Inwestycje Sp. z o.o. (see Note 8). The Group's income and receivables from joint venture relate mainly to sale of fibre network assets. Liabilities to joint venture relate mainly to agreements for the lease and services to be rendered by the Group in the future, for which joint venture paid upfront. Financial receivables from joint venture comprise the loan granted to Światłowód Inwestycje before the loss of control, as part of the sale transaction preparation.

(in PLN millions)	3 months	9 months	3 months	9 months
	ended 30 September 2021		ended 30 September 2020	
Sales of goods and services and other income:	**258**	**364**	**55**	**158**
Orange S.A. (parent)	48	115	34	101
Orange Group (excluding parent)	18	57	21	57
Joint venture	192	192	-	-
Purchases of goods (including inventories, tangible and intangible assets) and services:	**(76)**	**(190)**	**(56)**	**(168)**
Orange S.A. (parent)	(23)	(43)	(10)	(37)
Orange Group (excluding parent)	(45)	(139)	(46)	(131)
- including Orange Brand Services Limited (brand licence agreement)	(34)	(102)	(28)	(86)
Joint venture	(8)	(8)	-	-
Financial costs, net:	**(40)**	**(123)**	**(50)**	**(148)**
Orange S.A. (parent)	(16)	(70)	(16)	(4)
Orange Group (excluding parent)	(24)	(53)	(34)	(144)
Other comprehensive income/(loss):	**40**	**136**	**19**	**(102)**
Orange S.A. (parent)	40	136	19	(102)

(in PLN millions)	At 30 September 2021	At 31 December 2020
Receivables and contract costs:	**335**	**85**
Orange S.A. (parent)	55	51
Orange Group (excluding parent)	23	34
Joint venture	257	-
Liabilities:	**792**	**84**
Orange S.A. (parent)	29	31
Orange Group (excluding parent)	57	53
Joint venture	706	-
Financial receivables:	**206**	**106**
Orange S.A. (parent)	48	106
Joint venture	158	-
Cash and cash equivalents deposited with:	**397**	**55**
Orange S.A. (parent)	397	55
Financial liabilities:	**4,971**	**6,122**
Orange S.A. (parent)	32	132
Orange Group (excluding parent)	4,939	5,990

Compensation (remuneration, bonuses, post-employment and other long-term benefits, termination indemnities and share-based payment plans - cash and non-monetary benefits) of OPL S.A.'s Management Board and Supervisory Board Members for the 9 months ended 30 September 2021 and 2020 amounted to PLN 11.9 million and PLN 16.8 million, respectively. Additionally, the President of OPL S.A.'s Management Board is employed by Orange Global International Mobility S.A., a subsidiary of Orange S.A., and posted to Orange Polska since September 2020. The amount incurred by the Orange Polska Group for the reimbursement of key management personnel costs from the Orange Group for the 9 months ended 30 September 2021 and 2020 amounted to PLN 3.8 million and PLN 0.3 million, respectively.

14. Subsequent events

There was no significant event after the end of the reporting period.

ORANGE POLSKA S.A.

CONDENSED IFRS QUARTERLY SEPARATE FINANCIAL STATEMENTS FOR THE 3 MONTHS ENDED 30 SEPTEMBER 2021

October 25, 2021

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INCOME STATEMENT

(in PLN millions, except for earnings per share)	Note	3 months ended 30 September 2021	9 months ended 30 September 2021	3 months ended 30 September 2020	9 months ended 30 September 2020
Revenue	4	**2,594**	**7,881**	**2,591**	**7,758**
External purchases		(1,330)	(4,137)	(1,373)	(4,141)
Labour expense		(291)	(943)	(299)	(942)
Other operating expense		(139)	(366)	(90)	(295)
Other operating income		106	244	65	207
Impairment of receivables, contract assets and loans		(13)	(94)	(29)	(112)
Gain on partial disposal of investment in Światłowód Inwestycje	7	750	750	-	-
Gains on disposal of other assets		57	43	6	21
Depreciation and impairment of right-of-use assets		(115)	(340)	(107)	(313)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	7	(538)	(1,649)	(616)	(1,857)
Operating income		**1,081**	**1,389**	**148**	**326**
Dividend income		-	3	8	14
Interest income		9	25	8	27
Interest expense on lease liabilities		(13)	(39)	(15)	(47)
Other interest expense and financial charges		(41)	(128)	(50)	(163)
Discounting expense		(15)	(35)	(11)	(34)
Foreign exchange gains/(losses)		(15)	3	(13)	(43)
Finance costs, net		**(75)**	**(171)**	**(73)**	**(246)**
Income tax	7	(185)	(232)	(13)	(13)
Net income		**821**	**986**	**62**	**67**
Earnings per share (in PLN)		**0.63**	**0.75**	**0.05**	**0.05**
Weighted average number of shares (in millions)		1,312	1,312	1,312	1,312

STATEMENT OF COMPREHENSIVE INCOME

(in PLN millions)	3 months ended 30 September 2021	9 months ended 30 September 2021	3 months ended 30 September 2020	9 months ended 30 September 2020
Net income	**821**	**986**	**62**	**67**
Items that will not be reclassified to profit or loss				
Actuarial losses on post-employment benefits	(1)	(1)	(2)	(6)
Income tax relating to items not to be reclassified	-	-	-	1
Items that may be reclassified subsequently to profit or loss				
Gains/(losses) on cash flow hedges	47	130	33	(53)
Income tax relating to items that may be reclassified	(9)	(25)	(5)	13
Other comprehensive income/(loss), net of tax	**37**	**104**	**26**	**(45)**
Total comprehensive income	**858**	**1,090**	**88**	**22**

STATEMENT OF FINANCIAL POSITION

(in PLN millions)	Note	At 30 September 2021	At 31 December 2020
ASSETS			
Goodwill		2,014	2,014
Other intangible assets		3,876	4,079
Property, plant and equipment		9,573	10,397
Right-of-use assets		2,804	2,727
Investments in subsidiaries		402	334
Investment in joint venture	7	555	-
Trade receivables	9	281	351
Contract assets		72	70
Contract costs		102	96
Loans to related parties	7	49	60
Derivatives	8,9	48	-
Other assets	7	407	38
Deferred tax asset	7	523	747
Total non-current assets		**20,706**	**20,913**
Inventories		189	184
Trade receivables	9	1,560	1,627
Contract assets		73	87
Contract costs		370	362
Loans to related parties	7	158	115
Derivatives	8,9	15	147
Income tax receivables	7	104	-
Other assets		377	139
Prepaid expenses		40	31
Cash and cash equivalents		593	299
Total current assets		**3,479**	**2,991**
TOTAL ASSETS		**24,185**	**23,904**
EQUITY AND LIABILITIES			
Share capital		3,937	3,937
Share premium		832	832
Other reserves		(30)	(122)
Retained earnings		6,873	5,886
Total equity		**11,612**	**10,533**
Trade payables	9	103	242
Lease liabilities		2,246	2,188
Loans from related parties	8,9	4,937	2,406
Other financial liabilities at amortised cost		8	-
Derivatives	8,9	27	100
Provisions	11	531	639
Contract liabilities	7	899	315
Employee benefits		52	51
Other liabilities		5	31
Total non-current liabilities		**8,808**	**5,972**
Trade payables	9	1,850	2,014
Lease liabilities		488	475
Loans from related parties	8,9	115	3,682
Other financial liabilities at amortised cost		1	4
Derivatives	8,9	5	32
Provisions	11	184	248
Contract liabilities	7	622	449
Employee benefits		124	166
Income tax liabilities		-	16
Other liabilities		376	313
Total current liabilities		**3,765**	**7,399**
TOTAL EQUITY AND LIABILITIES		**24,185**	**23,904**

STATEMENT OF CHANGES IN EQUITY

(in PLN millions)

	Share capital	Share premium	Other reserves			Retained earnings	Total equity
			Cash flow hedge reserve	Actuarial losses on post-employment benefits	Deferred tax		
Balance at 1 January 2021	**3,937**	**832**	**(89)**	**(62)**	**29**	**5,886**	**10,533**
Total comprehensive income for the 9 months ended 30 September 2021	-	-	130	(1)	(25)	986	1,090
Share-based payments	-	-	-	-	-	1	1
Transfer to inventories	-	-	(15)	-	3	-	(12)
Balance at 30 September 2021	**3,937**	**832**	**26**	**(63)**	**7**	**6,873**	**11,612**
Balance at 1 January 2020	**3,937**	**832**	**(50)**	**(59)**	**21**	**5,809**	**10,490**
Total comprehensive income for the 9 months ended 30 September 2020	-	-	(53)	(6)	14	67	22
Share-based payments	-	-	-	-	-	2	2
Transfer to inventories	-	-	(17)	-	-	-	(17)
Other movements	-	-	-	-	-	48	48
Balance at 30 September 2020	**3,937**	**832**	**(120)**	**(65)**	**35**	**5,926**	**10,545**

STATEMENT OF CASH FLOWS

(in PLN millions)	3 months ended 30 September 2021	9 months ended 30 September 2021	3 months ended 30 September 2020	9 months ended 30 September 2020
OPERATING ACTIVITIES				
Net income	821	986	62	67
Adjustments to reconcile net income to cash from operating activities				
Gains on disposal of assets	(807)	(793)	(6)	(21)
Depreciation, amortisation and impairment of property, plant and equipment, intangible assets and right-of-use assets	653	1,989	723	2,170
Finance costs, net	75	171	73	246
Income tax	185	232	13	13
Change in provisions and allowances	(21)	(51)	(62)	(140)
Operational foreign exchange and derivatives (gains)/losses, net	-	3	(2)	(11)
Change in working capital				
(Increase)/decrease in inventories, gross	(9)	(6)	43	7
Decrease in trade receivables, gross	73	146	119	354
Decrease in contract assets, gross	4	12	12	37
Increase in contract costs	(4)	(14)	(10)	(9)
Increase/(decrease) in trade payables	81	82	(61)	(132)
Increase/(decrease) in contract liabilities	58	61	(5)	1
(Increase)/decrease in prepaid expenses and other receivables	(32)	(48)	14	(34)
Increase/(decrease) in other payables	(8)	31	(117)	(10)
Dividends received	-	3	6	6
Interest received	8	24	8	27
Interest paid and interest rate effect paid on derivatives, net	(147)	(299)	(156)	(308)
Exchange rate and other effect received on derivatives, net	-	4	1	2
Income tax paid	(27)	(28)	-	(2)
Net cash provided by operating activities	**903**	**2,505**	**655**	**2,263**
INVESTING ACTIVITIES				
Payments for purchases of property, plant and equipment and intangible assets	(474)	(1,514)	(504)	(1,571)
Investment grants received	4	95	53	82
Investment grants paid to property, plant and equipment and intangible assets suppliers	(59)	(157)	(57)	(160)
Exchange rate effect received on derivatives economically hedging capital expenditures, net	1	3	2	4
Proceeds from sale of property, plant and equipment and intangible assets	40	84	2	32
Proceeds from sale of investment in Światłowód Inwestycje, net of transaction costs (see Note 7)	893	893	-	-
Income tax paid in relation to sale of investment in Światłowód Inwestycje (see Note 7)	(122)	(122)	-	-
VAT paid in relation to sale of investment in Światłowód Inwestycje (see Note 7)	(209)	(209)	-	-
Cash paid for investments in subsidiaries	(25)	(30)	-	(5)
Receipts from/(payments on) loans to related parties and other financial instruments, net	1	18	(1)	(30)
Net cash provided by/(used in) investing activities	**50**	**(939)**	**(505)**	**(1,648)**
FINANCING ACTIVITIES				
Repayment of long-term loans from related party	-	(101)	-	-
Repayment of lease liabilities	(121)	(362)	(102)	(298)
Decrease in revolving credit line and other debt	(485)	(900)	(132)	(398)
Exchange rate effect received/(paid) on derivatives hedging debt, net	-	91	(1)	-
Net cash used in financing activities	**(606)**	**(1,272)**	**(235)**	**(696)**
Net change in cash and cash equivalents	**347**	**294**	**(85)**	**(81)**
Effects of exchange rate changes on cash and cash equivalents	-	-	-	2
Cash and cash equivalents at the beginning of the period	246	299	349	343
Cash and cash equivalents at the end of the period	**593**	**593**	**264**	**264**

Notes to the Condensed IFRS Quarterly Separate Financial Statements

1. Orange Polska S.A.

Orange Polska S.A. ("Orange Polska" or "the Company" or "OPL S.A."), a joint stock company, was incorporated and commenced its operations on 4 December 1991. Orange Polska shares are listed on the Warsaw Stock Exchange.

Orange Polska is the principal provider of telecommunications services in Poland. The Company provides mobile and fixed telecommunications services, including calls, messaging, content, access to the Internet and TV. In addition, Orange Polska provides IT and integration services, leased lines and other telecommunications value added services, sells telecommunications equipment, provides data transmission and sells electrical energy.

Orange Polska's registered office is located in Warsaw, Poland, at 160 Aleje Jerozolimskie St.

2. Statement of compliance and basis of preparation

Basis of preparation

These unaudited Condensed IFRS Quarterly Separate Financial Statements for the 9 months ended 30 September 2021 (the "Condensed Quarterly Separate Financial Statements") have been prepared in accordance with International Accounting Standard ("IAS") 34 - Interim Financial Reporting ("IAS 34") and with all accounting standards applicable to interim financial reporting adopted by the European Union, issued and effective as at the time of preparing the Condensed Quarterly Separate Financial Statements (see also Note 3).

These Condensed Quarterly Separate Financial Statements should be read in conjunction with the audited Orange Polska S.A. IFRS Separate Financial Statements and the notes thereto ("IFRS Separate Financial Statements") for the year ended 31 December 2020.

The Condensed Quarterly Separate Financial Statements include the income statement, statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and selected explanatory notes.

These Condensed Quarterly Separate Financial Statements have been prepared on the going concern basis.

Costs that arise unevenly during the year are anticipated or deferred in the quarterly financial statements only if it would also be appropriate to anticipate or defer such costs at the end of the year.

Orange Polska S.A. is the parent company of the Orange Polska Group ("the Group", "OPL Group") and prepares quarterly consolidated financial statements for the 9 months ended 30 September 2021. The Group is a part of Orange Group, based in France.

These Condensed Quarterly Separate Financial Statements are prepared in millions of Polish zloty ("PLN") and were authorised for issuance by the Management Board on 25 October 2021.

Adoption of standards and interpretations in 2021

There were no new standards or interpretations issued from the date when the IFRS Separate Financial Statements for the year ended 31 December 2020 were published.

3. Statement of accounting policies

The accounting policies and methods of computation used in the preparation of the Condensed Quarterly Separate Financial Statements are materially consistent with those described in Notes 2 and 32 to the audited IFRS Separate Financial Statements for the year ended 31 December 2020.

4. Revenue

Revenue is disaggregated as follows:

Mobile only services	Revenue from mobile offers (excluding consumer market convergent offers) and Machine to Machine connectivity. Mobile only services revenue does not include equipment sales, incoming and visitor roaming revenue.
Fixed only services	Revenue from fixed offers (excluding consumer market convergent offers) including mainly (i) fixed broadband (including wireless for fixed), (ii) fixed narrowband, and (iii) data infrastructure and networks for business customers.
Convergent services (consumer market)	Revenue from consumer market convergent offers. A convergent offer is defined as an offer combining at least a broadband access and a mobile voice contract with a financial benefit (excluding MVNOs). Convergent services revenue does not include equipment sales, incoming and visitor roaming revenue.
Equipment sales	Revenue from all retail mobile and fixed equipment sales, excluding equipment sales associated with the supply of IT and integration services.
IT and integration services	Revenue from ICT (Information and Communications Technology) services and Internet of Things services, including equipment sales associated with the supply of these services.
Wholesale	Revenue from telecom operators for (i) mobile: incoming, visitor roaming, domestic mobile interconnection (i.e. domestic roaming agreement and network sharing) and MVNO, (ii) fixed carriers services, and (iii) other (mainly data infrastructure and networks).
Other revenue	Include (i) equipment sales to brokers, (ii) revenue from sale of electrical energy and (iii) other miscellaneous revenue e.g. from property rentals, research and development activity.

(in PLN millions)	3 months	9 months	3 months	9 months
	ended 30 September 2021		ended 30 September 2020	
Mobile only services	**680**	**1,961**	**644**	**1,910**
Fixed only services	**484**	**1,482**	**518**	**1,568**
Narrowband	165	521	194	608
Broadband	214	642	216	641
Network solutions (business market)	105	319	108	319
Convergent services (consumer market)	**511**	**1,480**	**438**	**1,285**
Equipment sales	**342**	**1,015**	**325**	**939**
IT and integration services	**55**	**166**	**47**	**149**
Wholesale	**493**	**1,689**	**590**	**1,804**
Mobile wholesale	317	1,048	345	1,060
Fixed wholesale	86	375	162	498
Other	90	266	83	246
Other revenue	**29**	**88**	**29**	**103**
Total revenue	**2,594**	**7,881**	**2,591**	**7,758**

IT and integration services, wholesale and other revenue for the 9 months ended 30 September 2021 and 2020 include PLN 70 million of lease revenue that is outside the scope of IFRS 15 “Revenue from Contracts with Customers”.

5. Impairment test

Vast majority of the Company’s individual assets, including investments in subsidiaries, do not generate cash inflows independently from other assets due to the nature of the Company’s activities, therefore the Company identifies all telecom operations as a single telecom operator Cash Generating Unit (“CGU”).

As at 30 June 2021 and 31 December 2020 the Company performed impairment tests of the CGU (including goodwill). No impairment loss was recognised in the years 2021 and 2020.

The following key assumptions were used to determine the value in use of the telecom operator CGU:

- value of the market, penetration rate, market share and the level of the competition, level of prices and decisions of the regulator in terms of pricing, customer base, the level of commercial expenses required to replace products and keep up with existing competitors or new market entrants, the impact of changes in revenue on direct costs;
- the level of capital expenditures which may be affected by the roll-out of necessary new technologies or regulatory decisions concerning telecommunications licences allocation;
- the length and severity of the COVID-19 pandemic and its impact on the CGU performance;
- discount rate which is based on weighted average cost of capital and reflects current market assessment of the time value of money and the risks specific to activities of the CGU; and
- perpetuity growth rate which reflects Management’s assessment of cash flows evolution after the last year covered by the cash flow projections.

The amounts assigned to each of these parameters reflect past experience adjusted for expected changes over the timeframe of the business plan, but may also be affected by unforeseeable changes in the political, economic or legal framework.

Telecom operator CGU	At 30 June 2021	At 31 December 2020
Basis of recoverable amount	Value in use	Value in use
Sources used	Business plan	Business plan
	5 years cash flow projections	5 years cash flow projections
Perpetuity growth rate	1.5 %	1.5 %
Post-tax discount rate	7.00 %	7.25 %
Pre-tax discount rate (1)	8.15 %	8.47 %

(1) Pre-tax discount rate is calculated as a post-tax discount rate adjusted to reflect the specific amount and timing of the future tax cash flows.

Sensitivity of recoverable amount

The value in use of the telecom operator CGU as at 30 June 2021 exceeded its carrying value by PLN 4.8 billion. Any of the following changes in key assumptions:

- a 27% fall in projected cash flows after fifth year or
- a 1.3 p.p. decrease in growth rate to perpetuity or
- a 1.6 p.p. increase in post-tax discount rate

would bring the value in use of the telecom operator CGU to the level of its carrying value.

6. Explanatory comments about the seasonality or cyclicality of interim Company operations

The Company's activities are subject to some seasonality. The fourth quarter is typically a peak sales season with high commercial spending and with increased capital expenditures resulting from investment cycle management applied by the Company. Seasonally high capital expenditures in the fourth quarter are followed by higher payments to property, plant and equipment and intangible assets suppliers in the first quarter of the subsequent year resulting in higher cash used in investing activities.

7. Items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence

Impact of the COVID-19 pandemic

The situation related to the COVID-19 pandemic remained volatile, with Poland and other countries experiencing new waves of COVID-19 in 2021. The pandemic has significantly impacted the Polish economy. Poland's GDP decreased by 2.7% in 2020, by 0.9% in the first quarter of 2021 and started to grow from the second quarter of 2021 (year-on-year). The consensus indicates that GDP in Poland should reach single digit growth in 2021.

Since the beginning of the COVID-19 pandemic in the first quarter of 2020, the Management has adopted a number of counteractive measures to mitigate the negative impact of the pandemic on Company's business performance. The results achieved by the Company indicate that the core of the Company's operations remain relatively immune to the impact of the pandemic. Data and voice connectivity has become more essential than ever to the needs of consumers and businesses. The majority of revenue and profits are derived from subscription-based services, which allows the Company to rely on relatively stable and predictable revenue streams.

Based on the Company's latest assessment of the impact of COVID-19 on the bad debt allowance, the Company recognised PLN 4 million of additional impairment of trade receivables in the 9 months ended 30 September 2021.

The impact of the COVID-19 pandemic on the Company, its financial position and performance in next periods depends on many factors which are beyond the control of the Company. These factors include, among others: the length and severity of the pandemic, measures taken by the government to limit the pandemic and to protect society from the effects of the crisis and in result its ultimate impact on the Polish economy including inflationary pressure and energy prices. The Company will monitor the situation, its impact on the Polish economy and indicators more specific to the Company.

Joint venture with APG Group

On 1 July 2021, Orange Polska contributed to Światłowód Inwestycje Sp. z o.o. PLN 355 million of property, plant and equipment and PLN 754 million of cash. The property, plant and equipment included connections to 672 thousand households. At the same time, the Company and Światłowód Inwestycje concluded agreements for the lease and maintenance of fibres, including lease and services to be rendered in the future, for which Światłowód Inwestycje paid PLN 729 million upfront. Finally, on 1 July 2021, as part of the sale transaction preparation, the Company granted a loan to Światłowód Inwestycje in the amount of PLN 157 million with a repayment date in July 2024.

On 31 August 2021, Orange Polska and the APG Group (APG's subsidiary Acari Investments Holding B.V., "APG") finalised a share sale agreement under which the Company disposed of its 50% stake in Światłowód Inwestycje Sp. z o.o., a fully-owned subsidiary whose scope of activities comprises building fibre infrastructure and offering wholesale access services to other operators. Total fair value of the consideration amounted to PLN 1,323 million and consisted of:

a. PLN 897 million received in cash and
b. PLN 426 million to be received in years 2022-2026 conditional on Orange Polska delivering on the agreed network rollout schedule (maximum contractual amount of PLN 487 million before discounting). The amount receivable from APG Group is recognised as other assets in the statement of financial position.

The Company applied the expected present value technique to measure the fair value of the deferred consideration receivable. More details on the assumptions and valuation methodology are described in the Note 9.

Gain on the sale of 50% stake in Światłowód Inwestycje recognised in the income statement amounted to PLN 750 million and consisted of:

(in PLN millions)	
Fair value of the consideration received for the 50% stake sold	1,323
Net book value of stake sold	(555)
Transaction costs incurred	(18)
Gain on the sale of 50% stake in Światłowód Inwestycje	**750**

As a result of the above transaction, Światłowód Inwestycje became a jointly controlled entity presented in the statement of financial position as an investment accounted for at cost. Additionally, the transaction assumes equity contributions for each party of around PLN 300 million to be made in years 2023-2026. Orange Polska has an option to buy c.1% of additional stake in Światłowód Inwestycje and obtain control in years 2027-2029.

In the 3 months ended 30 September 2021, the Company paid PLN 122 million of CIT (after utilisation of tax losses from previous years) and PLN 209 million of VAT with respect to the transaction. These payments are classified as cash flows from investing activities as they can be specifically identified with the transactions resulting in sale of 50% stake in Światłowód Inwestycje. The payment occurred before the Company obtained tax ruling at the end of September 2021. Consequently, as at 30 September 2021, the Company recalculated the taxable gain on the sale of 50% stake in Światłowód Inwestycje, recognised income tax receivable of PLN 92 million and decreased deferred tax asset by PLN 81 million.

Other events

From 2021, as a result of an annual review of the estimated useful lives of fixed assets, the Company extended the estimated useful lives for certain items of software which decreased the amortisation expense by PLN 91 million in the 9 months ended 30 September 2021 in comparison to the previous year. Amortisation expense in 2021 relating to these assets is expected to be lower by approximately PLN 117 million in comparison to 2020.

In June 2021, the Company recognised an impairment loss of PLN 43 million on a loan receivable from TP TelTech Sp. z o.o., a fully owned subsidiary. In September 2021, the Company increased by PLN 66 million the capital of this subsidiary. The capital increase was set off against loan repayment. Consequently, as at 30 September 2021, carrying amount of investment in TP TelTech was increased by PLN 23 million net (PLN 66 million gross less PLN 43 million of accumulated impairment loss reclassified from loan receivable to investment in this subsidiary).

The amount of trade payables subject to reverse factoring increased from PLN 106 million as at 31 December 2020 to PLN 153 million as at 30 September 2021. These payables are presented together with the remaining balance of trade payables, as analysis conducted by the Company indicates they have retained their trade nature.

8. Changes in loans from related parties

On 29 January 2021, the Company and Atlas Services Belgium S.A., a subsidiary of Orange S.A., concluded a Loan Agreement for PLN 2,700 million with repayment date in June 2026. The new Loan Agreement, together with the Revolving Credit Facility, provided non-cash-refinancing of loans granted by Atlas Services Belgium S.A.: EUR 190 million which expired in May 2021 and PLN 2,700 million which expired in June 2021. Additionally, on 17 June 2021, the Company and Atlas Services Belgium S.A. concluded an Annex to existing Revolving Credit Facility Agreement, extending its maturity to 29 July 2022. On 25 June 2021, the Company and Orange S.A. updated the Cash Management Treasury Agreement, extending access to back-up liquidity funding to 28 February 2023.

In the 9 months ended 30 September 2021, the net cash flows from issuance and repayments of the Revolving Credit Facility from Atlas Services Belgium S.A. amounted to PLN (920) million. As a result, the unused Revolving Credit Facility amounts to PLN 1,500 million as at 30 September 2021.

As at 30 September 2021, the total outstanding balance of loans from the related parties amounted to PLN 5,052 million, including accrued interest and arrangement fees. The weighted average effective interest rate on loans from the related parties amounted to 1.77% before swaps and 2.70% after swaps as at 30 September 2021.

In the 9 months ended 30 September 2021, the Company entered into new derivative transactions under the agreement with Orange S.A. hedging interest rate risk related to the Loan Agreement concluded in January 2021 described above. As at 30 September 2021, the total nominal amount of interest rate swaps, outstanding under the agreement with Orange S.A., was PLN 4,300 million with a total fair value amounting to PLN 16 million.

9. Fair value of financial instruments

The Company's financial assets and liabilities that are measured subsequent to their initial recognition at fair value comprise derivative instruments, selected trade receivables arising from sales of mobile handsets in instalments and the deferred consideration receivable arising from the sale of 50% stake in Światłowód Inwestycje (see Note 7).

As at 30 September 2021 and 31 December 2020, the total fair value of derivatives amounted to PLN 31 million and PLN 15 million, respectively, and fair value of selected trade receivables arising from sales of mobile handsets in instalments amounted to PLN 144 million and PLN 211 million, respectively. The fair value of these instruments is determined as described in Notes 13.1 and 22 to the IFRS Separate Financial Statements for the year ended 31 December 2020. Significant inputs to the valuation techniques used by the Company to measure the fair value of derivatives and selected trade receivables are classified to Level 2 of the fair value hierarchy described in Note 23.1 to the IFRS Separate Financial Statements for the year ended 31 December 2020.

As at 30 September 2021, the fair value of the deferred consideration receivable from the sale of 50% stake in Światłowód Inwestycje amounted to PLN 427 million. The Company applied the expected present value technique to measure the fair value of this receivable. The expected cash flows have been calculated as the probability-weighted average of possible future cash inflows from the deferred consideration. The discount rates used in the calculation of the present value of the expected cash flows range from 2.8% in 2022 to 4.1% in 2026 and are based on the market risk-free interest rates increased by the credit risk margin estimated for the APG Group. Significant inputs to the valuation technique used by the Company to measure the fair value of the deferred consideration receivable are unobservable and classified to Level 3 of the fair value hierarchy described in Note 23.1 to the IFRS Separate Financial Statements for the year ended 31 December 2020. These unobservable inputs include the credit risk margin estimated for the APG Group and probabilities assigned to possible future cash inflows used to calculate the expected value. The Company has performed sensitivity analysis for the impact of changes in unobservable inputs and concluded that reasonably possible change in any unobservable input would not materially change the fair value of the deferred consideration receivable.

The carrying amount of the Company's other financial instruments excluding lease liabilities approximates their fair value, except for telecommunications licence payables and a loan from related party based on fixed interest rate for which as at 30 September 2021 the estimated fair value exceeded the carrying amount respectively by PLN 26 million and PLN 21 million (PLN 47 million and PLN 45 million as at 31 December 2020) due to significant change between the original effective interest rates at the date of the initial recognition and current market rates.

10. Dividend

In accordance with the recommendation of the Management Board of the Company there was no dividend paid in 2021.

11. Changes in major litigation, claims and contingent liabilities since the end of the last annual reporting period

The information hereunder refers to the matters presented in Note 29 to the IFRS Separate Financial Statements for the year ended 31 December 2020 or describes major matters that occurred after 31 December 2020.

On 14 May and 23 July 2021, UOKiK instituted proceedings regarding practices violating collective interests of consumers in the provision of certain additional services by Orange Polska alleging, among others, insufficient information for consumers in activating the service, lack of information on a durable medium and insufficient replies to customer complaints.

Operational activities of the Company are subject to legal, tax, social and administrative regulations and the Company is a party to a number of legal and tax proceedings and commercial contracts related to its operational activities. Some regulatory decisions can be detrimental to the Company and court verdicts within appeal proceedings against such decisions can have negative consequences for the Company. Also, there are claims including for damages, contractual penalties or remuneration raised by counterparties to commercial contracts, or claims for other payments resulting from breach of law which may result in cash outflows.

Furthermore, the Company uses fixed assets of other parties in order to provide telecommunications services. The terms of use of these assets are not always formalised and as such, the Company is subject to claims and might be subject to future claims in this respect, which will probably result in cash outflows in the future. The amount of the potential obligations or future commitments cannot yet be measured with sufficient reliability due to legal complexities involved.

Some of the above determined matters may be complex in nature and there are many scenarios for final settlement and potential financial impact for the Company. The Company monitors the risks on a regular basis and the Management Board believes that adequate provisions have been recorded for known and quantifiable risks. Information regarding the range of potential outcomes has not been separately disclosed as, in the opinion of the Company's Management, such disclosure could prejudice the outcome of the pending cases.

12. Related party transactions

As at 30 September 2021, Orange S.A. owned 50.67% of shares of the Company. Orange S.A. has majority of the total number of votes at the General Meeting of OPL S.A. which appoints OPL S.A.'s Supervisory Board Members. The Supervisory Board decides about the composition of the Management Board. According to the Company's Articles of Association, at least 4 Members of the Supervisory Board must be independent. The majority of Members of the Audit Committee of the Supervisory Board are independent.

OPL S.A.'s income earned from its subsidiaries comprises mainly sale of fixed assets, telecommunications equipment sales and IT services. The purchases from the subsidiaries comprise mainly network development and maintenance. Costs incurred by the Company in transactions with its subsidiaries also comprise donations to Fundacja Orange and impairment of loan (see Note 7).

Income earned from the Orange Group comprises mainly wholesale telecommunications services and research and development income. The purchases from the Orange Group comprise mainly brand fees and wholesale telecommunications services.

OPL S.A.'s financial income earned from its subsidiaries comprises dividends and interest on the loans granted to the subsidiaries. Financial receivables from the subsidiaries relate to the loans granted to the subsidiaries. Financial liabilities to the subsidiaries comprise mainly cash pool deposits from subsidiaries.

Financial receivables, liabilities, financial expense, net and other comprehensive income/loss concerning transactions with the Orange Group relate to loan agreements concluded with Atlas Services Belgium S.A. and agreement with Orange S.A. concerning derivative transactions to hedge exposure to foreign currency risk and interest rate risk related to the above-mentioned loan agreements. Cash and cash equivalents deposited with Orange S.A. relate to the Cash Management Treasury Agreement.

The Company's transactions with joint venture relate to transactions with Światłowód Inwestycje Sp. z o.o. (see Note 7). OPL S.A.'s income and receivables from joint venture relate mainly to sale of fibre network assets. Liabilities to joint venture relate mainly to agreements for the lease and services to be rendered in the future, for which joint venture paid upfront. Financial receivables from joint venture comprise the loan granted to Światłowód Inwestycje before the disposal of 50% stake, as part of the sale transaction preparation.

(in PLN millions)	3 months ended 30 September 2021	9 months ended 30 September 2021	3 months ended 30 September 2020	9 months ended 30 September 2020
Sales of goods and services and other income:	**334**	**509**	**80**	**237**
Orange Polska Group (subsidiaries)	77	147	25	80
Orange Group	65	170	55	157
- Orange S.A. (parent)	48	115	34	101
- Orange Group (excluding parent)	17	55	21	56
Joint venture	192	192	-	-
Purchases of goods (including inventories, tangible and intangible assets), services and other costs:	**(106)**	**(409)**	**(123)**	**(368)**
Orange Polska Group (subsidiaries)	(31)	(220)	(68)	(201)
Orange Group	(67)	(181)	(55)	(167)
- Orange S.A. (parent)	(23)	(43)	(10)	(37)
- Orange Group (excluding parent)	(44)	(138)	(45)	(130)
- including Orange Brand Services Limited (brand licence agreement)	(33)	(101)	(28)	(86)
Joint venture	(8)	(8)	-	-
Financial income:	**-**	**5**	**8**	**16**
Orange Polska Group (subsidiaries)	-	5	8	16
Financial expense, net:	**(40)**	**(123)**	**(50)**	**(148)**
Orange Group	(40)	(123)	(50)	(148)
- Orange S.A. (parent)	(16)	(70)	(16)	(4)
- Orange Group (excluding parent)	(24)	(53)	(34)	(144)
Other comprehensive income/(loss):	**40**	**136**	**19**	**(102)**
Orange S.A. (parent)	40	136	19	(102)

(in PLN millions)	At 30 September 2021	At 31 December 2020
Receivables and contract costs:	**367**	**118**
Orange Polska Group (subsidiaries)	33	33
Orange Group	77	85
- Orange S.A. (parent)	55	51
- Orange Group (excluding parent)	22	34
Joint venture	257	-
Liabilities:	**860**	**182**
Orange Polska Group (subsidiaries)	68	98
Orange Group	86	84
- Orange S.A. (parent)	29	31
- Orange Group (excluding parent)	57	53
Joint venture	706	-
Financial receivables:	**255**	**281**
Orange Polska Group (subsidiaries)	49	175
Orange S.A. (parent)	48	106
Joint venture	158	-
Cash and cash equivalents deposited with:	**397**	**55**
Orange S.A. (parent)	397	55
Financial liabilities:	**5,084**	**6,220**
Orange Polska Group (subsidiaries)	113	98
Orange Group	4,971	6,122
- Orange S.A. (parent)	32	132
- Orange Group (excluding parent)	4,939	5,990
Guarantees granted:	**138**	**113**
Orange Polska Group (subsidiaries)	138	113

Compensation (remuneration, bonuses, post-employment and other long-term benefits, termination indemnities and share-based payment plans - cash and non-monetary benefits) of OPL S.A.’s Management Board and Supervisory Board Members for the 9 months ended 30 September 2021 and 2020 amounted to PLN 11.9 million and PLN 16.8 million, respectively. Additionally, the President of OPL S.A.’s Management Board is employed by Orange Global International Mobility S.A., a subsidiary of Orange S.A., and posted to Orange Polska since September 2020. The amount incurred by the Orange Polska S.A. for the reimbursement of key management personnel costs from the Orange Group for the 9 months ended 30 September 2021 and 2020 amounted to PLN 3.8 million and PLN 0.3 million, respectively.

13. Subsequent events

There was no significant event after the end of the reporting period.

Pursuant to Art. 66 of the Decree of the Minister of Finance of 29 March 2018 on current and periodic information to be disclosed by issuers of securities and conditions for recognising as equivalent information required by the laws of a non-member state – Journal of Laws of 2018, item 757 ("the Decree of the Minister of Finance of 29 March 2018"), the Management Board of Orange Polska S.A. ("OPL S.A.", "the Company") discloses the following information:

I. Shareholders entitled to exercise at least 5% of total voting rights at the General Meeting of OPL S.A., either directly or through subsidiaries, as at the date of publication of the quarterly report and changes in the ownership structure in the period since the submission of the previous interim report

The ownership structure of the Company's share capital, based on the information available to the Company as at 25 October 2021, i.e. the date of submission of the quarterly report for the 3 months ended 30 September 2021 is presented below. From 28 July 2021, i.e. the date of submission of the interim report for the 6 months ended 30 June 2021, Nationale-Nederlanden Open Pension Fund increased its share ownership of Orange Polska shares to 5.01%.

Shareholder	Number of shares held	Number of votes at the General Meeting of OPL S.A.	Percentage of the total number of votes at the General Meeting of OPL S.A.	Nominal value of shares held (in PLN)	Share in the capital
Orange S.A.	664,999,999	664,999,999	50.67 %	1,994,999,997	50.67 %
Nationale-Nederlanden Open Pension Fund	65,781,918	65,781,918	5.01 %	197,345,754	5.01 %
Other shareholders	581,575,562	581,575,562	44.32 %	1,744,726,686	44.32 %
TOTAL	**1,312,357,479**	**1,312,357,479**	**100.00 %**	**3,937,072,437**	**100.00 %**

II. Statement of changes in ownership of OPL S.A.'s shares or rights to them (options) held by Members of the Management Board and the Supervisory Board of OPL S.A., according to information obtained by OPL S.A., in the period since the submission of the previous interim report

Ms Jolanta Dudek, the Vice-President of the Management Board of OPL S.A., held 8,474 Orange Polska S.A. shares as at 25 October 2021 and 28 July 2021.
Mr Piotr Jaworski, the Member of the Management Board of OPL S.A., held 673 Orange Polska S.A. shares as at 25 October 2021 and 28 July 2021.
Mr Maciej Nowohoński, the Member of the Management Board of OPL S.A., held 25,000 Orange Polska S.A. shares as at 25 October 2021 and 28 July 2021.
There was no OPL S.A. share held by other members of the Management Board or the Supervisory Board of the Company.

III. Information on guarantees or collaterals of loans or borrowings granted by the Company or its subsidiaries to other entities or their subsidiaries, where the total amount of guarantees or collaterals is significant

In the 9 months ended 30 September 2021, neither the Company nor its subsidiaries granted guarantees or collateral of loans or borrowings to any entity or its subsidiary, a total value of which would be significant.

IV. Management Board's Position as to the achievement of the previously published financial projections for the given period

As announced in the current report 14/2021 of 28 June 2021, the Group has increased forecast for 2021 EBITDAaL to low-to-mid single digit growth compared to 2020. Considering the results of the 9 months ended 30 September 2021, the Management Board of Orange Polska S.A. is reiterating its revised forecast.

V. Factors which, in the opinion of the Group, may affect its results over at least the next quarter

Factors that, in the Management Board's opinion, have influence on the Group's operations or may have such influence in the near future are presented in Section 4 of the Chapter II of Management Board's Report on the Activity of the Orange Polska Group in the first half of 2021 as well as in the current report 19/2021 published on 31 August 2021 related to closing of the sale of the 50% stake in Światłowód Inwestycje Sp. z o.o. to APG Group. Additionally, key risk factors that may impact the Group's operational and financial performance are reviewed in detail in the Chapter IV of the above-mentioned Report.

VI. Foreign exchange rates

The statement of financial position data as at 30 September 2021 and 31 December 2020 presented in the table "Selected financial data" was translated into EUR at the average exchange rates of the National Bank of Poland ("NBP") at the end of the reporting period. The income statement data, together with the statement of comprehensive income and statement of cash flows data for the 9 months ended 30 September 2021 and 2020, were translated into EUR at an exchange rates which are the arithmetical average of the average NBP rates published by the NBP on the last day of each month of the 9-month periods ended 30 September 2021 and 2020.

The exchange rates used in the translation of the statement of financial position, income statement, statement of comprehensive income and statement of cash flows data are presented below:

1 EUR	**30 September 2021**	**31 December 2020**	**30 September 2020**
Statement of financial position	4.6329 PLN	4.6148 PLN	Not applicable
Income statement, statement of comprehensive income, statement of cash flows	4.5585 PLN	Not applicable	4.4420 PLN