



Madrid, October 1<sup>st</sup>, 2019

## **Orange has signed agreements with Más Móvil to renew and extend its wholesale relationship, reinforcing the return on its network investments**

Orange welcomes the signing of this new long-term value-creating agreements:

- With these agreements Orange strengthen its positioning as #1 wholesale alternative player in spanish market.
- Orange secures a long-term highly margin contributive business, total cash inflows above 1 Billion € over the period of the contract
- Extension of FTTH agreement increases return on fixed infrastructure investments.
- 5G national roaming agreement, complementary to the RAN sharing agreement signed with Vodafone earlier this year, ensures an efficient and profitable 5G roll-out.

### **The Agreements and their impact**

- **FTTH**
  - Extension of national contract exclusivity until 2039 (+8 years).
  - On the current Bitstream Service Agreement ( BSA) of 5.2 million lines:
    - Overall similar value of Fixed agreement vs. current contract
    - Risk profile improved as Más Móvil fees will be front loaded (1/3 of cumulated cash inflows received over 2020-2023 and the remainder on recurring basis) vs previous schemes (100% recurring revenues).
    - Option for Masmovil to acquire IRU on this footprint after 2030 for an additional same amount as the initial upfront payment.
- **National Roaming Agreement (NRA), 14500 sites**
  - Contract extension in time and in technology (+5 years, 2022/2028 and to 5G) drives increase of long-term value in spite of slightly lower minimum guaranteed.
  - Penalties in case of rupture by Más Móvil significantly increased.
  - Safety clauses for Orange: beyond 2023, if the weight of Más Móvil's traffic increases, the NRA amount to be charged to Más Móvil will be adjusted accordingly.
- **5G outside NRA**, around 4000 sites
  - Service will be provided within exclusion zones of RAN sharing with Vodafone under NRA contract in Radio as a Service model : upfront fee per site in the 2 first years and then recurrent fee per site.
  - This enables us to deploy 5G faster at lower cost.