

Condensed interim consolidated Financial Statements for the first half 2022

Disclaimer

This is a free translation into English of the condensed interim consolidated financial statements prepared in French and is provided solely for the convenience of English-speaking readers.



Page intentionally left blank

Significant events for the first half 2022

Creation of a new operating segment Totem

Since January 1st, 2022, Totem, Orange Group's European company, now owns and manages the passive mobile infrastructure portfolio for telecommunication towers in France and Spain. The Group has chosen to present Totem as a separate operating segment.



Note 1.1

War in Ukraine

The Group's assessment and estimates take into account the consequences of the armed offensive launched by Russia against Ukraine on February 24, 2022.

Provided that the conflict does not spread to other geographical areas, the impact on the Group's accounts remains limited at this time.



Note 2.3

Agreement signed with MásMóvil

Following the period of exclusive negotiations initiated on March 8th, 2022, Orange and MásMóvil have signed a binding agreement on July 23rd to combine their activities in Spain.

This business combination would take the form of a joint venture controlled at 50% respectively by each party. The Orange Group would then lose exclusive control over its activities in Spain, and the joint venture would be consolidated using the equity method in the consolidated financial statements of the Orange Group.

As of June 30, 2022, the Group considers that the criteria of the IFRS 5 standard relating to discontinued operations have not been met.



Note 3.2

Financial statements

Consolidated income statement	5
Consolidated statement of comprehensive income	6
Consolidated statement of financial position	7
Consolidated statements of changes in shareholders' equity	9
Analysis of changes in shareholders' equity related to components of the other comprehensive income	10
Consolidated statement of cash flows	11

Notes to the consolidated financial statements

Note 1 Segment information	12
1.1 Changes in segment information	12
1.2 Segment revenue	13
1.3 Segment revenue to consolidated net income as of June 30, 2022	15
1.4 Segment revenue to consolidated net income as of June 30, 2021	17
1.5 Segment investments	19
1.6 Segment assets	21
1.7 Segment equity and liabilities	23
1.8 Simplified statement of cash flows on telecommunication and mobile financial services activities	25
Note 2 Basis of preparation of the consolidated financial statements	28
2.1 Basis of preparation of the financial statements	28
2.2 Use of estimates and judgement	29
2.3 War in Ukraine	29
2.4 New standards and interpretations applied from January 1, 2021	29
2.5 New standards and interpretations applied from January 1, 2022	30
Note 3 Gains and losses on disposal and main changes in scope of consolidation	30
3.1 Gains (losses) on disposal of fixed assets, investments and activities	30
3.2 Main changes in scope of consolidation and ongoing transactions	30
Note 4 Trade receivables	31
Note 5 Purchases and other expenses	33
5.1 External purchases	33
5.2 Other operating expenses	33
5.3 Restructuring costs	33
5.4 Working capital management – payables	33

Note 6 Labor expenses	34
Note 7 Impairment losses	34
Note 8 Interests in associates and joint ventures	34
8.1 Change in associates and joint ventures	34
8.2 Main figures of associates and joint ventures	35
8.3 Related party transactions	36
Note 9 Income taxes	36
Note 10 Financial assets, liabilities and financial results (telecom activities)	37
10.1 Financial assets and liabilities of telecom activities	37
10.2 Income and expenses related to financial assets and liabilities	37
10.3 Net financial debt	37
10.4 Main bonds and bank loans repayments and issuances	38
10.5 Financial assets	38
Note 11 Information on market risk and fair value of financial assets and liabilities (telecom activities)	39
11.1 Risk management policy	39
11.2 Orange's credit ratings	39
11.3 Financial ratios	39
11.4 Fair value levels of financial assets and liabilities	39
Note 12 Mobile Financial Services activities	39
12.1 Financial assets and liabilities of Mobile Financial Services	39
12.2 Information on credit risk management related to Orange Bank activities	41
12.3 Information on interest rate risk management related to Orange Bank activities	42
Note 13 Equity	42
13.1 Changes in share capital	42
13.2 Treasury shares	42
13.3 Dividends	42
13.4 Subordinated notes	42
13.5 Cumulative translation adjustments	43
13.6 Non-controlling interests	43
Note 14 Litigation and unrecognized contractual commitments	44
14.1 Litigation	44
14.2 Unrecognized contractual commitments	44
Note 15 Subsequent events	45
Statutory auditors' review report on the half-year financial information	46

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated income statement

(in millions of euros, except for per share data)	Note	June 30, 2022	June 30, 2021
Revenue	1.2	21,297	20,867
External purchases	5.1	(9,050)	(8,736)
Other operating income		366	322
Other operating expenses	5.2	(231)	(295)
Labor expenses	6	(4,329)	(4,421)
Operating taxes and levies		(1,235)	(1,219)
Gains (losses) on disposal of fixed assets, investments and activities	3.1	36	12
Restructuring costs	5.3	(47)	(245)
Depreciation and amortization of fixed assets		(3,585)	(3,499)
Depreciation and amortization of financed assets		(47)	(41)
Depreciation and amortization of right-of-use assets		(762)	(731)
Reclassification of translation adjustment from liquidated entities		3	(0)
Impairment of goodwill	7	-	(3,702)
Impairment of fixed assets		(2)	(4)
Impairment of right-of-use assets		5	(60)
Share of profits (losses) of associates and joint ventures	8	1	1
Operating income		2,420	(1,752)
Cost of gross financial debt excluding financed assets		(297)	(461)
Interests on debts related to financed assets		(1)	(1)
Gains (losses) on assets contributing to net financial debt		(9)	(5)
Foreign exchange gain (loss)		(40)	57
Interests on lease liabilities		(61)	(58)
Other net financial expenses		36	32
Finance costs, net	10	(373)	(436)
Income taxes	9	(580)	(417)
Consolidated net income		1,467	(2,605)
Net income attributable to owners of the parent company		1,218	(2,769)
Non-controlling interests		249	165
Earnings per share (in euros) attributable to parent company			
Net income			
- basic		0.42	(1.09)
- diluted		0.42	(1.09)

Consolidated statement of comprehensive income

(in millions of euros)	Note	June 30, 2022	June 30, 2021 ⁽¹⁾
Consolidated net income		1,467	(2,605)
Remeasurements of the net defined benefit liability	6	170	61
Assets at fair value		(33)	(9)
Income tax relating to items that will not be reclassified		(44)	(16)
Share of other comprehensive income in associates and joint ventures that will not be reclassified		-	-
Items that will not be reclassified to profit or loss (a)		93	37
Assets at fair value		1	(0)
Cash flow hedges	10.2	438	193
Translation adjustment gains and losses	13.5	(37)	102
Income tax relating to items that are or may be reclassified		(107)	(55)
Share of other comprehensive income in associates and joint ventures that are or may be reclassified		39	-
Items that are or may be reclassified subsequently to profit or loss (b)		333	239
Other consolidated comprehensive income (a) + (b)		426	276
Consolidated comprehensive income		1,893	(2,329)
Comprehensive income attributable to the owners of the parent company		1,591	(2,510)
Comprehensive income attributable to non-controlling interests		302	181

(1) The first semester 2021 figures have been restated of the IFRS IC agenda decision on calculation of some retirement indemnities plans (see Note 2.4).

Consolidated statement of financial position

(in millions of euros)	Note	June 30, 2022	December 31, 2021
Assets			
Goodwill		24,211	24,192
Other intangible assets		14,644	14,940
Property, plant and equipment		30,663	30,484
Right-of-use assets		8,186	7,702
Interests in associates and joint ventures	8	1,484	1,440
Non-current financial assets related to Mobile Financial Services activities	12.1	725	900
Non-current financial assets	10.1	968	950
Non-current derivatives assets	10.1	1,655	683
Other non-current assets		267	254
Deferred tax assets		519	692
Total non-current assets		83,321	82,236
Inventories		994	952
Trade receivables	4	5,965	6,029
Other customer contract assets		1,438	1,460
Current financial assets related to Mobile Financial Services activities	12.1	2,548	2,381
Current financial assets	10.1	3,008	2,313
Current derivatives assets	10.1	14	7
Other current assets		1,938	1,875
Operating taxes and levies receivables		1,150	1,163
Current taxes assets		149	181
Prepaid expenses		1,059	851
Cash and cash equivalents	10.1	8,259	8,621
Total current assets		26,521	25,834
Total assets		109,843	108,071

(in millions of euros)	Note	June 30, 2022	December 31, 2021
Equity and liabilities			
Share capital	13.1	10,640	10,640
Share premiums and statutory reserve		16,859	16,859
Subordinated notes	13.4	5,497	5,497
Retained earnings		(243)	(656)
Equity attributable to the owners of the parent company		32,753	32,341
Non-controlling interests	13.6	3,054	3,020
Total equity	13	35,807	35,361
Non-current financial liabilities	10.1	33,191	31,922
Non-current derivatives liabilities	10.1	231	220
Non-current lease liabilities		7,126	6,696
Non-current fixed assets payables		1,402	1,370
Non-current financial liabilities related to Mobile Financial Services activities	12.1	0	0
Non-current employee benefits		2,438	2,798
Non-current dismantling provisions		736	876
Non-current restructuring provisions		49	61
Other non-current liabilities		287	306
Deferred tax liabilities		1,183	1,185
Total non-current liabilities		46,643	45,434
Current financial liabilities	10.1	3,178	3,421
Current derivatives liabilities	10.1	10	124
Current lease liabilities		1,449	1,369
Current fixed assets payables		2,888	3,111
Trade payables		6,895	6,738
Customer contract liabilities		2,554	2,512
Current financial liabilities related to Mobile Financial Services activities	12.1	3,199	3,161
Current employee benefits		2,303	2,316
Current dismantling provisions		15	21
Current restructuring provisions		107	124
Other current liabilities		2,512	2,338
Operating taxes and levies payables		1,734	1,436
Current taxes payables		374	425
Deferred income		174	180
Total current liabilities		27,393	27,276
Total equity and liabilities		109,843	108,071

Consolidated statements of changes in shareholders' equity

(in millions of euros)	Note	Attributable to owners of the parent company						Attributable to non-controlling interests			Total equity	
		Number of issued shares	Share capital	Share premiums and statutory reserve	Subordinated notes	Reserves	Other comprehensive income	Total	Reserves	Other comprehensive income		Total
Balance as of December 31, 2020		2,660,056,599	10,640	16,859	5,803	1,966	(711)	34,557	2,484	159	2,643	37,200
Consolidated comprehensive income⁽¹⁾		-	-	-	-	(2,769)	259	(2,510)	165	17	181	(2,329)
Share-based compensation		-	-	-	-	4	-	4	1	-	1	5
Purchase of treasury shares		-	-	-	-	(3)	-	(3)	-	-	-	(3)
Dividends		-	-	-	-	(1,330)	-	(1,330)	(216)	-	(216)	(1,545)
Issues and purchases of subordinated notes		-	-	-	(306)	(6)	-	(311)	-	-	-	(311)
Subordinated notes remuneration		-	-	-	-	(163)	-	(163)	-	-	-	(163)
Changes in ownership interests with no gain/loss of control		-	-	-	-	(188)	-	(188)	(142)	-	(142)	(330)
Other movements		-	-	-	-	2	-	2	1	-	1	3
Balance as of June 30, 2021⁽¹⁾		2,660,056,599	10,640	16,859	5,497	(2,487)	(452)	30,057	2,292	176	2,469	32,527
Consolidated comprehensive income		-	-	-	-	3,002	195	3,197	380	19	399	3,596
Share-based compensation		-	-	-	-	161	-	161	5	-	5	166
Purchase of treasury shares		-	-	-	-	(176)	-	(176)	-	-	-	(176)
Dividends		-	-	-	-	(797)	-	(797)	(2)	-	(2)	(799)
Subordinated notes remuneration		-	-	-	-	(75)	-	(75)	-	-	-	(75)
Changes in ownership interests with no gain/loss of control		-	-	-	-	3	-	3	(71)	-	(71)	(68)
Changes in ownership interests with gain/loss of control		-	-	-	-	-	-	-	249	-	249	249
Other movements		-	-	-	-	(30)	-	(30)	(29)	-	(29)	(59)
Balance as of December 31, 2021		2,660,056,599	10,640	16,859	5,497	(399)	(257)	32,341	2,825	195	3,020	35,361
Consolidated comprehensive income		-	-	-	-	1,218	373	1,591	249	54	302	1,893
Share-based compensation		-	-	-	-	5	-	5	1	-	1	6
Purchase of treasury shares	13.2	-	-	-	-	0	-	0	-	-	-	0
Dividends	13.3	-	-	-	-	(1,063)	-	(1,063)	(277)	-	(277)	(1,340)
Subordinated notes remuneration	13.4	-	-	-	-	(121)	-	(121)	-	-	-	(121)
Changes in ownership interests with no gain/loss of control		-	-	-	-	(2)	-	(2)	3	-	3	1
Changes in ownership interests with gain/loss of control		-	-	-	-	(0)	-	(0)	(1)	-	(1)	(1)
Other movements		-	-	-	-	3	-	3	5	-	5	8
Balance as of June 30, 2022		2,660,056,599	10,640	16,859	5,497	(358)	116	32,753	2,805	249	3,054	35,807

(1) The first semester 2021 figures have been restated of the IFRS IC agenda decision on calculation of some retirement indemnities plans (see Note 2.4).

Analysis of changes in shareholders' equity related to components of the other comprehensive income

(in millions of euros)	Attributable to owners of the parent company							Attributable to non-controlling interests						Total other comprehensive income	
	Assets at fair value	Hedging instruments	Translation adjustment	Actuarial gains and losses ⁽²⁾	Deferred tax ⁽²⁾	Other comprehensive income of associates and joint ventures ⁽³⁾	Total	Assets at fair value	Hedging instruments	Translation adjustment	Actuarial gains and losses ⁽²⁾	Deferred tax ⁽²⁾	Other comprehensive income of associates and joint ventures ⁽³⁾		Total
Balance as of December 31, 2020	68	(98)	(256)	(579)	195	(40)	(711)	(3)	(2)	171	(8)	0	-	159	(552)
Variation	(10)	197	82	62	(72)	-	259	1	(3)	19	(1)	1	-	17	276
Balance as of June 30, 2021	58	99	(173)	(517)	123	(40)	(452)	(2)	(6)	190	(8)	1	-	176	(276)
Variation	20	121	77	1	(25)	1	195	(1)	3	22	(3)	(0)	-	19	213
Balance as of December 31, 2021	78	220	(96)	(516)	97	(39)	(257)	(3)	(3)	212	(11)	1	-	195	(62)
Variation ⁽¹⁾	(32)	406	(56)	171	(145)	28	373	(0)	32	20	(2)	(6)	10	54	426
Balance as of June 30, 2022	46	626	(152)	(344)	(48)	(11)	116	(3)	29	232	(13)	(5)	10	249	365

(1) At June 30, 2022, the variation of 426 million euros in other comprehensive income includes primarily:
- 367 million euros related to hedging instruments in US dollar and pound sterling held by Orange SA;
- 170 million euros in actuarial gains related to the increase in discount rates used to value pension plans.

(2) The first semester 2021 figures have been restated of the IFRS IC agenda decision on calculation of some retirement indemnities plans (see Note 2.4).

(3) Other comprehensive income of associates and joint ventures at June 30, 2022 amounts to 38 million euros and includes:
- 50 million euros related to hedging instruments, of which 38 million euros attributable to owners of the parent company;
- (12) million euros related to deferred tax, of which (10) million euros attributable to owners of the parent company.

Consolidated statement of cash flows

(in millions of euros)	Note	June 30, 2022	June 30, 2021
Operating activities			
Consolidated net income		1,467	(2,605)
Non-monetary items and reclassified items for presentation		6,215	9,817
Operating taxes and levies		1,235	1,219
Gains (losses) on disposal of fixed assets, investments and activities	3.1	(36)	(12)
Other gains and losses		(13)	(16)
Depreciation and amortization of fixed assets		3,585	3,499
Depreciation and amortization of financed assets		47	41
Depreciation and amortization of right-of-use assets		762	731
Changes in provisions		(335)	(275)
Reclassification of cumulative translation adjustment from liquidated entities		(3)	0
Impairment of goodwill	7	-	3,702
Impairment of fixed assets		2	4
Impairment of right-of-use assets		(5)	60
Share of profits (losses) of associates and joint ventures		(1)	(1)
Operational net foreign exchange and derivatives		17	7
Finance costs, net		373	436
Income taxes	9	580	417
Share-based compensation		6	5
Changes in working capital and operating banking activities ⁽¹⁾		(5)	276
Decrease (increase) in inventories, gross		(40)	9
Decrease (increase) in trade receivables, gross		99	136
Increase (decrease) in trade payables		90	22
Changes in other customer contract assets and liabilities		75	164
Changes in other assets and liabilities ⁽²⁾		(229)	(54)
Other net cash out		(2,040)	(2,129)
Operating taxes and levies paid		(958)	(985)
Dividends received		2	7
Interest paid and interest rates effects on derivatives, net ⁽³⁾		(504)	(651)
Income taxes paid		(581)	(500)
Net cash provided by operating activities (a)		5,636	5,360
Investing activities			
Purchases and sales of property, plant and equipment and intangible assets ⁽⁴⁾		(3,892)	(4,258)
Purchases of property, plant and equipment and intangible assets ⁽⁵⁾		(3,781)	(4,186)
Increase (decrease) in fixed assets payables		(237)	(227)
Investing donations received in advance		-	20
Sales of property, plant and equipment and intangible assets		126	135
Cash paid for investment securities, net of cash acquired		(12)	0
Investments in associates and joint ventures		(8)	(2)
Purchases of investment securities measured at fair value		(17)	(42)
Sales of investment securities, net of cash transferred		0	0
Sales of investment securities at fair value		2	90
Decrease (increase) in securities and other financial assets		(593)	954
Investments at fair value, excluding cash equivalents		(694)	899
Others		101	55
Net cash used in investing activities (b)		(4,519)	(3,258)

(in millions of euros)	Note	June 30, 2022	June 30, 2021
Financing activities			
Medium and long-term debt issuances	10.4	985	1,526
Medium and long-term debt redemptions and repayments ⁽⁴⁾		(331)	(3,072)
Lease liabilities repayments		(737)	(882)
Increase (decrease) of bank overdrafts and short-term borrowings		(884)	655
Decrease (increase) of cash collateral deposits		899	574
Exchange rates effects on derivatives, net		(103)	50
Subordinated notes issuances (purchases) and other related fees	13.4	-	(311)
Coupon on subordinated notes	13.4	(121)	(163)
Sales (purchases) of treasury shares		20	(3)
Capital increase (decrease) - non-controlling interests		0	3
Changes in ownership interests with no gain / loss of control		1	(333)
Dividends paid to owners of the parent company	13.3	(1,063)	(1,330)
Dividends paid to non-controlling interests	13.6	(177)	(190)
Net cash used in financing activities (c)		(1,510)	(3,477)
Net change in cash and cash equivalents (a) + (b) + (c)		(394)	(1,375)
Net change in cash and cash equivalents			
Cash and cash equivalents in the opening balance		8,621	8,145
Cash change in cash and cash equivalents		(394)	(1,375)
Non-cash change in cash and cash equivalents		32	21
o/w effect of exchange rates changes and other non-monetary effects		32	21
Cash and cash equivalents in the closing balance		8,259	6,791

(1) Operating banking activities mainly include transactions with customers and credit institutions. They are presented in changes in other assets and liabilities.

(2) Excluding operating tax receivables and payables.

(3) Including interests paid on lease liabilities in the amount of (60) million euros as of June 30, 2022 and (59) million euros as of June 30, 2021.

(4) Including telecommunication licenses paid for (302) million euros as of June 30, 2022 and (129) million euros as of June 30, 2021.

(5) Investments in financed assets amounting to 69 million euros as of June 30, 2022 and 23 million euros as of June 30, 2021 have no effect on the statement of cash flows at the time of acquisition.

(6) Including payments related to liabilities on financed assets for (44) million euros as of June 30, 2022 and (41) million euros as of June 30, 2021.

Note 1 Segment information

1.1 Changes in segment information

In February 2021, Orange announced the creation of Totem, a European TowerCo that operates a tower portfolio consisting of approximately 27,000 sites in France and Spain at June 30, 2022. The entry of the TowerCo into the operational phase led to an evolution of the internal reporting followed by the management and the segment information presented take into account the Group's wishes to present Totem as a distinct segment. This evolution also modified the composition of France and Spain Cash-Generating Units (CGUs). Accordingly, goodwill (1,624 million euros) initially allocated to France and Spain CGUs have been partially reallocated to Totem's CGU based on expected future cash flows of the transferred activity.

1.2 Segment revenue

(in millions of euros)	France ⁽¹⁾	Europe			Total
		Spain ⁽¹⁾	Other European countries ⁽²⁾	Eliminations Europe	
June 30, 2022					
Revenue	8,827	2,265	3,065	(5)	5,325
Convergence services	2,406	931	469	-	1,400
Mobile-only services	1,154	399	1,015	-	1,414
Fixed-only services	1,907 ⁽⁵⁾	217	397	-	614
IT & integration services	-	18	196	-	214
Wholesale	2,455	406	476	(5)	877
Equipment sales	552	293	426	-	719
Other revenue	353	0	87	-	87
<i>External</i>	<i>8,485</i>	<i>2,240</i>	<i>3,015</i>	<i>-</i>	<i>5,255</i>
<i>Inter-operating segments</i>	<i>342</i>	<i>25</i>	<i>51</i>	<i>(5)</i>	<i>70</i>
June 30, 2021					
Revenue	8,950	2,368	2,800	(4)	5,164
Convergence services	2,317	933	404	-	1,337
Mobile-only services	1,122	450	984	-	1,434
Fixed-only services	1,944 ⁽⁵⁾	225	296	-	522
IT & integration services	-	6	152	-	158
Wholesale	2,720	443	486	(4)	926
Equipment sales	523	310	408	-	718
Other revenue	325	0	69	0	70
<i>External</i>	<i>8,658</i>	<i>2,350</i>	<i>2,764</i>	<i>-</i>	<i>5,114</i>
<i>Inter-operating segments</i>	<i>292</i>	<i>18</i>	<i>36</i>	<i>(4)</i>	<i>50</i>

(1) At the end of June 2021, Totem's figures are included in France, Spain and International Carriers & Shared Services segments (see Note 1.1).

(2) Other European countries segment includes the contribution of Telekom Romania Communications acquired on September 30, 2021.

(3) Including, at the end of June 2022, revenue of 2,552 million euros in France, 8 million euros in Spain, 838 million euros in other European countries and 491 million euros in other countries.

Including, at the end of June 2021, revenue of 2,547 million euros in France, 7 million euros in Spain, 813 million euros in other European countries and 473 million euros in other countries.

(4) Including revenue of 690 million euros at June 30, 2022 and 668 million euros at June 30, 2021 in France.

(5) Including, at the end of June 2022, fixed only broadband revenue of 1,473 million euros and fixed only narrowband revenue of 434 million euros. Including, at the end of June 2021, fixed only broadband revenue of 1,415 million euros and fixed only narrowband revenue of 529 million euros.

(6) Including, at the end of June 2022, revenue of 514 million euros from voice services and revenue of 1,224 million euros from data services. Including, at the end of June 2021, revenue of 569 million euros from voice services and revenue of 1,265 million euros from data services.

Africa & Middle-East	Enterprise ⁽³⁾	Totem ⁽¹⁾	International Carriers & Shared Services ⁽¹⁾⁽⁴⁾	Eliminations telecom activities	Total telecom activities	Mobile Financial Services	Eliminations telecom activities / mobile financial services	Orange consolidated financial statements
3,381	3,888	328	772	(1,220)	21,301	-	(4)	21,297
-	-	-	-	-	3,806	-	-	3,806
2,578	325	-	-	(18)	5,454	-	(0)	5,454
384	1,738 ⁽⁶⁾	-	-	(75)	4,568	-	(1)	4,567
21	1,663	-	-	(96)	1,802	-	(2)	1,799
324	20	328	539	(904)	3,638	-	-	3,638
55	141	-	-	(3)	1,465	-	(0)	1,465
18	-	-	234	(124)	568	-	(1)	567
3,298	3,692	56	511	-	21,297	-	-	21,297
83	196	272	261	(1,220)	4	-	(4)	-
3,043	3,840	n/a	743	(869)	20,870	-	(4)	20,867
-	-	n/a	-	-	3,654	-	-	3,654
2,329	318	n/a	-	(14)	5,189	-	(0)	5,189
318	1,834 ⁽⁶⁾	n/a	-	(84)	4,533	-	(0)	4,533
13	1,565	n/a	-	(90)	1,646	-	(2)	1,644
310	21	n/a	522	(594)	3,906	-	-	3,906
54	101	n/a	-	(4)	1,392	-	(0)	1,391
18	-	n/a	221	(84)	551	-	(1)	549
2,963	3,639	n/a	493	-	20,867	-	-	20,867
80	201	n/a	250	(869)	4	-	(4)	-

1.3 Segment revenue to consolidated net income as of June 30, 2022

(in millions of euros)	France	Europe			Total	Africa & Middle-East
		Spain	Other European countries ⁽²⁾	Eliminations Europe		
Revenue	8,827	2,265	3,065	(5)	5,325	3,381
External purchases	(3,537)	(1,407)	(1,762)	5	(3,164)	(1,335)
Other operating income	618	47	141	(0)	188	21
Other operating expenses	(250)	(77)	(106)	0	(183)	(113)
Labor expenses	(1,775)	(128)	(369)	-	(497)	(290)
Operating taxes and levies	(664)	(82)	(59)	-	(141)	(324)
Gains (losses) on disposal of fixed assets, investments and activities	-	-	-	-	-	-
Restructuring costs	-	-	-	-	-	-
Depreciation and amortization of financed assets	(47)	-	-	-	-	-
Depreciation and amortization of right-of-use assets	(130)	(86)	(101)	-	(187)	(95)
Impairment of right-of-use assets	-	-	-	-	-	-
Interests on debts related to financed assets ⁽⁴⁾	(1)	-	-	-	-	-
Interests on lease liabilities ⁽⁴⁾	(5)	(8)	(10)	-	(18)	(31)
EBITDAaL	3,035	524	799	-	1,323	1,214
Significant litigations	0	-	-	-	-	-
Specific labour expenses	(39)	-	-	-	-	-
Fixed assets, investments and businesses portfolio review	(0)	-	20	-	20	2
Restructuring programs costs	(13)	(8)	(3)	-	(11)	(4)
Acquisition and integration costs	-	-	(13)	-	(13)	-
Depreciation and amortization of fixed assets	(1,551)	(543)	(533)	-	(1,076)	(509)
Reclassification of translation adjustment from liquidated entities	-	-	-	-	-	-
Impairment of goodwill	-	-	-	-	-	-
Impairment of fixed assets	0	-	(0)	-	(0)	(2)
Share of profits (losses) of associates and joint ventures	(3)	-	(1)	-	(1)	7
<i>Elimination of interests on debts related to financed assets⁽⁴⁾</i>	<i>1</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Elimination of interests on lease liabilities⁽⁴⁾</i>	<i>5</i>	<i>8</i>	<i>10</i>	<i>-</i>	<i>18</i>	<i>31</i>
Operating Income	1,436	(19)	278	-	260	739
Cost of gross financial debt except financed assets						
Interests on debts related to financed assets ⁽⁴⁾						
Gains (losses) on assets contributing to net financial debt						
Foreign exchange gain (loss)						
Interests on lease liabilities ⁽⁴⁾						
Other net financial expenses						
Finance costs, net						
Income Tax						
Consolidated net income						

(1) Since January 1, 2022, Totem's figures are presented in a distinct operating segment (see Note 1.1).

(2) Other European countries segment includes contribution of Telekom Romania Communications acquired on September 30, 2021.

(3) Mobile Financial Services' net banking income is recognized in other operating income and amounts to 56 million euros at the end of June 2022. The cost of risk is included in other operating expenses and amounts to (22) million euros at the end of June 2022.

(4) Presentation adjustments allow the reallocation of the lines of specific items identified in the segment information to the operating revenue and expense lines presented in the consolidated income statement. Interests on debts related to financed assets and interests on lease liabilities are included in segment EBITDAaL. They are excluded from segment operating income and included in net finance costs presented in the consolidated income statement.

Enterprise	Totem ⁽¹⁾	International Carriers & Shared Services	Elimination telecom activities	Total telecom activities	Mobile Financial Services ⁽³⁾	Eliminations telecom activities / mobile financial services	Total	Presentation adjustments ⁽⁴⁾	Orange consolidated financial statements
3,888	328	772	(1,220)	21,301	-	(4)	21,297	-	21,297
(2,041)	(59)	(1,019)	2,172	(8,984)	(64)	9	(9,039)	(11)	(9,050)
90	-	1,020	(1,629)	309	65	(8)	366	0	366
(337)	(0)	(5)	677	(211)	(14)	4	(222)	(9)	(231)
(1,109)	(6)	(644)	-	(4,321)	(40)	-	(4,361)	33	(4,329)
(48)	(4)	(53)	-	(1,234)	(1)	-	(1,235)	0	(1,235)
-	-	-	-	-	-	-	-	36	36
-	-	-	-	-	-	-	-	(47)	(47)
-	-	-	-	(47)	-	-	(47)	-	(47)
(75)	(78)	(195)	-	(761)	(2)	-	(762)	-	(762)
(1)	-	-	-	(1)	-	-	(1)	6	5
-	-	-	-	(1)	-	-	(1)	1	n/a
(2)	(2)	(3)	-	(61)	(0)	-	(61)	61	n/a
364	180	(128)	-	5,989	(56)	0	5,934	70	n/a
-	-	(2)	-	(2)	-	-	(2)	2	n/a
(4)	-	79	-	36	(0)	-	35	(35)	n/a
3	-	12	-	36	-	-	36	(36)	n/a
(11)	-	(2)	-	(41)	-	-	(41)	41	n/a
(0)	(0)	(7)	-	(21)	(1)	-	(21)	21	n/a
(205)	(61)	(161)	-	(3,563)	(23)	-	(3,585)	-	(3,585)
3	-	-	-	3	-	-	3	-	3
-	-	-	-	-	-	-	-	-	-
0	(0)	(0)	-	(2)	-	-	(2)	-	(2)
0	-	(2)	-	1	-	-	1	-	1
-	-	-	-	1	-	-	1	(1)	n/a
2	2	3	-	61	0	-	61	(61)	n/a
152	120	(207)	-	2,499	(80)	0	2,420	0	2,420
									(297)
									(1)
									(9)
									(40)
									(61)
									36
									(373)
									(580)
									1,467

1.4 Segment revenue to consolidated net income as of June 30, 2021

(in millions of euros)	France ⁽¹⁾	Europe			Total	Africa & Middle-East
		Spain ⁽¹⁾	Other European countries	Eliminations Europe		
Revenue	8,950	2,368	2,800	(4)	5,164	3,043
External purchases	(3,440)	(1,381)	(1,563)	4	(2,940)	(1,212)
Other operating income	633	59	78	(0)	137	26
Other operating expenses	(245)	(84)	(81)	0	(165)	(129)
Labor expenses	(1,867)	(135)	(330)	-	(465)	(265)
Operating taxes and levies	(661)	(82)	(52)	-	(134)	(295)
Gains (losses) on disposal of fixed assets, investments and activities	-	-	-	-	-	-
Restructuring costs	-	-	-	-	-	-
Depreciation and amortization of financed assets	(41)	-	-	-	-	-
Depreciation and amortization of right-of-use assets	(142)	(127)	(97)	-	(224)	(83)
Impairment of right-of-use assets	-	-	-	-	-	-
Interests on debts related to financed assets ⁽³⁾	(1)	-	-	-	-	-
Interests on lease liabilities ⁽³⁾	(4)	(7)	(8)	-	(15)	(33)
EBITDAaL	3,181	610	749	-	1,359	1,051
Significant litigations	(31)	-	-	-	-	-
Specific labour expenses	(33)	-	(0)	-	(0)	-
Fixed assets, investments and businesses portfolio review	(0)	-	(4)	-	(4)	1
Restructuring programs costs	(3)	(145)	(3)	-	(148)	(32)
Acquisition and integration costs	(1)	-	(5)	-	(5)	-
Depreciation and amortization of fixed assets	(1,569)	(542)	(556)	-	(1,098)	(479)
Reclassification of translation adjustment from liquidated entities	-	-	0	-	0	-
Impairment of goodwill	-	(3,702)	-	-	(3,702)	-
Impairment of fixed assets	(1)	-	(2)	-	(2)	0
Share of profits (losses) of associates and joint ventures	(0)	-	0	-	0	5
<i>Elimination of interests on debts related to financed assets⁽³⁾</i>	<i>1</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Elimination of interests on lease liabilities⁽³⁾</i>	<i>4</i>	<i>7</i>	<i>8</i>	<i>-</i>	<i>15</i>	<i>33</i>
Operating Income	1,548	(3,773)	189	-	(3,584)	579
Cost of gross financial debt except financed assets						
Interests on debts related to financed assets ⁽³⁾						
Gains (losses) on assets contributing to net financial debt						
Foreign exchange gain (loss)						
Interests on lease liabilities ⁽³⁾						
Other net financial expenses						
Finance costs, net						
Income taxes						
Consolidated net income						

(1) At the end of June 2021, Totem's figures are included in France, Spain and International Carriers & Shared Services segments (see Note 1.1).

(2) Mobile Financial Services's net banking income is recognized in other operating income and amounts to 53 million euros in 2021. The cost of risk is included in other operating expenses and amounts to (14) million euros in 2021.

(3) Presentation adjustments allow the reallocation of the lines of specific items identified in the segment information to the operating revenue and expense lines presented in the consolidated income statement. Interests on debts related to financed assets and interests on lease liabilities are included in segment EBITDAaL. They are excluded from segment operating income and included in net finance costs presented in the consolidated income statement.

Enterprise	International Carriers & Shared Services ⁽¹⁾	Elimination telecom activities	Total telecom activities	Mobile Financial Services ⁽²⁾	Eliminations telecom activities / mobile financial services	Total	Presentation adjustments ⁽³⁾	Orange consolidated financial statements
3,840	743	(869)	20,870	-	(4)	20,867	-	20,867
(1,943)	(992)	1,846	(8,681)	(56)	5	(8,733)	(4)	(8,736)
83	1,021	(1,632)	268	56	(2)	322	-	322
(312)	(19)	655	(216)	(13)	2	(227)	(68)	(295)
(1,068)	(668)	-	(4,333)	(41)	-	(4,373)	(48)	(4,421)
(46)	(52)	-	(1,187)	(1)	-	(1,188)	(31)	(1,219)
-	-	-	-	-	-	-	12	12
-	-	-	-	-	-	-	(245)	(245)
-	-	-	(41)	-	-	(41)	-	(41)
(68)	(212)	-	(729)	(2)	-	(731)	-	(731)
-	-	-	-	-	-	-	(60)	(60)
-	-	-	(1)	-	-	(1)	1	n/a
(3)	(4)	-	(57)	(0)	-	(58)	58	n/a
484	(182)	-	5,893	(56)	1	5,837	(385)	n/a
-	(58)	-	(89)	-	-	(89)	89	n/a
(3)	(6)	-	(42)	0	-	(41)	41	n/a
1	14	-	12	-	-	12	(12)	n/a
(6)	(114)	-	(304)	(1)	-	(305)	305	n/a
(1)	(11)	-	(17)	(3)	-	(20)	20	n/a
(183)	(153)	-	(3,482)	(17)	-	(3,499)	-	(3,499)
(0)	-	-	(0)	-	-	(0)	-	(0)
-	-	-	(3,702)	-	-	(3,702)	-	(3,702)
0	(2)	-	(4)	-	-	(4)	-	(4)
0	(4)	-	1	-	-	1	-	1
-	-	-	1	-	-	1	(1)	n/a
3	4	-	57	0	-	58	(58)	n/a
295	(514)	-	(1,676)	(77)	1	(1,752)	0	(1,752)
								(461)
								(1)
								(5)
								57
								(58)
								32
								(436)
								(417)
								(2,605)

1.5 Segment investments

(in millions of euros)	France ⁽¹⁾	Europe			Total
		Spain ⁽¹⁾	Other European countries ⁽²⁾	Eliminations Europe	
June 30, 2022					
eCapex	1,673	465	369	-	835
Elimination of proceeds from sales of property, plant and equipment and intangible assets	59	-	36	-	36
Telecommunications licenses	8	6	27	-	33
Financed assets	69	-	-	-	-
Total investments⁽⁵⁾	1,809	472	432	-	904
June 30, 2021					
eCapex	2,171	457	413	-	870
Elimination of proceeds from sales of property, plant and equipment and intangible assets	19	-	0	-	0
Telecommunications licenses	207	64	11	-	75
Financed assets	23	-	-	-	-
Total investments⁽⁶⁾	2,420	521	424	-	945

(1) At the end of June 2021, Totem's figures are included in France, Spain and International Carriers & Shared Services segments (see Note 1.1).

(2) Other European countries segment includes contribution of Telekom Romania Communications acquired on September 30, 2021.

(3) Including investments in intangible assets and property, plant and equipment in France for 100 million euros at the end of June 2022 and 104 million euros at the end of June 2021.

(4) Including investments in intangible assets and property, plant and equipment in France for 110 million euros at the end of June 2022 and 124 million euros at the end of June 2021.

(5) Including 991 million euros for other intangible assets and 2,858 million euros for tangible assets.

(6) Including 1,244 million euros for other intangible assets and 2,964 million euros for tangible assets.

Africa & Middle-East	Enterprise ⁽³⁾	Totem ⁽¹⁾	International Carriers & Shared Services ⁽¹⁾⁽⁴⁾	Eliminations telecom activities and unallocated items	Total telecom activities	Mobile Financial Services	Eliminations telecom activities/mobile financial services	Orange consolidated financial statements
609	144	44	94	-	3,399	14	-	3,413
3	8	-	19	-	124	-	-	124
203	-	-	-	-	244	-	-	244
-	-	-	-	-	69	-	-	69
815	151	44	113	-	3,836	14	-	3,850
525	157	n/a	110	-	3,832	13	-	3,845
6	4	n/a	19	0	48	-	-	48
11	-	n/a	-	-	293	-	-	293
-	-	n/a	-	-	23	-	-	23
541	161	n/a	130	-	4,196	13	-	4,208

1.6 Segment assets

(in millions of euros)	France ⁽¹⁾	Europe			Total
		Spain ⁽¹⁾	Other European countries	Eliminations Europe	
June 30, 2022					
Goodwill	13,176	2,734	2,928	-	5,662
Other intangible assets	4,424	2,107	1,658	-	3,765
Property, plant and equipment	16,435	3,684	3,825	0	7,509
Right-of-use assets	1,837	996	1,057	-	2,054
Interests in associates and joint ventures	1,073	-	317	-	317
Non-current assets included in the calculation of net financial debt	-	-	-	-	-
Other	8	12	51	-	64
Total non-current assets	36,953	9,534	9,837	-	19,371
Inventories	440	59	176	-	235
Trade receivables	1,969	612	1,122	2	1,736
Other customer contract assets	350	169	408	-	577
Prepaid expenses	43	430	96	-	526
Current assets included in the calculation of net financial debt	-	-	-	-	-
Other	709	92	165	-	257
Total current assets	3,511	1,363	1,966	2	3,331
Total assets	40,464	10,896	11,803	2	22,702
December 31, 2021					
Goodwill	14,364	3,170	2,910	-	6,079
Other intangible assets	4,543	2,259	1,727	-	3,985
Property, plant and equipment	16,975	3,834	3,967	-	7,801
Right-of-use assets	2,014	1,093	1,104	-	2,197
Interests in associates and joint ventures	1,061	-	303	-	303
Non-current assets included in the calculation of net financial debt	-	-	-	-	-
Other	9	16	15	-	31
Total non-current assets	38,966	10,372	10,025	-	20,396
Inventories	438	61	176	-	237
Trade receivables	2,125	643	1,147	1	1,791
Other customer contract assets	379	176	407	-	583
Prepaid expenses	35	417	69	-	486
Current assets included in the calculation of net financial debt	-	-	-	-	-
Other	737	72	183	-	255
Total current assets	3,713	1,368	1,982	1	3,351
Total assets	42,679	11,740	12,007	1	23,747

(1) At the end of June 2021, Totem's figures are included in France, Spain and International Carriers & Shared Services segments (see Note 1.1).

(2) Including intangible and tangible assets for 537 million euros in France in 2022 and 564 million euros in 2021.

(3) Including intangible and tangible assets for 1,614 million euros in France in 2022 and 1,687 million euros in 2021. Intangible assets also include the Orange brand for 3,133 million euros.

Africa & Middle-East	Enterprise	Totem ⁽¹⁾	International Carriers & Shared Services ⁽¹⁾	Eliminations telecom activities and unallocated items	Total telecom activities	Mobile Financial Services	Eliminations telecom activities / mobile financial services	Orange consolidated financial statements
1,473	2,230	1,624	18	-	24,182	28	-	24,211
2,049	596 ⁽²⁾	4	3,730 ⁽³⁾	-	14,568	76	-	14,644
4,310	423 ⁽²⁾	925	1,051 ⁽³⁾	-	30,654	9	-	30,663
905	451	676	2,244	-	8,166	20	-	8,186
78	2	-	13	0	1,484	-	-	1,484
-	-	-	-	1,584	1,584	-	-	1,584
32	62	4	40	1,537	1,747	831 ⁽⁴⁾	(27)	2,550
8,847	3,764	3,234	7,096	3,121	82,385	963	(27)	83,321
105	101	-	112	0	994	0	-	994
901	1,131	165	1,133	(1,059)	5,978	87	(100)	5,965
14	498	-	-	-	1,438	-	-	1,438
321	84	16	73	(26)	1,037	22	(0)	1,059
-	-	-	-	10,835	10,835	-	-	10,835
1,590	224	3	518	(19)	3,282	2,976 ⁽⁵⁾	(28)	6,231
2,931	2,038	184	1,836	9,732	23,563	3,086	(128)	26,521
11,777	5,802	3,418	8,932	12,853	105,949	4,049	(155)	109,843
1,465	2,237	n/a	18	-	24,163	28	-	24,192
1,974	622 ⁽²⁾	n/a	3,728 ⁽³⁾	-	14,852	88	-	14,940
4,113	466 ⁽²⁾	n/a	1,125 ⁽³⁾	(0)	30,479	5	-	30,484
918	478	n/a	2,074	-	7,681	21	-	7,702
67	2	n/a	6	(0)	1,440	-	-	1,440
-	-	n/a	-	709	709	-	-	709
32	43	n/a	39	1,725	1,878	919 ⁽⁴⁾	(27)	2,769
8,569	3,848	n/a	6,990	2,433	81,202	1,062	(27)	82,236
93	70	n/a	114	(0)	951	0	-	952
833	1,162	n/a	904	(774)	6,040	91	(103)	6,029
13	485	n/a	-	-	1,460	-	-	1,460
200	95	n/a	53	(30)	839	14	(1)	851
-	-	n/a	-	10,462	10,462	-	-	10,462
1,484	214	n/a	389	163	3,241	2,848 ⁽⁵⁾	(9)	6,080
2,623	2,026	n/a	1,460	9,821	22,994	2,953	(113)	25,834
11,192	5,873	n/a	8,450	12,255	104,196	4,015	(140)	108,071

(4) Including 725 million euros of non-current financial assets related to Mobile Financial Services in 2022 and 900 million euros in 2021 (see Note 12.1).

(5) Including 2,552 million euros of current financial assets related to Mobile Financial Services in 2022 (of which 524 million euros related to trade receivables sold by Orange Spain) and 2,385 million euros in 2021 (of which 433 million euros related to trade receivables sold by Orange Spain) - (see Note 12.1).

1.7 Segment equity and liabilities

(in millions of euros)	France ⁽¹⁾	Europe			Total
		Spain ⁽¹⁾	Other European countries	Eliminations Europe	
June 30, 2022					
Equity	-	-	-	-	-
Non-current lease liabilities	1,608	930	899	-	1,829
Non-current fixed assets payables	644	435	163	-	598
Non-current employee benefits	1,433	4	21	-	25
Non-current liabilities included in the calculation of net financial debt	-	-	-	-	-
Other	401	7	268	-	275
Total non-current liabilities	4,085	1,376	1,351	-	2,727
Current lease liabilities	223	177	196	-	373
Current fixed assets payables	1,360	490	310	-	800
Trade payables	2,811	811	931	2	1,745
Customer contracts liabilities	956	231	506	-	737
Current employee benefits	1,183	40	116	-	156
Deferred income	-	75	20	-	95
Current liabilities included in the calculation of net financial debt	-	-	-	-	-
Other	1,123	167	473	-	640
Total current liabilities	7,656	1,991	2,551	2	4,545
Total equity and liabilities	11,742	3,367	3,902	2	7,272
December 31, 2021					
Equity	-	-	-	-	-
Non-current lease liabilities	1,668	1,015	941	-	1,956
Non-current fixed assets payables	639	462	165	-	627
Non-current employee benefits	1,643	5	21	-	26
Non-current liabilities included in the calculation of net financial debt	-	-	-	-	-
Other	578	57	327	-	385
Total non-current liabilities	4,528	1,539	1,454	-	2,993
Current lease liabilities	312	193	198	-	391
Current fixed assets payables	1,402	551	450	-	1,001
Trade payables	2,804	782	992	1	1,774
Customer contracts liabilities	942	182	518	-	700
Current employee benefits	1,210	43	111	-	154
Deferred income	-	84	20	-	104
Current liabilities included in the calculation of net financial debt	-	-	-	-	-
Other	795	218	266	-	485
Total current liabilities	7,465	2,053	2,555	1	4,609
Total equity and liabilities	11,993	3,592	4,009	1	7,602

(1) At the end of June 2021, Totem's figures are included in France, Spain and International Carriers & Shared Services segments (see Note 1.1).

(2) Including non-current financial liabilities of 28 million euros in 2022 and 86 million euros in 2021.

(3) Including in 2022, 3,199 million euros of current financial liabilities related to Mobile Financial Services activities and, in 2021 3,161 million euros (see Note 12.1).

Africa & Middle-East	Enterprise	Totem ⁽¹⁾	International Carriers & Shared Services ⁽¹⁾	Eliminations telecom activities and unallocated items	Total telecom activities	Mobile Financial Services	Eliminations telecom activities / mobile financial services	Orange consolidated financial statements
-	-	-	-	36,327	36,327	(519)	-	35,807
846	335	499	1,983	-	7,101	26	-	7,126
161	-	-	-	-	1,402	-	-	1,402
84	257	2	626	(0)	2,427	11	-	2,438
-	-	-	-	33,351	33,351	-	-	33,351
75	20	136	43	1,301	2,250	102 ⁽²⁾	(27)	2,325
1,166	612	637	2,653	34,652	46,531	139	(27)	46,643
135	125	143	447	-	1,445	4	-	1,449
571	45	6	103	(0)	2,885	4	-	2,888
1,371	796	152	985	(1,059)	6,801	194	(100)	6,895
123	573	10	180	(24)	2,554	-	(0)	2,554
101	447	3	387	0	2,276	27	-	2,303
36	33	-	8	(1)	171	4	-	174
-	-	-	-	3,193	3,193	-	(4)	3,189
1,989	259	19	561	(823)	3,768	4,197 ⁽³⁾	(24)	7,941
4,326	2,278	332	2,670	1,285	23,091	4,429	(128)	27,393
5,491	2,890	969	5,323	72,263	105,949	4,049	(155)	109,843
-	-	n/a	-	35,806	35,806	(445)	-	35,361
805	378	n/a	1,863	-	6,669	27	-	6,696
104	-	n/a	-	-	1,370	-	-	1,370
80	277	n/a	760	(0)	2,787	11	-	2,798
-	-	n/a	-	32,083	32,083	-	-	32,083
74	20	n/a	52	1,312	2,421	93 ⁽²⁾	(27)	2,487
1,063	676	n/a	2,675	33,395	45,330	131	(27)	45,434
181	106	n/a	375	-	1,364	4	-	1,369
543	58	n/a	107	(0)	3,110	1	-	3,111
1,139	771	n/a	969	(774)	6,684	157	(103)	6,738
130	599	n/a	170	(28)	2,513	-	(1)	2,512
82	446	n/a	395	(0)	2,289	27	-	2,316
31	35	n/a	9	(2)	176	3	(0)	180
-	-	n/a	-	3,549	3,549	-	(4)	3,545
1,833	278	n/a	570	(587)	3,374	4,136 ⁽³⁾	(5)	7,505
3,939	2,294	n/a	2,595	2,158	23,060	4,329	(113)	27,276
5,002	2,970	n/a	5,270	71,360	104,196	4,015	(140)	108,071

1.8 Simplified statement of cash flows on telecommunication and mobile financial services activities

(in millions of euros)

June 30, 2022

	Telecom activities	Mobile Financial Services	Eliminations telecom activities / mobile financial services	Orange consolidated financial statement
Operating activities				
Consolidated net income	1,546	(80)	(0)	1,467
Non-monetary items and reclassified items for presentation	6,249	(35)	0	6,215
<i>Changes in working capital and operating banking activities</i>				
Decrease (increase) in inventories, gross	(41)	0	-	(40)
Decrease (increase) in trade receivables, gross	98	4	(3)	99
Increase (decrease) in trade payables	50	37	3	90
Changes in other customer contract assets and liabilities	75	-	1	75
Changes in other assets and liabilities	(146)	(83)	-	(229)
<i>Other net cash out</i>				
Operating taxes and levies paid	(962)	4	-	(958)
Dividends received	2	-	-	2
Interest paid and interest rates effects on derivatives, net	(504) ⁽¹⁾	0	(0)	(504)
Income taxes paid	(580)	(1)	-	(581)
Net cash provided by operating activities (a)	5,789⁽²⁾	(153)	-	5,636
Investing activities				
Purchases (sales) of property, plant and equipment and intangible assets ⁽³⁾	(3,880)	(11)	-	(3,892)
Purchases of property, plant and equipment and intangible assets ⁽⁴⁾	(3,767)	(14)	-	(3,781)
Increase (decrease) in fixed assets payables	(239)	3	-	(237)
Investing donations received in advance	-	-	-	-
Sales of property, plant and equipment and intangible assets	126	-	-	126
Cash paid for investment securities, net of cash acquired	(12)	-	-	(12)
Investments in associates and joint ventures	(8)	-	-	(8)
Purchases of investment securities measured at fair value	(17)	-	-	(17)
Sales of investment securities, net of cash transferred	0	-	-	0
Sales of investment securities at fair value	2	-	-	2
Decrease (increase) in securities and other financial assets	(707)	114	(0)	(593)
Net cash used in investing activities (b)	(4,622)	103	(0)	(4,519)
Financing activities				
<i>Cash flows from financing activities</i>				
Medium and long-term debt issuances	985	0	(0)	985
Medium and long-term debt redemptions and repayments ⁽⁵⁾	(331)	-	-	(331)
Increase (decrease) of bank overdrafts and short-term borrowings	(892)	8	0	(884)
Decrease (increase) of cash collateral deposits	922	(23)	-	899
Exchange rates effects on derivatives, net	(103)	-	-	(103)
<i>Other cash flows</i>				
Lease liabilities repayments	(734)	(2)	-	(737)
Subordinated notes issuances (purchases) and other related fees	-	-	-	-
Coupon on subordinated notes	(121)	-	-	(121)
Sales (purchases) of treasury shares	20	-	-	20
Capital increase (decrease) - non-controlling interests	0	0	-	0
Capital increase (decrease) - Telecom activities / Mobile Financial Services	(23)	23	-	-
Changes in ownership interests with no gain / loss of control	1	-	-	1
Dividends paid to owners of the parent company	(1,063)	-	-	(1,063)
Dividends paid to non-controlling interests	(177)	-	-	(177)
Net cash used in financing activities (c)	(1,517)	6	0	(1,510)

(in millions of euros)

June 30, 2022

	Telecom activities	Mobile Financial Services	Eliminations telecom activities / mobile financial services	Orange consoli- dated financial statement
Cash and cash equivalents in the opening balance	8,188	433	-	8,621
Cash change in cash and cash equivalents (a) + (b) + (c)	(349)	(45)	-	(394)
Effect of exchange rates changes on cash and cash equivalents and other non-monetary effects	32	-	-	32
Cash and cash equivalents in the closing balance	7,871	388	-	8,259

(in millions of euros)

June 30, 2021

	Telecom activities	Mobile Financial Services	Eliminations telecom activities / mobile financial services	Orange consoli- dated financial statement
Operating activities				
Consolidated net income	(2,528)	(77)	(0)	(2,605)
Non-monetary items and reclassified items for presentation	9,795	22	1	9,817
<i>Changes in working capital and operating banking activities</i>				
Decrease (increase) in inventories, gross	9	(0)	-	9
Decrease (increase) in trade receivables, gross	118	(13)	30	136
Increase (decrease) in trade payables	41	11	(30)	22
Changes in other customer contract assets and liabilities	163	-	0	164
Changes in other assets and liabilities	50	(103)	-	(54)
<i>Other net cash out</i>				
Operating taxes and levies paid	(983)	(2)	-	(985)
Dividends received	7	-	-	7
Interest paid and interest rates effects on derivatives, net	(649) ⁽¹⁾	(2)	(1)	(651)
Income taxes paid	(500)	(0)	-	(500)
Net cash provided by operating activities (a)	5,523⁽²⁾	(164)	-	5,360
Investing activities				
Purchases (sales) of property, plant and equipment and intangible assets ⁽³⁾	(4,245)	(13)	-	(4,258)
Purchases of property, plant and equipment and intangible assets ⁽⁴⁾	(4,173)	(13)	-	(4,186)
Increase (decrease) in fixed assets payables	(227)	-	-	(227)
Investing donations received in advance	20	-	-	20
Sales of property, plant and equipment and intangible assets	135	-	-	135
Cash paid for investment securities, net of cash acquired	0	(0)	(0)	0
Investments in associates and joint ventures	(2)	-	-	(2)
Purchases of investment securities measured at fair value	(41)	(1)	-	(42)
Sales of investment securities, net of cash transferred	0	-	-	0
Sales of investment securities at fair value	90	(0)	0	90
Decrease (increase) in securities and other financial assets	881	68	5	954
Net cash used in investing activities (b)	(3,317)	54	5	(3,258)
Financing activities				
<i>Cash flows from financing activities</i>				
Medium and long-term debt issuances	1,526	-	-	1,526
Medium and long-term debt redemptions and repayments ⁽⁵⁾	(3,072)	-	-	(3,072)
Increase (decrease) of bank overdrafts and short-term borrowings	626	34	(5)	655
Decrease (increase) of cash collateral deposits	568	7	-	574
Exchange rates effects on derivatives, net	50	-	-	50
<i>Other cash flows</i>				
Lease liabilities repayments	(880)	(2)	-	(882)
Subordinated notes issuances (purchases) and other related fees	(311)	-	-	(311)
Coupon on subordinated notes	(163)	-	-	(163)
Sales (purchases) of treasury shares	(3)	-	-	(3)
Capital increase (decrease) - non-controlling interests	0	3	-	3
Capital increase (decrease) - Telecom activities / Mobile Financial Services ⁽⁶⁾	(81)	81	-	-
Changes in ownership interests with no gain / loss of control	(333)	-	-	(333)
Dividends paid to owners of the parent company	(1,330)	-	-	(1,330)
Dividends paid to non-controlling interests	(190)	-	-	(190)
Net cash used in financing activities (c)	(3,594)	122	(5)	(3,477)

(in millions of euros)	June 30, 2021			
	Telecom activities	Mobile Financial Services	Eliminations telecom activities / mobile financial services	Orange consoli- dated financial statement
Cash and cash equivalents in the opening balance	7,891	254	-	8,145
Cash change in cash and cash equivalents (a) + (b) + (c)	(1,386)	12	-	(1,375)
Effect of exchange rates changes on cash and cash equivalents and other non-monetary effects	19	2	-	21
Cash and cash equivalents in the closing balance	6,523	268	-	6,791

(1) Including (60) million euros as of June 30, 2022 and (59) million euros as of June 30, 2021 of interests paid on lease liabilities.
(2) Including significant litigations (paid) and received for (13) million euros as of June 30, 2022 and (354) million euros as of June 30, 2021.
(3) Including telecommunication licenses paid for (302) million euros as of June 30, 2022 and (129) million euros as of June 30, 2021.
(4) Investments in financed assets amounting to 69 million euros as of June 30, 2022 and 23 million euros as of June 30, 2021 have no effect on the statement of cash flows at the time of acquisition.
(5) Including repayments of debts relating to financed assets for (44) million euros as of June 30, 2022 and (41) million euros as of June 30, 2021.
(6) Including Orange Bank's share capital invested by Orange for 70 million euros as of June 30, 2021.

The table below shows the reconciliation between net cash provided by operating activities (telecom activities), as shown in the simplified statement of cash flows, and organic cash flow from telecom activities.

(in millions of euros)	June 30, 2022	June 30, 2021
Net cash provided by operating activities (telecom activities)	5,789	5,523
Purchases (sales) of property, plant and equipment and intangible assets	(3,880)	(4,245)
Repayments of lease liabilities	(734)	(880)
Repayments of debts relating to financed assets	(44)	(41)
Elimination of telecommunication licenses paid	302	129
Elimination of significant litigation paid / (received)	13	354
Organic cash flow from telecom activities	1,445	840

Note 2 Basis of preparation of the consolidated financial statements

This note describes the changes in accounting policies since the publication of the 2021 consolidated financial statements and applied by Orange ("the Group") in the preparation of its interim financial statements for the half-year ended June 30, 2022.

2.1 Basis of preparation of the financial statements

The condensed consolidated financial statements and notes for the first half of 2022 were prepared under the responsibility of the Board of Directors on July 27, 2022.

In accordance with European Regulation no. 1606/2002 dated July 19, 2002, the interim financial statements were prepared in accordance with IAS 34 "Interim Financial Reporting", as endorsed by the European Union (EU) and published by the IASB.

The interim financial statements were prepared using the same accounting policies as the financial statements for the year ended December 31, 2021, apart from the specific requirements of IAS 34 and effects of new standards as described in Note 2.4.

The Group's consolidated financial statements are presented in millions of euros, rounded to the nearest million. This may in certain circumstances lead to non-material differences between the sum of the figures and the subtotals that appear in the tables.

For the reported periods, the accounting standards and interpretations endorsed by the EU are similar to the compulsory standards and interpretations published by the IASB (International Accounting Standards Board), with the exception of standards and interpretations currently being endorsed, a study of the impacts and practical consequences of applying these amendments is under way. Consequently, the Group's financial statements are prepared in accordance with IFRS standards and interpretations, as published by the IASB.

In the absence of any accounting standard or interpretation applicable to a specific transaction or event, the Group's management uses its judgment to define and apply an accounting policy that will result in relevant and reliable information, such that the financial statements:

- fairly present the Group's financial position, financial performance and cash flows;
- reflect the economic substance of transactions;
- are neutral;
- are prepared on a prudent basis; and
- are complete in all material respects.

2.2 Use of estimates and judgement

Orange's management uses its judgment to define the appropriate accounting treatment of certain transactions and makes estimates insofar as many items included in the financial statements cannot be measured with precision or current accounting standards and interpretations do not specifically deal with the related accounting issues. Management revises these estimates if the underlying circumstances evolve or if there is new information or additional experience.

2.3 War in Ukraine

Judgment and estimates made by the Group also include special events. In the context of the war in Ukraine, the Group paid particular attention to:

- Any impacts on impairment tests, whether on the evolution of market data (discount rate, change in inflation) or the possible impact on the cash flows used;
- Consequences of changes in market data on the valuation of certain Group assets and liabilities;
- Price volatility or the risk of supply difficulties, particularly of electricity, in certain countries.

Provided that the conflict does not evolve into other geographical areas and given that the Group has a limited presence in Ukraine as well as in Russia and Belarus, the direct impacts on the Group's accounts remain limited.

2.4 New standards and interpretations applied from January 1, 2021

2.4.1 Decision of the IFRS IC concerning IAS 19 "Employee benefits" on the calculation of obligations relating to certain defined benefits pension plan

The IFRS Interpretations Committee (IC) was asked to comment on the calculation of defined benefit pension plans for which the granting of rights is conditional on the employee's presence in the Group at the time of retirement (with loss of all rights in the event of early retirement) and for which the rights depend on seniority, while being capped at a certain number of years of service. For plans reviewed by the IFRS IC, the cap may be reached at a date prior to retirement.

In France, the interpretation of IAS 19 had led to the practice of measuring and recognizing the commitment on a straight-line basis over the employee's career with the Group. The commitment calculated in this way corresponds to the pro rata rights acquired by the employee at the time of retirement.

The decision of the IFRS IC, published on May 24, 2021, concludes, in this case, that no rights are acquired in the event of departure before retirement age and that the rights are capped after a certain number of years of seniority ("X"), and the commitment would only be recognized for the last X years of the employee's career within the company.

This decision had been implemented by the Group at December 31, 2021 for plans falling within the scope of the Interpretation Committee's decision. The effect of this implementation was mainly limited to retirement benefit plans in France. Due to the publication date of this decision, the Group did not disclose the effects of this decision in the consolidated interim financial statements for the first half of 2021.

As the application of this decision constitutes a change in accounting policy, the effects of the implementation had been calculated retrospectively and had affected the opening equity. The effect of the implementation of this decision on the income statement was not material for the periods presented.

- Effects on the consolidated statement of financial position:

(in millions of euros)	June 30, 2021	Effects of IFRS IC decision	June 30, 2021 restated
Assets			
Deferred tax assets	739	(54)	685
Total non-current assets	79,234	(54)	79,180
Total assets	102,867	(54)	102,812
Liabilities			
Equity attributable to owners of the parent company	29,902	156	30,057
o/w reserves	(2,601)	114	(2,487)
o/w other comprehensive income	(494)	42	(452)
o/w deferred tax	138	(15)	123
o/w actuarial gains and losses	(574)	57	(517)
Equity attributable to non-controlling interests	2,469	-	2,469
Total Equity	32,370	156	32,527
Non-current employee benefits	1,926	(211)	1,715
Total non-current liabilities	43,930	(211)	43,720
Total equity and liabilities	102,867	(54)	102,812

2.5 New standards and interpretations applied from January 1, 2022

Only amendments to standards that may be applicable to the Group and for which the effective application date is January 1, 2022 are presented below.

2.5.1 Amendment to IAS 16: Proceeds before intended use

The amendment clarifies that an entity is not permitted to recognize any revenue from the sale of items produced as a deduction from the cost of the fixed asset while preparing the asset for its intended use. The proceeds from selling such items are recognized in profit or loss. This amendment does not have any significant effect on the Group's financial statements. The amendment is applied by the Group since January 1, 2022.

2.5.2 Amendment to IAS 37: Onerous contracts – cost of fulfilling a contract

The clarifications provided by the amendment concern the incremental costs of fulfilling an onerous contract to be taken into account in the provision, namely the costs of direct labor and materials and the allocation of other costs directly related to the contract, as for example the depreciation expense relating to a fixed asset used in fulfilling the contract. The amendment is applied by the Group since January 1, 2022 and no significant effect has been identified.

Note 3 Gains and losses on disposal and main changes in scope of consolidation

3.1 Gains (losses) on disposal of fixed assets, investments and activities

(in millions of euros)	June 30, 2022	June 30, 2021
Gains (losses) on disposal of fixed assets ⁽¹⁾	41	15
Gains (losses) on disposal of investments and activities	(5)	(3)
Gain (losses) on disposal of fixed assets, investments and activities	36	12

(1) Including in 2022, 124 million euros of transfer price and (83) million euros of net book value of assets sold. Including in 2021, 48 million euros of transfer price and (33) million euros of net book value of assets sold.

3.2 Main changes in scope of consolidation and ongoing transactions

Main changes in the scope of consolidation

Work on the purchase price allocation of Telekom Romania Communications

On September 30, 2021, Orange Romania completed the acquisition of a 54% majority stake in Telekom Romania Communications and of a MVNO (Mobile Virtual Network Operator) contract previously concluded between Telekom Romania Communications and Telekom Romania Mobile, for an amount of 296 million euros.

In accordance with IFRS 3 - Business Combinations, the Group has one year from the acquisition date to assess the fair value of acquired identifiable assets and assumed liabilities. This work is currently being finalized and the impact will be accounted for in the second half of 2022.

Following the acquisition of Telekom Romania Communications, the entity has been renamed Orange Romania Communications.

Ongoing transactions as of June 30, 2022

Signing of an agreement between Orange and MásMóvil to combine their activities in Spain

Following the period of exclusive negotiations initiated on March 8, 2022, Orange and MásMóvil have signed a binding agreement on July 23 to combine their activities in Spain (excluding Totem Spain and MásMóvil Portugal). This combination will take the form of a 50-50 joint venture, co-controlled by Orange and MásMóvil.

Upon completion of the transaction, the joint venture would be consolidated in the Orange Group's accounts using the equity method (due to the loss of Orange's exclusive control over the concerned activities).

The agreement includes a right to trigger an IPO (Initial Public Offering) under certain conditions for both parties after a defined period and, in such a scenario, with an option for Orange to take control of the combined entity. Orange will neither be forced to sell its stake nor exercise its option.

The transaction is subject to approval from the competent administrative, regulatory and competition authorities and to the related and/or contractual conditions precedent.

Given the progress of the transaction and the need to obtain the green light from the competent administrative, regulatory and competition authorities, the Group considers that the criteria of IFRS 5 relating to discontinued operations have not been met as of June 30, 2022.

I2PO and Deezer have reached a definitive agreement for a business combination and publicly list the global music streaming platform

On April 19, 2022, I2PO (a SPAC - Special Purpose Acquisition Company), listed on the stock exchange since July 2021, and Deezer (a global music and audio streaming platform) in which the Orange Group holds a 10.42% stake, announced that they had entered into a definitive agreement for a business combination.

The effective completion of the merger took place on July 4, 2022. The effects of the transaction will therefore be recognized in the Orange Group's accounts in the second half of 2022.

The merged entity, renamed Deezer, is listed on the professional segment of the regulated market of Euronext Paris. Before the IPO the transaction valued the Deezer shares at 1.05 billion euros.

Prior to the transaction, the Group held a 10.42% stake in Deezer and exercised significant influence over the entity through its presence on the Board of Directors.

On July 4, 2022, Deezer's shareholders brought their shares to the SPAC in exchange for newly issued shares of the latter and at the same time a capital increase was carried out.

Following these transactions, Orange will hold 8.13% of the new entity and no longer exercises significant influence. In accordance with IAS 28 and IFRS 9 standards, the transaction will result in the full disposal of the equity-accounted shares of Deezer and the acquisition at fair value of 9,561,723 shares of the new entity.

The Deezer shares had been fully impaired in the Group's accounts and the fair value of the I2PO shares was determined on the basis of the price proposed for the initial public offering on July 5, 2022, i.e. 8.50 euros per share.

The contribution will therefore lead the Orange Group to recognize a gain on disposal in the income statement of approximately 76 million euros in the second half of 2022. The shares of the new entity will be recognized in the balance sheet as securities at fair value through equity.

Note 4 Trade receivables

(in millions of euros)	June 30, 2022	December 31, 2021
Net book value of trade receivables - in the opening balance	6,029	5,620
Business related variations	(59)	(53)
Changes in the scope of consolidation	-	389
Translation adjustment	(8)	36
Reclassifications and other items	3	36
Net book value of trade receivables - in the closing balance	5,965	6,029

(in millions of euros)	June 30, 2022	December 31, 2021
Net trade receivables, depreciated according to their age	1,118	1,204
Net trade receivables, depreciated according to other criteria	312	422
Net trade receivables past due	1,430	1,627
Net trade receivables not past due ⁽¹⁾	4,535	4,402
Net trade receivables	5,965	6,029
o/w short-term trade receivables	5,728	5,793
o/w long-term trade receivables ⁽²⁾	236	236

(1) Not past due receivables are presented net of the balance of expected losses on trade receivables, which amounted to (31) million euros as of June 30, 2022 and (54) million euros as of December 31, 2021.

(2) Includes receivables from sales of handsets with payment on installments that are payable in more than 12 months and receivables from equipment financial lease offers for business.

The Group assessed the risk of non-recovery of trade receivables as of June 30, 2022 and recognized impairment and losses on trade receivables in the income statement for an amount of (74) million euros over the period in the income statement ((115) million euros as of June 30, 2021).

For Mobile Financial Services, the assessment of bank credit risk is described in Note 12.2.

Unchanged from December 31, 2021, Orange still considers that the concentration of counterparty risk related to customer accounts is limited due to the large number of customers, their diversity (residential, professional and large companies), their belonging to various sectors of the economy and their geographical dispersion in France and abroad.

The table below provides an analysis of the change in impairment of telecom activities trade receivables in the statement of financial position:

(in millions of euros)	June 30, 2022	December 31, 2021
Allowances on trade receivables - in the opening balance	(1,012)	(983)
Net addition with impact on income statement	(74)	(212)
Losses on trade receivables	115	283
Changes in the scope of consolidation	-	(91)
Translation adjustment	1	(7)
Reclassifications and other items	(6)	(1)
Allowances on trade receivables - in the closing balance	(977)	(1,012)

Sales of non-recourse operating receivables programs

Orange has set up non-recourse programs to sell its receivables due in installments in several countries. These are no longer recorded on the balance sheet. The receivables sold mainly concern Spain (of which a part has been sold to Orange Bank – see Note 12.1), Romania, Poland and France and amounted to approximately 513 million euros during the first semester 2022 and approximately 740 million euros as of December 31, 2021.

Note 5 Purchases and other expenses

5.1 External purchases

(in millions of euros)	June 30, 2022	June 30, 2021
Commercial, equipment expenses and content rights	(3,681)	(3,483)
<i>o/w costs of terminals and other equipment sold</i>	(1,844)	(1,810)
<i>o/w advertising, promotional, sponsoring and rebranding costs</i>	(398)	(367)
Service fees and inter-operator costs	(2,104)	(2,198)
<i>o/w interconnexion costs</i>	(1,346)	(1,500)
Other network expenses, IT expenses	(1,784)	(1,766)
Other external purchases	(1,481)	(1,289)
<i>o/w building cost for resale</i>	(572)	(483)
<i>o/w overhead</i>	(566)	(461)
<i>o/w rental expenses</i>	(116)	(113)
Total external purchases	(9,050)	(8,736)

5.2 Other operating expenses

(in millions of euros)	June 30, 2022	June 30, 2021
Allowances and losses on trade receivables - telecom activities	(74)	(115)
Litigation	(41)	(84)
Cost of bank credit risk	(23)	(16)
Operating foreign exchange gains (losses)	(12)	(2)
Acquisition and integration costs	(7)	(10)
Other expenses	(73)	(68)
Total other operating expenses	(231)	(295)

Impairment and losses on trade receivables from telecom activities are detailed in Note 4.

The cost of credit risk exclusively applies to Mobile Financial Services and includes impairment charges and reversals on fixed-income securities, loans and receivables to customers as well as impairment charges and reversals relating to guarantee commitments given, losses on receivables and recovery of amortized debts (see Note 12.2).

Payments related to some litigation are directly recorded in other operating expenses. The Group's significant litigations are described in Note 14.1.

5.3 Restructuring costs

(in millions of euros)	June 30, 2022	June 30, 2021
Departure plans	(11)	(193) ⁽¹⁾
Lease property restructuring	0	(5)
Distribution channels	(11)	(1)
Other	(25)	(46)
Total restructuring costs	(47)	(245)

(1) Mainly voluntary departure plans of Orange Spain (around 400 people).

5.4 Working capital management – payables

Extension of supplier payment deadlines

Supplier payment terms are mutually agreed between the suppliers and Orange in accordance with the rules in force. For several years, some key suppliers and Orange have agreed to a flexible payment schedule which, for certain invoices can be extended up to six months.

Trade payables and fixed assets payables that were subject to an extension of payment terms and have an impact on the change in working capital at the end of the period, amount to approximately 410 million euros as at June 30, 2022. The amount as at December 31, 2021 was approximately 460 million euros.

Note 6 Labor expenses

(in millions of euros)	June 30, 2022	June 30, 2021
Wages and employee benefit expenses	(4,241)	(4,333)
<i>o/w French part-time for seniors plans⁽¹⁾</i>	62	(9)
Other	(87)	(88)
Total labor expenses	(4,329)	(4,421)

(1) At June 30, 2022, French part-time for seniors plans include an actuarial gain of 84 million euros arising from the increase of curve discount rate in the current macroeconomic context (actuarial loss of (1) million euros at June 30, 2021).

Note 7 Impairment losses

(in millions of euros)	June 30, 2022	June 30, 2021
Spain	-	(3,702)
Total of impairment of goodwill	-	(3,702)

Impairment tests are carried out annually and when there is an indication that assets may be impaired.

Changes in the economic and financial climate, appreciation of the telecommunications operators' resilience to deteriorating local economic conditions, change in the market capitalization of telecommunications companies and changes in business performance serve as indicators of potential impairment.

Compared to the elements described as at December 31, 2021, the Group has also taken into account the effects of the war in Ukraine (see Note 2.3) as part of its review of impairment indicators at June 30, 2022.

As the preparation of multi-year plans will be performed during the second half of 2022, the half-year reassessments resulting from the identification of impairment indicators are based on a preliminary review of projected cash flows and changes in financial parameters used at the end of the previous year.

At June 30, 2022

At June 30, 2022, the review of impairment indicators has not led the Group to recognize any impairment loss.

At June 30, 2021

In Spain, the (3 702) million euros impairment of goodwill mainly reflected the competitive environment that continued to deteriorate despite ongoing market consolidation (erosion in average revenue per user) and uncertainties linked to the prolongation of the health crisis (delay in the expected economic recovery horizon).

The net carrying value of assets tested was brought down to the value in use of long-term assets and working capital as at June 30, 2021 (7.7 billion euros).

Note 8 Interests in associates and joint ventures

8.1 Change in associates and joint ventures

The table below shows the value of the main interests in associates and joint ventures:

Company (in millions of euros)	Main activity	Main co-shareholder	% interest	June 30, 2022	December 31, 2021
Entities jointly controlled					
Orange Concessions and its subsidiaries	Operation / maintenance related to Public Initiative Networks	Consortium HIN (50%)	50%	1,060	1,049
Swiatłowod Inwestycje Sp. z o.o. (FiberCo in Poland)	Construction / operation in Poland	APG Group (50%)	50%	311	298
Mauritius Telecom	Telecommunications operator in Mauritius	Mauritius government (34%)	40%	71	65
Other				18	10
Entities under significant influence					
Orange Tunisie	Telecommunications operator in Tunisia	Investec (51%)	49%	7	2
Savoie connectée	Fiber infrastructure operator	Covage (70%)	30%	7	7
IRISnet	Telecommunications operator in Belgium	MRBC (54%)	22%	6	6
Odyssey Music Group (Deezer)	Streaming platform	AI European Holdings SARL (43%)	10%	-	-
Other				3	3
Total associates and joint ventures				1,484	1,440

The change in interests in associates and joint ventures is as follows:

(in millions of euros)	June 30, 2022	December 31, 2021
Interests in associates and joint ventures - in the opening balance	1,440	98
Dividends	(0)	(3)
Share of profits (losses)	1	3
Change in components of other comprehensive income ⁽¹⁾	39	3
Changes in the scope of consolidation ⁽²⁾	(3)	1,345
Translation adjustment	(3)	(4)
Reclassifications and other items	10	(3)
Interests in associates and joint ventures - in the closing balance	1,484	1,440

(1) The change in components of other comprehensive income mainly includes the hedging instruments set up by Orange Concessions and Swiatłowod Inwestycje Sp. z o.o. (FiberCo in Poland).

(2) Changes in the scope of consolidation were mainly related to Orange Concessions and Swiatłowod Inwestycje Sp. z o.o. (FiberCo in Poland) in 2021.

8.2 Main figures of associates and joint ventures

The main figures relating to Orange Concessions and Swiatłowod Inwestycje Sp. z o.o. (FiberCo in Poland) are as follows (financial statements figures presented at 100%):

(in millions of euros)	June 30, 2022	
	Orange Concessions	Swiatlowod Inwestycje Sp. z o.o.
Assets⁽¹⁾		
Non-current assets	3,194	279
Current assets	360	169
Total assets	3,554	447
Liabilities		
Shareholder's equity	2,023	291
Non-current liabilities	1,089	110
Current liabilities	441	46
Total equity and liabilities	3,554	447
Income statement		
Revenue	343	13
Operating income	7	(1)
Finance costs, net	(11)	(2)
Income tax	(0)	1
Net income	(6)	(2)

(1) The assets are recognized by Orange Concessions in accordance with the provisions of IFRIC 12 "Service Concession Arrangements."

8.3 Related party transactions

The main transactions between the Group and related parties essentially consist of transactions with companies consolidated using the equity method, of which Orange Concessions and Swiatlowod Inwestycje Sp. z o.o., (FiberCo in Poland). In addition, the amounts of the transactions with related parties have not changed significantly since December 31, 2021.

Note 9 Income taxes

(in millions of euros)	June 30, 2022	June 30, 2021
Total Income tax	(580)	(417)
Current tax	(555)	(182)
Deferred tax	(25)	(236)

The increase of the current tax expense at June 30, 2022 is notably explained by a tax income of 372 million euros recorded at June 30, 2021 resulting from the reassessment of an income tax charge booked in periods prior to those presented.

The decrease of the deferred tax expense at June 30, 2022 is mainly explained by the following effects:

- the expense of (188) million euros booked at June 30, 2021 on the deferred tax liabilities recognized on Orange brand in the United Kingdom due to the increase of the UK corporate income tax rate to 25% from 2023;
- and the depreciation of (140) million euros of the deferred tax assets in Spain booked at June 30, 2021.

Deferred tax assets recoverability

At each period end, the Group reviews the recoverable amount of the deferred tax assets. The recoverability of the deferred tax assets is assessed in the light of the latest business plans used for impairment testing (see Note 7) that may be restated to take into account specific tax issues.

At June 30, 2022, the analysis conducted on the basis of the business plans did not lead to the recognition of any material effect in the accounts.

At June 30, 2021, in relation with the revised projections of future cash flows in Spain, a (140) million euros deferred tax charge had been recognized to reflect the negative impact of the business plans on the recoverable value of deferred tax assets.

Developments in tax disputes and audits

Tax disputes and audits within the Group have not been subject to any significant developments over the period.

Note 10 Financial assets, liabilities and financial results (telecom activities)

10.1 Financial assets and liabilities of telecom activities

To improve the readability of financial statements and to be able to distinguish the performance of telecom activities from the performance of Mobile Financial Services, the notes related to financial assets and liabilities as well as the financial income or expenses are split to respect these two business areas.

Thus, Note 10 presents the financial assets, liabilities and related gains and losses specific to telecom activities and Note 12 concerns the activities of Mobile Financial Services with regard to its assets and liabilities, with net financial income being not material.

The following table reconciles the contributive balances of assets and liabilities for each of these two areas to the consolidated balance sheet (intra-group transactions between telecom activities and Mobile Financial Services activities are not eliminated) with the consolidated statement of financial position as of June 30, 2022.

(in millions of euros)	Orange consolidated financial statements	o/w telecom activities	Note	o/w Mobile Financial Services	Note	o/w eliminations telecom activities / mobile financial services
Non-current financial assets related to Mobile Financial Services activities	725	-		725	12.1.1	-
Non-current financial assets	968	995	10.5	-		(27) ⁽¹⁾
Non-current derivatives assets	1,655	1,555	10.3	100		-
Current financial assets related to Mobile Financial Services activities	2,548	-		2,552	12.1.1	(4)
Current financial assets	3,008	3,008	10.5	-		(1)
Current derivatives assets	14	14	10.3	-		-
Cash and cash equivalents	8,259	7,872	10.3	387		-
Non-current financial liabilities related to Mobile Financial Services activities	0	-		28	12.1.2	(27) ⁽¹⁾
Non-current financial liabilities	33,191	33,191	10.3	-		-
Non-current derivatives liabilities	231	160	10.3	70		-
Current financial liabilities related to Mobile Financial Services activities	3,199	-		3,199	12.1.2	(1)
Current financial liabilities	3,178	3,182	10.3	-		(4)
Current derivatives liabilities	10	10	10.3	-		-

(1) Loan granted by Orange SA to Orange Bank.

10.2 Income and expenses related to financial assets and liabilities

The cost of net financial debt consists of income and expenses relating to the components of net financial debt during the period.

The net foreign exchange financial loss includes the impact of revaluation of the economic hedges of foreign exchange risk on notional amounts of subordinated notes denominated in pounds sterling and recognized in equity at their historical value (see Note 13.4).

As of June 30, 2022, the consolidated statement of comprehensive income includes a gain in cash flow hedges amounting to 488 million euros (of which 438 million euros related to fully consolidated entities), against 193 million euros in the first semester of 2021. These effects mainly reflect the hedges, via cross currency swaps, of future coupons on Group debts denominated in foreign currencies. The gain on the first half of 2022 is mainly due to the appreciation of the US dollar against the euro and by the reduction of the long-term interest rate spread. The gain of the first half of 2021 was mainly due to the appreciation of the pound sterling and the US dollar against the euro.

10.3 Net financial debt

Net financial debt as defined and used by Orange does not include Mobile Financial Services activities for which the concept is not relevant and is described in the following table:

(in millions of euros)	June 30, 2022	December 31, 2021
TDIRA ⁽¹⁾	636	636
Bonds	29,913	29,010
Bank loans and from development organizations and multilateral lending institutions	3,303	3,206
Debt relating to financed assets	268	245
Cash collateral received	1,303	389
NEU Commercial Paper ⁽²⁾	664	1,457
Bank overdrafts	209	342
Other financial liabilities	76	64
Current and non-current financial liabilities (excluding derivatives) included in the calculation of net financial debt	36,373	35,348
Current and non-current derivatives (liabilities) ⁽³⁾	171	285
Current and non-current derivatives (assets) ⁽³⁾	(1,569)	(689)
Other comprehensive income components related to unmatured hedging instruments	252	(192)
Gross financial debt after derivatives (a)	35,227	34,751
Cash collateral paid ⁽⁴⁾	(20)	(27)
Investments at fair value ⁽⁵⁾	(2,958)	(2,266)
Cash equivalents	(5,523)	(5,479)
Cash	(2,349)	(2,709)
Assets included in the calculation of net financial debt (b)	(10,849)	(10,481)
Net financial debt (a) + (b)	24,377	24,269

(1) Perpetual securities redeemable in shares.

(2) Negotiable European Commercial Papers (formerly called "commercial papers").

(3) As of June 30, 2022, the foreign exchange effect of the cross-currency swaps hedging foreign exchange risk on gross debt notional is an unrealized gain of 974 million euros.

(4) Only cash collateral paid, included in non-current financial assets of the consolidated statement of financial position, are deducted from gross financial debt.

(5) Only investments at fair value, included in current financial assets of the consolidated statement of financial position, are deducted from gross financial debt.

10.4 Main bonds and bank loans repayments and issuances

During the first semester of 2022, Orange SA did not make any significant repayments of bonds or bank loans.

Orange SA issued a sustainable bond on May 18, 2022 of 500 million euros maturing on May 18, 2032, with a coupon of 2.375%.

Médi Telecom issued two bonds on June, 3rd 2022:

- 300 million Moroccan dirhams (i.e. 28 million euros at the ECB daily reference rate) with a coupon of 2.6%;
- 1,200 million Moroccan dirhams (i.e. 114 million euros at the ECB daily reference rate) with a one-year variable coupon BDT (Moroccan treasury bonds) rate increased by 55 bps.

10.5 Financial assets

The financial assets break down as follows:

(in millions of euros)	June 30, 2022			December 31, 2021
	Non-current	Current	Total	Total
Financial assets at fair value through other comprehensive income that will not be reclassified to profit or loss	412	-	412	431
Investments securities	412	-	412	431
Financial assets at fair value through profit or loss	251	2,957	3,208	2,496
Investments at fair value ⁽¹⁾	-	2,958	2,958	2,266
Investments securities	231	-	231	203
Cash collateral paid	20	-	20	27
Financial assets at amortized cost	332	50	382	363
Receivables related to investments ⁽²⁾	85	39	123	105
Other	248	11	259	258
Total financial assets	995	3,008	4,003	3,290

(1) NEU Commercial papers and bond securities only.

(2) Including loan granted by Orange SA to Orange Bank (27 million euros).

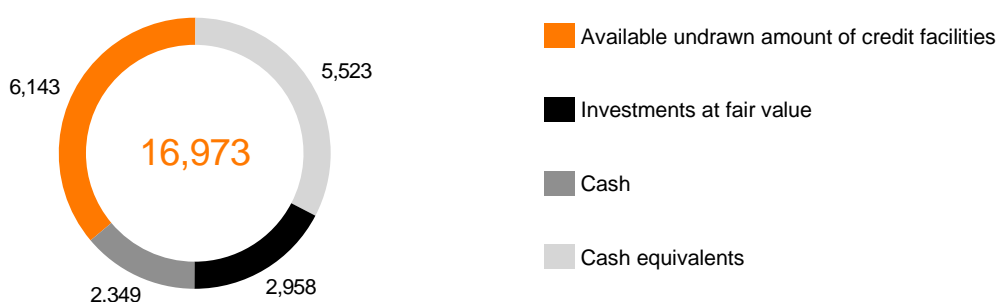
Note 11 Information on market risk and fair value of financial assets and liabilities (telecom activities)

11.1 Risk management policy

During the first semester of 2022, in line with the 2021 financial year, the risk management Group policy related to the financial instruments has not been challenged by the health crisis. The armed conflict that began on February 24, 2022 and its consequences on the financial market also did not challenge the risk management Group policy related to the financial instruments. Thus, the Group has kept its hedging policy to minimize its exposure to interest rate and operating and financial foreign exchange risks. Cash flow hedge relationships have not been challenged by the crisis. Furthermore, Orange has continued to diversify its sources of funding that allow the Group to present the following liquidity position at June 30, 2022:

Liquidity position

(in millions of euros)



For specific management of counterparty risk related to customer accounts, see Note 4.

11.2 Orange's credit ratings

Orange's credit ratings have not changed since December 31, 2021.

At June 30, 2022, Orange's debt ratings are set forth below:

	Standard & Poor's	Moody's	Fitch Ratings
Long-term debt	BBB+	Baa1	BBB+
Outlook	Stable	Stable	Stable
Short-term debt	A2	P2	F2

11.3 Financial ratios

The financial ratios described at December 31, 2021 remain complied with.

11.4 Fair value levels of financial assets and liabilities

During the first half of 2022, no significant event has occurred regarding the fair value of financial assets and liabilities.

Note 12 Mobile Financial Services activities

12.1 Financial assets and liabilities of Mobile Financial Services

The financial statements of Mobile Financial Services activities were put into the format of Orange Group's consolidated financial statements and therefore differ from a presentation that complies with the banking format.

In order to improve the readiness of financial statements and to be able to distinguish the performance of telecom activities from the performance of Mobile Financial Services, the notes related to financial assets and liabilities as well as financial income or expenses are split to respect these two business areas.

Thus, Note 10 presents the financial assets, liabilities and related gains and losses specific to telecom activities and Note 12 concerns the activities of Mobile Financial Services with regard to its assets and liabilities, with net financial income being not material.

The following table reconciles the contributive balances of assets and liabilities for each of these two areas (intra-group transactions between telecom activities and Mobile Financial Services activities are not eliminated) with the consolidated statement of financial position at June 30, 2022.

(in millions of euros)	Orange consolidated financial statements	o/w telecom activities	<i>Note</i>	o/w Mobile Financial Services	<i>Note</i>	o/w eliminations telecom activities / mobile financial services
Non-current financial assets related to Mobile Financial Services activities	725	-		725	12.1.1	-
Non-current financial assets	968	995	10.5	-		(27) ⁽¹⁾
Non-current derivatives assets	1,655	1,555	10.3	100		-
Current financial assets related to Mobile Financial Services activities	2,548	-		2,552	12.1.1	(4)
Current financial assets	3,008	3,008	10.5	-		(1)
Current derivatives assets	14	14	10.3	-		-
Cash and cash equivalents	8,259	7,872	10.3	387		-
Non-current financial liabilities related to Mobile Financial Services activities	0	-		28	12.1.2	(27) ⁽¹⁾
Non-current financial liabilities	33,191	33,191	10.3	-		-
Non-current derivatives liabilities	231	160	10.3	70		-
Current financial liabilities related to Mobile Financial Services activities	3,199	-		3,199	12.1.2	(1)
Current financial liabilities	3,178	3,182	10.3	-		(4)
Current derivatives liabilities	10	10	10.3	-		-

(1) Loan granted by Orange SA to Orange Bank.

The Mobile Financial Services segment includes Orange Bank and other entities. As the contribution of other entities to the statement of financial position of the Mobile Financial Services segment and a fortiori of the Group is not material, only Orange Bank data is presented in detail below.

12.1.1 Financial assets related to Orange Bank transactions (excluding derivatives)

The financial assets related to Orange Bank transactions break down as follows:

(in millions of euros)	June 30, 2022			December 31, 2021
	Non-current	Current	Total	Total
Financial assets at fair value through other comprehensive income that will not be reclassified to profit or loss	3	-	3	3
Investments securities	3	-	3	3
Financial assets at fair value through other comprehensive income that may be reclassified to profit or loss	322	5	327	441
Debt securities	322	5	327	441
Financial assets at fair value through profit or loss	17	-	17	73
Investments at fair value	-	-	-	-
Cash collateral paid	8	-	8	59
Other	9	-	9	14
Financial assets at amortized cost	383	2,523	2,906	2,752
Fixed-income securities	383	2	385	387
Loans and receivables to customers	-	2,363	2,363	2,297
Loans and receivables to credit institutions	-	133	133	66
Other	-	26	26	1
Total financial assets related to Orange Bank activities	725	2,528	3,253	3,268

Debt securities measured at fair value through other comprehensive income that may be reclassified subsequently to profit or loss

(in millions of euros)	June 30, 2022	December 31, 2021
Debt securities measured at fair value through other comprehensive income that may be reclassified to profit or loss - in the opening balance	441	540
Acquisitions	385	732
Repayments and disposals	(495)	(839)
Changes in fair value	(1)	-
Other items	(3)	7
Debt securities measured at fair value through other comprehensive income that may be reclassified to profit or loss - in the closing balance	327	441

Orange Bank's loans and receivables

Loans and receivables of Orange Bank are composed of loans and receivables to customers and credit institutions.

In the context of adapting Orange Bank's accounts into the Group's financial statements, the following have been considered as loans and advances to customers: clearing accounts and other amounts due, as well as amounts related to securities transactions on behalf of customers.

At June 30, 2022, loans and receivables of Orange Bank to customers are mainly composed of overdrafts (844 million euros), housing loans (for 994 million euros) and the purchase of receivables between Orange Bank Spain and Orange Spain (524 million euros).

Orange Bank's loans and receivables from credit institutions are mainly composed of current assets corresponding to overnight deposits and loans.

12.1.2 Financial liabilities related to Orange Bank transactions (excluding derivatives)

Debts related to Orange Bank operations are composed of payables and debts with customers for 1,774 million euros, with credit institutions for 1,028 million euros as well as by certificates of deposits for 364 million euros.

At June 30, 2022, debts related to Orange Bank operations with customers are mainly composed of special savings accounts for 1,056 million euros and current accounts for 718 million euros.

Debts related to Orange Bank operations with financial institutions are mainly composed of term borrowings and advances.

12.2 Information on credit risk management related to Orange Bank activities

The health crisis and the war in Ukraine have generated an inflationary environment. In this context, Orange Bank has maintained a cautious provisioning policy, given the uncertainty of the economy.

At June 30, 2022, Orange Bank has not observed any deterioration in its loan portfolio with the default rate remaining below 4% (part of loans 90 days past due). The uncertainties linked to the war in Ukraine and inflation in France and Spain are taken into consideration through provisions for 11 million euros.

The cost of risk of Orange Bank is 21 million euros (1.7% of average outstanding), including 5 million euros in France (0,6% of average outstanding).

In Spain, Orange Bank recognizes provisions linked to its receivables assignment program with Orange Spain based on the increase of the default rate of the receivables over the period. In this regard, at June 30, 2022, Orange Bank recognized a 15 million euros net depreciation (6% of average outstanding), compared to 20 million euros (7% of average outstanding) at December 31, 2021. The increase in the cost of risk in Spain compared to 2021 is explained by the increase in the volume of outstandings over the period.

12.3 Information on interest rate risk management related to Orange Bank activities

In the current interest rate environment, and given the structure of Orange Bank's balance sheet, the net interest margin (NIM or the difference between interest income and expense) should be positively impacted in the long term by a rise in rates and by a steepening in the yield curve.

In addition, Orange Bank has partially immunized the instability of the net interest margin through the implementation of fixed rate borrower / variable rate payer swaps to hedge long term loans.

Note 13 Equity

At June 30, 2022, Orange SA's share capital amounted to 10,640,226,396 euros, divided into 2,660,056,599 ordinary shares with a par value of 4 euros each.

The shares held in registered form for at least two years by the same shareholder are granted with a double voting right. At June 30, 2022, the public sector owns 22.95% of Orange SA's share capital and 29.26% of the voting rights, and the employees of the Group own either within the employee shareholding plan or in registered form 7.65% of Orange SA's share capital and 11.48% of the voting rights.

13.1 Changes in share capital

No new shares were issued during the first half of 2022.

13.2 Treasury shares

As authorized by the Shareholders' Meeting of May 19, 2022, the Board of Directors implemented a new share Buyback Program (the 2022 Buyback Program) and canceled the 2021 Buyback Program, with immediate effect. This authorization is valid for a period of 18 months from the aforementioned Shareholders' Meeting. The 2022 Buyback Program is described in the Orange Universal Registration Document filed with the French Financial Markets Authority (*Autorité des marchés financiers* – AMF) on March 31, 2022.

At June 30, 2022, the Company held 1,289,818 of its own shares (of which 1,000 shares in connection with the liquidity contract and 1,288,818 shares in connection with the LTIP (Long Term Incentive Plan) 2020-2022 and 2021-2023 free share award plans).

During the first semester 2022, Orange delivered 720,682 treasury shares to the beneficiaries of the LTIP 2019-2021 free share award plans.

At December 31, 2021, the Company held 2,009,500 treasury shares (exclusively under the 2019-2021, 2020-2022 and 2021-2023 free share award plans).

13.3 Dividends

The Shareholders' Meeting held on May 19, 2022 approved the payment of a dividend of 0.70 euro per share in respect of the 2021 fiscal year. Given the payment of the interim dividend of 0.30 euro per share on December 15, 2021 for a total amount of 797 million euros, the balance of the dividend amounting to 0.40 euro per share was paid on June 9, 2022 for an amount of 1,063 million euros.

13.4 Subordinated notes

Nominal value of subordinated notes

During the first semester 2022, Orange did not issue, repurchase or redeem any subordinated notes.

The amount presented in the "subordinated notes" column of the consolidated statements of changes in shareholders' equity of 5,497 million euros corresponds to the nominal amount recorded at historical value (the bonds denominated in pounds sterling have not been revalued since their issue in 2014).

Subordinated notes remuneration

During the six months ended June 30, 2022, the remuneration of subordinated notes is as follows:

Initial issue date	Residual nominal value (in millions of currency)	Residual nominal value (in millions of euros)	Initial currency	Rate	June 30, 2022		June 30, 2021	
					(in millions of currency)	(in millions of euros)	(in millions of currency)	(in millions of euros)
2/7/2014	1,000	1,000	EUR	5.25 %	(53)	(53)	(53)	(53)
2/7/2014	-	-	GBP	5.88 %	-	-	(32)	(36)
10/1/2014	-	-	EUR	4.00 %	-	-	(3)	(3)
10/1/2014	1,250	1,250	EUR	5.00 %	-	-	-	-
10/1/2014	426	547	GBP	5.75 %	(24)	(29)	(33)	(38)
4/15/2019	1,000	1,000	EUR	2.38 %	(24)	(24)	(24)	(24)
9/19/2019	500	500	EUR	1.75 %	(9)	(9)	(9)	(9)
10/15/2020	700	700	EUR	1.75 %	-	-	-	-
5/11/2021	500	500	EUR	1.38 %	(7)	(7)	-	-
Subordinated notes remuneration classified in equity						(121)		(163)

The remuneration of holders is recorded in equity five working days before the annual payment date unless Orange exercises its right to defer the payment.

The tax impact relating to the remuneration of subordinated notes for 34 million euros is recorded in profit or loss in the period.

The tax effects from the conversion of subordinated notes whose par value is denominated in pounds sterling amounts to (3) million euros over the period. This effect is presented in "other movements" in the consolidated statements of change in shareholders' equity.

13.5 Cumulative translation adjustments

(in millions of euros)	June 30, 2022	June 30, 2021
Gain (loss) recognized in other comprehensive income during the period	(33)	103
Reclassification to net income for the period	(4)	(1)
Total cumulative translation adjustments	(37)	102

The change in cumulative translation adjustments recognized in other comprehensive income mainly includes:

- in the first half of 2022, the (37) million euros decrease is due to the depreciation of several currencies, including the Egyptian pound and the Polish zloty;
- in the first half of 2021, the 102 million euros increase was due to the appreciation of several currencies, including the Egyptian pound, the Polish zloty and the Jordanian dinar.

13.6 Non-controlling interests

(in millions of euros)	June 30, 2022	June 30, 2021
Dividends paid to non-controlling interests	277⁽¹⁾	216
<i>o/w sub-group Sonatel</i>	185	166
<i>o/w Orange Polska</i>	35	-
<i>o/w Médi Telecom</i>	33	-
<i>o/w Jordan Telecom</i>	17	11
<i>o/w sub-group Orange Côte d'Ivoire</i>	-	29
<i>o/w group Orange Belgium</i>	-	7

⁽¹⁾ Of which 177 million euros in dividends paid out at June 30, 2022.

(in millions of euros)	June 30, 2022	December 31, 2021
Credit part of equity attributable to non-controlling interests (a)	3,064	3,030
<i>o/w group Orange Polska</i>	1,226	1,170
<i>o/w sub-group Sonatel</i>	783	826
<i>o/w sub-group Orange Côte d'Ivoire</i>	287	257
<i>o/w sub-group Romania⁽¹⁾</i>	253	267
<i>o/w Jordan Telecom</i>	179	171
<i>o/w Médi Telecom</i>	128	148
<i>o/w group Orange Belgium</i>	142	138
Debit part of equity attributable to non-controlling interests (b)	(10)	(10)
Total equity attributable to non-controlling interests (a) + (b)	3,054	3,020

⁽¹⁾ Including the contribution of the Orange Romania Communications entity (see Note 3.2)

Note 14 Litigation and unrecognized contractual commitments

14.1 Litigation

At June 30, 2022, the provisions for risks recorded by the Group for all disputes in which the Group is involved (with the exception of liabilities relating to disputes between Orange and the tax or social administrations in relation to operational or income taxes or social contributions, which are recognized in the corresponding items of the balance sheet) amounted to 394 million euros compared with 405 million euros at December 31, 2021. Orange believes that any disclosure of the amount of provisions on a case-by-case basis for ongoing disputes could seriously harm the Group's position.

This note describes the new proceedings and developments in existing litigation having occurred since the publication of the consolidated financial statements for the year ended December 31, 2021.

- In the course of the ongoing proceedings in the "Enterprise" market segment opposing SFR, Céleste and Adista to Orange, Orange and Céleste have entered into a memorandum of understanding to end this dispute. This dispute is now closed. The proceedings with Adista are still ongoing.
- In their dispute over the reimbursement of overpayments for interconnection services provided by Orange, Orange and Verizon have entered into a memorandum of understanding that, among other things, ends this dispute. Verizon withdrew its claim before the Paris Court of Appeal on April 8, 2022. This dispute is now closed.
- In connection with the claim for damages by the Polish operators P4 for 316 million zlotys (i.e., 70 million euros), Polkomtel and Orange Polska had each appealed to the Supreme Court against the decision of the Court of Appeal, which had overturned the judgment of the Court of First Instance rejecting P4's claim. By decision dated January 25, 2022, the Supreme Court rejected Polkomtel's claim. The procedure is ongoing.
- In the dispute between Orange Romania and the Romanian Competition Council, the latter has appealed to the Supreme Court following the reversal of its decision by the Court of Appeal on June 24, 2021. The procedure is ongoing.
- In the dispute between Orange Mali, Sotelma SA and the Remacotem association, the Remacotem association carried out a seizure of receivables which Orange Mali contested. The enforcement judge cancelled the seizure. This cancellation was confirmed on May 6, 2022 by the Bamako Court of Appeal, which granted the operators a 6-month grace period. At the same time, the proceedings before the Malian Supreme Court are continuing.
- The Evaluation and Compensation Committee set up as part of the France Telecom employee-related crisis trial has completed the analysis and processing of all the claims received. The re-examination of certain claims considered to be outside the Committee's mandate has been entrusted by Orange to experts of the Company assisted by two members of the Evaluation and Compensation Committee.

Apart from the proceedings mentioned above, there are no other administrative, legal or arbitration proceedings (whether pending, suspended or threatened) of which Orange is aware, either new or having evolved since the publication of the consolidated financial statements for the year ended December 31, 2021, which have had over the period, or which may have, a material impact on the Group's financial position or profitability.

14.2 Unrecognized contractual commitments

During the first half of 2022, with the exception of the commitment mentioned below, no major event has impacted the unrecognized contractual commitments described in the 2021 consolidated financial statements.

Following the auctions of 2G, 3G, 4G and 5G licenses that took place in the first half of the year in Belgium, Orange Belgium is now committed to pay 294 million euros, that are 322 million euros less the 28 million euros paid out as a deposit allowing to participate in the auction.

Note 15 Subsequent events

Orange SA: distribution of an interim dividend

At its meeting held on July 27, 2022, the Board of Directors resolved to distribute an interim dividend of 0.30 euro per share in respect of 2022. This interim dividend will be paid in cash on December 7, 2022. The estimated payment amounts to 797 million euros based on the number of ordinary shares outstanding as of June 30, 2022.

Merger of Deezer into SPAC I2PO and initial public offering

On July 4, 2022, Deezer, in which the Group held 10.42%, was merged into I2PO, the SPAC (Special Purpose Acquisition Company), and was listed on the stock exchange on July 5, 2022 (see Note 3.2).

Signing of an agreement between Orange and MásMóvil to combine their activities in Spain

Following the period of exclusive negotiations initiated on March 8, 2022, Orange and MásMóvil have signed a binding agreement on July 23 relating to the combination of their activities in Spain.

The transaction is based on an enterprise value of 18.6 billion euros, of which 7.8 billion euros for Orange Spain and 10.9 billion euros for MásMóvil. The transaction is supported by a 6.6 billion euros of non-recourse debt package that will finance, among other things, a 5.85 billion euros payment up-streamed to the Orange Group and MásMóvil shareholders (Lorca JVCo). This distribution to the shareholders will be asymmetric as it also embeds an equalization payment in favor of Orange to reflect the different levels of indebtedness of the two standalone businesses. MásMóvil's existing debt will remain in place.

The transaction is subject to approval from the European commission and other relevant administrative authorities and is expected to close during the second half of 2023 at the latest.

This business combination will take the form of a 50-50 joint venture, co-controlled by Orange and MásMóvil (Lorca JVCo), with equal governance rights in the combined entity.

The agreement between parties includes a right to trigger an IPO (Initial Public Offering) under certain conditions for both parties after a defined period and, in such a scenario, an option for Orange to take control of the combined entity. Orange will neither be forced to sell its stake or exercise its option.

This joint venture between MásMóvil and Orange will create a sustainable player with the financial capacity and scale to continue investing to foster the future of infrastructure competition in Spain for the benefit of consumers and businesses.

A joint venture between the two complementary businesses would lead to significant efficiency gains, allowing the combined company to accelerate investments in FTTH and 5G that will benefit Spanish consumers and businesses.

Expected response from the European Directorate-General for Competition (DG COMP) regarding the takeover of the Belgian operator VOO

On December 24, 2021, Orange Belgium announced the signing of an agreement to acquire 75% minus one share in VOO SA.

Completion of the transaction is subject to customary conditions precedent, in particular the approval of the European Commission, whose response following the preliminary review (phase 1) is expected on July 28, 2022.

If the Group was not to offer the commitments required by DG COMP to obtain an authorization in phase 1, the authority would then open an in-depth examination procedure, known as phase 2, of which the conclusions are expected by the end of 2022.

Statutory auditors' review report on the half-year financial information

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Orange S.A.

Registered office: 111, quai du Président Roosevelt - 92130 Issy-les-Moulineaux

Share capital: € 10 640 226 396

For the period from January 1, 2022 to June 30, 2022

To the Shareholders,

In compliance with the assignment entrusted to us by your general assembly and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Orange S.A., for the period from January 1 to June 30, 2022,
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I- Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

II- Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris La Défense, on the July 28, 2022

Paris La Défense, on the July 28, 2022

KPMG Audit

Deloitte & Associés

Département de KPMG S.A.

French original signed by,

Jacques Pierre

Christophe Patrier

Partner

Partner