

Altice France

Statutory auditors' report on the consolidated financial statements



Year ended December 31, 2024

16, rue du Général Alain de Boissieu

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ALTICE FRANCE

Statutory auditors' report on the consolidated financial statements

Year ended December 31, 2024

*This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users. This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

To the Annual General Meeting of Altice France,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements Altice France for the year ended December 31, 2024.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2024 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the “*Statutory Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements*” section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*code de commerce*) and the French Code of Ethics (*code de déontologie*) for statutory auditors for the period from January 1, 2024 to the date of our report.

Justification of assessments

In accordance with the requirements of Articles L. 821-53 and R. 821-180 of the French Commercial Code (*code de commerce*) relating to the justification of our assessments, we inform you of the following assessments that, in our professional judgment, were of most significance in our audit of the financial statements of the current period.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Note 3 “Use of estimates and judgements” to the consolidated financial statements explains the main accounting principles and estimates underlying the preparation of the consolidated financial statements. This Note also discloses that, in the current economic context, certain facts and circumstances may result in changes to the estimates and assumptions made which may impact the Group’s future financial position, profits, and cash flows. These significant estimates mainly relate to provisions, goodwill, financial instruments, and deferred tax assets:

- The Group makes provisions to cover litigation risks as described in Note 2.20 “Provisions” to the consolidated financial statements. Our procedures primarily consisted in assessing, based on the information made available to us, the data and assumptions underlying these estimates, and reviewing the Company’s calculations, on a test basis. We have also verified that the possible uncertainties and the main disputes identified have been appropriately disclosed in Note 34 “Litigation” to the consolidated financial statements.

- The Group systematically carries out goodwill impairment tests at the end of each accounting period, in accordance with the procedure described in Note 2.13 “Impairment of assets” to the consolidated financial statements. We have analyzed the method for testing asset impairment, as well as cash flow forecasts and assumptions used, and we have verified that Note 11 “Goodwill and Impairment tests” to the consolidated financial statements provides the appropriate disclosures.
- Note 2.19 “Derivative instruments” to the consolidated financial statements explains the accounting policies for derivative instruments used by the Group. We have verified the correct application of the accounting policies, checked the consistency of the assumptions used to calculate the fair value of derivative instruments, and verified that Note 27 “Financial instruments” to the consolidated financial statements provide the appropriate disclosures.
- The Group limits the recognition of deferred taxes related to tax loss carryforward and other temporary differences on the basis of a five-year business plan. The note 10.3 “Change in deferred taxes by basis” of the notes to the consolidated financial statements disclose the different types of deferred taxes. We assessed the data and assumptions on which their recognition is based, reviewed the Company's calculations, and verified that Note 2.5 “Current and deferred tax” and Note 10 “Taxation” provide appropriate disclosures.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information pertaining to the Group presented in the Board of Directors’ management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L.225-102-1 of the French Commercial Code (*code de commerce*) is included in the Group management report, it being specified that, in accordance with Article L.823-10 of this code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information must be reported on by an independent third party.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 821-55 of the French Commercial Code (*code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion.
- The risk of not detecting a material misstatement resulting from fraud is higher than for one

resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Paris-La Défense, April 15, 2025

The Statutory Auditors

French original signed by

KPMG S.A.

Deloitte & Associés

Nicolas Piofret
Partner

Hélène De Bie
Partner

Altice France S.A.



**Consolidated financial statements as of and for the year
ended
December 31, 2024**

Altice France S.A. – Consolidated financial statements 2024

Consolidated statement of income (€m)	Note	December 31, 2024	December 31, 2023
Revenues	6.1	10,368.4	11,144.9
Purchasing and subcontracting costs		(2,642.1)	(3,135.9)
Other operating expenses	8	(1,892.1)	(1,889.0)
Staff costs and employee benefits	7	(1,174.1)	(1,168.5)
Depreciation, amortisation, and impairment		(3,069.3)	(3,307.7)
Other expenses and income	6.2	2,777.4	(149.5)
Operating profit		4,368.1	1,494.2
Interest relative to gross financial debt		(1,237.4)	(1,141.1)
Realised and unrealised gain/(loss) on derivative instruments linked to financial debt		(18.3)	(577.7)
Finance income		160.8	178.6
Other financial expenses		(764.6)	(703.0)
Net result on extinguishment of financial liabilities		3.8	(66.2)
Finance costs, net	9	(1,855.7)	(2,309.4)
Share in earnings/(losses) of associates and joint ventures	16	(54.1)	(158.8)
Income tax benefit/(expenses)	10	(483.8)	(129.3)
Profit/(loss)		1,974.5	(1,103.3)
<i>Attributable to equity holders of the parent</i>		<i>1,942.4</i>	<i>(1,143.4)</i>
<i>Attributable to non-controlling interests</i>		<i>32.2</i>	<i>40.1</i>

Consolidated statement of other comprehensive income (€m)	Note	December 31, 2024	December 31, 2023
Profit/(loss)		1,974.5	(1,103.3)
Items that may be subsequently reclassified to profit or loss:			
Foreign currency translation adjustments		3.4	0.2
Cash flow hedges		2.7	46.2
Related taxes	10.3	(1.8)	(11.9)
Other items related to associates and joint ventures		-	-
Items that will not be subsequently reclassified to profit or loss:			
Actuarial gain/(loss)	29	(14.5)	7.1
Related taxes	10.3	5.9	(1.7)
Total comprehensive profit/(loss)		1,970.2	(1,063.4)
<i>Of which:</i>			
<i>Attributable to equity holders of the parent</i>		<i>1,937.1</i>	<i>(1,104.2)</i>
<i>Attributable to non-controlling interests</i>		<i>33.1</i>	<i>40.7</i>

The accompanying notes form an integral part of these consolidated financial statements.

Altice France S.A. – Consolidated financial statements – December 31, 2024.

Consolidated statement of financial position (€m)	Note	December 31, 2024	December 31, 2023 Revised (*)
Assets			
Goodwill	11	9,612.1	10,146.6
Intangible assets	12	4,954.7	5,152.9
Contracts costs	13	172.0	175.6
Property, plant, and equipment	14	6,015.4	6,208.9
Rights of use assets	15	3,293.8	3,705.1
Investments in associates and joint ventures	16	217.7	703.4
Financial assets	17	3,284.3	1,274.1
Deferred tax assets	10	4.3	445.6
Other assets	17	266.8	209.6
Total non-current assets		27,821.3	28,021.6
Inventories	18	335.3	390.2
Trade and other receivables	19	3,285.5	3,775.6
Contracts assets	13	152.7	164.6
Tax assets	10	3.1	29.7
Financial assets	20	2,009.6	1,431.9
Cash and cash equivalents	21	2,867.1	451.1
Assets classified as held for sale	22	-	359.0
Total current assets		8,653.2	6,602.2
Total assets		36,474.4	34,623.8

Consolidated statement of financial position (€m)	Note	December 31, 2024	December 31, 2023 Revised (*)
Equity and liabilities			
Issued capital	23	443.7	443.7
Additional paid in capital		1,066.0	1,066.0
Reserves		(762.8)	(2,688.9)
Equity attributable to owners of the company		746.9	(1,179.2)
Non-controlling interests		63.0	53.0
Total equity		809.9	(1,126.2)
Borrowings, financial liabilities and relating hedging instruments	24	19,629.0	20,371.7
Lease liabilities	24	5,357.0	5,600.5
Other financial liabilities	24	66.1	84.4
Provisions	28	202.3	223.1
Contracts liabilities	13	509.7	491.5
Deferred tax liabilities	10	31.7	34.1
Other liabilities	30	613.8	711.7
Total non-current liabilities		26,409.5	27,517.0
Borrowings, financial liabilities	24	1,740.8	492.0
Lease liabilities	24	589.3	673.3
Other financial liabilities	24	966.8	1,171.5
Trade and other payables	31	5,250.2	5,214.7
Contracts liabilities	13	494.6	426.4
Tax liabilities	10	9.0	17.0
Provisions	28	162.5	197.5
Other liabilities	31	41.7	40.8
Liabilities directly associated with assets classified as held for sale	22	-	-
Total current liabilities		9,255.0	8,233.1
Total equity & liabilities		36,474.4	34,623.8

(*) Previously published information has been revised to take into account the impact following the adoption of the amendments in Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 – *Presentation of financial statements*). For the reconciliation to previously published results, refer to Note 1.2.1 – *Standards and interpretations applied from January 1, 2024*.

The accompanying notes form an integral part of these consolidated financial statements.

Altice France S.A. – Consolidated financial statements – December 31, 2024.

Equity attributable to owners of the company							
Consolidated statement of changes in equity	Capital	Additional paid-in capital	Reserves	Other Comprehensive Income (OCI)	Total	Non-controlling interests	Consolidated equity
(€m)							
Position as of December 31, 2022	443.7	1,066.0	(1,561.3)	(22.4)	(74.0)	28.0	(46.0)
Dividends paid	-	-	-	-	-	(15.8)	(15.8)
Comprehensive income (loss)	-	-	(1,143.4)	39.3	(1,104.2)	40.7	(1,063.4)
Other movements	-	-	(1.1)	-	(1.1)	-	(1.1)
Position as of December 31, 2023	443.7	1,066.0	(2,705.8)	16.9	(1,179.2)	53.0	(1,126.2)
Dividends paid	-	-	-	-	-	(27.6)	(27.6)
Comprehensive income (loss)	-	-	1,942.4	(5.2)	1,937.1	33.1	1,970.2
Transactions with non-controlling interests	-	-	(12.6)	-	(12.6)	4.6	(8.0)
Other movements	-	-	1.6	-	1.6	-	1.6
Position as of December 31, 2024	443.7	1,066.0	(774.5)	11.7	746.9	63.0	809.9

Breakdown of changes in equity related to OCI	December 31,	December 31,	December 31,	Change	
	2022	2023	2024	2023 vs 2022	2024 vs 2023
(€m)					
Hedging instruments	(53.3)	(7.1)	(4.4)	46.2	2.7
Related taxes	13.8	1.8	-	(11.9)	(1.8)
Actuarial gains and losses	19.6	26.7	12.2	7.1	(14.5)
Related taxes	(5.1)	(6.7)	(0.9)	(1.7)	5.9
Foreign currency translation adjustments	(2.5)	(2.3)	1.1	0.2	3.4
Items related to associates and joint ventures	5.2	5.2	5.2	-	-
Total	(22.3)	17.6	13.3	39.9	(4.3)

The accompanying notes form an integral part of these consolidated financial statements.

Altice France S.A. – Consolidated financial statements – December 31, 2024.

Consolidated statement of cash flows (€m)	Note	December 31, 2024	December 31, 2023
Net income (loss), Group share		1,942.4	(1,143.4)
<i>Adjustments:</i>			
Result attributable to non-controlling interests		32.2	40.1
Depreciation, amortisation, and provision		3,035.7	3,265.5
Share in (earnings)/losses of associates and joint ventures	16	54.1	158.8
Finance costs recognised in the statement of income	9	1,855.7	2,309.4
Income tax (benefit) expense recognised in the statement of income	10	483.8	129.3
Other non-cash items (a)		(2,930.2)	17.8
Income tax paid		(55.3)	(109.4)
Change in working capital		367.7	(335.0)
Net cash provided (used) by operating activities		4,786.0	4,333.2
Payments to acquire tangible and intangible assets and contract costs	6.3	(2,086.0)	(2,347.4)
Payments for acquisition of consolidated entities, net of cash acquired		(129.4)	(52.0)
Payments related to other financial assets (*)		(828.4)	-
Proceeds from other financial assets (*)		538.6	(1.9)
Proceeds from disposal of tangible and intangible assets		49.1	23.3
Proceeds from disposal of consolidated entities, net of cash disposed (**)		2,495.5	-
Net cash provided (used) by investing activities		39.4	(2,378.0)
Dividends paid to non-controlling interests		(27.6)	(17.0)
Dividends received (*)		548.9	5.1
Issuance of debt	24	586.5	6,710.1
Repayment of debt	24	(426.8)	(6,218.8)
Restructuring of swap instruments (***)	25	31.3	634.2
Interest paid on debt		(1,180.9)	(1,032.2)
Lease payment (principal) related to Right of Use (ROU)		(663.3)	(619.4)
Lease payment (interest) related to ROU		(590.6)	(545.6)
Other cash (used in)/provided by financing activities (b)		(689.1)	(789.9)
Net cash provided (used) by financing activities		(2,411.7)	(1,873.4)
Net increase (decrease) in cash and cash equivalents		2,413.7	81.8
Effects of exchange rate changes on the balance of cash held in foreign currencies		2.3	0.9
Cash and cash equivalents at beginning of period		451.1	368.4
Cash and cash equivalents at end of period	21	2,867.1	451.1
(*) Refer to Note 4.5 – <i>Participation in XpFibre Holding</i> .			
(**) Refer to Note 4.2 – <i>Disposal of La Poste Telecom</i> : €0.5 billion; Note 4.4 – <i>Disposal of UltraEdge to Morgan Stanley Infrastructure Partners</i> : €0.5 billion and Note 4.6 – <i>Disposal of the Altice Media division</i> : €1.55 billion.			
(***) Refer to Note 25.2 – <i>Cross currency swaps and interest rate swaps</i> .			
Net gain from disposal of Altice Media		(827.2)	-
Net gain from disposal of UltraEdge		(313.1)	-
Net gain from disposal of La Poste Telecom		(482.8)	-
Net gain from disposal of XpFibre Holding		(1,400.1)	-
Other		93.0	17.8
(a) Other non-cash items		(2,930.2)	17.8
Commercial paper		-	(43.5)
Reverse factoring		(663.6)	(271.9)
Securitisation		541.1	9.3
Bank overdrafts		5.5	1.0
Transaction with non-controlling interests		(4.0)	(18.0)
Unwinding of swap instruments		(69.3)	-
Other interest paid		(137.8)	(89.5)
Loans to Altice Group affiliates and other		(361.1)	(377.2)
(b) Other cash (used in)/provided by financing activities		(689.1)	(789.9)

The accompanying notes form an integral part of these consolidated financial statements.

Notes to the annual consolidated financial statements

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1. Basis of preparation of the consolidated financial statements

Altice France (hereinafter the “Company” and, together with its subsidiaries, the “Group”) is a limited liability corporation (*société anonyme*) formed under French law in August 2013 with headquarters in France. The Group is one of the largest group of companies operating in the telecommunications space in France and is part of a larger group with a common activity (the “Altice Group”).

Created subsequent to the merger of Numericable and SFR, the Group has a major position in all segments of the French B2C, B2B, local authorities and wholesale telecommunications market.

As of December 31, 2024, Altice France Holding S.A. (“Altice France Holding”) holds 100% of the capital of the Company minus one share, which is held by Altice Luxembourg S.A. (“Altice Luxembourg”). The ultimate controlling shareholder of Altice Luxembourg is Next Alt S.à r.l. (“Next Alt”), which is itself controlled by Mr Patrick Drahi.

The Group’s activities cover the French telecommunication market including technical and customers services (Altice Technical Services France (“ATSF”) and Altice Customer Services (“ACS”)) and also covered the French audiovisual market until the sale of the Media division to CMA CGM that closed on July 2, 2024 (Refer to Note 4.6 – *Disposal of the Altice Media division*).

The consolidated financial statements were prepared and approved by the Company’s Board of Directors on April 14, 2025.

1.1. Basis of preparation of financial information

In accordance with French law, the consolidated financial statements will be considered final once they have been approved by the Company’s shareholders at the Ordinary Shareholders’ Meeting, which will be held no later than June 30, 2025.

The consolidated financial statements for the year ended December 31, 2024, comprise the consolidated statement of financial position, the consolidated statement of income, the consolidated statement of other comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in equity and the accompanying notes, presented in euro millions. They have been prepared in accordance with International Financial Reporting Standards (“IFRS”) published by the IASB (International Accounting Standards Board), as adopted by the European Union (EU) on December 31, 2024. These international standards include the IAS (International Accounting Standards), IFRS (International Financial Reporting Standards) and their interpretations (SIC and IFRIC).

The accounting and valuation principles defined in the IFRS as adopted by the European Union are available on the following website: https://ec.europa.eu/info/index_en

1.2. New standards and interpretations

1.2.1. Standards and interpretations applied from January 1, 2024

The following standards have mandatory application for periods beginning on or after January 1, 2024:

- Supplier Finance Arrangements (Amendments to IAS 7 – *Statement of Cash Flows* and IFRS 7 – *Financial Instruments: Disclosures*), effective on or after January 1, 2024;
- Amendments to IAS 1 (*Presentation of Financial Statements*) – *Classification of Liabilities as Current or Non-current*, effective on or after January 1, 2024;
- Amendments to IAS 1 – *Non-current Liabilities with Covenants*, effective on or after January 1, 2024; and
- Amendments to IFRS 16 (*Leases*) – *Lease Liability in a Sale and Leaseback*, effective on or after January 1, 2024.

Except for the application of the amendments related to the Classification of Liabilities as Current or Non-current, described below, the application of the other amendments had no material impact on the amounts recognised or on the disclosures in these consolidated financial statements.

In consequence of the application of the amendments in Classification of Liabilities as Current or Non-Current, an amount of €698.4 million was reclassified from the line “short-term borrowings, financial liabilities and related hedging instruments” to the line “long-term borrowings, financial liabilities and related hedging instruments” with retrospective application in these consolidated financial statements:

	December 31, 2023 published	December 31, 2023 revised
Non-current liabilities		
Long-term borrowings, financial liabilities and related hedging instruments	19,673.3	20,371.7
Total non-current liabilities	19,673.3	20,371.7
Current liabilities		
Short-term borrowings, financial liabilities and related hedging instruments	1,190.4	492.0
Total current liabilities	1,190.4	492.0

1.2.2. Standards and interpretations not yet applied

The Group has not early adopted the following standards and interpretations, for which application is not mandatory for periods starting from January 1, 2024, and that may impact the amounts reported:

- Amendments to IFRS 10 – *Consolidated Financial Statements* and IAS 28 (*Investments in Associates and Joint Ventures*) – *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*, the effective date of the amendments has not yet been determined by the IASB;
- Amendments to IAS 21 (*The Effects of Changes in Foreign Exchange Rates*) – *Lack of Exchangeability*, effective on or after January 1, 2025;
- Amendments to IFRS 1 – *First-time Adoption International Financial Reporting Standards*, IFRS 7, IFRS 9 – *Financial Instruments*, IFRS 10 and IAS 7 based on Annual Improvements to IFRS Accounting Standards – Volume 11 issued by IASB, effective on or after January 1, 2026;
- Amendment to IFRS 9 and IFRS 7 (*Classification and measurement of financial instruments*), effective on or after January 1, 2026; and
- IFRS 18 – *Presentation and disclosure in Financial Statements*, effective on or after January 1, 2027.

The Board of Directors anticipates that the application of those amendments will not have a material impact on the amounts recognised in these consolidated financial statements.

1.2.3. Pillar Two Rules

In December 2023, the government of the Grand Duchy of Luxembourg, where the ultimate parent company of the Group, Next Alt, is incorporated, has enacted the Pillar Two corporate income tax legislation as per “European Union Directive on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union” which aims to ensure an effective tax rate of at least 15% for in-scope multinationals. Several jurisdictions, of which France, in which the Group operates have enacted or practically enacted similar legislation.

According to these rules, Next Alt will be considered as the parent company of a multinational enterprise group to which the Pillar Two model shall be applied.

The Group’s assessment has considered the rules established by the Organization for Economic Cooperation and Development (OECD) released guidance. The preliminary view of the Group is that many of the jurisdictions, where it operates, should benefit from the transitional Country by Country Reporting Safe Harbor and no material operations have been identified to have current domestic corporate tax rate below 15%. Therefore, for these consolidated financial statements, the impact of the global minimum tax is assessed to be limited on both the Company’s effective tax rate and the income tax expense in year ended December 31, 2024. The Group is continuously assessing the impact of the Pillar Two corporate income tax legislation.

1.3. War in Ukraine

The evolution of the situation in Ukraine is uncertain and is closely followed by the Group with respect to potential indirect consequences on the financial markets. The Group has no direct interests in Ukraine or Russia and the areas of conflict.

As a result, the Group estimates that the situation in Ukraine will have limited effect on its operations and financial performance for future periods.

1.4. Climate related matters

For the year ending December 31, 2024, the potential impact of climate related matters, including legislation, which may affect the fair value of assets and liabilities in the consolidated financial statements has been considered, especially but not limited to useful life of tangible and intangible assets and provisions. The risks in respect of climate related matters are included as relevant and applicable key assumptions where they materially impact the determination of fair value. As of December 31, 2024, the Group does not believe that the impact of climate related matters is material to the consolidated financial statements.

2. Accounting policies and methods

2.1. Consolidation methods

The list of entities included in the scope of consolidation is presented in Note 35 – *List of consolidated entities*.

Subsidiaries

Entities are fully consolidated if the Group has all the following:

- Power over the investee,
- Exposure or rights to variable returns from its involvement with the investee, and
- Ability to use its power to affect its returns.

The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. If the Group does not have a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Group considers all relevant facts and circumstances in assessing whether the Group's voting rights in an investee are sufficient to give it power, including:

- The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders,
- Potential voting rights held by the Group, other vote holders or other parties,
- Rights arising from other contractual arrangements, and
- Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statements of income and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Non-controlling interests in subsidiaries are identified separately from the Group's equity therein.

Adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup transactions, balances, income, and expenses are eliminated in full on consolidation.

Joint Arrangements

IFRS 11 – *Joint arrangements* provides financial reporting guidelines for entities that hold interests in joint arrangements. In a joint arrangement, the parties are bound by a contractual arrangement that gives them joint control of the company. The entity that is party to a joint arrangement must therefore determine if the contractual arrangement gives all the parties, or a group of some of them, joint control over the company. The existence of joint control is then assessed for decisions about the relevant activities that require the unanimous consent of the parties that jointly control the company.

Joint arrangements are classified into two categories:

- A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement and have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint operator recognises its shares in the assets, liabilities, revenues and expenses of the joint operation.
- A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement and have rights to the net assets of the arrangement. A joint venturer recognises its interest in a joint venture as an investment and accounts for that investment using the equity method.

In addition, the Group adopted the following accounting policies:

- The margin realised on intercompany transactions between the Group and its joint ventures or associates (sales of assets from the Group to its joint ventures or associates) is eliminated in the income statement up to the Group's share in its joint ventures or associates based on the provision of IAS 28.
- In the absence of precise IFRS guidance related to the presentation of the margin elimination in the income statement, the Group has elected to eliminate the margin in the caption "Share of earnings of associates" in the consolidated statement of income in counterpart of the caption "Investment in associates and joint ventures" in the statement of financial position. The margin elimination on these transactions is reversed over the useful life of the assets in the same captions.

Associates

Investments, over which the Group exercises significant influence, but not control, are accounted for under the equity method. Such investees are referred to as "associates" throughout these consolidated financial statements.

Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over these policies. Associates are initially recognised at cost at acquisition date. The consolidated financial statements include the Group's share of income and expenses, from the date significant influence commences until the date that significant influence ceases.

The interest income and expenses recorded in the consolidated financial statements of the Group on loans with associates have not been eliminated in the consolidated statement of income.

2.2. Foreign currency translation

The consolidated financial statements are presented in euros, the functional currency of a vast majority of Group companies and of the parent company. All financial data are rounded to the nearest million euros.

Foreign currency transactions are initially recorded in the functional currency at the exchange rate prevailing at the date of the transaction. At the closing date, monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing on that date. All foreign currency differences are recognised in profit or loss for the period.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of initial transaction. All foreign currency differences are recognised in profit or loss.

2.3. Revenue

Revenue recognition

Revenue from the Group's activities mainly consists of services (telephone packages, TV subscriptions, high-speed Internet, telephony, and installation services), equipment sales and telecommunications network leases.

Revenue also includes revenue from Media's activities, mainly the advertising revenue, until the disposal of the Altice Media division (Refer to Note 4.6 – *Disposal of the Altice Media division*).

Revenue corresponds to the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating intragroup sales between entities included in the scope of consolidation.

In accordance with IFRS 15 – *Revenue from Contracts with Customers*, the revenue recognition model includes five steps for analysing transactions to determine when to recognise revenue and at what amount:

- Identifying the contract with the customer,
- Identifying separate performance obligations in the contract,
- Determining the transaction price,
- Allocating the transaction price to separate performance obligations,
- Recognising revenue when the performance obligations are satisfied.

For bundled packages, the Group accounts for individual products and services separately if there are distinct – i.e., if a product or service is separately identifiable from other items in the bundled package and if a customer can benefit from it. The consideration is allocated between separate products and services in a bundle based on their stand-alone selling prices. The stand-alone selling prices are determined based on the market prices at which the Group sells the mobile devices and telecommunications services.

This leads to the recognition of a contract asset – a receivable arising from the customer contract that has not yet legally come into existence – in the statement of financial position. The contract asset is recognised over the enforceable period. Enforceable period has been determined for each company. It represents the period over which rights and obligation are enforceable. This period is determined not only by the commitment period as stated in the contract but also by business practices and contracts mechanisms (early renewal, exit options, penalties, and other clauses).

Revenues from mobile devices

The Group recognises revenues when a customer takes possession of the device. This usually occurs when the customer signs a new contract. The amount of revenue includes the sale of mobile devices and ancillary equipment for those devices. For mobile devices sold separately, customers pay in full at the point of sale or in several instalments (credit agreement). For mobile devices sold in bundled packages, customer usually pay monthly in equal instalments over the contractual period.

Revenue from services

Proceeds from subscriptions (Internet access, basic cable service, digital pay TV) and telephone payment plans (fixed or mobile) are recognised on a straight-line basis over the duration of the relevant service.

The Group sells some telephone payment plans that allow the unused call minutes for a given month to be rolled over to the following month. Roll-over minutes are recognised for the share of revenue they represent in the telephone subscription at the time they are used or when they expire. Revenue on incoming and outgoing calls as well as on calls made outside plans is recognised when the service is rendered.

Revenue generated by the coupons sold to distributors and prepaid Mobile cards is recognised as and when the end customer uses them, starting when such coupons and cards are activated. The unused balance is recorded in deferred income at the closing date. The proceeds in any event are recognised on the date of the card's expiration or when use of the coupon is statistically improbable.

Sales of subscription services managed by the Group on behalf of content providers (mainly special numbers and SMS+) are recognised gross, or net of payments made to content providers based on the analysis of each transaction. Accordingly, revenue is recognised net when suppliers are responsible for the content delivered to end customers and for setting the subscription rates.

Connection and installation fees billed mainly to operators and business customers during the implementation of services such as ADSL connection, bandwidth capacity or IP connectivity are recognised over the estimated duration of the customer relationship and of the main service supplied, based on statistical data.

Installation and set-up services (including connection) for residential customers are recognised as revenue when the service is rendered.

Revenue related to switched services is recognised as and when traffic is routed.

Revenue from services for bandwidth capacity, IP connectivity, local high-speed access and telecommunications is recognised as and when the services are rendered to customers.

Installation revenue

Installation service revenue is deferred and recognised over the benefit period. For B2B customers, the benefit period is the contract term, which is defined and agreed for two years or more. For B2C customers, there is no commitment period and installation costs are recognised over the estimated benefit period.

Agent versus principal

The Group determines whether it is acting as a principal or as an agent. The Group is acting as a principal if it controls a promised good or service before they are transferred to a customer.

Indicators for acting as a principal include: (i) the Group is primarily responsible for fulfilling the promise to provide the specified good or service, (ii) the Group has inventory risk in the specified good or service and (iii) the Group has discretion in establishing the price for the specified good or service.

On the other hand, the Group is acting as an agent or an intermediary, if these criteria are not met. When the Group is acting as an agent, revenue is presented on a net basis in the statement of income. When the Group is acting as principal, revenue is presented on a gross basis.

Access to telecommunications infrastructure

The Group provides access to its telecommunication infrastructure to its wholesale customers through various types of contracts: leases, hosting contracts or the granting of indefeasible rights of use (or “IRUs”). IRU agreements grant the use of property (cables, fibre optics or bandwidth) over a defined, usually long duration, with the Group retaining ownership. Revenue from lease agreements, hosting contracts in Netcenters and infrastructure IRUs is recognised over the term of the contract, except when they qualify as finance leases; in this case, the equipment is accounted for as sales on credit. In the case of IRUs and sometimes leases or service contracts, the service is paid in advance for the first year. These non-refundable prepayments are recorded as deferred income and amortised over the expected life of the contract.

Infrastructure sales

The Group builds infrastructure for some of its customers. Revenue related to infrastructure sales is recognised upon the transfer of ownership. When it is estimated that a contract will be unprofitable, a provision for onerous contract is booked.

Media

The Group produced news on five themes (general information, sports, economy, high-tech and discovery) via mainly three types of media: radio, television and digital until the disposal of the Altice Media division.

This income essentially represented advertising revenue and other related services. Advertising revenue was recognised as income when the advertising has effectively been broadcasted. Royalties and subsidies were recognised as they were acquired in accordance with the terms of the underlying agreement.

2.4. Financial income and expenses

Financial income and expenses primarily comprise:

- Interest charges and other expenses paid for financing operations recognised at amortised cost,
- Changes in the fair value of interest rate derivative instruments,
- Ineffective portion of hedges that qualify for hedge accounting,
- Foreign exchange gains and losses on monetary transactions,
- Interest income related to cash and cash equivalents,
- Gains/losses on extinguishment of financial liability.

Investment securities and investment securities pledged as collateral are classified as trading securities and are stated at fair value with realised and unrealised holding gains and losses included in net financial result.

2.5. Current and deferred tax

Income tax expense comprises current, deferred tax and the contribution of added value of businesses. Current tax is the tax payable on the taxable income for the year, estimated using tax rates enacted or substantively enacted at the reporting date, at the contribution of added value of businesses and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences on the closing date between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: (i) the initial recognition of goodwill, (ii) the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; and (iii) investments in subsidiaries, joint ventures and associates when the Group is able to control the timing of the reversal of the temporary differences and when it is probable that these temporary differences will not be reversed in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, in accordance with the rules in effect at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and if they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities when the taxable entity intends to settle current tax liabilities and assets on a net basis or when tax assets and liabilities are to be realised simultaneously.

Deferred taxes are reviewed at each reporting date to consider changes in tax legislation and the possibility of recovering deductible temporary differences and tax losses. A deferred tax asset is recognised when it is probable that future taxable profits against which the temporary difference can be utilized will be available.

Uncertain tax positions

The Group determines the accounting tax position when there is uncertainty over income tax treatments based on the provisions of IFRIC 23 – *Uncertainty over Income tax*. Based on the Interpretation, the Group determines whether uncertain tax positions are assessed separately or as a group and assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings:

- If yes, the Group determines its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings.
- If no, the Group reflects the effect of uncertainty in determining its accounting tax position using either the most likely amount or the expected value method.

2.6. Investment grants

Investment grants received are deducted from the gross carrying amount of property, plant, and equipment to which they relate. They are recognised in the income statement as a reduction in the depreciation charge over the useful life of the related assets.

2.7. Site restoration

The Group has a contractual obligation to restore the network sites (both mobile and fixed) at the end of the lease, should the latter not be renewed. Due to this obligation, the capitalisation of the costs of restoring the sites is calculated based on:

- An average unit cost of site remediation,
- Assumptions about the life of the dismantling assets, and
- A discount rate.

2.8. Goodwill and business combinations

Business combinations are accounted for using the acquisition method. The assets and liabilities of the acquired business are recognised at their fair value at the acquisition date.

The consideration transferred corresponds to the fair value, at the acquisition date, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. The goodwill arising from a business combination is equal to the difference between:

- The sum of the consideration paid, the value of any non-controlling interest that remains outstanding after the business combination and, where applicable, the acquisition date fair value of the acquirer's previously held equity interest in the target, and
- The net amount of the identifiable assets acquired, and liabilities assumed at the acquisition date.

Goodwill is recognised in assets in the consolidated statement of financial position. When the difference is negative, it is directly recognised through profit or loss.

The secondary costs directly attributable to an acquisition giving control are recorded in expenses in the period during which the costs are incurred, except for the borrowing costs, which must be recorded in accordance with IAS 32 – *Financial Instruments: Presentation* and IFRS 9 – *Financial Instruments*.

When goodwill is determined provisionally at the end of the period in which the combination is completed any adjustments to the provisional values within twelve months of the acquisition date are recognised in goodwill.

Changes in the Group's share of ownership of equity securities in a subsidiary which do not lead to a loss of control over the latter are recognised as shareholders' equity transactions.

Goodwill resulting from the acquisition of associates and joint ventures is included in the carrying amount of the investment.

Goodwill is not amortised but is subject to impairment testing whenever there is any indication that an asset may be impaired, and at least once a year in accordance with the methods and assumptions described in Note 11 – *Goodwill and impairment of goodwill*.

After initial recognition, goodwill is recorded at cost less accumulated impairment losses.

Specific case of business combination under common control

Business combination under common control are combinations in which all the combination (entities or businesses) are controlled by one party (or several), i) during a long period before and after the combination, ii) this control as defined in IFRS 10 is not temporary.

These combinations are excluded from IFRS 3 – *Business Combinations* scope. These operations in the consolidated financial statements are prepared on historical cost basis. No new goodwill is generated and the difference between the acquisition price and the historical carrying value related to assets and liabilities of the acquired entity is recognised in equity.

2.9. Intangible assets

Intangible assets acquired

Intangible assets acquired separately are recognised at historical cost less accumulated amortisation and any accumulated depreciation.

Cost comprises all directly attributable costs necessary to buy, create, produce, and prepare the asset for use. Intangible assets consist mainly of operating licences, IRUs, patents, purchased software, and internally developed applications.

They have also included the customer acquisition costs for packages with commitments.

Licences to operate telephone services in France are recognised for the fixed amount paid for the acquisition of the licence. The variable portion of licence fees, which amounts to 1% of the revenue generated by these activities, cannot be reliably determined and is therefore expensed in the period in which it is incurred.

- The Universal Mobile Telecommunications System (UMTS) licence is recognised at historical cost and amortised on a straight-line basis from the service activation in June 2004 to the end of the licence period (August 2021), corresponding to its expected useful life.
- The Global System for Mobile Communications (GSM) licence, renewed in March 2006, is recognised at the present value of 4% of the fixed annual fee of €25 million, and amortised on a straight-line basis from that date until the end of the licence period (March 2021), corresponding to its expected useful life. This licence has been renewed in March 2021 for a period of ten years.
- The Long-Term Evolution (LTE) licence is recognised at historical cost and is amortised on a straight-line basis from the service activation date until the end of the licence period. The 2.6 GHz band licence acquired in October 2011 is amortised as of the end of November 2012 (end of licence: October 2031). The 800 MHz band licence acquired in January 2012 was activated on June 3, 2013 and is being amortised over a remaining duration of eighteen years (end of licence: January 2032). SFR acquired a new licence for the 700 MHz band in December 2015 (end of licence: December 2035). This licence was activated on January 25, 2019 and is being amortised over a remaining duration of sixteen years.
- The 5G licence is recognised at historical cost and is amortised on a straight-line basis from the service activation date until the end of the licence period. The 3.4 and 3.8 GHz band licence acquired in October 2020 was activated on November 24, 2020 and is being amortised over a duration of fifteen years.

IRUs correspond to the right to use a portion of the capacity of a terrestrial or submarine transmission cable granted for a fixed period. IRUs are recognised as an asset when the Group has the specific indefeasible right to use an identified portion of the underlying asset, generally optical fibre or dedicated wavelength bandwidth, and the duration of the right is for the majority of the underlying asset's useful life. They are amortised over the shorter of the expected period of use and the life of the contract between three and thirty years.

Patents are amortised on a straight-line basis over the expected period of use (generally not exceeding ten years). Software is amortised on a straight-line basis over its expected useful life (which generally does not exceed three years).

Internally developed intangible assets

The acquisition cost of an intangible asset developed internally corresponds to the personnel costs incurred when the intangible asset meets the criteria for IAS 38 – *Intangible Assets*. An intangible asset that results from the development of an internal project is recorded if the Group can demonstrate that all the following conditions have been met:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale,
- Its intention of completing the intangible asset and using or sell it,
- Its ability to use or sell the intangible asset,
- The capacity of the intangible asset to generate probable future economic benefits,
- Among other things, the Group may demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, its usefulness,
- The availability of adequate technical, financial, and other resources to complete the development, and to use or sell the intangible asset,
- Its ability to reliably measure the expenditures attributable to the intangible asset during its development.

Capitalisation of costs ceases when the project is finalised, and the asset is available for use.

The cost of an internally developed intangible asset arising from the development phase of an internal IT project is amortised on a straight-line basis over its expected useful life (which is generally not greater than three years).

Intangible assets recognised in a business combination

During business combinations, intangible assets were recognised and measured at their fair value at the “acquisition date” according to IFRS 3:

- Customer bases: bases are amortised over their useful life from five to ten years.
- Telecom brands: SFR brand, main brand, initially amortised over fifteen years, was amortised from the beginning of 2021 over a residual life of ten years. This duration has been extended by seven years in the year 2023 (Refer to Note 12 – *Other intangible assets*).
- Press brands: these brands are not amortisable.
- Broadcasting rights: they are amortised over a life from three to ten years, depending on programs.

Investments made under public service concessions or delegations

Investments made as part of public service concessions or delegations and related to the roll-out of the telecommunications network are recognised as intangible assets in accordance with IFRIC 12 – *Service Concession Arrangements*.

The “intangible model” provided by this interpretation applies when the operator receives a right to charge users of the public service and is substantially paid by the user. Intangible assets are amortised over the shorter of the estimated useful life of the relevant asset categories and the duration of the concession.

2.10. Contracts costs

The Group recognises as an asset the incremental costs of obtaining a contract with a customer if it expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Commissions to third parties and sales incentives to internal employees are considered as costs to obtain a contract and are recognised under the consolidated statement of financial position caption “Contract costs”.

Assets recognised as contract costs are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. The asset may relate to goods or services to be transferred under a specific anticipated contract. The amortisation charge is recognised in the income statement caption “Depreciation, amortisation and impairment”.

As a practical expedient, the Group recognises the incremental costs of obtaining a contract as an expense when incurred if the amortisation period of the asset that the Group otherwise would have recognised is one year or less.

2.11. Property, plant, and equipment

Property, plant, and equipment are measured at historical cost less cumulative amortisation and depreciation.

Historical cost includes the acquisition cost or the production cost, the costs directly attributable to using the asset on the site and to its conditions of operation, and the estimated costs of dismantling and removing the asset and remediating the site where it is installed, in line with the obligation incurred. In addition, borrowing costs attributable to qualifying assets whose construction period is longer than one year are capitalised as part of the cost of that asset. Conversely, subsequent maintenance costs (repairs and maintenance) of the asset are recognised in profit or loss. Other subsequent

expenditures that increase productivity or the life of the asset are recorded as assets.

Material components of property, plant, and equipment whose useful lives are different are recognised and depreciated separately.

Property, plant, and equipment mainly comprise network equipment.

The main useful lives are as follows:

Technical buildings and constructions	15 to 25 years
Network equipment:	
Optical cables	3 to 30 years
Engineering facilities, pylons	20 to 40 years
Other equipment	4 to 15 years
Set-top box and access fees	3 to 5 years
Furniture and fixtures	5 to 10 years
Miscellaneous equipment	2 to 5 years

Estimated useful lives are reviewed regularly and any changes in estimates are recorded prospectively.

Materials and telecommunications equipment are investments that are strongly subject to technological changes: write-offs or impairments with prospective revision of the amortisation period may be recognised if the Group has to prematurely write off certain technical equipment or if it is forced to revise the projected useful life of certain categories of equipment.

Gains or losses on disposal of property, plant and equipment are the difference between the profit from the disposal and the carrying amount of the asset and are recognised in the caption “Other expenses and income” of the consolidated statement of income.

FTTH (Fibre To The Home) deployment

Decision No. 2009-1106 of *Autorité de Régulation des Communications Électroniques et des Postes* (Regulatory Authority on Electronic Communications and Postal Services (ARCEP)) dated December 22, 2009, regulates the use of fibre optics in very densely populated areas by establishing joint investment rules between phone operators.

The reference offers issued by the operators in accordance with this decision are dealt with in IFRS by the application of IFRS 11. Thus, when the Group is an *ab initio* joint investor, only its share of the assets is recorded in property, plant, and equipment, and when the Group is an *a posteriori* investor, the IRU or the usage right is recognised in property, plant, and equipment. The same treatment applies for joint investment in moderately dense areas defined by ARCEP.

2.12. Leases

The Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises right of use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right of use assets are measured at cost, less any accumulated amortisation and depreciation, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right of use assets is depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right of use assets are subject to annual impairment tests.

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases, to lease the assets for additional terms. The Group applies judgment in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal.

After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy). The Group included the renewal period as part of the lease term for leases of technical sites due to the significance of these assets to its operations.

The recognition and measurement requirements for lessee are also applied to short-term leases and leases of low-value assets.

Sale and lease back

When the Group carries out a transaction qualified as a sale and leaseback in accordance with IFRS 16, a right of use asset is recognised in proportion to the previous carrying value of the asset corresponding to the right of use asset retained as counterparty to a lease liability. A gain (or loss) on disposal of the assets is recognised in the income statement in proportion to the rights transferred to the buyer-lessor. The adjustment of the gain (or loss) of the transaction recognised in the income statement for the share on which the Group retains its user rights via the lease relates to the difference between the right of use asset and the lease liability recognised in the balance sheet.

The Group as a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all the risks and rewards incidental of ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

When the Group is an intermediate lessor, it accounts for its interest in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right of use asset arising from the head lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and amortised on a straight-line basis over the term of the lease.

2.13. Impairment of assets

Whenever events or changes in the economic environment indicate a risk of impairment of goodwill, of other intangible assets or property, plant and equipment, the Group re-examines the value of these assets. Besides, the residual life of customer bases and amortisable brands is analysed whenever there is any indication that an asset may be impaired. In addition, goodwill, other intangible assets with indefinite useful lives and intangible assets in progress undergo an annual impairment test.

Impairment tests are performed in order to compare the recoverable amount of an asset or a Cash Generating Unit (“CGU”) with its carrying amount.

An asset’s or CGU’s net recoverable amount is the greater of its fair value less costs to sell or its value in use. The recoverable amount is determined for each individual asset, unless the asset does not generate cash inflows that are largely independent of those derived from other assets or groups of assets. In that case, the recoverable amount is determined for the CGU to which the asset belongs.

A CGU is the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Given the changes in the Group and the significant pooling of assets and services within the Group, a single GCGU is defined at the Group level. For the purposes of goodwill impairment testing, in conformity with IAS 36 – *Impairment of Assets*, goodwill is allocated as a value to each operating segment (Refer to Note 11.1 – *Goodwill*), and shared assets and liabilities are allocated through distribution keys to each of the operating segments (Refer to Note 11.2 – *Impairment of goodwill*). The principal allocation keys used to allocate shared assets and liabilities are based on revenues, use of the network or the information systems.

The value in use of each asset or group of assets is determined as the present value of future cash flows (discounted cash flow method or “DCF”) by using a discount rate after tax specific to each asset or group of assets concerned.

The fair value less costs to sell is the amount obtainable on the measurement date from the sale of the asset or group of assets in an ordinary transaction between market participants, less costs to sell.

When the carrying amount of an asset exceeds its net recoverable amount, an impairment loss is recognised in the

“Depreciation, amortisation and impairment” caption of the consolidated statement of income. Only impairment losses recognised on assets other than goodwill such as depreciable intangible assets, intangible assets with indefinite useful lives and property, plant and equipment may be reversed.

2.14. Financial assets

The standard IFRS 9 includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting regarding financial instruments.

IFRS 9 allows two methods for measurement:

- Amortised cost: this is the original amount minus principal repayments, cumulative amortisation, and impairment. The amortised cost must be determined by using the effective interest rate method.
- Fair value: this is the amount for which an asset could be exchanged, or a liability paid, between two willing parties, in an arm’s length transaction.

Classification and measurement

Except for certain trade receivables, under IFRS 9, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Under IFRS 9, debt financial assets are subsequently measured at fair value through profit or loss (FVTPL), amortised cost, or fair value through other comprehensive income (FVOCI).

The classification is based on two criteria: the Group’s business model for managing the assets; and whether the instruments’ contractual cash flows represent “Solely Payments of Principal and Interest” on the principal amount outstanding (the “SPPI criterion”).

The new classification and measurement of the Group’s debt financial assets are, as follows:

- Debt instruments at amortised cost for financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion. This category includes the Group’s trade and other receivables, and loans included under consolidated statement of financial position caption “Financial assets” (non-current and current portion).
- Debt instruments at FVOCI, with gains or losses recycled to profit or loss on derecognition. The Group has no instrument in this new category.

Other financial assets are classified and subsequently measured, as follows:

- Equity instruments at FVOCI, with no recycling of gains or losses to profit or loss on derecognition. This category only includes equity instruments, which the Group intends to hold for the foreseeable future and which the Group has irrevocably elected to so classify upon initial recognition or transition. The Group classified its quoted and unquoted equity instruments as equity instruments at FVOCI. Equity instruments at FVOCI are not subject to an impairment assessment under IFRS 9.
- Financial assets at FVTPL comprise derivative instruments. This category would also include debt instruments whose cash flow characteristics fail the SPPI criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell. Financial assets at FVTPL are stated at fair value, with any gains and losses arising on remeasurement recognised in the caption “Other financial expense” or “Finance income” in the income statement.

Under IFRS 9, embedded derivatives are no longer separated from a host financial asset. Instead, financial assets are classified based on their contractual terms and the Group’s business model.

Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Impairment

IFRS 9 requires the Group to record an allowance for ECLs for all loans and other debt financial assets not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at the asset’s original effective interest rate.

For contract assets and trade and other receivables, the Group has applied the standard’s simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group’s historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2.15. Inventories

Inventories primarily consist of mobile devices, set-top boxes, and technical equipment. They are valued at their acquisition cost or at their net recoverable amount if it is lower. The acquisition cost is calculated according to the weighted average cost. It includes the cost of acquiring the materials.

Net recoverable amount is the estimated selling price in the ordinary course of business, less the estimated selling expenses.

The Group estimates the age and the condition of inventories and books provisions if necessary.

2.16. Cash and cash equivalents

The “Cash and cash equivalents” heading includes bank balances, money-market UCITS which meet the specifications of AMF Position n°2011-16, and very liquid short-term investments, which have an original maturity date that is less than or equal to three months, which can be easily converted to a known cash amount and are subject to a negligible risk of change in value.

Investment securities are measured at their fair value through profit or loss.

2.17. Assets held for sale and discontinued operations

In accordance with IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*, the Group qualifies an asset (or a group of assets) held for sale when:

- The asset is available for immediate sale in its current estate, subject to any conditions that are usual in such disposals of assets.
- The sale is highly probable.
- Its carrying amount may be recovered principally through its disposal and not by its continued utilization.

When all conditions of qualifications have been met the Group reclassifies the assets held for sale in a separate caption in the consolidated statement of financial position without offsetting liabilities related to assets held for sale, those are presented in a separate caption from other liabilities in the consolidated statement of financial position.

In addition, if the asset or the group of assets for sale is significant, its contribution is presented:

- In the consolidated statement of income in a separate caption under the net income from continuing information,
- In the consolidated statement of cash flows in a separate caption in the net cash provided (used) by operating activities, investing activities, and financing activities.

2.18. Financial liabilities and equity instruments

Financial liabilities restructuring

Based on the IFRS 9, the Group removes a financial liability (or a part of a financial liability) from its statement of financial position when, and only when, it is extinguished, i.e., when the obligation specified in the contract is discharged or cancelled or expired.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the contractual arrangement.

Equity instruments

An equity instrument is any contract resulting in a residual interest in the assets of an entity after deducting all its liabilities. The equity instruments issued by the Group are recorded for the proceeds received, net of direct issuance costs.

Financial liabilities

Financial liabilities other than derivatives mainly include bonds and term loans taken out in connection with the acquisition of SFR, liabilities related to finance and operating leases, guarantee deposits received from customers, advances received and bank overdrafts.

They are measured at amortised cost, using the effective interest method, in conformity with IFRS 9. The effective interest rate corresponds to the internal interest rate used to precisely update future cash flows throughout the term of the financial liability. Fees, debt issuance and transaction costs are included in the calculation of the effective interest

rate over the expected life of the instrument. Accrued interest is included in the “Current liabilities” caption of the statement of financial position.

2.19. Derivative instruments

The Group uses various derivative instruments to hedge its exposure to foreign exchange rate fluctuations.

Derivatives are initially recognised at fair value on the date of execution of a derivative contract and are subsequently revalued at their fair value on each closing date.

Hedge accounting is applicable if:

- The hedging relationship is clearly defined and documented at the date of establishment.
- The effectiveness of the hedging relationship is demonstrated at its inception and in subsequent periods: i.e., if at the beginning of the hedge and throughout its duration, the Group expects that the changes in fair value of the hedged item will be almost fully offset by changes in the fair value of the hedging instrument, and if actual results are within a range between 80% and 125%.

There are three types of hedge accounting:

- The fair value hedge is a hedge against exposure to changes in the fair value of a recognised asset or liability, which are attributable to a rate and/or currency risk and which would affect the result. The hedged portion of these items is remeasured at fair value in the statement of financial position. The change in fair value is recognised in the income statement where it is offset within the limits of the effectiveness of the hedge by symmetrical changes in the fair value of hedging instruments.
- The cash flow hedge is a hedge of the exposure to cash flows fluctuations attributable to interest rate risk and/or changes associated with a recognised asset or liability or a highly probable forecast transaction (e.g., an expected sale or purchase) and could affect profit. The hedged item is not recorded in the statement of financial position; thus, the effective portion of the change in fair value of the hedging instrument is recognised in other comprehensive income. It is reclassified in profit or loss when the hedged item affects profit or is reclassified in the initial cost of the hedged item where it concerns covering acquisition cost of a non-financial asset.
- The net investment hedge is a hedge against exposure to changes in value attributable to the foreign currency risk of a net investment in a foreign operation that could affect profit when the investment is sold. The effective portion of net investment hedges is recognised through other comprehensive income and reclassified in profit or loss when the net investment is sold.

The cessation of hedge accounting may result from the elimination of the hedged item, voluntary termination of the hedging relationship, or the cancellation or maturity of the hedging instrument. The accounting consequences are as follows:

- For fair value hedge: the fair value adjustment of debt at the date of cessation of the hedging relationship is amortised based on a recalculated effective interest rate on that date.
- For cash flow hedge: the amounts recorded in other comprehensive income are reclassified into profit or loss when the hedged item is eliminated. In other cases, they are taken straight to profit or loss over the remaining term of the hedging relationship as originally defined.

In both cases, the subsequent changes in value of the hedging instrument are recognised in profit or loss.

2.20. Provisions

Under IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets*, provisions are booked when, at the end of the reporting period, the Group has a legal, regulatory, contractual, or implicit obligation resulting from past events, and it is probable that an outflow of resources generating economic benefits will be required to meet the obligation and that the amount can be reliably estimated.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market assessments of the time value of money, taking into account the risks attached to the liability as appropriate. If a reliable estimate of the amount of the obligation cannot be made, no provision is recognised, and a disclosure is made in the notes.

Provisions mainly include:

- Provisions to cover litigation and disputes concerning the Group’s activities. Their amounts are estimated based on a case-by-case risk assessment. Events occurring during proceedings may lead at any time to a reassessment of such estimates.
- Provisions for restructuring, which are booked once the restructuring has been announced and a plan has been detailed or launched. Such provisions are generally not discounted due to their short-term nature.
- Provisions for site remediation, which are assessed based on the number of sites involved, an average unit cost of site remediation and assumptions about the life of the decommissioning asset and the discount rate. When a site is decommissioned, the corresponding provision is reversed.
- Provisions for employee benefits are detailed in the following section.

2.21. Employee benefits

The Group provides employee benefits through contributions to defined-contribution plans and defined-benefit plans. The Group recognises pension costs related to defined contribution plans as they are incurred under personnel expenses in the consolidated statement of income.

Estimates of the Group's pension and end-of-service benefit obligations are calculated annually, in accordance with the provisions of revised IAS 19 – *Employee Benefits*, with the assistance of independent actuaries, using the projected unit credit method and considering actuarial assumptions including the probable turnover of beneficiaries, salary increases, projected life expectancy, the probable future length of employees' service and an appropriate discount rate updated annually.

The Group recognises the corresponding net expense over an estimated period of service of the employees which depends on the length of service and is capped above a certain length of service, while being subject to the presence of the beneficiary at the date of retirement (IFRS IC decision in May 2021). The actuarial gains and losses on post-employment benefits are recognised in their entirety as "Other items of comprehensive income" in the period in which they occur. The cost of the plans is recognised through operating income, except for the accretion cost, which is recognised as other financial expenses and income. The cost of past services generated by plan changes and reductions is recognised immediately in the consolidated statement of income.

The Social Security Financing Act for 2023 n°2023-270 of April 14, 2023 ("*LFRSS*") on pension reform is based on two main measures: a gradual increase in the legal retirement age and an increase in the contribution period required to be eligible for a full rate pension. Given the assumptions used by the Group to calculate the pension provision (in particular the average retirement age set at 65 years), the pension reform had no impact on the consolidated financial statements.

2.22. Borrowing costs

Under IAS 23 – *Borrowing Costs*, a qualifying asset is an asset that takes a substantial period before it can be used or sold. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. The Group notes that it does not take a substantial amount of time to get assets ready for their intended use because of the incremental roll-out of the network. The application of IAS 23 consequently has no impact on the Group's consolidated financial statements.

3. Use of estimates and judgments

The preparation of these consolidated financial statements in accordance with IFRS requires the Group to make a certain number of estimates and assumptions that are realistic and reasonable. Thus, the application of accounting principles in the preparation of the consolidated financial statements described in this note implies decisions based on judgment, estimates and assumptions that have an influence on the amounts of the assets and liabilities and on income and expenses as well.

Such estimates are prepared based on the going concern assumption, established using currently available information and in view of the current economic environment. In the current economic environment, changes in facts and circumstances may result in revised estimates or assumptions, which could affect the consolidated statement of financial position, the consolidated statement of income and the consolidated statement of cash flows of the Group.

Significant estimates and assumptions relate to the measurement of the following items:

- *Revenue*: identification of the separable elements of a packaged offer and allocation on the basis of the relative fair values of each element; the period of deferred revenue related to costs to access the service on the basis of the type of product and the term of the contract; presentation as net or gross revenue depending on whether the Group is acting as agent or principal (Refer to Note 6 – *Financial Key Performance Indicators "KPIs"*).
- *Provisions*: assessment of the risk on a case-by-case basis; it is stipulated that the occurrence of events during a proceeding period may at any time trigger a reassessment of the risk (Refer to Note 28 – *Provisions* and Note 34 – *Litigation*).
- *Employee benefits*: assumptions updated annually, such as the probability of personnel remaining with the Group until retirement, the projected change in future compensation, the discount rate, and the mortality table (Refer to Note 29 – *Post-employment benefits*).
- *Fair value of financial instruments Level 1, Level 2, and Level 3*: Fair value is determined by reference to the market price at the end of the period, when the data is available. For financial instruments for which there is no active market such as interest rate swaps (which the Group currently may use to hedge its interest rate risk), call options and put options granted to non-controlling interests, fair value is estimated based on models that rely on observable market data or using various valuation techniques, such as discounted future cash flows (Refer to Note 27 – *Financial instruments*).
- *Deferred taxes*: estimates for the recognition of deferred tax assets updated annually such as the future tax results of the Group or the likely changes in active and passive temporary differences (Refer to Note 10 – *Taxation*).

- *Impairment tests*: these tests concern goodwill and intangible assets with an indefinite life span; in the context of impairment tests, the assumptions related to the determination of Group of Cash Generating Units (GCGU), future cash flows and discount rates are updated annually (Refer to Note 11 – *Goodwill and impairment of goodwill*).
- *Intangible assets and property, plant, and equipment*: estimate of the useful life based in particular on the effective obsolescence of the assets and the use made of those assets (Refer to Note 12 – *Other intangible assets* and Note 14 – *Property, plant, and equipment*).
- *Impairment of contract assets and trade and other receivables*: contract assets and trade and other receivables are provisioned (i) on the basis of the historically observed recovery rate and/or (ii) on the basis of a specific recoverability analysis (Refer to Note 13 – *Contract balances* and Note 19 – *Trade and other receivables*).
- *Determination of the right of use and lease liabilities*: the right of use and the lease liabilities are determined based on the lease term and the discount rate.
 - For the lease term, the Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.
 - The discount rate is the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right of use asset in a similar economic environment (Refer to Note 15 – *Rights of use*).
- *Assessment of control*: judgments and assumptions are made in determining that the Group has exclusive control over some companies.
- *Allocation of goodwill for assets held for sale* using the relative fair value method.

4. Significant events of the period

4.1. January 2024 private placement

On January 16, 2024, the Company closed a previously announced issuance of new senior secured notes for a nominal amount of €350 million. These notes, maturing in 2027, were issued at an OID of 97 and priced at 11.5%.

The proceeds from this transaction were used to repurchase certain of the existing 2025 Senior Secured Notes.

4.2. Disposal of La Poste Telecom

On February 22, 2024, Bouygues Telecom announced it had signed an exclusivity agreement with the La Poste group, with a view to acquire 100% of the capital of its subsidiary La Poste Telecom, 51% owned by the La Poste group and 49% by SFR. This operation was subject to the absence of SFR exercising its right of pre-emption and prior approval right as well as the authorisation of CPT (*Commission des Participations et des Transferts*). Bouygues Telecom obtained the necessary administrative authorisation from the French Competition Authority (*Autorité de la concurrence*) on August 19, 2024.

The transaction with SFR closed on November 4, 2024 for a total consideration of €0.5 billion.

The capital gain recorded in the consolidated statement of income, in the caption “Other expenses and income”, amounts to €0.5 billion.

4.3. Tender offer

On March 3, 2024, the Company announced that it had commenced offers to purchase for cash its outstanding (i) EUR January 2025 Notes and/or (ii) EUR February 2025 Notes. The Company proposed to accept Notes for purchase up to a maximum aggregate principal amount of €215.0 million. On March 12, 2024, the Company announced that at the expiration deadline, a total of €306.6 million aggregate principal amount of EUR January 2025 Notes were properly tendered, and a total of €234.6 million aggregate principal amount of EUR February 2025 Notes were properly tendered. On March 14, 2024, the Company purchased an aggregate amount of the Notes equal to the amended maximum offer amount of €218.8 million, comprising €109.1 million of the EUR January 2025 Notes and €109.7 million of the EUR February 2025 Notes.

4.4. Disposal of UltraEdge to Morgan Stanley Infrastructure Partners

On November 21, 2023, the Company announced that it had entered into an exclusivity agreement to partner with Morgan Stanley Infrastructure Partners to establish the first nationwide independent distributed colocation provider in France through the sale of a 70%-majority stake in UltraEdge, a datacenter company to be formed and comprising 257 datacenters plus office space currently operated by SFR across France.

Prior to the closing of the transaction, the Company contributed a 70%-majority stake in, and 70% of a receivable against, UltraEdge to a holding company that was declared unrestricted under the Company’s financing documentation.

On May 23, 2024, the transaction closed for a total consideration of €0.5 billion. The capital gain recorded in the consolidated statement of income amounts to €0.3 billion.

The remaining 30% interest in UltraEdge was recorded under the equity method, at the fair value, for an amount of €213.4 million (Refer to Note 16 – *Investments in associates and joint ventures*).

In addition, SFR entered into a build-to-suit agreement with UltraEdge.

4.5. Participation in XpFibre Holding

On May 14, 2024, XpFibre Holding repaid a shareholder loan to the Company for an amount of €0.2 billion.

On May 22, 2024, the Company contributed its shares in XpFibre Holding and some of its receivables against XpFibre Holding (dividend to receive: €0.5 billion and shareholder loan: €0.3 billion) to a holding company, Altice XPM S.à r.l (“Altice XPM”), that was declared unrestricted under Altice France Holding’s and the Company’s financing documentation.

On May 24, 2024, XpFibre Holding paid to Altice XPM a dividend for an amount of €0.5 billion and repaid the shareholder loan for an amount of €0.3 billion.

On June 3, 2024, Altice XPM was sold to Altice Luxembourg in exchange for a vendor loan for an amount of €2.4 billion.

The capital gain recorded in the consolidated statement of income, in the caption “Other expenses and income”, amounts to €1.4 billion.

4.6. Disposal of the Altice Media division

On March 15, 2024, the Company announced that it had entered into an exclusivity agreement with the CMA CGM Group and Merit France, family holding, to sell 100% of Altice Media S.A.S. and its subsidiaries, excluding SportsCoTV. These entities (“Altice Media”) have been designated as unrestricted subsidiaries under the Company’s financing documentation.

Based on management’s assessment, Altice Media is not considered as a discontinuing operation, as per the provision of IFRS 5, because Altice Media does not represent a separate major line of business (SportsCoTV will remain in the Group) and thus there is no impact on the statement of income and comparative information.

Prior to the closing of the transaction, the Company contributed its shares in Altice Media to a subsidiary, fully owned by the Company and that was declared unrestricted under the Company’s financing documentation. The transaction closed on July 2, 2024 for an amount of €1.57 billion before net debt and working capital adjustment.

The capital gain recorded in the consolidated statement of income, in the caption “Other expenses and income”, amounts to €0.8 billion.

5. Change in scope

During the year ended December 31, 2024, the main changes in the consolidation scope are the entry of Altice Participations (interest 100%) and the disposals of a 50.01 % stake in XpFibre Holding, a 70% stake in UltraEdge, the Altice Media Division and a 49% stake in La Poste Telecom (Refer to Note 4 – *Significant events of the period*).

The consolidation scope updated is presented in Note 35 – *List of consolidated entities*.

6. Financial Key Performance Indicators (“KPIs”)

The Board of Directors has defined certain financial KPIs that are tracked and reported by each operating segment every month to the senior executives of the Company. The Board of Directors believes that these indicators offer them the best view of the operational and financial efficiency of each segment, and this follows best practices in the rest of the industry, thus providing investors and other analysts a suitable base to perform their analysis of the Group’s results.

The financial KPIs tracked by the Board of Directors are:

- Revenues,
- Adjusted EBITDA,
- Capital expenditure (“Capex”),
- Operating free cash flow (“OpFCF”) and
- Net financial debt.

Non-GAAP measures

Adjusted EBITDA, Capex, OpFCF and Net financial debt are non-GAAP measures. These measures are useful to readers of the Group’s financial statements as they provide a measure of operating results excluding certain items that the Group’s management believe are either outside of its recurring operating activities, or items that are non-cash. Excluding such items enables trends in the Group’s operating results and cash flow generation to be more easily observable. The non-GAAP measures are used by the Group internally to manage and assess the results of its operations, make decisions with respect to investments and allocation of resources, and assess the performance of management personnel. Such performance measures are also, de facto, the metrics used by investors and other members of the financial community to value other companies operating in the same industry as the Group and thus are a basis for comparability between the Group and its peers. Moreover, the debt covenants of the Group are based on the Adjusted

EBITDA and other associated metrics. The definition of Adjusted EBITDA used in the covenants has not changed with the adoption of IFRS 15 and IFRS 16 by the Group.

▪ **Adjusted EBITDA**

Following the application of IFRS 16, Adjusted EBITDA is defined as operating income before depreciation, amortisation and impairment, other expenses and income (capital gains, non-recurring litigation, restructuring costs and management fees), share-based expenses and after operating lease expenses (i.e., straight-line recognition of the rent expense over the lease term as performed under IAS 17 – *Leases* for operating leases). This may not be comparable to similarly titled measures used by other entities. Further, this measure should not be considered as an alternative for operating income as the effects of depreciation, amortisation, and impairment, excluded from Adjusted EBITDA, do ultimately affect the operating results. Operating results presented in the annual consolidated financial statements are in accordance with IAS 1. For more details about “Other expenses and income”, refer to Note 6.2 – *Adjusted EBITDA*.

▪ **Capex**

Capex is an important indicator to follow, as the profile varies greatly between activities:

- The fixed business has fixed Capex requirements that are mainly discretionary (network, platforms, general), and variable Capex requirements related to the connection of new customers and the purchase of Customer Premise Equipment (TV decoder, modem, etc.).
- Mobile Capex is mainly driven by investment in new mobile sites, upgrade to new mobile technology and licences to operate; once engaged and operational, there are limited further Capex requirements.
- Other Capex is mainly related to costs incurred in acquiring content rights.

▪ **Operating free cash flow**

OpFCF is defined as Adjusted EBITDA less Capex. This may not be comparable to similarly titled measures used by other entities. Further, this measure should not be considered as an alternative for operating cash flow as presented in the consolidated statement of cash flows in accordance with IAS 7.

▪ **Net financial debt**

Net financial debt is a non-GAAP measure which is useful to the readers of the consolidated financial statements as it provides meaningful information regarding the financial position of the Group and its ability to pay its financial debt obligations compared to its liquid assets (Refer to Note 24.4 – *Net financial debt*).

6.1. Revenue

The following table presents the breakdown of the revenue:

Revenue (€m)	December 31, 2024	December 31, 2023
Residential - Fixed	2,699.9	2,608.9
Residential - Mobile	3,603.1	3,765.5
Business services	2,976.1	3,425.0
Total Telecom excluding equipment sales	9,279.0	9,799.4
Equipment sales	904.0	996.8
Media	185.4	348.6
Total	10,368.4	11,144.9

“Residential” corresponds to B2C services revenues, excluding equipment.

“Business services” includes revenues from B2B and wholesale including construction of the FTTH network and excluding revenues from equipment sales and Media revenues presented in the line below.

“Equipment sales” relates to equipment revenues from B2B and B2C segments.

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) as of December 31, 2024:

Maturity of revenues (€m)	2025	2026	2027	2028 and beyond	Total
Total	1,232.2	476.0	192.4	323.4	2,224.0

6.2. Adjusted EBITDA

The following table presents the reconciliation of the operating profit in the consolidated financial statements to Adjusted EBITDA:

Operating profit (€m)	Restricted Group (*)	Altice Participations	Altice TV and Altice Media	IC	December 31,	December 31,
					2024	2023
Revenue	10,194.1	-	283.9	(109.6)	10,368.4	11,144.9
Purchasing and subcontracting costs	(2,628.2)	-	(114.2)	100.3	(2,642.1)	(3,135.9)
Other operating expenses	(1,811.4)	-	(90.0)	9.4	(1,892.1)	(1,889.0)
Staff costs and employee benefits	(1,094.2)	-	(79.9)	-	(1,174.1)	(1,168.5)
Total	4,660.4	-	(0.3)	-	4,660.1	4,951.4
Rental expense operating lease	(1,225.5)	-	(5.6)	-	(1,231.1)	(1,136.1)
Adjusted EBITDA	3,434.8	-	(5.8)	-	3,429.0	3,815.3
Depreciation, amortisation and impairment	(3,039.5)	-	(29.8)	-	(3,069.3)	(3,307.7)
Other expenses and income (a)	364.3	2,443.9	(30.8)	-	2,777.4	(149.5)
Rental expense operating lease	1,225.5	-	5.6	-	1,231.1	1,136.1
Operating profit	1,985.1	2,443.9	(60.9)	-	4,368.1	1,494.2

(*) The information below pertains to the performance of the Group, excluding the Altice TV business, Altice Media and Altice Participations. These companies and their subsidiaries have been designated as unrestricted under the documents governing the indebtedness of Altice France Holding and the Company. Moreover, the Altice Media Division has been sold on July 2, 2024 (Refer to Note 4.6 – *Disposal of the Altice Media division*).

(a) Of which capital gains related to the disposals of UltraEdge, XpFibre Holding, the Altice Media division and La Poste Telecom for an aggregate amount of €3.0 billion (Refer to Note 4 – *Significant events of the period*). As of December 31, 2023, this line included the transactional compensation to Free Mobile settling a certain number of disputes. In addition, the amounts on this line include margin elimination on sale and lease back transactions in accordance with IFRS 16.

The table below provides a reconciliation between profit/(loss) to Adjusted EBITDA:

Reconciliation of profit/(loss) to Adjusted EBITDA (€m)	Restricted Group (*)	Altice Participations	Altice TV and Altice Media	December 31,	December 31,
				2024	2023
Profit/(loss)	(439.4)	2,488.7	(74.7)	1,974.5	(1,103.3)
Income tax (benefit)/expenses	475.9	-	7.9	483.8	129.3
Share of earnings of associates and joint ventures	54.1	-	-	54.1	158.8
Finance costs, net	1,894.5	(44.8)	6.0	1,855.7	2,309.4
Operating profit	1,985.1	2,443.9	(60.9)	4,368.1	1,494.2
Depreciation, amortisation and impairment	3,039.5	-	29.8	3,069.3	3,307.7
Other expenses and income (a)	(364.3)	(2,443.9)	30.8	(2,777.4)	149.5
Rental expense operating lease	(1,225.5)	-	(5.6)	(1,231.1)	(1,136.1)
Adjusted EBITDA	3,434.8	-	(5.8)	3,429.0	3,815.3

(a) Refer to the table above.

6.3. Capital expenditure

The following table presents the reconciliation of the capital expenditure to the payments to acquire capital items (tangible and intangible assets, and contract costs) as presented in the consolidated statement of cash flows.

Capital expenditure (€m)	December 31, 2024	December 31, 2023
Capital expenditure (accrued) (a)	2,095.1	2,325.6
Capital expenditure - working capital items and other impacts (b)	(9.1)	21.8
Payments to acquire tangible and intangible assets and contract costs	2,086.0	2,347.4

(a) Includes accruals related to a new IRU for an aggregate amount of €17.7 million (€27.4 million as of December 31, 2023).

(b) Includes a payment of €26.3 million related to the 2G licences (same amount as of December 31, 2023). For the 5G licences, the 2023 and 2024 annual payments have been postponed following the decree n°2023-1033 which rescheduled the future payments.

Of which capital expenditure - Altice TV and Altice Media (€m)	December 31, 2024	December 31, 2023
Capital expenditure (accrued)	36.9	48.7
Capital expenditure - working capital items and other impacts	(0.6)	7.4
Payments to acquire tangible and intangible assets and contract costs	36.3	56.2

6.4. Operating Free Cash Flow

The table below details the calculation of Adjusted EBITDA less accrued Capex or operating free cash flow (“OpFCF”), as presented to the Board of Directors. This measure is used as an indicator of the Group’s financial performance as the Board of Directors believes it is one of several benchmarks used by investors, analysts, and peers for comparison of performance in the Group’s industry, although it may not be directly comparable to similar measures reported by other companies. Adjusted EBITDA and accrued Capex are both reconciled to GAAP reported figures in this note; this measure is a calculation using these two non-GAAP figures; therefore, no further reconciliation is provided.

Operating Free Cash Flow (€m)	December 31, 2024	December 31, 2023
Adjusted EBITDA	3,429.0	3,815.3
Capital expenditure (accrued)	(2,095.1)	(2,325.6)
Operating Free Cash Flow	1,333.9	1,489.7

7. Staff costs

The following table presents the breakdown of the staff costs:

Staff costs (€m)	December 31, 2024	December 31, 2023
Average annual headcount (Full-time equivalent)	37,306	38,297
Wages and salaries	(953.3)	(952.6)
Social security costs	(349.8)	(344.8)
Employee profit-sharing	(56.0)	(49.7)
Capitalised payroll costs	212.9	205.1
Staff costs	(1,146.2)	(1,142.0)
Employee benefit plans	(5.6)	(6.4)
Other	(22.3)	(20.2)
Staff costs and employee benefit expenses	(1,174.1)	(1,168.5)

8. Other operating expenses

The following table presents the breakdown of the other operating expenses:

Other operating expenses (€m)	December 31, 2024	December 31, 2023
Network operations and maintenance	(890.1)	(888.4)
Sales and marketing	(260.1)	(300.0)
Customer services	(214.9)	(227.2)
General and administrative expenses	(237.7)	(185.3)
Taxes	(289.3)	(288.1)
Other operating expenses	(1,892.1)	(1,889.0)

9. Finance costs

Net finance costs amount to €(1,855.7) million for the year ended December 31, 2024, compared to €(2,309.4) million for the year ended December 31, 2023.

The following table presents the breakdown of the finance costs:

Finance costs (€m)	December 31, 2024	December 31, 2023
Interest relative to gross financial debt	(1,237.4)	(1,141.1)
Realised and unrealised gains/(loss) on derivative instruments	(18.3)	(577.7)
Finance income	160.8	178.6
Provisions, unwinding of discount and impairment	(21.3)	(23.4)
Interest related to lease liabilities	(590.6)	(545.6)
Other	(152.7)	(134.0)
Other financial expenses	(764.6)	(703.0)
Net result on extinguishment of financial liabilities	3.8	(66.2)
Finance costs, net	(1,855.7)	(2,309.4)

Interest related to gross financial debt increased to €(1,237.4) million for the year ended December 31, 2024, compared

to €(1,141.1) million for the year ended December 31, 2023. This increase was mainly due to the increase in the benchmark interest rate of the Group’s Euro and USD term loans and the issuance of a new bond for €350 million.

The net loss on derivative instruments decreased to €(18.3) million for the year ended December 31, 2024 compared to €(577.7) million for the year ended December 31, 2023. This decrease was mainly due to a favourable variation of the exchange rate portion of the Group’s swaps (Refer to Note 25 – *Derivative instruments*).

10. Taxation

10.1. Income tax benefit/(expenses) components

The following table presents the breakdown of income tax components:

Income tax benefit/(expenses) (€m)	December 31, 2024	December 31, 2023
Income tax benefit/(expenses)		
Current	(47.5)	(60.3)
Deferred	(436.3)	(69.0)
Income tax benefit/(expenses)	(483.8)	(129.3)

10.2. Tax proof

The following table presents the tax proof:

Tax proof (€m)	December 31, 2024	December 31, 2023
Profit/(loss)	1,974.5	(1,103.3)
<i>Neutralisation:</i>		
Income tax benefit/(expenses)	(483.8)	(129.3)
Share of earnings of associates	(54.1)	(158.8)
Profit/(loss) before taxes	2,512.4	(815.2)
Statutory tax rate in France	25.83%	25.83%
Theoretical income tax benefit/(expenses)	(649.0)	210.6
<i>Reconciliation between the theoretical tax rate and the effective tax rate:</i>		
Effects of permanent differences (a)	733.6	(10.0)
Tax credits/tax assessments	4.8	(4.7)
CVAE net of current and deferred taxes (b)	(13.1)	(17.1)
Differences on income tax rate	(0.2)	0.3
Recoverability of deferred taxes (c)	(558.8)	(310.3)
Other	(1.3)	1.8
Income tax benefit/(expenses)	(483.8)	(129.3)
Effective tax rate	19.26%	-15.87%

- (a) Includes €769.2 million related to the net gain from disposal of consolidated entities (Refer to Note 4 – *Significant events of the period*).
- (b) Corresponds to the French business tax (CVAE) reclassified as corporate income tax under the IFRS: €(17.7) million (€(23.0) million as of December 31, 2023), net of tax: €4.6 million (€5.9 million as of December 31, 2023).
- (c) The Group recognises deferred tax asset related to net operating losses (NOLs) on the basis of projections of future use of the loss carry forward deemed probable. Furthermore, the Group reviews the activation of deferred taxes related to temporary differences based on a five-year business plan.

10.3. Change in deferred taxes by basis

The following table presents the breakdown of and the change in deferred taxes by basis for the year:

Change in deferred tax (€m)	December 31, 2023	Income statement	Other	December 31, 2024
Deferred tax assets				
Tax losses (a)	231.6	57.3	(30.4)	258.5
Provisions	39.2	(2.1)	0.6	37.8
Property, plant and equipment and intangible assets	791.6	28.6	(1.4)	818.8
Derivative instruments	156.8	(90.2)	(65.5)	1.1
Other	79.1	(2.2)	(6.3)	70.5
Offsetting (b)	(450.8)	-	205.6	(245.3)
Deferred tax assets, gross	847.5	(8.5)	102.5	941.4
Unrecognised tax assets				
Tax losses (a)	(88.9)	(193.3)	26.2	(256.1)
Other (c)	(313.0)	(369.1)	1.1	(681.0)
Deferred tax assets, net	445.6	(571.0)	129.8	4.3
Deferred tax liabilities				
Property, plant and equipment and intangible assets	(201.4)	15.4	7.5	(178.6)
Derivative instruments	(222.0)	102.6	64.8	(54.5)
Other	(61.5)	16.6	1.0	(43.9)
Offsetting (b)	450.8	-	(205.6)	245.3
Deferred tax liabilities	(34.1)	134.7	(132.3)	(31.7)
Net deferred tax assets (liabilities)	411.5	(436.3)	(2.5)	(27.3)

- (a) At the year-end, the Group presents a deferred tax asset for loss carry forwards for €2.4 million (€142.7 million as of December 31, 2023).
(b) In accordance with IAS 12, the deferred tax assets and liabilities of a same fiscal group are netted in so far there are related to the same fiscal authority for the income tax; the Group has an enforceable right to net the deferred tax assets and liabilities.
(c) Refer to Note 10.2 – *Tax proof*.

10.4. Tax receivables and payables

At year-end, tax receivables for €3.1 million correspond to the net corporate income tax advances paid in 2024. Tax payables for €9.0 million correspond to the net income tax payable for 2024.

11. Goodwill and impairment of goodwill

11.1. Goodwill

Goodwill recorded in the consolidated statement of financial position was allocated to the different Group Cash Generating Units (“GCGU”) as defined by the Group.

The following table presents the change in goodwill in 2024:

Goodwill (€m)	Opening	Recognised on business combination	Held for sale	Other	December 31, 2024
Telecom	9,620.6	-	-	-	9,620.7
Media (a)	534.5	-	-	(534.5)	-
Gross value	10,155.1	-	-	(534.5)	9,620.7
Telecom	(8.6)	-	-	-	(8.6)
Media	-	-	-	-	-
Cumulative impairment	(8.6)	-	-	-	(8.6)
Telecom	9,612.1	-	-	-	9,612.1
Media (a)	534.5	-	-	(534.5)	-
Net book value	10,146.6	-	-	(534.5)	9,612.1

- (a) Concerns the goodwill of the Altice Media division (Refer to Note 4.6 – *Disposal of the Altice Media division*).

The following table presents the change in goodwill in 2023:

Goodwill (€m)	Opening	Recognised on business combination	Held for sale	Other	December 31, 2023
Telecom (a) (b)	9,920.1	(74.5)	(225.1)	0.1	9,620.6
Media	535.3	(0.8)	-	-	534.5
Gross value	10,455.4	(75.3)	(225.1)	0.1	10,155.1
Telecom	(8.6)	-	-	-	(8.6)
Media	-	-	-	-	-
Cumulative impairment	(8.6)	-	-	-	(8.6)
Telecom	9,911.5	(74.5)	(225.1)	0.1	9,612.1
Media	535.3	(0.8)	-	-	534.5
Net book value	10,446.8	(75.3)	(225.1)	0.1	10,146.6

(a) Business combination: mainly concerns the impact of the finalisation of the PPA of Coriolis: €(78.7) million and Syma: €4.0 million.

(b) Concerns the allocation of Telecom goodwill to the datacenters held for sale (Refer to Note 4.4 – *Disposal of UltraEdge to Morgan Stanley Infrastructure Partners*).

11.2. Impairment of goodwill

Goodwill is tested at the level of each GCGU annually for impairment and whenever changes in circumstances indicate that its carrying amount may not be recoverable. The recoverable amount of the GCGU is determined based on its value in use. The Group determined value in use for purposes of its impairment testing and, accordingly, did not determine the fair value less cost of disposal of the GCGU. The key assumptions for the value in use calculations are primarily the pre-tax discount rates, the terminal growth rate, revenue, Adjusted EBITDA and capital expenditures. Following the application of IFRS 16, Adjusted EBITDA is defined as operating income before depreciation, amortisation and impairment, other expenses and income (capital gains, non-recurring litigation, restructuring costs and management fees), share-based expenses and after operating lease expenses (i.e., straight-line recognition of the rent expense over the lease term as performed under IAS 17).

Following the disposal of Altice Media closed on July 2, 2024 (Refer Note 4.6 – *Disposal of the Altice Media division*), there is only one GCGU based on the main activity: Telecom.

For the year 2023, goodwill was tested at the GCGU level for impairment as of September 30, 2023. For the year 2024, the valuation date has been extended to December 31, 2024 in order to finalize the forecasting of cash flows from the operating activities of the next five years and to reflect the effects of the 2024 M&A transactions.

11.2.1. Key assumptions used in impairment testing

The Group has made use of various external indicators and internal reporting tools to assess and estimate the key assumptions used in the Group's impairment testing as of December 31, 2024.

11.2.1.1. Cash flows

The value in use of the GCGU was determined by estimating cash flows for a period of five years for the operating activities. Cash flow forecasts are derived from the most recent business plans approved by the Board of Directors. Beyond the specifically forecasted period of five years, the Group extrapolates cash flows for the remaining years based on an estimated constant growth rate of 1.5%. The growth rate is estimated at the GCGU level and does not exceed the average long-term growth rate for the Telecom market.

11.2.1.2. Discount rates

Discount rates have been estimated using pre-tax rates, which reflect current market rates for investments of similar risk. The discount rate for the GCGU was estimated using the weighted average cost of capital ("WACC") of companies that operate a portfolio of assets similar to the Group's. The pre-tax discount rate for the calculation of the value in use as of December 31, 2024, amounts to 7.8%.

11.2.1.3. Other internal assumptions

The Group makes operational and financial assumptions including customer subscriber additions, churn rates and Adjusted EBITDA (and the Adjusted EBITDA margin) for example. These assumptions were based on historical experience and expectations of future changes in the market. Projections of subscribers, revenue and costs to the Adjusted EBITDA are based on reasonable assumptions that represent the Group's best estimates. The projections are based on both past experience and projections regarding market developments. The Group also expects a decrease in customer-related investments as the migration from DSL to FTTH technology has largely been completed and a decrease in network investments as the FTTH and 5G coverage programs come to an end.

11.2.1.4. Assumptions about external factors

In addition to using internal indicators to assess the carrying amount in use, the Board of Directors also relies on external factors which can influence the cash generating capacity of the GCGU and indicate that certain factors beyond the control of the Board of Directors might influence the carrying amounts in use:

- Indicators of market slowdown in specific activities,
- Indicators of degradation in financial markets, which can impact the financing ability of the Group.

Key assumptions used in estimating value in use	Telecom	Media
As of December 31, 2024		
Average terminal growth rate (%)	1.5%	-
5-year average Adjusted EBITDA margin (%)	33.4%	-
5-year average Capex ratio (%)	(16.8)%	-
Pre-tax discount rate (%)	7.8%	-
Post-tax discount rate (WACC) (%)	6.3%	-
As of September 30, 2023		
Average terminal growth rate (%)	1.8%	1.8%
5-year average Adjusted EBITDA margin (%)	36.4%	37.5%
5-year average Capex ratio (%)	(18.4)%	(9.0)%
Pre-tax discount rate (%)	8.8%	12.2%
Post-tax discount rate (WACC) (%)	7.0%	9.5%

11.2.2. Sensitivity analysis

In validating the value in use determined for the GCGU, key assumptions used in the discounted cash-flow model were subject to a sensitivity analysis to test the resilience of value in use. The sensitivity analysis of the GCGU is presented below, given changes to the material inputs to the respective valuations:

Sensitivity to changes in key inputs in the value in use calculation	Telecom
Amount by which the GCGU exceeds the book value (€m)	9,609
Terminal growth rate for which recoverable amount is equal to carrying amount (%)	(1.3)%
Post-tax discount rate for which recoverable amount is equal to carrying amount (%)	8.7%
Average Adjusted EBITDA margin for which recoverable amount is equal to carrying amount on a cumulated basis (%)	27.1%
0.5% increase in the discount rate (€m)	(2,693)
1.0% decrease in the terminal growth rate (€m)	(4,465)

The analysis did not result in any scenarios whereby a reasonable possible change in the key assumptions would result in a recoverable amount for the GCGU significantly inferior to the carrying value of the GCGU.

12. Other intangible assets

12.1. Intangible assets by type

The following table presents the breakdown of the intangible assets by type:

Intangible assets by type (€m)	December 31, 2024			December 31, 2023		
	Gross	Amort. & dep.	Net	Gross	Amort. & dep.	Net
SFR brand name (a)	1,050.0	(927.7)	122.3	1,050.0	(918.3)	131.7
Other brand names (b)	64.7	(33.6)	31.1	109.2	(54.8)	54.4
Licences (c)	3,042.9	(1,604.4)	1,438.6	3,117.9	(1,520.9)	1,597.0
Customer relations (d)	2,850.4	(2,794.8)	55.6	3,016.7	(2,948.0)	68.7
Software	6,036.0	(4,684.6)	1,351.4	5,608.4	(4,274.9)	1,333.5
Television programs and sport rights	45.5	(34.5)	11.0	310.5	(268.6)	41.9
Other intangible assets (e)	4,347.8	(2,403.0)	1,944.8	4,243.8	(2,318.1)	1,925.7
Total	17,437.3	(12,482.6)	4,954.7	17,456.4	(12,303.5)	5,152.9

As of December 31, 2024:

- The SFR brand was valued at the time of application of Purchase Price Accounting (“PPA”) and was initially amortised over fifteen years. At the end of December 2024, the residual useful life is thirteen years (Refer to Note 2.9 – *Intangible assets*).
- Includes mainly brands for a net amount of:
 - Coriolis Telecom: €25.1 million,
 - Syma: €5.8 million.
- Includes mainly the licences held by SFR for a net amount of €1,4 billion (Refer to Note 2.9 – *Intangible assets*).
- Includes mainly customer bases:
 - SFR as valued at the time of application of PPA for a gross value of €2,7 billion amortised over nine years. Since November 30, 2023, this base is totally amortised.
 - Coriolis Telecom (B2C and B2B) for a net amount of €37.8 million.
- Primarily, include the rights to use the cable infrastructure and civil engineering facilities, the concession contracts (IFRIC 12) and service access fees.

12.2. Change in net intangible assets

The following table presents the change in net intangible assets:

Change in net intangible assets (€m)	December 31, 2024	December 31, 2023
Opening balance	5,152.9	5,453.2
Depreciation and amortisation	(902.5)	(1,212.5)
Additions	779.8	795.6
Disposals	0.4	-
Change in scope (a)	(93.2)	118.8
Other	17.2	(2.1)
Closing balance	4,954.7	5,152.9

(a) Concerns mainly the disposal of the Altice Media division (Refer to Note 4.6 – *Disposal of the Altice Media division*). In 2023, concerned mainly the finalisation of the PPA of Coriolis and Syma.

12.3. Breakdown of the amortisation and depreciation

The following table presents the breakdown of the amortisation and depreciation:

Breakdown of the amortisation and depreciation (€m)	December 31, 2024	December 31, 2023
Brands	(12.7)	(14.9)
Licences	(172.7)	(177.6)
Customer relations (a)	(13.1)	(295.4)
Software	(457.4)	(455.7)
Television programs and sport rights	(22.1)	(49.8)
Other intangible assets	(224.5)	(218.9)
Total	(902.5)	(1,212.5)

(a) The decrease is due to the last annual amortisation of SFR's customer base for €(275.0) million in 2023.

13. Contract balances

The following table presents the contract balances:

Contract balances (€m)	December 31, 2024	December 31, 2023
Contract costs, net	172.0	175.6
Contract assets, net	152.7	164.6
Contract liabilities, current and non-current	(1,004.3)	(917.9)

13.1. Contract costs

The following table presents the change in the contract costs:

Contract costs, net (€m)	December 31, 2024			December 31, 2023		
	Gross	Amort. & dep.	Net	Gross	Amort. & dep.	Net
Opening balance	1,664.6	(1,489.0)	175.6	1,548.8	(1,337.6)	211.2
Additions	173.8	-	173.8	179.4	-	179.4
Depreciation and amortisation	-	(177.3)	(177.3)	-	(194.4)	(194.4)
Change in scope	-	-	-	(60.8)	42.7	(18.1)
Other	-	-	-	(2.8)	0.3	(2.5)
Closing balance	1,838.4	(1,666.4)	172.0	1,664.6	(1,489.0)	175.6

13.2. Contract assets

The following table presents the change in net contract assets:

Contract assets, net (€m)	December 31, 2024	December 31, 2023
Opening balance	168.3	200.3
Business related movements	(12.5)	(32.0)
Closing balance	155.8	168.3
Impairment loss	(3.1)	(3.6)
Contract assets, net	152.7	164.6

13.3. Contract liabilities

The following table presents the change in contract liabilities:

Contract liabilities (€m)	December 31, 2024	December 31, 2023
Opening balance	917.9	977.2
Business related movements (a)	86.4	(52.5)
Change in scope	0.5	-
Translation adjustments	-	0.2
Other	(0.6)	(7.1)
Closing balance	1,004.3	917.9

(a) This line includes increase related to cash received on new agreements and decrease related to the reversal of deferred revenue in the revenue line.

The following table presents the breakdown of the contract liabilities:

Contract liabilities - breakdown (€m)	December 31, 2024	December 31, 2023
Current contract liabilities	494.6	426.4
Non-current contract liabilities	509.7	491.5
Total contract liabilities	1,004.3	917.9
<i>Explained as follows:</i>		
Prepaid revenue - IRU	142.4	157.6
Prepaid revenue - Telecom contract	298.4	319.4
Prepaid revenue - RAN sharing	197.8	233.8
Prepaid revenue - Other	365.7	207.1
Total	1,004.3	917.9

14. Property, plant and equipment

14.1. Property, plant and equipment by type

The following table presents the breakdown of the property, plant and equipment by type:

Property, plant and equipment by type (€m)	December 31, 2024			December 31, 2023		
	Gross	Amort. & dep.	Net	Gross	Amort. & dep.	Net
Land	19.5	(0.5)	19.0	20.0	(0.4)	19.6
Buildings	1,923.0	(652.9)	1,270.0	1,992.6	(693.0)	1,299.6
Technical equipment	9,623.4	(6,416.7)	3,206.7	9,514.3	(6,215.0)	3,299.3
Assets under construction	241.1	(11.0)	230.1	290.9	(10.0)	280.9
Other tangible assets	5,156.2	(3,866.7)	1,289.6	4,882.2	(3,572.7)	1,309.5
Total	16,963.2	(10,947.8)	6,015.4	16,700.0	(10,491.1)	6,208.9

Buildings mainly consist of technical website hosting, constructed buildings and their respective amenities.

Technical equipment includes mainly network and transmission equipment.

Property, plant, and equipment in progress consist of equipment and network infrastructures.

“Other tangible assets” item includes boxes (ADSL, fibre and cable).

14.2. Change in net property, plant and equipment

The following table presents the change in net property, plant and equipment:

Change in net property, plant and equipment (€m)	December 31, 2024	December 31, 2023
Opening balance	6,208.9	6,258.7
Amortisation and depreciation	(1,268.8)	(1,206.3)
Additions	1,135.6	1,345.3
Disposals	(20.6)	(24.8)
Change in scope	(39.4)	-
Assets classified as held for sale	-	(129.5)
Other	(0.2)	(34.4)
Closing balance	6,015.4	6,208.9

14.3. Breakdown of the amortisation and depreciation

The following table presents the breakdown of the amortisation and depreciation:

Breakdown of the amortisation and depreciation (€m)	December 31, 2024	December 31, 2023
Buildings	(152.3)	(153.9)
Technical equipment	(675.2)	(612.0)
Assets under construction	(1.0)	(2.4)
Other tangible assets	(440.4)	(438.0)
Total	(1,268.8)	(1,206.3)

15. Rights of use

15.1. Rights of use by type

The following table presents the breakdown of the rights of use by type:

Rights of use by type (€m)	December 31, 2024			December 31, 2023		
	Gross	Amort. & dep.	Net	Gross	Amort. & dep.	Net
Lands and buildings	764.2	(466.3)	297.9	803.3	(459.3)	344.0
Technical installations	6,571.1	(3,620.9)	2,950.3	6,422.8	(3,092.6)	3,330.2
Other	139.2	(93.6)	45.7	134.1	(103.2)	30.9
Total	7,474.5	(4,180.8)	3,293.8	7,360.2	(3,655.1)	3,705.1

15.2. Change in net rights of use

The following table presents the change in net rights of use:

Change in net rights of use (€m)	December 31, 2024	December 31, 2023
Opening balance	3,705.1	3,441.3
Depreciation and amortisation	(720.7)	(694.5)
Additions	646.7	1,211.7
Contract modification/termination	(297.5)	(275.3)
Change in scope	(42.0)	-
Other	2.2	21.8
Closing balance	3,293.8	3,705.1

15.3. Breakdown of the amortisation and depreciation

The following table presents the breakdown of the amortisation and depreciation:

Breakdown of the amortisation and depreciation (€m)	December 31, 2024	December 31, 2023
Lands and buildings	(75.5)	(76.7)
Technical installations	(626.5)	(598.1)
Other	(18.7)	(19.7)
Total	(720.7)	(694.5)

16. Investments in associates and joint ventures

16.1. Change in investments in associates and joint ventures

The main changes over the year ended December 31, 2024 concern the disposals of XpFibre Holding and La Poste Telecom and the recognition of the 30% interest of UltraEdge, following the disposal of a 70% stake-in UltraEdge (Refer to Note 4 – *Significant events of the period*).

Change in investments in associates and joint ventures (€m)	December 31, 2024	December 31, 2023
Opening balance	703.4	874.6
Change in scope (a)	130.2	-
Dividends (b)	(547.2)	(1.6)
Profit/(Loss)	(54.1)	(158.8)
Other	(14.6)	(10.8)
Closing balance	217.7	703.4

(a) Concern mainly UltraEdge accounted for by the equity method (€213.4 million) and the disposal of XpFibre Holding (€(80.5) million).

(b) Of which €(544.8) million related to distribution by XpFibre Holding.

16.2. Main interests in associates and joint ventures

The main investments in associates and joint ventures are as follows:

Main interests in associates and joint ventures (€m)	December 31, 2024	December 31, 2023
UltraEdge (a)	211.4	-
La Poste Telecom	-	-
Synerail Construction	0.1	1.1
Other associates	3.7	6.4
Associates	215.2	7.5
XpFibre Holding (b)	-	692.1
Synerail	2.1	3.3
Other joint ventures	0.4	0.4
Joint ventures	2.5	695.9
Total	217.7	703.4

(a) Refer to Note 4.4 – *Disposal of UltraEdge to Morgan Stanley Infrastructure Partners*.

(b) Refer to Note 4.5 – *Participation in XpFibre Holding*.

The shareholding percentages of these principal equity associates are indicated in Note 35 – *List of consolidated entities*.

16.3. Condensed financial information on equity associates and joint ventures

The following table presents the breakdown of the condensed financial information on significant equity associates and joint ventures:

Condensed financial information on equity associates and joint ventures (€m)	Synerail		UltraEdge		La Poste Telecom		XpFibre Holding	
	2024	2023	2024	2023	2024 (*)	2023	2024 (*)	2023
Revenues	78.9	62.1	86.4	-	-	318.0	-	1,237.2
Net income (loss)	0.2	2.0	(6.7)	-	-	21.9	-	(148.7)
Equity	5.9	10.2	704.8	-	-	(79.1)	-	2,919.2
Cash (-) / Net debt (+)	(26.2)	(86.0)	222.9	-	-	(0.4)	-	3,006.8
Total equity and liabilities	51.1	148.2	927.7	-	-	66.2	-	10,049.3

(*) Not disclosed as companies disposed in 2024.

These amounts may be subject to homogenisation and consolidation restatements by the Group. The figures related to 2024 are unaudited.

17. Non-current financial assets and other assets

The following table presents the breakdown of the non-current financial assets and other assets:

Non-current financial assets and other assets (€m)	December 31, 2024	December 31, 2023
Derivative instruments (a)	264.3	120.3
Loans and receivables with Altice Group affiliates (b)	2,959.5	552.3
Other (c)	60.5	601.5
Non-current financial assets	3,284.3	1,274.1
Other non-current assets (d)	266.8	209.6
Non-current financial assets and other assets	3,551.1	1,483.6

(a) Related to swaps (Refer to Note 25 – *Derivative instruments*).

(b) The change concerns mainly a vendor loan granted to Altice Luxembourg (XpFibre Holding) for an amount of € 2,362.0 million.

(c) The change relates to the repayment of its loan by XpFibre Holding.

(d) Includes mainly non-current prepaid expenses.

18. Inventories

The following table presents the breakdown of the inventories:

Inventories (€m)	December 31, 2024	December 31, 2023
Inventories of terminals and accessories	261.1	333.2
Inventories and work in progress	102.2	90.5
Other	-	0.1
Inventories - gross value	363.4	423.8
Impairment	(28.1)	(33.6)
Inventories - net value	335.3	390.2

Inventories are primarily comprised of handsets (mobile and other equipment) and accessories.

The handsets inventories at year-end consist of €60.9 million classified as inventories on deposit with distributors (classified as agents) compared with €79.7 million in 2023.

The inventories and work in progress relate to the activity of the ATSF sub-group.

19. Trade and other receivables

The following table presents the breakdown of the trade and other receivables:

Trade and other receivables (€m)	December 31, 2024	December 31, 2023
Trade receivables (a) (b)	2,478.5	2,945.8
Impairment of doubtful receivables (c)	(400.3)	(470.0)
Trade receivables, net	2,078.2	2,475.8
Receivables from suppliers	204.3	227.1
Tax and social security receivables	670.3	779.7
Prepaid expenses	281.5	268.0
Non-operating other receivables	51.2	25.0
Trade and other receivables, net	3,285.5	3,775.6

(a) The trade receivables disclosed above are measured at amortised cost. Due to their short-term maturity, fair value and amortised cost are an estimate for the nominal amount of trade receivables.

(b) SFR has concluded in July 2024 and amended in December 2024 a non-recourse securitisation agreement for its “customer services” segment portfolio receivables and future receivables with Ester Finance Technologies, a 100% owned subsidiary of the Crédit Agricole Corporate and Investment Banking group (Refer to Note 24.8 – *Reverse factoring and securitisation*).

(c) The Group considers that there is no significant risk of not recovering unprovisioned receivables due. The concentration of counterparty risk connected with trade receivables is limited as the Group’s customer portfolio is highly diversified and not concentrated given the large number of customers, especially in B2C activities, with many millions of individual customers. In the B2B segment, the twenty principal customers of the Group represent less than 3% of the Group’s revenue. In the wholesale business, revenue is more concentrated as the largest customers are the telecommunication operators (Orange, Bouygues Telecom, Free, etc.) and infrastructure wholesale operator (as XpFibre) for which the risk is moderate given the reciprocal interconnection flows.

20. Current financial assets

The following table presents the breakdown of the current financial assets:

Current financial assets (€m)	December 31,	December 31,
	2024	2023
Loans and receivables with Altice Group affiliates (a)	1,671.0	1,269.9
Call options with non-controlling interests (b)	60.4	66.6
Derivative instruments	231.3	67.0
Other	46.8	28.4
Current financial assets	2,009.6	1,431.9

(a) Concern mainly Altice France Holding: €1,507.0 million (€1,199.5 million as of December 31, 2023).

(b) Concerns the ACS call option.

21. Cash and cash equivalents

The following table presents the breakdown of the cash and cash equivalents:

Cash and cash equivalents (€m)	December 31,	December 31,
	2024	2023
Cash	874.1	416.3
Cash equivalents	1,993.0	34.7
Cash and cash equivalents	2,867.1	451.1

The increase of the cash and cash equivalents was mainly due to the proceeds of the disposals of a 70% stake in UltraEdge, the Altice Media division and a 49% stake in La Poste Telecom. These proceeds were mainly invested in SICAV.

22. Assets and associated liabilities held for sale

As of December 31, 2023, the net assets held for sale (€359.0 million) concerned the datacenters which have been sold on May 23, 2024 (Refer to Note 4.4 – *Disposal of UltraEdge to Morgan Stanley Infrastructure Partners*).

23. Equity

As of December 31, 2024, the Company's share capital amounted to €443,706,618 comprising 443,706,618 shares with a par value of €1 each.

The Company does not hold treasury shares.

The Company did not distribute dividends to its shareholders during the three previous years including 2024.

24. Financial liabilities

24.1. Financial liabilities breakdown

The following table presents the breakdown of the financial liabilities:

Financial liabilities breakdown (€m)	Current		Non-current		Total	
	December 31, 2024	December 31, 2023 Revised (*)	December 31, 2024	December 31, 2023 Revised (*)	December 31, 2024	December 31, 2023
Bonds	896.4	164.5	11,587.3	11,799.3	12,483.7	11,963.8
Loans from financial institutions	733.4	195.4	7,850.7	7,845.0	8,584.1	8,040.3
Derivative financial instruments	111.0	132.1	191.0	727.5	302.0	859.6
Borrowings, financial liabilities and related hedging instruments (**)	1,740.8	491.9	19,629.0	20,371.7	21,369.8	20,863.7
Finance lease liabilities	5.5	10.3	13.1	14.0	18.5	24.3
Operating lease liabilities	583.8	663.0	5,343.9	5,586.6	5,927.8	6,249.6
Lease liabilities	589.3	673.3	5,357.0	5,600.5	5,946.3	6,273.8
Deposits received from customers	11.2	12.6	50.6	62.3	61.7	74.9
Bank overdrafts	3.1	8.2	-	-	3.1	8.2
Securitisation (a)	796.2	255.1	-	-	796.2	255.1
Reverse factoring (a)	-	663.6	-	-	-	663.6
Debt Altice Group and other	156.2	232.1	15.5	22.0	171.7	254.1
Other financial liabilities	966.8	1,171.5	66.1	84.4	1,032.9	1,255.9
Financial liabilities	3,296.9	2,336.7	25,052.0	26,056.6	28,348.9	28,393.3

(*) Previously published information has been revised to take into account the impact following the adoption of the amendments in Classification of

Altice France S.A. – Consolidated financial statements – December 31, 2024.

Liabilities as Current or Non-Current (Amendments to IAS 1 – Presentation of financial statements). For the reconciliation to previously published amounts, refer to Note 1.2.1 – Standards and interpretations applied from January 1, 2024.

(**) Including accrued interest.

(a) Securitisation debt increased by €541.1 million. This increase is mainly due to a new agreement signed in July 2024 with a bank. Following the implementation of this new agreement, the reverse factoring programs were terminated (Refer to Note 24.8 – *Reverse factoring and securitisation*).

Financial liabilities issued in US dollars are converted at the following closing rate:

- As of December 31, 2024: €1=1.0349 USD,
- As of December 31, 2023: €1=1.1064 USD.

As of December 31, 2024, the Revolving Credit Facility (“RCF”) was drawn for an aggregate amount of €929.9 million.

24.2. Bonds

The following table presents the breakdown of the bonds:

Bonds			Outstanding amount at ⁽¹⁾ (€m)	
			December 31, 2024	December 31, 2023
Original currency	Maturity	Coupon in original currency		
EUR	January 2025	2.500%	380.7	550.0
EUR	February 2025	2.125%	328.6	500.0
EUR	January 2027	11.500%	350.0	-
EUR	February 2027	5.875%	1,000.0	1,000.0
EUR	January 2028	3.375%	1,000.0	1,000.0
EUR	January 2029	4.125%	500.0	500.0
EUR	July 2029	4.000%	400.0	400.0
EUR	October 2029	4.250%	800.0	800.0
USD	February 2027	8.125%	1,691.0	1,581.7
USD	January 2028	5.500%	1,062.9	994.2
USD	January 2029	5.125%	459.0	429.3
USD	July 2029	5.125%	2,415.7	2,259.6
USD	October 2029	5.500%	1,932.6	1,807.7
TOTAL			12,320.4	11,822.5

(1) Amounts expressed exclude accrued interest: €196.3 million (€171.5 million as of December 31, 2023) and exclude the impact of the effective interest rate (transaction costs (EIR)): €(33.1) million (€(30.2) million as of December 31, 2023). Including accrued interest and impact of EIR, the total bonds borrowings amount to €12,483.7 million (€11,963.8 million as of December 31, 2023).

The bonds are listed on The International Stock Exchange (T.I.S.E.) and on the Luxembourg Stock Exchange (Lux S.E.).

24.3. Bank borrowings

The following table presents the breakdown of the bank borrowings:

Bank borrowings					Outstanding amount at ⁽²⁾ (€m)	
					December 31, 2024	December 31, 2023
Currency	Tranche	Maturity	Reference interest rate	Margin in original currency ⁽¹⁾		
EUR	B11	July 2025	Euribor 3M	3.000%	203.4	205.4
EUR	B12	January 2026	Euribor 3M	3.000%	243.5	245.9
EUR	B14	August 2028	Euribor 3M	5.500%	1,695.7	1,712.9
USD	B11	July 2025	Libor 3M	2.750%	337.3	318.7
USD	B12	January 2026	Libor 3M	3.688%	522.5	493.7
USD	B13	August 2026	Libor 3M	4.000%	554.7	524.2
USD	B14	August 2028	Term Sofr 3M	5.500%	4,072.9	3,848.4
EUR	RCF F	April 2026	Euribor 1M	3.250%	80.6	49.2
EUR	RCF G	January 2028	Euribor 1M	3.250%	849.3	649.2
Total					8,559.9	8,047.6

(1) Interest is payable quarterly.

(2) Amounts expressed exclude accrued interests: €159.3 million (€152.6 million as of December 31, 2023) and exclude the impact of EIR: €(135.1) million (€(160.2) million as of December 31, 2023). Including accrued interest and impact of EIR, total bank borrowings amount to €8,584.1 million (€8,040.0 million as of December 31, 2023).

Bank loans, excluding the RCF, are amortisable at a rate of 0.25% of the nominal amount each quarter.

24.4. Net financial debt

The following table presents the breakdown of the net financial debt as defined and utilized by the Group:

Net financial debt (€m)	December 31, 2024	December 31, 2023
Bonds	12,320.4	11,822.5
Loans from financial institutions	8,559.9	8,047.6
Finance lease liabilities	18.5	24.3
Bank overdrafts	3.1	8.2
Other	17.3	15.8
Net derivative instruments - currency translation impact	(198.8)	579.4
Financial liabilities contributing to net financial debt (a)	20,720.5	20,497.8
Cash and cash equivalents (b)	2,867.1	451.1
Net financial debt (a) – (b)	17,853.5	20,046.7

Net financial debt - Altice TV and Altice Participations (€m)	December 31, 2024	December 31, 2023
Financial liabilities contributing to net financial debt (c)	-	-
Cash and cash equivalents (d)	1,968.4	5.5
Net financial debt - Altice TV and Altice Participations (c) – (d)	(1,968.4)	(5.5)

Net financial debt - excluding Altice TV and Altice Participations	19,821.9	20,052.2
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(a) Liability items correspond to the nominal value of financial liabilities excluding accrued interest, impact of EIR, operating “debt” (notably guarantee deposits, securitisation “debt” and reverse factoring) and include the portion of the fair value of derivatives related to the currency impact: €198.8 million (€(579.4) million as of December 31, 2023). The fair value of derivatives related to the interest rate impact of €(5.1) million (€(92.9) million as of December 31, 2023) is not included. All these liabilities are converted at the closing exchange rates (Refer to Note 24.6 – *Reconciliation between net financial liabilities and net financial debt*).

(b) Refer to Note 21 – *Cash and cash equivalents*.

(c) Excluding intercompany current account debt. As of December 31, 2024, Altice TV had a current account liability towards the Company of €165.6 million.

24.5. Senior secured debt liquidity risk

The following table breakdowns, for the Group’s senior secured debt (bonds, bank loans and RCF), the future undiscounted cash flows (interest payments, commitment fees and repayment of the nominal amount):

Senior secured debt liquidity risk (€m)	2025	2026	2027	2028	2029	2030 and beyond	Total
USD bonds	192.4	400.5	2,044.0	1,318.7	5,001.3	-	8,956.9
USD term loans	840.0	1,465.7	441.0	4,260.9	-	-	7,007.6
EUR bonds	918.6	203.4	1,503.9	1,079.1	1,752.9	-	5,457.7
EUR term loans	388.5	400.9	154.4	1,757.6	-	-	2,701.4
RCF	61.1	128.4	53.6	861.5	-	-	1,104.6
Total	2,400.5	2,598.8	4,196.9	9,277.8	6,754.1	-	25,228.2

The main assumptions used in this schedule are as follows:

- US dollar amounts are translated to euros at the closing rate (€1=\$1.0349) and flows on USD bonds and USD term loans also include flows on derivative instruments (Refer to the specific assumptions for “debt” denominated in US dollars as described in Note 25.3 – *Liquidity risk on foreign currency “debt”*).
- Calculations of interest are based on the Euribor, synthetic Libor or Term SOFR rates as of December 31, 2024.
- The maturity dates of bonds and loans are positioned at the contractual maturity date.

24.6. Reconciliation between net financial liabilities and net financial debt

In compliance with IAS 7, the following table presents the reconciliation between net financial liabilities in the consolidated statement of financial position and the net financial debt:

Reconciliation between net financial liabilities and net financial debt		December 31,	December 31,
(€m)	Note	2024	2023
Financial liabilities	24.1	28,348.9	28,393.3
Cash and cash equivalents	21	(2,867.1)	(451.1)
Derivative instruments classified as asset	17/20	(495.6)	(187.3)
Net financial debt - consolidated statement of financial position		24,986.2	27,755.0
<i>Reconciliation:</i>			
Operating lease liabilities		(5,927.8)	(6,249.6)
Net derivative instruments - rate impact		(5.1)	(92.9)
Accrued interest		(355.7)	(329.7)
Transaction costs		168.2	190.4
Deposits received from customers		(61.7)	(74.9)
Securitisation		(796.2)	(255.1)
Reverse factoring		-	(663.6)
Debt on share purchase		(151.6)	(221.3)
Dividend to pay		(0.7)	(0.7)
Current accounts		(1.3)	(1.2)
Debt Altice Group and other		(0.8)	(9.8)
Net financial debt		17,853.5	20,046.7

24.7. Reconciliation between change on financial liabilities and flows related to financing

This table presents the reconciliation between change on financial liabilities and flows related to financing as presented in the consolidated statement of cash flows.

Reconciliation between change on financial liabilities and flows related to financing	December 31,	Consolidated statement of cash flows			December 31,	
		2023 Revised	Net cash flow - financing activities	Other flows - cash		Other flows - non cash
(€m)	Note	(*)				
Borrowings, financial liabilities and relating hedging instruments		20,371.7	156.0	-	(898.7) ⁽¹⁾	19,629.0
Lease liabilities		5,600.5	(30.7)	-	(212.8) ⁽²⁾	5,357.0
Other financial liabilities		84.4	(19.1)	64.9	(64.0)	66.1
Non-current financial liabilities (*)	24.1	26,056.6	106.1	64.9	(1,175.6)	25,052.0
Borrowings and financial liabilities		491.9	(0.2)	-	1,249.1 ⁽¹⁾	1,740.8
Lease liabilities		673.3	(632.6)	-	548.6 ⁽²⁾	589.3
Other financial liabilities		1,171.5	(126.6)	(62.2)	(15.9)	966.8
Current financial liabilities (*)	24.1	2,336.7	(759.5)	(62.2)	1,781.8	3,296.9
Financial liabilities	24.1	28,393.3	(653.3)	2.7	606.2	28,348.9

(*) Previously published information has been revised to take into account the impact following the adoption of the amendments in Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 – *Presentation of financial statements*). For the reconciliation to previously published amounts, refer to Note 1.2.1 – *Standards and interpretations applied from January 1, 2024*.

(1) Mainly impact of the change in fair value of derivative instruments: €(549.8) million and the exchange rate impact on the financial debt: €843.7 million.

(2) IFRS 16 impacts.

Reconciliation between change on financial liabilities and flows related to financing	December 31,	Consolidated statement of cash flows			December 31,	
		2022	Net cash flow - financing activities	Other flows - cash		Other flows - non cash
(€m)	Note					
Borrowings, financial liabilities and relating hedging instruments		19,524.5	309.8	-	537.4 ⁽¹⁾	20,371.7
Lease liabilities		5,318.5	(29.6)	-	311.6 ⁽²⁾	5,600.5
Other financial liabilities		237.9	(94.1)	-	(59.4)	84.4
Non-current financial liabilities (*)	23.1	25,080.9	186.2	-	789.6	26,056.6
Borrowings and financial liabilities		596.7	559.7	-	(664.4) ⁽¹⁾	491.9
Lease liabilities		613.6	(589.8)	-	649.5 ⁽²⁾	673.3
Other financial liabilities		1,462.6	(317.8)	(52.0)	78.7	1,171.5
Current financial liabilities (*)	23.1	2,672.8	(347.9)	(52.0)	63.8	2,336.7
Financial liabilities	23.1	27,753.7	(161.8)	(52.0)	853.4	28,393.3

(*) Previously published information has been revised to take into account the impact following the adoption of the amendments in Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 – *Presentation of financial statements*). For the reconciliation to previously published amounts, refer to Note 1.2.1 – *Standards and interpretations applied from January 1, 2024*.

- (1) Mainly impact of the change in fair value of derivative instruments: €482.4 million and the exchange rate impact on the financial debt: €(784.5) million.
(2) IFRS 16 impacts.

The net cash flow presented above can be reconciled to the financing activities in the cash flow statement as follows:

Reconciliation to financing cash flow	December 31,	December 31,
(€m)	2024	2023
Financing activities - Financial liabilities	(653.3)	(161.8)
Restructuring of swap instruments	31.3	634.2
Unwinding of swap instruments	(69.3)	-
Interest paid on debt	(1,180.9)	(1,032.2)
Interest paid on lease liabilities	(590.6)	(545.6)
Other interest paid	(137.8)	(89.5)
Dividends received	548.9	5.1
Dividends distributed	(27.6)	(15.8)
Loans to Altice Group affiliates	(334.4)	(325.7)
Currency effect on "Senior Secured Debt" redemption	-	(378.3)
Maturity of perpetual subordinated notes	-	74.6
Other	2.0	(38.5)
Financing activities - Consolidated statement of cash flows	(2,411.7)	(1,873.4)

24.8. Reverse factoring and securitisation

Reverse factoring

Since 2015, SFR has entered into reverse factoring agreements with several banking partners (BNP Paribas, Société Générale, Citibank) and twenty of its main services or equipment providers; each partner pays the invoices of these suppliers at the original due date of the invoices.

As part of these programs, SFR undertook to pay to the banking partner the invoice at the extended deadline, whose extension could not exceed 360 days after the provider issued it. When the supplier invoice had been paid by the financial partner on behalf of SFR, the company recognised a decrease in accounts payables and an increase in financial debt.

All programs have been terminated in 2024.

Securitisation

As part of the measures implemented by the Group to manage its cash flow, SFR and Completel have concluded since 2015 and 2016 a non-recourse securitisation agreement for their “business services” segment portfolio receivables with Ester Finance Titrisation, a 100% owned subsidiary of the Crédit Agricole Corporate and Investment Banking group. Ester Finance Titrisation has committed to purchase these receivables for a new five-year period starting February 2020 and for a total committed capacity of €320 million, monthly and via a revolving structure. The analysis of these contracts and the assigned receivables has led the Group to conclude that the program, while being non-recourse, does not meet the de-recognition criteria under IFRS 9 and hence a financial debt is recognised on the balance sheet corresponding to the outstanding balance of receivables.

SFR has also concluded in July 2024 and amended in December 2024 a non-recourse securitisation agreement for its “customer services” segment portfolio receivables and future receivables with Ester Finance Technologies, a 100%

owned subsidiary of the Crédit Agricole Corporate and Investment Banking group, for a total of an uncommitted capacity of €800 million. This program does not meet the de-recognition criteria under IFRS 9; hence a financial debt is recognised on the balance sheet corresponding to the outstanding balance of receivables.

The total amount of the business services and commercial portfolio of receivables assigned as of December 31, 2024, represents €796.2 million.

As a reminder, on December 30, 2020, the Group entered into an agreement with a financial institution to sell receivables due from customers with handset bundles and a predetermined payment plan for the handsets. The transaction has been analysed as being an off-balance sheet program per IFRS 9, so no debt was recorded against the cash advanced to the Group by the financial institution.

25. Derivative instruments

25.1. Fair value of derivative instruments

The following table presents the fair value of the Group’s derivative instruments:

Note	Type (€m)	Underlying element	December 31, 2024	December 31, 2023
25.2	Cross currency swaps	2027 USD bonds	7.3	(95.6)
		2028 USD bonds	36.2	(19.4)
		2029 USD bonds	(1.5)	(214.9)
		August 2028 USD term loan	72.6	(354.4)
25.2	Interest rate swaps	Fixed rate - Floating rate USD	-	(120.7)
		Fixed rate - Euribor 6 months	58.4	89.5
		Creditor/debtor value adjustment (*)	20.6	43.2
17 / 20		Derivative instruments classified as assets	495.6	187.3
24.1		Derivative instruments classified as liabilities	(302.0)	(859.6)
		Net Derivative instruments	193.6	(672.3)
		O/w currency effect	198.8	(579.4)
		O/w interest rate effect	(5.1)	(92.9)

(*) Since December 31, 2023, counterparty and own credit risk have been calculated based on counterparty, rather than by the underlying instrument; the Group believes that this approach best reflects the fair value of its derivative instruments.

In accordance with IFRS 9, the Group uses the fair value method to recognise its derivative instruments.

The fair value of derivative financial instruments (cross currency swaps) traded over the counter is calculated based on models commonly used by traders to measure these types of instruments. The resulting fair values are checked against bank valuations.

The measurement of the fair value of derivative financial instruments includes a “counterparty risk” component for asset derivatives and an “own credit risk” component for liability derivatives. Credit risk is measured using a simplified model derived from Base II for calculating exposure risk and using market data to determine the probability of default. As these swaps did not qualify for hedge accounting, the change in fair value is recognised directly in profit and loss.

25.2. Cross currency swaps and interest rate swaps

Cross currency swaps subscribed by the Group are intended to neutralise the exchange rate impacting future financial flows (nominal amount, coupons) or to convert the exposure to Term SOFR or synthetic Libor for drawdowns in US dollars for the Term Loan into Euribor exposure.

In the year ended December 31, 2024, the following positions were terminated:

- \$1,174.4 million of Cross Currency Swaps principal (equivalent to €1,062.8 million) resulting in a net payment of €39.3 million in the Group’s favour;
- \$2,125.0 million of Interest Rate Swaps principal resulting in a net payment cashed out equivalent to €69.3 million.

In the year ended December 31, 2023, the Group made changes to cross-currency and interest rate swaps and hence received net cash proceeds of €629.1 million.

The tables below provide a summary of the derivatives portfolio.

Cross Currency Swaps						
Start Date-End Date		Notional amount due from Counterparty (millions)	Notional amount due to Counterparty (millions)		Interest rate due from Counterparty	Interest rate due to Counterparty
.../August 2026	USD	541	EUR	502	3m Term Sofr + 3.59%	5.11%
Jan 2023 / Jan 2027	USD	787	EUR	794	3m Term Sofr + 3.59%	3m Euribor + 3.20%
.../February 2027	USD	1,636	EUR	1,575	8.13%	6.26%
.../January 2028	USD	1,100	EUR	1,026	5.50%	3.61%
.../July 2028	USD	55	EUR	51	3m Term Sofr + 3.59%	3m Euribor + 3.57%
Feb 2023 / Aug 2028	USD	2,106	EUR	1,988	3m Term Sofr + 5.50%	3m Euribor + 5.387%
Feb 2023 / Aug 2028	USD	1,516	EUR	1,471	3m Term Sofr + 5.50%	7.28%
Feb 2023 / Apr 2029	USD	244	EUR	225	3m Term Sofr + 5.50%	6.58%
.../January 2029	USD	475	EUR	433	5.13%	4.24%
Jan 2027 / Apr 2029	USD	335	EUR	342	3m Term Sofr + 3.59%	3m Euribor + 3.05%
.../July 2029	USD	2,500	EUR	2,368	5.13%	3.81%
.../October 2029	USD	1,482	EUR	1,389	5.50%	4.19%

Interest Rate Swaps						
Start Date-End Date		Notional amount due from Counterparty (millions)	Notional amount due to Counterparty (millions)		Interest rate due from Counterparty	Interest rate due to Counterparty
.../January 2027	EUR	750	EUR	750	6m Euribor + 3.00%	3.08%
.../April 2027	EUR	250	EUR	250	6m Euribor + 3.00%	3.16%

25.3. Liquidity risk on foreign currency “debt”

The following table breakdown, for the bonds and loans denominated in dollars, the future undiscounted cash flows (interest payments and repayment of the nominal amount).

(€m)	2025	2026	2027	2028	2029	2030 and beyond	Total
USD Bonds (a)	192.4	400.5	2,044.0	1,318.7	5,001.3	-	8,956.9
Flows in USD	449.5	449.5	2,071.8	1,331.1	5,014.2	-	9,316.0
Swap - Flows in USD	(3,540.7)	(3,400.7)	(295.3)	(163.0)	(120.4)	-	(7,520.0)
Swap - Flows in EUR	3,283.6	3,351.7	267.6	150.5	107.4	-	7,160.9
USD Term loans (b)	840.0	1,465.7	441.0	4,260.9	-	-	7,007.6
Flows in USD	923.2	1,577.7	436.5	4,275.9	-	-	7,213.2
Swap - Flows in USD	(962.7)	(4,395.9)	(259.0)	(136.0)	-	-	(5,753.7)
Swap - Flows in EUR	879.5	4,284.0	263.5	121.1	-	-	5,548.1
Total = (a)+(b)	1,032.4	1,866.2	2,485.0	5,579.6	5,001.3	-	15,964.5

The main assumptions used in this schedule are as follows:

- Amounts in dollars are translated to euros at the closing rate (€1=\$1.0349).
- Calculations of interest are based on the Euribor and Term SOFR rates as of December 31, 2024.
- The maturity dates of bonds and loans are positioned at the contractual maturity date (no early repayment is planned).
- The final trade date for the swaps was scheduled for the closer of (i) the final trade date provided for in the swap agreement and, where applicable, (ii) the date on which the banks have the option to terminate the agreement early.

26. Obligations under leases

26.1. Lessee

In compliance with IFRS 16, the Group recognises right of use assets and lease liabilities for contract that contains a lease.

The following table presents, for the lessee, the contractual undiscounted cash flows related to lease payments:

Obligation under leases (€m)	December 31, 2024	December 31, 2023
Less than one year	1,198.7	1,165.5
Between one and two years	1,123.1	1,082.1
Between two and three years	968.3	991.3
Between three and four years	943.6	846.7
Five years and beyond	5,238.2	5,252.7
Total future payments	9,471.9	9,338.2
Future finance expenses	(3,525.6)	(3,064.7)
Discounted value of contracts	5,946.3	6,273.8
Included in the financial liabilities' breakdown:		
- <i>Lease liabilities current</i>	589.3	673.3
- <i>Lease liabilities non-current</i>	5,357.0	5,600.5

26.2. Lessor

The following table presents, for the lessor, the contractual undiscounted cash flows related to lease income:

Lessor - operating lease revenues maturity (€m)	December 31, 2024	December 31, 2023
Less than one year	15.4	14.8
Between one and two years	14.6	14.3
Between two and three years	12.8	11.9
Between three and four years	11.8	10.0
Five years and beyond	129.4	126.5
Total future payments	184.0	177.5

The amount of lease income recognised in the income statement amounts to €15.6 million (€15.0 million as of December 31, 2023).

27. Financial instruments

27.1. Fair value of financial instruments

The following table presents the net carrying amount per category and the fair value of the Group's financial instruments:

Fair value of financial instruments (€m)	Note	December 31, 2024		December 31, 2023 Revised (*)	
		Carrying value	Fair value	Carrying value	Fair value
Cash and cash equivalents	21	2,867.1	2,867.1	451.1	451.1
Call options with non-controlling interests	20	60.4	60.4	66.6	66.6
Derivatives	20	231.3	231.3	67.0	67.0
Other financial assets	20	1,717.9	1,717.9	1,298.3	1,298.3
Current assets		4,876.7	4,876.7	1,883.0	1,883.0
Derivatives		264.3	264.3	120.3	120.3
Other financial assets		3,020.0	3,020.0	1,153.8	1,153.8
Non-current assets	17	3,284.3	3,284.3	1,274.1	1,274.1
Short-term borrowings and financial liabilities		1,629.8	1,594.4	359.8	359.8
Put options with non-controlling interests		136.2	136.2	143.3	143.3
Derivatives		111.0	111.0	132.1	132.1
Lease liabilities		589.3	589.3	673.3	673.3
Reverse factoring and securitisation		796.2	796.2	918.7	918.7
Accrued interest		-	-	5.6	5.6
Other financial liabilities		34.3	34.3	103.9	103.9
Current liabilities	24.1	3,296.9	3,261.5	2,336.7	2,336.7
Long-term borrowings and financial liabilities		19,438.0	16,789.1	19,644.2	17,639.6
Derivatives		191.0	191.0	727.5	727.5
Lease liabilities		5,357.0	5,357.0	5,600.5	5,600.5
Other financial liabilities		66.1	66.1	84.4	84.4
Non-current liabilities	24.1	25,052.0	22,403.2	26,056.6	24,052.0

(*) Previously published information has been revised to take into account the impact following the adoption of the amendments in Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 – *Presentation of financial statements*). For the reconciliation to previously published amounts, refer to Note 1.2.1 – *Standards and interpretations applied from January 1, 2024*.

During the year ended December 31, 2024, there has been no transfer of assets or liabilities between levels of the fair value hierarchy. The Group's trade and other receivables and trade and other payables are not shown in the table above as their carrying amounts approximate their fair values.

Except for derivatives and put and call options on non-controlling interests, loans and other short-term and long-term financial debts, and other current and non-current financial liabilities are measured at their amortised cost, which corresponds to the estimated value of the financial liability when initially recognised, minus repayments of principal, and plus or minus cumulative amortisation, measured using the effective interest rate method.

Derivatives are measured at fair value through the income statement. Put and call options are measured at fair value through equity.

As of December 31, 2024, no derivative was qualified for hedge accounting.

Fair value measurement through the consolidated statement of financial position

Fair value is calculated using market prices. When market prices are not available, an analysis of discounted cash flows is carried out or a business model applied.

The following table provides information on the fair value of financial assets and financial liabilities, their valuation technique, and the fair value hierarchy of the instrument given the inputs used in the valuation method.

Fair value measurement (€m)	Fair value hierarchy	Valuation technique	December 31, 2024	December 31, 2023
Financial liabilities				
Derivative financial instruments	Level 2	Discounted cash flows	302.0	859.6
Minority put option - Intelcia	Level 3	Black and Scholes model	136.2	143.3
Financial assets				
Derivative financial instruments	Level 2	Discounted cash flows	495.6	187.3
Minority call option - Intelcia	Level 3	Discounted cash flows	60.4	66.6

27.2. Financial risk management and derivative instruments

The Group's treasury department provides services, coordinates access to national and international financial markets, measures and manages the financial risks connected with the Group's activities. These risks include market risks (mainly exchange rate and interest rate risks), credit risks and liquidity risks. The Group seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures.

27.3. Currency risk

The Group's exchange rate risk relates to bond issues and bank borrowings denominated in US dollars.

The Group's borrowings arranged in US dollars are hedged over 90% by derivative instruments in the form of cross currency swaps.

The following table presents the impact of hedging on the initial debt (at the debt issue date), before and after hedging.

Original amount, expressed in millions	Currency	Initial position		Hedging instrument		Final position	
		In original currency	In euros	In original currency	In euros	In original currency	In euros
2027 Bonds	USD	(1,750.0)	-	1,635.5	(1,575.4)	(114.5)	(1,575.4)
2028 Bonds	USD	(1,100.0)	-	1,100.0	(1,026.4)	-	(1,026.4)
2029 A Bonds	USD	(475.0)	-	475.0	(432.7)	-	(432.7)
2029 B Bonds	USD	(2,500.0)	-	2,500.0	(2,368.5)	-	(2,368.5)
2029 C Bonds	USD	(2,000.0)	-	1,482.0	(1,388.6)	(518.0)	(1,388.6)
2025 Term Loan	USD	(349.0)	-	55.4	(51.3)	(293.7)	(51.3)
2026 A Term Loan	USD	(540.8)	-	786.9	(794.2)	246.1	(794.2)
2026 B Term Loan	USD	(574.1)	-	541.4	(502.1)	(32.7)	(502.1)
2027 Term Loan	USD	(4,215.0)	-	3,865.5	(3,684.3)	(349.5)	(3,684.3)
Total		(13,504.0)	-	12,441.7	(11,823.3)	(1,062.3)	(11,823.3)

The following table presents the impact of hedging on the residual debt as of December 31, 2023, before and after hedging:

Amounts as of December 31, 2023, expressed in millions	Currency	Initial position		Hedging instrument		Final position	
		In original currency	In euros	In original currency	In euros	In original currency	In euros
2027 Bonds	USD	(1,750.0)	-	1,735.5	(1,670.6)	(14.5)	(1,670.6)
2028 Bonds	USD	(1,100.0)	-	1,100.0	(1,026.4)	-	(1,026.4)
2029 A Bonds	USD	(475.0)	-	475.0	(432.7)	-	(432.7)
2029 B Bonds	USD	(2,500.0)	-	2,500.0	(2,368.5)	-	(2,368.5)
2029 C Bonds	USD	(2,000.0)	-	1,988.0	(1,828.6)	(12.0)	(1,828.6)
2025 Term Loan	USD	(352.6)	-	55.4	(51.3)	(297.2)	(51.3)
2026 A Term Loan	USD	(546.3)	-	786.9	(794.2)	240.6	(794.2)
2026 B Term Loan	USD	(579.9)	-	669.8	(620.1)	89.9	(620.1)
2027 Term Loan	USD	(4,257.8)	-	4,305.6	(4,093.7)	47.7	(4,093.7)
Total		(13,561.7)	-	13,616.1	(12,886.1)	54.5	(12,886.1)

As of December 31, 2024, a 10% change in value of the euro against the US dollar would have, given the assets and liabilities on the consolidated statement of financial position, an immaterial impact on the Group's currency translation results given the hedging instruments set up by the Group. For the purposes of this analysis, all other variables, in particular interest rates, are assumed to remain unchanged.

27.4. Rate risk

Interest rate risk

The Group is exposed to interest rate risks mainly on bank borrowings on a variable interest rate basis. The Group limits such risks, when it considers appropriate, through interest rate swaps and interest rate caps.

Interest rate sensitivity analysis

The analysis of sensitivity to interest rate fluctuations for instruments at variable rates takes into accounts all variable flows of financial instruments. The analysis assumes that the liabilities and financial instruments on the consolidated statement of financial position as of December 31, 2024, remain unchanged over the year. For the purposes of this analysis, all other variables, in particular exchange rates, are assumed to remain unchanged.

A 50-basis point rise or fall in the Euribor, synthetic Libor or Term SOFR at the period-end date would not have a material impact on the cost of gross debt.

27.5. Liquidity risk management

The Group manages liquidity risk by maintaining adequate levels of cash, cash equivalents and lines of credit, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Cash position including cash equivalents

As of December 31, 2024, the Group's cash position more than covered the repayment schedules of its current financial debt:

Liquidity risk management (€m)	December 31, 2024
Cash	874.1
Cash equivalents	1,993.0
Amount available for drawing from lines of credit	171.0
Cash position	3,038.0

27.6. Management of credit risk and counterparty risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. Financial instruments that could increase credit risk are mainly trade receivables, cash investments and derivative instruments.

Trade receivables

The Group considers that it has extremely limited exposure to concentrations of credit risk with respect to trade accounts receivable due to its large and diverse customer base (residential and public institutions) operating in numerous industries across France with a high percentage of collections coming from recurring direct debits.

Cash investments and derivative instruments

The Company is exposed to bank counterparty risk in its investments and derivatives, and therefore uses strict criteria when selecting public, financial or industrial institutions in which to invest or contract derivatives, notably in terms of their financial rating.

To a lesser extent, the Company is exposed to counterparty risk between companies of the Group by the contractualisation of derivatives.

28. Provisions

The following table presents the breakdown of the provisions:

Provisions (€m)	Opening	Addition	Utilization	Reversal and changes of accounting estimates	Other	December 31, 2024
Employee benefit provisions	99.3	11.6	(2.1)	(0.1)	4.4	113.1
Restructuring charges	3.6	2.2	(2.2)	(0.4)	(0.2)	3.1
Technical site restoration (a)	28.1	1.7	(0.9)	(0.1)	3.7	32.4
Litigation and other (b)	289.5	22.2	(51.8)	(11.3)	(32.5)	216.2
Provisions	420.5	37.7	(57.0)	(11.8)	(24.6)	364.8
<i>Current</i>	<i>197.5</i>	<i>9.4</i>	<i>(49.9)</i>	<i>(8.8)</i>	<i>14.4</i>	<i>162.5</i>
<i>Non-current</i>	<i>223.1</i>	<i>28.3</i>	<i>(7.1)</i>	<i>(3.1)</i>	<i>(38.9)</i>	<i>202.3</i>

- (a) The Group has an obligation to restore the technical sites of its network at the end of the lease when they are not renewed or are terminated early.
 (b) Provisions for litigation cover the risks connected with court action against the Group (Refer to Note 34 – *Litigation*). All provisioned disputes are currently awaiting hearing or motions in a court. The unused portion of provisions recognised at the beginning of the period reflects disputes that have been settled by the Group paying amounts smaller than those provisioned, or to a downward re-assessment of the risk.

The table for 2023 is presented below:

Provisions (€m)	Opening	Addition	Utilization	Reversal and changes of accounting estimates	Other	December 31, 2023
Employee benefit provisions	96.4	11.1	(1.4)	(0.3)	(6.5)	99.3
Restructuring charges	13.6	0.1	(5.1)	(4.9)	-	3.6
Technical site restoration	31.1	1.4	(0.7)	-	(3.7)	28.1
Litigation and other	313.9	44.5	(56.4)	(20.4)	7.9	289.5
Provisions	455.0	57.1	(63.5)	(25.6)	(2.4)	420.5
<i>Current</i>	<i>215.2</i>	<i>33.8</i>	<i>(51.3)</i>	<i>(14.1)</i>	<i>13.9</i>	<i>197.5</i>
<i>Non-current</i>	<i>239.8</i>	<i>23.3</i>	<i>(12.2)</i>	<i>(11.5)</i>	<i>(16.2)</i>	<i>223.1</i>

29. Post-employment benefits

All Group employees benefit from severance packages upon retirement based on the collective bargaining agreement with the company to which they are attached.

The rights to conventional retirement benefits vested by employees were evaluated individually, based on various parameters and assumptions such as the employee's age, position, length of service in the Group and salary, according to the terms of their employment agreement.

29.1. Assumptions used for defined-benefit plans

The following table presents the assumptions used:

Assumptions used for defined-benefit plans	December 31, 2024	December 31, 2023
Discount rate	3.20%	4.00%
Expected salary increase rate	2.00%	2.00%
Inflation rate	2.00%	2.00%

Demographic assumptions are specific to each company.

29.2. Change in commitments

The following table presents the change in commitments:

Change in commitments (€m)	December 31, 2024	December 31, 2023
Benefit obligation - opening balance	99.3	96.5
Service cost	7.7	8.1
Interest cost	3.9	3.1
Actuarial loss (gain)	9.4	(7.1)
Benefit paid	(2.1)	(1.4)
Disposals	(5.1)	-
Other (including currency translation)	0.1	-
Benefit obligation - closing balance	113.1	99.3

The Group has no plan assets as of December 31, 2024 and as of December 31, 2023.

29.3. Breakdown of the recognised expense in the consolidated statement of income

The following table presents the breakdown of the recognised expense:

Breakdown of the recognised expense in the consolidated statement of income (€m)	December 31, 2024	December 31, 2023
Service cost	7.7	8.1
Interest cost	3.9	3.1
Benefit paid	(2.1)	(1.4)
Net expense of post-employment benefits	9.5	9.9

29.4. Actuarial gains and losses recognised in other comprehensive income

The following table presents the breakdown of the actuarial gains and losses recognised in OCI:

Actuarial gains and losses recognised in other comprehensive income (€m)	December 31, 2024	December 31, 2023
Actuarial (losses)/gains from experience	(1.3)	(0.4)
Actuarial (losses)/gains from changes of assumptions	(8.0)	7.4
Actuarial (losses)/gains recognised in other comprehensive income	(9.4)	7.1
Impact on change in scope	(5.1)	-
Actuarial (losses)/gains cumulated in other comprehensive income	12.2	26.6

29.5. Sensitivities

The following table presents the impact of a change in discount rate within more or less 0.25 point for the actuarial liability:

Sensitivities (€m)	December 31, 2024
Benefit obligation as of December 31, 2024 at 2.95%	116.1
Benefit obligation as of December 31, 2024 at 3.20%	113.1
Benefit obligation as of December 31, 2024 at 3.45%	110.1

29.6. Maturity of post-employment benefits

The estimated amount (in nominal value) of the benefits to be paid in the next ten years is as follows:

Maturity of post-employment benefits (€m)	Total	Under one year	Two to five years	Six to ten years
Estimated benefits payable	85.6	2.8	20.2	62.7

30. Other non-current liabilities

The following table presents the breakdown of the other non-current liabilities:

Other non-current liabilities (€m)	December 31, 2024	December 31, 2023
5G and 2G Licences	427.0	419.6
Other	186.9	292.1
Other non-current liabilities	613.8	711.7

31. Trade payables and other current liabilities

The following table presents the breakdown of the trade payables and other current liabilities:

Trade payables and other current liabilities (€m)	December 31, 2024	December 31, 2023
Trade payables	2,986.3	2,947.8
Payables from purchase of intangible and tangible assets	754.5	756.4
Advances and deposits from customers, credit customers	398.6	344.9
Tax liabilities	738.5	785.9
Social security liabilities	372.3	379.8
Other current liabilities	41.7	40.8
Trade payables and other current liabilities	5,291.9	5,255.5

32. Related parties' transactions

Parties related to the Group include:

- All companies included in the consolidation scope, regardless of whether they are fully consolidated or equity associates,
- All entities which are ultimately owned by the Group's controlling shareholder; and
- All the members of the Executive Committee and Board members of the Company and companies in which they hold a directorship.

Transactions between fully consolidated entities within the consolidation scope have been eliminated when preparing the consolidated financial statements. Details of transactions between the Group and other related parties are disclosed below.

32.1. Senior executive compensation

The Group's senior executives include members of the Company's Executive Committee.

The following table presents the compensation allocated to individuals who were, at year-end, or had been in previous years, members of the Executive Committee:

Senior executive compensation (€m)	December 31, 2024	December 31, 2023
Gross salaries (a)	12.2	3.9
Termination benefits (b)	2.1	2.0
Executive compensation	14.3	5.9

(a) Include gross salaries (fixed component and variable component) as well as benefits in kind recognised during the year.

(b) Termination benefits paid to senior executives who left the Group.

32.2. Associates and joint ventures

Associates and joint ventures, owned by the Company, measured through equity, are presented in Note 16 – *Investments in associates and joint ventures*.

The main transactions with equity associates (EA) and joint ventures (JV), owned by the Altice Group, relate to:

- La Poste Telecom (EA) as part of its telecommunication activities until its disposal;
- Synerail (JV) as part of the GSM-R public-private partnership;
- XpFibre Holding (JV) and its subsidiaries as part of the network deployment and maintenance in medium and low dense areas until the disposal of the company to Altice Luxembourg (Refer to Note 4.5 – *Participation in XpFibre Holding*). Current and non-current assets and liabilities include the lease agreements with XpFibre recorded under IFRS 16; and
- UltraEdge (EA) as part of its datacenters services (Refer to Note 4.4 – *Disposal of UltraEdge to Morgan Stanley Infrastructure Partners*).

The overview of these transactions is as follows:

Associates and joint ventures (€m)	December 31, 2024	December 31, 2023
Assets	1,036.0	1,782.0
Non-current assets (a)	498.9	1,130.0
Current assets	537.1	652.0
Liabilities	1,260.7	1,165.6
Non-current liabilities	533.1	608.8
Current liabilities	727.6	556.7

(a) Refer to Note 17 – *Non-current financial assets and other assets*.

Associates and joint ventures (€m)	December 31, 2024	December 31, 2023
Revenue	639.5	1,015.3
Net operating expenses	(267.5)	(168.8)
Financial income/(expense)	(77.7)	(60.9)

The commitments given to the associates and joint ventures amount to €3,889.4 million (€73.6 million as of December 31, 2023) and are included in Notes 33.2 – *Commitments related to assets (excluding network sharing)* and 33.6 – *Commitments related to long-term contracts*.

32.3. Shareholders

As of December 31, 2024, the overview of these transactions is as follows:

Related parties' transactions - shareholders (€m)	December 31, 2024	December 31, 2023
Assets	4,860.9	2,112.5
Non-current financial assets (a)	2,968.7	588.1
Non-current operating assets (b)	156.3	182.9
Current financial assets (c)	1,682.2	1,291.3
Current operating assets	53.7	50.3
Liabilities	283.9	329.4
Non-current financial liabilities (b)	163.6	202.1
Current financial liabilities (b)	81.3	32.1
Operating liabilities	39.0	95.2

(a) Of which a vendor loan to Altice Luxembourg: €2,362.0 million following the disposal of XpFibre Holding, a loan to Altice Group Lux: €117.3 million (€111.3 million as of December 31, 2023) and a loan to Altice France Holding: €478.0 million (€440.9 million as of December 31, 2023).

(b) Concerns mainly the transaction with SCI Quadrans.

(c) Of which receivables with Altice France Holding: €1,507.0 million (€1,199.5 million as of December 31, 2023) and receivables to Altice Group Lux: €149.0 million (€70.5 million as of December 31, 2023).

The amounts related to right of use and financial liabilities concerning the transaction with SCI Quadrans are recorded under IFRS 16.

The transactions with related parties in the income statement are presented below:

Related parties' transactions - shareholders (€m)	December 31, 2024	December 31, 2023
Operating income (a)	1,457.5	25.0
Operating expenses	(121.0)	(148.3)
Financial income	103.5	145.8
Financial expenses	(105.5)	(52.9)

(a) Includes in 2024 the net gain on XpFibre Holding's disposal to Altice Luxembourg for an amount of €1.4 billion.

These transactions are carried out as part of the Group's activity, mainly with the following entities:

- Hot, Altice USA, Portugal Telecom: telecommunication services.
- Altice Luxembourg: management fees.
- SCI Quadrans: rental of real estate.

The financial income include interests on loans for €103.5 million (€73.7 million as of December 31, 2023) and the financial expenses include mainly the impact of swaps €(82.7) million (€46.1 million as of December 2023).

The management fees amount to €(1.4) million (€(3.2) million as of December 31, 2023).

Investments made amount to €11.1 million (€35.7 million as of December 31, 2023).

The commitments given to related parties (Altice Group's affiliates) amount to €55.4 million (€77.2 million as of December 31, 2023) and are mainly included in Notes 33.2 – *Commitments related to assets (excluding network sharing)* and 33.6 – *Commitments related to long-term contracts*.

33. Commitments and contractual obligations

The significant contractual commitments undertaken or received by the Group are disclosed below.

33.1. Commitments related to bonds and term loans

In May 2014, the Group issued bonds and set up term loans to refinance its historic debt and fund a portion of the SFR acquisition. In July 2015, in the form of an additional facility under the same legal documentation as the loans taken out in May 2014, the Group set up new term loan for the purpose of refinancing its revolving credit lines. Then, in order to fund a portion of the December 2015 distribution, the Group took out a term loan in October 2015. The latter was also structured as an additional tranche under the existing documentation. In April 2016, the Group set up new bonds and term loans for the purpose to refinance a portion of the loans raised in 2014. In October 2016, the Group set up new term loan tranches. The loans setting up in 2016 were structured as additional debt under the existing documentation. In April and October 2017, the Group refinanced some of its term loans and were structured as additional debt under the existing documentation. In July and August 2018, the Group refinanced bonds in euros and dollars with a maturity in 2022. In September 2019, the Group refinanced its USD and EUR notes due in 2024. During the year ended December 31, 2020, the Group issued new EUR and USD denominated notes due in 2029. During the year ended December 31, 2021, the Group refinanced its 2026 Senior Secured Notes. In February 2023, the Company refinanced

an important part of its notes in EUR and USD with a maturity in 2028 (the maturity was in 2025 and 2026 before this operation). In January 2024, the Group issued new EUR denominated notes due in 2027 and has partly reimbursed from January to March the EUR notes due in 2025.

In connection with the Group’s secured debt, the Company and certain of the Group subsidiaries (SFR SA, Ypso France SAS, Altice B2B France SAS, SFR Fibre SAS, Numericable US LLC, Numericable US SAS (absorbed by the Company in 2021), Completel SAS, Ypso Finance Sàrl (absorbed by Ypso France SAS in 2020), SFR Presse Distribution SAS and SFR Presse SAS) pledged certain assets to banks (equity instruments of Group companies, bank accounts intercompany loans and certain intellectual property rights, and in the case of SFR Fibre and SFR, the business (*fonds de commerce*)).

Additionally, in the event of a change in control, the Group would have to offer to repay its debt for an amount equal to 101% of the amount outstanding on that debt.

Term loans and bonds issued also include certain restrictions that limit the Group’s ability to:

- Incur or guarantee any additional debt, subject to a consolidated net debt leverage ratio (4.0x for total debt and 3.25x for bonds);
- Draw the RCF line subject to a consolidated net debt leverage ratio of 5.25x;
- Make investments or other payments that are subject to restrictions (including dividends);
- Grant sureties;
- Dispose of subsidiaries’ assets and equity instruments;
- Conclude certain transactions with its affiliates;
- Enter into agreements limiting the ability of its subsidiaries to pay it dividends or repay intercompany loans and advances; and
- Carry out mergers or consolidations.

33.2. Commitments related to assets (excluding network sharing)

The contractual commitments to acquire intangible assets and property, plant and equipment amount to €855.5 million (€850.5 million as of December 31, 2023). The amount includes commitments related to the use of telecommunications systems.

The following table presents the commitment schedule:

Investment commitments (€m)	December 31, 2024	Maturity			December 31, 2023
		Less than one year	Two to five years	More than five years	
Commitments related to Less Dense Areas ZMD (a)	38.1	21.5	16.6	-	62.0
Other investment (b)	1,208.3	697.8	193.9	316.6	788.5
Total net investment commitments	1,246.5	719.3	210.5	316.6	850.5

(a) Commitments related to the deployment of FTTH in less densely populated areas (ZMD).

(b) Of which the new commitments related to the datacenters: €390.9 million, 5G deployment: €300.4 million (€265.5 million as of December 31, 2023) and other network deployment (FTTH, 3G, 4G, Core): €248.1 million (€227.7 million as of December 31, 2023).

33.3. Agreement to share part of SFR’s mobile network

On January 31, 2014, SFR and Bouygues Telecom signed a strategic agreement to share their mobile networks. They will deploy a new shared-access mobile network in an area covering 57% of the population. The agreement allows the two operators to improve their mobile coverage and to achieve significant savings over time.

The agreement is based on two principles:

- Create a special purpose joint venture (Infracos) to manage the shared assets of the radio sites, i.e., the passive infrastructures and geographical sites where the telecom infrastructures and equipment are deployed. SFR and Bouygues Telecom each retain full ownership of their own telecom equipment assets and frequencies,
- Set up a RAN-sharing service that 2G, 3G and 4G operators can use in the shared territory. Each operator is responsible for the part of the shared territory in which it designs, deploys, operates, and maintains the RAN-sharing service.

The sharing agreement is similar to many mechanisms set up in other European countries. Each operator retains its own independent innovation capacity and total commercial and pricing independence. The first deliveries of cell plans were on April 30, 2014. On that occasion, each operator was informed of its partner’s deployment plans, as exchanges of technical information about the sites when developing the sharing agreement had been prohibited by ARCEP. This exchange of information led on October 24, 2014, to the agreement being adjusted, in particular regarding certain engineering choices that had been made at a time when the negotiating parties did not have full access to relevant data about each other’s networks. The target network completion date was pushed back to December 31, 2025, to consider previous deployment delays encountered.

The first rollouts of the RAN sharing coverage were in September 2015, and 14.462 sites were rolled-out at the end of December 2024. SFR estimates that as of late December 2024, this agreement corresponds to approximately €1,151.4 million in commitments given, and approximately €1,516.8 million in commitments received, for a net commitment received of approximately €365.4 million, covering the entire long-term agreement.

33.4. Intangible assets and property, plant and equipment related to SFR telecommunication activities

SFR is the holder of operating authorisations for its networks and the provision of its telecommunications services on the French territory, as presented below:

Band	Technology	Decisions	Start	End
700 MHz	4G (2 × 5 MHz)	ARCEP Dec. n° 15-1569	December 8, 2015	December 8, 2035
800 MHz	4G (2 × 10 MHz)	ARCEP Dec. n° 12-0039	January 17, 2012	January 16, 2032
900 MHz	2G/3G/4G (2 × 8.7 MHz)	ARCEP Dec. n° 18-1393	March 25, 2021	March 24, 2031
1,800 MHz	2G/3G/4G (2 × 20 MHz)	ARCEP Dec. n° 18-1393	March 25, 2021	March 24, 2031
2.1 GHz	3G (2 × 5 MHz)	ARCEP Dec. n° 10-0633	June 8, 2010	June 7, 2030
		ARCEP Dec. n° 18-0683		
2.1 GHz	2G/3G/4G (2 × 9.8 MHz)	ARCEP Dec. n° 18-1393	August 21, 2021	August 20, 2031
2.6 GHz	4G (2 × 15 MHz)	ARCEP Dec. n° 11-1171	October 11, 2011	October 10, 2031
				November 17, 2035 (conditional extension until November 17, 2040)
3.4-3.8 GHz	5G (80 MHz)	ARCEP Dec. n° 20-1257	November 18, 2020	

The applicable financial terms are as follows:

- For the licence in the 2.1 GHz band granted from June 8, 2010: the fixed component paid in 2010, i.e., €300 million, was recognised in intangible assets and the variable component of the royalty amounted to 1% of the annual revenue generated by the use of this frequency.
- For the licences in the 2.6 GHz, 800 MHz, and 700 MHz bands: the fixed components paid in October 2011 (€150 million) and January 2012 (€1,065 million) were recognised in intangible assets on the licence allocation dates respectively in 2.6 GHz, 800 MHz, and 700 MHz bands. SFR acquired new frequencies in December 2015 in the 700 MHz band, for €466 million, payable in four instalments. The variable portion of the royalty is 1% of the annual revenue generated using those frequencies. The variable component of these licence fees, which cannot be reliably measured in advance, are not recorded on the consolidated statement of financial position but are recognised under expenses for the period in which they are incurred.
- For the licence in 900 MHz and 1,800 MHz bands granted from March 25, 2021: the fixed part of the annual licence fee will amount to €1,068 per kHz duplex allocated in the 900 MHz and €571 per kHz duplex allocated in the 1,800 MHz band. The variable component will correspond to 1% of the annual revenue using those frequencies.
- For the licence in 2.1 GHz band granted from August 21, 2021: the fixed part of the annual licence fee will amount to €571 per kHz duplex allocated. The variable component will correspond to 1% of the annual revenue using those frequencies.
- For the licence in 3.4 and 3.8 GHz granted from November 18, 2020: the fixed part of the annual licence fee amounts to €350.0 million allocated in the 50 MHz and €378.0 million allocated in the 10 MHz band. The variable component will correspond to 1% of the annual revenue using of those frequencies.

Furthermore, SFR is paying a contribution to the spectrum development fund for frequency bands as well as a tax to the National Frequencies Agency intended to cover the complete costs incurred by this establishment for the collection and treatment of claims of users of audiovisual communications services related to interference caused by the start-up of radio-electric stations (700 MHz and 800 MHz).

33.5. Coverage commitments related to SFR telecommunication licences

As part of the allocation of the first block of LTE frequencies in October 2011 (2.6 GHz), SFR undertook to provide coverage for 25% of France's metropolitan population by October 11, 2015, 60% by October 11, 2019, and 75% by October 11, 2023.

As part of the allocation of the second block of 4G frequencies in January 2012 (800 MHz), SFR undertook to meet the following obligations:

(i) SFR must provide the following very-high-speed mobile services:

- 98% of France's metropolitan population by January 2024 and 99.6% by January 2027,
- Coverage in the primary deployment area (approximately 18% of the metropolitan population and 63% geographically): SFR must cover 40% of the population in this primary deployment area by January 2017 and 90% by January 2022 (this obligation is to comply using 800 MHz frequencies),
- Coverage at a departmental level: SFR must cover 90% of the population of each department by January 2024 and 95% by January 2027,

- Coverage of high-priority roads (about 50,000 kilometres): SFR must cover 100% of these axes by January 2027 (this obligation is to comply using 800 MHz frequencies).
- (ii) SFR and Bouygues Telecom have a joint obligation to pool networks or share frequencies in the primary deployment area.
- (iii) SFR has an obligation to allow roaming for Free Mobile in the primary deployment area once Free Mobile covers 25% of France's population with its own 2.6 GHz network and if it has not signed a national roaming agreement with another operator.
- (iv) SFR must, jointly with the other holders of 800 MHz band licences, cover the city centres identified by the public authorities in the "Zones blanches" program (more than 98% of the population) by January 2027.

As part of the allocation of the third block of LTE frequencies in December 2015 (700 MHz), SFR undertook to comply with the following deployment obligation in very-high-speed mobile networks:

- Coverage of the primary deployment area: SFR must cover 50% of the population in this area by January 2022, 92% by January 2027 and 97.7% by December 2030 (this obligation is to comply using 700 MHz frequencies),
- Coverage of high-priority roads (about 50,000 kilometres): SFR must cover 100% of these axes by December 2030 (this obligation is to comply using 700 MHz frequencies),
- Coverage of regional railway network (at national level): at national level, SFR must comply with a 60% coverage rate of regional railway network by January 2022, 80% by January 2027 and 90% by December 2030,
- Coverage of regional railway network (at regional level): in each region, SFR must comply with a 60% coverage rate of regional railway network by January 2027 and 80% by December 2030.

In the context of the change of its frequency authorisations in the 900 MHz, 1,800 MHz, and 2.1 GHz bands (and in exchange for the lifting of technological limitation of frequency use in the 900 MHz band), SFR undertook to respect the following obligations:

- Participation in the targeted coverage to increase coverage of the metropolitan area,
- Widespread access to very high-speed mobile access from all sites in its network in December 2020 (and by exception 75% of existing "Zones blanches" sites as of July 1, 2018),
- Coverage of priority roads outside the vehicles in December 2020,
- On-demand coverage inside buildings,
- Provide a fixed Internet access service on its very high-speed mobile network,
- Participation in the extension of the "4G fixed" coverage.

On November 15, 2018, ARCEP adopted the decision related to the result of the allocation procedure in the 900 MHz band and the four decisions authorising the use of frequencies in the 900 MHz, 1,800 MHz and 2.1 GHz bands allocated to the winners selected on October 23, 2018.

The new authorisation for the use of frequencies delivered to SFR is part of the New Deal mobile, occurred between the Government, ARCEP and operators in January 2018. This authorisation is granted from March 25, 2021 until March 24, 2031. It is accompanied by ambitious obligations for the digital development of the territory. Notably, SFR is committed to:

- Improve reception's quality in all the territory, especially in rural areas. The new standard of requirement applied to operators' obligations is the one of a good coverage.
- Increase the pace of targeted programs to improve coverage and in this context build at least 5,000 new sites in all the territory, sometimes pooled, which will now go beyond the "Zones blanches" and whose charge is now fully taken by the operators.
- Generalize reception in 4G which implies for the operators to cover more than one million French people out of 10,000 communes, by equipping in 4G all the mobile sites.
- Accelerate the coverage of transport routes, in order that the main roads and railways are covered in 4G.
- Generalize mobile phone coverage inside buildings, especially by offering its customers equipped with a compatible terminal the voice by Wi-Fi.

As part of the allocation of 5G frequencies in 3.4 and 3.8 GHz in November 2020, SFR undertook to comply with the following digital development obligations:

- Use of 3.4 and 3.8 GHz spectrum from:
 - 3,000 mobile network sites by December 31, 2022,
 - 8,000 mobile network sites by December 31, 2024,
 - 10,500 mobile network sites by December 31, 2025,
- Widespread increase in mobile network performance by 31 December 2030,

- Increase throughput on:
 - at least 75% of mobile network sites by December 31, 2022,
 - at least 85% of mobile network sites by December 31, 2024,
 - at least 90% of mobile network sites by December 31, 2025,
 - 100% of mobile network sites by December 31, 2030,
- Concurrent deployment obligations between territories,
- Road’s coverage obligations: SFR must cover all type of highways roads by December 31, 2025, and all main-link roads by December 31, 2027.

33.6. Commitments related to long-term contracts

The following table presents the breakdown of the commitments related to long-term contracts:

Long-term contracts commitments (€m)	December 31, 2024	Maturity			December 31, 2023
		Less than one year	Two to five years	More than five years	
Commitments given (a)	3,874.6	310.7	668.4	2,895.4	474.2
Commitments received	(161.2)	(34.8)	(70.1)	(56.3)	(146.7)
Total net commitments	3,713.3	275.9	598.3	2,839.2	327.5

(a) The increase in the commitments given is mainly related to the datacenters following the transaction with UltraEdge (Refer to Note 4.4 – *Disposal of UltraEdge to Morgan Stanley Infrastructure Partners*).

33.7. Other commitments

The following table presents the breakdown of the other commitments:

Other commitments (€m)	December 31, 2024	Maturity			December 31, 2023
		Less than one year	Two to five years	More than five years	
Bank security guarantee GSM-R (a)	54.7	54.7	-	-	38.3
Other bank security deposits, guarantees and commitments to purchase securities (b)	335.2	3.9	5.3	326.1	374.0
Pledges (c)	4.5	1.1	-	3.4	6.8
Commitments given	394.5	59.7	5.3	329.5	419.1

(a) Public-Private Partnerships (PPP) between the SFR, Vinci Construction groups and SNCF Réseau (Ex Réseau Ferré de France).

(b) This amount includes commitments given for the Company’s subsidiaries in the context of their activity and tax notices issued by the tax authorities (Refer to Note 34.1 – *Tax disputes*) and unilateral promises to buy out non-controlling interests in certain entities. Such promises can be made only if the Group’s entities do not meet the contractual commitments made when signing the related shareholders’ agreements.

(c) This amount does not include the pledges granted for Senior secured debt requirements reported in the Note 33.1 – *Commitments related to bonds and term loans*.

34. Litigation

The Group is involved in legal and administrative proceedings that have arisen in the ordinary course of business.

A provision is recorded by the Group when there is sufficient probability that such disputes will lead to costs that the Group will bear and when the amount of these costs can be reasonably estimated. Certain Group companies are involved in some disputes related to the ordinary activities of the Group. Only the most significant litigation and proceedings in which the Group is involved are described below.

The Group is not aware of any governmental, legal or arbitration proceedings (including any proceedings of which the Group is aware that are pending or threatened) other than those described below in this section that may have or have had in the last twelve months significant effects on the financial position or profitability of the Group.

34.1. Tax disputes

The Company estimated the probable tax contingencies arising from tax audit carried out by the French tax authorities on various Group companies and recognised the appropriate amount of provision in its accounts according to the risk assessment as of December 31, 2024. The provision mainly covers risks related to the following topics:

VAT

The French tax authorities have conducted various audits since 2005 with respect mainly to the VAT rates applicable to the Group’s multi-play offerings, and to a lesser extent to the tax on telecommunication services. Pursuant to the French tax code, television services are subject to a reduced VAT rate at 10%, and press services are subject to a reduced VAT rate of 2.1%, whereas internet and telecommunication services are subject to the normal VAT rate at 20%. French tax authorities have reassessed the application of VAT rates on certain multi-play offerings for fiscal years 2011 to 2022.

Tax on Television Services (“TST”)

The CNC (“Centre National du Cinéma”) has conducted an audit on the tax on television services (“TST”) for 2014 to 2017, which led to a reassessment related to the scope of such tax, which should include, according to the tax authorities, all services included in an offer and not only those allowing the access to a television service.

Income Tax

Tax authorities have conducted an audit on the taxable income of the tax group of the Company for fiscal years 2014 to 2022. Main proposed tax reassessments relate to (i) the amount of the fiscal losses inherited from previous tax groups pursuant to the mechanism of imputation on a broad base (*mécanisme d’imputation sur une base élargie*) and (ii) the level of prices of certain intercompany transactions.

For all these litigations, the relevant Group companies are disputing all proposed reassessments and have filed appeals and litigation at various levels depending on fiscal years adjusted and have recognised the appropriate amount of provision in their accounts according to their risk assessments as of December 31, 2024. As a reminder, the Company granted a parent company guarantee to SFR and SFR Fibre to cover the tax reassessments, relating to the years 2016 and 2017, issued by the tax authorities “DGFIP”.

The total amount of tax reassessment proposed by the French tax authorities amounted to €1,078.0 million.

34.2. Civil and commercial disputes

SCT against SFR

On October 11, 2017, SCT summoned SFR before the Paris Commercial Court for some supposed dysfunctions and multiple failings in the delivery of its fixed services, such as the loss of final clients as part of the supply of mobile services (MVNO).

For this reason, SCT asks, on various grounds, for an amount around €48 million.

This case was subject to a conciliation proceeding between the parties. After the failure of this proceeding, the case was sent on the merits and the procedure is pending.

Disputes regarding the transfer of customer call centres from Toulouse, Lyon and Poitiers

Following the transfer of customer call centres from Toulouse and Lyon to the company Infomobile and the Poitiers call centres to a subsidiary of the Bertelsmann Group, the former employees at those sites filed legal actions at Labour Tribunals in each city to penalise what they claim were unfair employment contracts constituting fraud under Article L. 1224-1 of the French Labour Code and also contravening the legal provisions regarding dismissal for economic reasons. The rulings in 2013 were mixed as the Toulouse Court of Appeal penalised SFR and Téléperformance in half of the cases while the Lyon and Poitiers courts ruled in favour of SFR. The cases are now at different stages of proceedings: Court of Appeal and Court of Cassation.

Litigation over distribution in the independent network (Consumer market and SFR Business)

SFR, like companies operating an indirect distribution model, faces complaints from a certain number of its distributors and almost routinely from former distributors. Such recurring complaints revolve around claims of sudden breach of contractual relations, abuse of economic dependency and/or demands for requalification as a sales agent as well as, more recently, demands for requalification as a contractual branch manager and requalification as SFR contracted point of sale staff.

In-depth inquiry of the European Commission into the assignment of cable infrastructures by certain local authorities

On July 17, 2013, the European Commission signalled that it had decided to open an investigation to verify whether the transfer of public cable infrastructure between 2003 and 2006 by several French municipalities to SFR Fibre was consistent with European Union government aid rules. In announcing the opening of this in-depth investigation, the European Commission indicated that it believed that the sale of public assets to a private company without proper compensation gave the latter an economic advantage not enjoyed by its competitors, and that it therefore constituted government aid within the meaning of the rules of the European Union and that the free-of-charge transfer of the cable networks and ducts by 33 French municipalities to SFR Fibre, they have argued, conferred a benefit of this type and, as such, was government aid. The Group strongly denies the existence of any governmental aids.

Action by Colt, Free and Orange in the General Court of the European Union concerning the DSP 92 project

Colt, Free and Orange, in three separate motions filed against the European Commission before the General Court of the European Union seeking to annul the European Commission’s final decision of September 30, 2009 (Decision C (2009) 7426), which held that the compensation of €59 million granted for the establishment and operation of a high-speed electronic communications network in the department of Hauts-de-Seine does not constitute government aid within the meaning of the rules of the European Union. The Group is not party to this proceeding. Its subsidiary SFR Fibre (Sequalum) is acting as the civil party, as well as the French government and the department of Hauts-de-Seine. In three rulings dated September 16, 2013, the General Court of the European Union rejected the requests of the

three applicants and confirmed the aforementioned decision of the European Commission. Free and Orange have appealed to the Court of Justice of the European Union. The procedure is pending.

Claim by KOSC and KOSC Infrastructures against SFR and Completel

The companies KOSC and KOSC Infrastructures, through their liquidator, sued SFR and Completel on February 3, 2021, before the Paris Commercial Court to seek compensation for the damages that the KOSC Group would have suffered as a result of the late and incomplete delivery of Completel's DSL network that the Altice group had undertaken to sell pursuant to a commitment made to the “*Autorité de la concurrence: ADLC*” (French Competition Authority), during the takeover of SFR.

KOSC and KOSC Infrastructures claim that the DSL Network was delivered with a significant delay of more than a year. This delay in delivery prevented the operation of the DSL Network by KOSC, which, according to it, suffered damages resulting from such a delay in the launch of its activity. KOSC and KOSC Infrastructures therefore requested, on various grounds, the payment of damages for an amount of around €165 million.

The case was sent on the merits and the procedure is still pending. The Group strongly challenges the merits of this claim, considering that ADLC held in its decision (Decision No. 19-CSO-02 of September 3, 2019) that Completel had respected its commitments.

35. List of consolidated entities

The following table presents the list of consolidated entities:

Entity	Country Registered office	Group interest		Method ⁽¹⁾	
		2024	2023	2024	2023
Altice France SA	France	100%	100%	Parent company	
Afone Participations SA	France	100%	100%	FC	FC
Altice B2B France SAS	France	100%	100%	FC	FC
Altice Participations S.à r.l (2)	Luxembourg	100%	-	FC	-
Ariège Telecom SAS	France	100%	100%	FC	FC
Cap Connexion SAS	France	100%	100%	FC	FC
Completel SAS	France	100%	100%	FC	FC
Coriolis Telecom SAS	France	100%	100%	FC	FC
Omien 2 SAS	France	100%	100%	FC	FC
Inolia SA	France	100%	100%	FC	FC
Iris 64 SAS	France	100%	100%	FC	FC
LD Communications Italie Srl	Italy	100%	100%	FC	FC
LD Communications Suisse SA	Switzerland	100%	100%	FC	FC
MACS THD SAS	France	100%	100%	FC	FC
Medi@lys SAS	France	100%	100%	FC	FC
Numergy SAS	France	100%	100%	FC	FC
Numericable US LLC	USA	100%	100%	FC	FC
Prixtel SAS	France	100%	100%	FC	FC
Pays Voironnais Network SAS	France	100%	100%	FC	FC
Rennes Métropole Telecom SAS	France	100%	100%	FC	FC
Rimbaud Gestion B SCI	France	100%	100%	FC	FC
SFR Distribution SA	France	100%	100%	FC	FC
SFR Fibre SAS	France	100%	100%	FC	FC
SFR Presse Distribution SAS	France	100%	100%	FC	FC
SFR SA	France	100%	100%	FC	FC
SHD SA	France	100%	100%	FC	FC
SRR SCS	France	100%	100%	FC	FC
SYMA SAS	France	100%	100%	FC	FC
Teloise SAS	France	100%	100%	FC	FC
TME France SA	France	100%	100%	FC	FC
Ypso France SAS	France	100%	100%	FC	FC
Alsace Connexia SAS	France	70%	70%	FC	FC
Manche Telecom SAS	France	70%	70%	FC	FC
Moselle Telecom SAS	France	69%	69%	FC	FC
Synerail Exploitation SAS	France	60%	60%	FC	FC
Irisé SAS	France	59%	59%	FC	FC
Moselle Telecom Part. SAS	France	56%	56%	FC	FC

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Entity	Country	Group interest		Method ⁽¹⁾	
	Registered office	2024	2023	2024	2023
Meta Lfone SNC	France	50%	50%	FC	FC
Comstell SAS	France	50%	50%	FC	FC
Foncière Rimbaud 1 SAS	France	50%	50%	EM	EM
Foncière Rimbaud 2 SAS	France	50%	50%	EM	EM
Foncière Rimbaud 3 SAS	France	50%	50%	EM	EM
Foncière Rimbaud 4 SAS	France	50%	50%	EM	EM
Infracos SAS	France	50%	50%	JO	JO
XpFibre Holding SAS (4)	France	-	50%	-	EM
La Poste Telecom SAS (4)	France	-	49%	-	EM
Synerail Construction SAS	France	40%	40%	EM	EM
Fischer Telecom SAS	France	34%	34%	EM	EM
Synerail SAS	France	30%	30%	EM	EM
UltraEdge SAS (2)	France	30%	-	EM	-
Sud Partner SARL (5)	France	-	24%	-	EM
Sofialys SAS	France	24%	24%	EM	EM
Altice Customer Services S.à r.l.	Luxembourg	65%	65%	FC	FC
Intelcia Cote d'Ivoire SAS	Ivory Coast	65%	65%	FC	FC
Intelcia France SAS	France	65%	65%	FC	FC
Intelcia Group SA	Morocco	65%	65%	FC	FC
Intelcia International SAS	France	65%	65%	FC	FC
Intelcia International succursale SAS	Morocco	65%	65%	FC	FC
Intelcia IT Solutions SA	Morocco	65%	65%	FC	FC
Intelcia Managed Services SA	Morocco	65%	65%	FC	FC
Intelcia Management International SARL	Morocco	65%	65%	FC	FC
Intelcia Maroc Inshore SA	Morocco	65%	65%	FC	FC
Intelcia Maroc Offshore SA	Morocco	65%	65%	FC	FC
Intelcia Maroc SA	Morocco	65%	65%	FC	FC
Intelcia Portugal SARL	Portugal	65%	65%	FC	FC
Intelcia Sénégal SAS	Senegal	65%	65%	FC	FC
IT Rabat SARL	Morocco	65%	65%	FC	FC
MeilleurTX Maroc SA	Morocco	65%	65%	FC	FC
Smartshore SARL	Morocco	65%	65%	FC	FC
TMG Succ	Morocco	65%	65%	FC	FC
Intelcia Cameroun SA	Cameroon	46%	46%	FC	FC
Intelcia Software Solutions SA	Morocco	44%	44%	FC	FC
Intelcia Egypt LLC	Egypt	65%	65%	FC	FC
Smartshore France SAS	France	65%	65%	FC	FC
AZODR SARL	Dominican Republic	65%	65%	FC	FC
Smartforce Academy SARL	Morocco	46%	46%	FC	FC
Innovshore SA (2)	Morocco	65%	-	FC	-
ATS France S.à r.l.	Luxembourg	100%	100%	FC	FC
Eos Telecom SAS	France	100%	100%	FC	FC
ERT Holding France SAS	France	100%	100%	FC	FC
ERT Mobile SAS	France	100%	100%	FC	FC
ERT Technologies SAS	France	100%	100%	FC	FC
ICART SAS	France	100%	100%	FC	FC
Sudtel France SAS	France	100%	100%	FC	FC
Keos Telecom SAS	France	90%	90%	FC	FC
Rhôn'Telecom SAS	France	100%	90%	FC	FC
Azurconnect Technologies S.à r.l.	France	51%	51%	FC	FC
ERT Netzerkbau GmbH (4)	Germany	-	100%	-	FC
Altice Blue Two SAS	France	100%	100%	FC	FC
Outremer Telecom Digital Solutions Ltd.	Mauritius	100%	100%	FC	FC
Intelcia Maurice Ltee	Mauritius	100%	100%	FC	FC
Intelcia Madagascar SA	Madagascar	100%	100%	FC	FC
Martinique TV Câble SAS	France	100%	100%	FC	FC
Outremer Telecom SAS	France	100%	100%	FC	FC

Entity	Country Registered office	Group interest		Method ⁽¹⁾	
		2024	2023	2024	2023
World Satellite Guadeloupe SAS	France	100%	100%	FC	FC
Media Consumer Group SA	France	100%	100%	FC	FC
SFR Presse SAS	France	100%	100%	FC	FC
SportsCoTV SASU	France	100%	100%	FC	FC
Altice Media SAS (ex-Groupe News Participations SAS) (4)	France	-	100%	-	FC
Azur TV SAS (4)	France	-	100%	-	FC
BFM Alsace SAS (4)	France	-	100%	-	FC
BFM Normandie SAS (4)	France	-	100%	-	FC
BFM Paris SASU (4)	France	-	100%	-	FC
BFM TV SASU (4)	France	-	100%	-	FC
Business FM SASU (4)	France	-	100%	-	FC
D!CI TV SAS (4)	France	-	100%	-	FC
Diversité TV France SAS (4)	France	-	100%	-	FC
Le Studio Next SASU (4)	France	-	100%	-	FC
Next Media Solutions SASU (4)	France	-	100%	-	FC
NextInteractive SASU (4)	France	-	100%	-	FC
NEXTPROD SAS (4)	France	-	100%	-	FC
NextRadioTV SA (4)	France	-	100%	-	FC
RMC Découverte SAS (4)	France	-	100%	-	FC
RMC Films SAS (3)	France	-	100%	-	FC
RMC Production SAS (4)	France	-	100%	-	FC
RMC SA Monégasque (4)	France	-	100%	-	FC
RMC Sport SASU (4)	France	-	100%	-	FC
Grand Lille TV SAS (4)	France	-	96%	-	FC
BFM Lyon Métropole SA (4)	France	-	95%	-	FC

(1) FC = Full Consolidation; EM = Equity Method; JO = Joint operation

(2) Entry in 2024

(3) Company absorbed in 2024

(4) Company sold in 2024

(5) Company liquidated in 2024

36. Entity consolidating the financial statements

The consolidated financial statements of the Company are included in the consolidated financial statements of Next Alt.

37. Subsequent events

37.1. Agreement with creditors

On February 26, 2025, the Company announced that it has reached an agreement with a group of holders of its senior secured notes (the “Altice France Senior Notes”) and term loans (the “Altice France Term Loans” and together with the Altice France Senior Notes, the “Altice France Secured Debt”) (the “Transaction”). The Transaction also includes an agreement on debt of the Company’s parent, Altice France Holding, with certain holders of the senior notes at that entity (the “Altice France Holding Senior Debt”).

The Transaction will substantially reduce the Company’s and Altice France Holding’s existing debt and interest expense while significantly extending maturities and improving the Company’s and Altice France Holding’s balance sheet. The key highlights of the Transaction include:

- a substantial debt reduction: upon completion, the Transaction will eliminate approximately €8.6 billion of term debt (including debt repaid in January - February 2025) and will bring consolidated net debt to €15.5 billion (based on debt balances and foreign exchange rate as of December 31, 2024);
- a debt maturity extension: the Transaction will extend the Company’s and Altice France Holding’s maturity runway to 2028/2033. Pro forma for the Transaction, the funded debt will reflect a weighted average maturity of 6.1-years, extended from 3.1-years (with 7.125% EUR weighted average cost of Altice France Secured Debt);
- existing shareholders to hold 55% of common equity: creditors in Altice France Secured Debt will receive an equity stake of 31% in common equity, while Altice France Holding’s creditors will receive an equity stake of 14% in common equity;
- a strong creditor support: each of the steering committees of the Company’s creditors and Altice France Holding’s creditors unanimously support the Transaction. The terms are documented in framework agreements between, notably, the Company, Altice France Holding and certain creditors representing 55.0% of Altice France Secured

Debt and 51.2% of Altice France Holding Senior Debt (each a “Framework Agreement” and, respectively, the “OpCo Framework Agreement” and the “HoldCo Framework Agreement”).

Under the terms of the Transaction, in exchange for their existing Altice France Secured Debt, creditors will receive the following consideration:

- a cash payment of approximately €1.5 billion (or 7.6 cents per €1 equivalent of Altice France Secured Debt plus any additional amount due to below 100% early participation), as well as accrued interest through implementation of the Transaction;
- an additional premium paid in cash at closing of 2.5 percent of the principal amount of Altice France Secured Debt for creditors that sign onto the Transaction prior to March 19, 2025 (or up to €0.5 billion assuming full participation);
- approximately 77.0 cents of new secured debt instruments issued by the Company (the “New Secured Debt”) with a 2.75-year maturity extension vs. the existing Altice France Secured Debt tranches and an approximately 137.5 basis point increase in rate (which implies approximately €14.8 billion of New Secured Debt); and
- an aggregate equity stake of 31% in common equity.

Altice France Holding’s creditors will receive the following consideration:

- a cash payment of approximately €0.1 billion (or 2.5 cents per €1 of Altice France Holding Senior Debt plus any additional amount due to below 100% early participation), as well as accrued interest through March 31, 2025;
- an additional premium paid in cash at closing of 2.5 percent of the principal amount of Altice France Holding Senior Debt for creditors that sign onto the Transaction prior to March 19, 2025 (or up to €0.1 billion assuming full participation);
- 20.0 cents of new debt due January 2033 issued by a new intermediate holding company that will be the indirect owner of the Company (the “New HoldCo Debt”) with the USD-equivalent of a 9.125% EUR coupon (which implies approximately €0.9 billion of New HoldCo Debt);
- an aggregate equity stake of 14% in common equity; and
- contingent value rights issued by Altice France Holding.

The Company has launched a solicitation for creditors to accede to the relevant Framework Agreement and provide binding consents to support the Transaction. Creditors of the Company and Altice France Holding that have signed prior to March 19, 2025 will receive a premium paid in cash of 2.5 percent of the principal amount of Altice France Secured Debt and Altice France Holding Senior Debt (or up to €0.5 billion and €0.1 billion, respectively, assuming full participation) at closing (the “Premium”). Absent full participation, any cash amounts not allocated via the Premium will be distributed pro rata to all the Company’s and Altice France Holding’s creditors, respectively, as additional cash consideration in the restructuring proceedings.

In addition, the Company has agreed with the ad hoc group of its creditors and the consenting Altice France Holding’s creditors on key terms of governance, shareholder rights and terms of the New Secured Debt and New HoldCo Debt. The Company has also agreed to recontribute previously unrestricted assets to the Altice France’s restricted perimeter as part of the Transaction.

On March 17, 2025, the Company and Altice France Holding announced that the achieved levels of creditor support for the Transaction enable the Company to implement the Transaction by way of restructuring proceedings in France with the benefit of overwhelming stakeholder support and for Altice France Holding to implement the Transaction on an out-of-court basis without a judicial proceeding, with the following levels of support provided:

- creditors representing at least 90% of the Altice France Senior Notes and creditors holding at least 90% of the Altice France Term Loans have submitted accessions to the OpCo Framework Agreement;
- creditors representing at least 90% of Altice France Holding Senior Debt have submitted accessions to the HoldCo Framework Agreement; and
- accessions have been received for at least 90% of each tranche of Altice France Senior Notes and Altice France Holding Senior Debt.

On March 28, 2025, the Company and some of its subsidiaries (Altice B2B France SAS, Completel SAS, Numericable US LLC, SFR Fibre SAS, SFR Presse SAS, SFR Presse Distribution SAS, Ypso France SAS and Société Française du Radiotéléphone – SFR SA) announced the opening of conciliation proceedings by the President of the Commercial Court of Paris (*Tribunal des activités économiques de Paris*) to implement the Transaction.

The Company and Altice France Holding expect to implement the Transaction over the course of the second to the fourth quarter of 2025.

37.2. Participation in XpFibre Holding

In the context of the debt restructuring of the Company (Refer to Note 37.1 – *Agreement with creditors*), on March 21, 2025, Altice XPM was transferred back by Altice Luxembourg to the Group as repayment of the vendor loan (Refer to Note 4.5 – *Participation in XpFibre Holding*, Note 17 – *Non-current financial assets and other assets* and Note 32.3 – *(Related parties’ transactions) - Shareholders*).

38. Auditors fees

The fees of the Group auditors and the members of their networks recognised as expenses in these consolidated financial statements, are presented in the table below:

Auditors fees (€m)	KPMG	Deloitte	Total
Audit services	1.2	1.9	3.1
Other assurance services	0.2	0.7	0.9
Total	1.4	2.6	4.0