Consolidated financial statements

Year ended 31 December 2024

This document is a free English translation of the consolidated financial statements originally prepared in Spanish and to be approved by the Board of Directors, provided for the convenience of English-speaking readers.

Auditor's Report on Masorange, S.L. and subsidiaries

(Together with the consolidated annual accounts and consolidated directors' report of Masorange, S.L. and subsidiaries for the year ended 31 December 2024)

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

KPMG Auditores, S.L.
Pº. de la Castellana, 259 C.
28046 Madrid

Independent Auditor's Report on the Consolidated Annual Accounts

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To the Shareholders of Masorange, S.L.:

Opinion

We have audited the consolidated annual accounts of Masorange, S.L. (the "Parent") and subsidiaries (together the "Group"), which comprise the consolidated statement of financial position at 31 December 2024, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and consolidated notes.

In our opinion, the accompanying consolidated annual accounts give a true and fair view, in all material respects, of the consolidated equity and consolidated financial position of the Group at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and other provisions of the financial reporting framework applicable in Spain.

Basis for Opinion

We conducted our audit in accordance with prevailing legislation regulating the audit of accounts in Spain. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Annual Accounts* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those regarding independence, that are relevant to our audit of the consolidated annual accounts pursuant to the legislation regulating the audit of accounts in Spain. We have not provided any non-audit services, nor have any situations or circumstances arisen which, under the aforementioned regulations, have affected the required independence such that this has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Most Relevant Aspects of the Audit

The most relevant aspects of the audit are those that, in our professional judgement, have been considered as the most significant risks of material misstatement in the audit of the consolidated annual accounts of the current period. These risks were addressed in the context of our audit of the consolidated annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these risks.

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Creation of the Group (see notes 1.1, 2.2 and 14.1)

As mentioned in notes 1.1 and 2.2 to the consolidated annual accounts, the Group is the result of a transaction carried out on 26 March 2024 between Orange Participations UK Ltd (Orange) and Lorca MidCo Ltd (Lorca) whereby the telecommunications businesses of the Orange Group in Spain and the Lorca Group were contributed to the Parent Masorange, S.L. As a result of this transaction, and in accordance with the applicable financial reporting framework, the Group recognised goodwill of Euros 8,320,616 thousand, calculated as the difference at the transaction date between the fair values of the assets and liabilities contributed and the value of the aforementioned businesses. The accounting of this transaction is complex and requires the application of value judgements in identifying and determining the fair value of the assets and liabilities contributed to the Group. The independent expert engaged by the Group used the discounted cash flow method for this purpose. We consider the recognition of this transaction to be a relevant aspect of the audit due to its significance, the inherent judgement involved in making fair value estimates and the impact thereof on the consolidated annual accounts.

Our audit procedures included evaluating and discussing with Group management the process followed for identifying and recognising the assets and liabilities contributed, obtaining the valuation report prepared by the independent expert engaged by the Group, evaluating the methodology and key assumptions used therein to determine the fair values of the assets and liabilities contributed and their identification, involving our valuation specialists in the process and corroborating the Group's explanations with market figures and our prior experience in similar engagements. We also assessed whether the disclosures in the consolidated annual accounts regarding this transaction meet the requirements of the applicable financial reporting framework.

Recognition of revenue from telecommunications services rendered (see note 3)

Group revenues, which include revenue from telecommunications services rendered, totalled Euros 4,443,296 thousand in 2024. These revenues are obtained through multiple sales channels and using different information technology systems. The very low value of the transactions at unit level means that errors on an individual basis are insignificant. However, as there is a large volume of transactions, they could ultimately give rise to material misstatements in the consolidated annual accounts. Moreover, revenues with invoicing cycles that do not match the accounting close, require management to perform complex calculations to determine the amount accrued for the services rendered at the reporting date. Due to the significance of the amount of revenues from the rendering of telecommunications services during the year, and particularly the existence of different invoicing cycles that affect the calculation of accrued revenues yet to be invoiced at the reporting date, this has been considered a relevant aspect of our audit.

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Assisted by our IT specialists, our audit procedures included assessing the design and implementation of the most relevant controls established by Group management for the recognition of revenue from telecommunications services rendered, as well as the related systems. Furthermore, with the assistance of our data analysis specialists, we analysed all the transactions that generated these revenues, assessing, through the use of computer-assisted audit techniques, the existence and accuracy thereof throughout the period. In addition, for a sample of accrued revenues yet to be invoiced at the reporting date, the invoicing cycles of which do not coincide with the accounting close, we performed tests of detail in order to conclude on their correct accrual. We also assessed whether the disclosures in the consolidated annual accounts meet the requirements of the financial reporting framework applicable to the Group.

Other Matter

The consolidated annual accounts for the seven-month period ended 30 May 2023, the date of incorporation of the Parent, and those at 31 December 2023, were not audited as they did not meet the requirements specified in prevailing mercantile legislation. The comparative information included in the accompanying consolidated annual accounts is therefore marked as “unaudited”.

Other Information: Consolidated Directors’ Report

Other information solely comprises the 2024 consolidated directors' report, the preparation of which is the responsibility of the Parent's Directors and which does not form an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not encompass the consolidated directors' report. Our responsibility regarding the information contained in the consolidated directors’ report is defined in the legislation regulating the audit of accounts, as follows:

a) Determine, solely, whether the consolidated non-financial information statement has been provided in the manner stipulated in the applicable legislation, and if not, to report on this matter.

b) Assess and report on the consistency of the rest of the information included in the consolidated directors’ report with the consolidated annual accounts, based on knowledge of the Group obtained during the audit of the aforementioned consolidated annual accounts. Also, assess and report on whether the content and presentation of this part of the consolidated directors’ report are in accordance with applicable legislation. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report them.

Based on the work carried out, as described above, we have observed that the information mentioned in section a) above has been provided in the manner stipulated in the applicable legislation, that the rest of the information contained in the consolidated directors' report is consistent with that disclosed in the consolidated annual accounts for 2024, and that the content and presentation of the report are in accordance with applicable legislation.

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Directors' Responsibility for the Consolidated Annual Accounts

The Parent's Directors are responsible for the preparation of the accompanying consolidated annual accounts in such a way that they give a true and fair view of the consolidated equity, consolidated financial position and consolidated financial performance of the Group in accordance with IFRS-EU and other provisions of the financial reporting framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual accounts, the Parent's Directors are responsible for assessing the Group'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 the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Annual Accounts

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing legislation regulating the audit of accounts in Spain 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 consolidated annual accounts.

As part of an audit in accordance with prevailing legislation regulating the audit of accounts in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the consolidated annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

– Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent's Directors.

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

– Conclude on the appropriateness of the Parent's Directors' 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

– Evaluate the overall presentation, structure and content of the consolidated annual accounts, including the disclosures, and whether the consolidated annual accounts represent the underlying transactions and events in a manner that achieves a true and fair view.

– Plan and execute the audit of the Group to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units of the Group as the basis to form an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and review of the work performed for the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors of the Parent regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the significant risks communicated to the Directors of Masorange, S.L., we determine those that were of most significance in the audit of the consolidated annual accounts of the current period and which are therefore the most significant risks.

We describe these risks in our auditor’s report unless law or regulation precludes public disclosure about the matter.

KPMG Auditores, S.L.
On the Spanish Official Register of Auditors (“ROAC”) with No. S0702

(Signed on original in Spanish)

Francisco Rabadán Molero
On the Spanish Official Register of Auditors (“ROAC”) with No. 15797

28 March 2025

Consolidated financial statements

Year ended 31 December 2024

This document is a free English translation of the consolidated financial statements originally prepared in Spanish and to be approved by the Board of Directors, provided for the convenience of English-speaking readers.

Table of contents

Consolidated financial statements

The accompanying notes form an integral part of the consolidated financial statements. The accounting policies are set out in the shaded areas of each note.

Consolidated income statement

(in thousands of euros)	Note	2024 (**)	7-month period ended 31 December 2023 (*)
Revenue	3.1	5,561,777	-
External purchases	4.1	(3,064,924)	-
Other operating income	3.2	111,872	-
Other operating expenses	4.2	(183,339)	(1)
Labour expenses	5.1	(283,228)	-
Operating tax	9.1	(120,167)	-
Gains (losses) on disposal of fixed assets, investments and activities	2.1	(4,195)	-
Restructuring costs	4.3	(171,138)	-
Depreciation and amortisation	7.1	(1,511,885)	-
Depreciation and amortisation of right-of-use assets	8.2	(186,674)	-
Share of profits (losses) of associates and joint ventures	10	(15,286)	-
Operating income		**132,813**	**(1)**
Cost of gross financial debt		(750,464)	-
Interests on lease liabilities		(40,472)	-
Other net financial expenses		(37,426)	-
Finance costs, net	12.2	**(828,362)**	**-**
Income taxes	9.2	**112,734**	**-**
Consolidated net income		**(582,815)**	**(1)**
Net income attributable to owners of the parent company		(582,817)	(1)
Non-controlling interests		2	-

(*) Unaudited data.

(**) Represents nine months of activity, since the formation of the Group.

The accompanying notes form an integral part of the consolidated financial statements. The accounting policies are set out in the shaded areas of each note.

Consolidated statement of comprehensive income

(in thousands of euros)	Note	2024 (**)	7-month period ended 31 December 2023 (*)
Consolidated net income		**(582,815)**	
Changes in fair value of hedging instruments recognised in OCI	9.2.3	(53,798)	-
Hedging gains/(losses) reclassified to profit or loss	9.2.3	(17,554)	-
Exchange differences on translation of foreign operations		(281)	-
Income tax impact	9.2.3	19,714	-
Share of other comprehensive income of investments accounted for using the equity method	10	(4,128)	-
Items that are or may be reclassified subsequently to profit or loss		**(56,047)**	-
Other consolidated comprehensive income, net of tax		**(56,047)**	-
Total consolidated comprehensive income		**(638,862)**	**-**
Total consolidated comprehensive income attributable to the owners of the parent company		(638,864)	-
Total consolidated comprehensive income attributable to non-controlling interests		2	-

(*) Unaudited data.
(**) Represents nine months of activity, since the formation of the Group.

The accompanying notes form an integral part of the consolidated financial statements. The accounting policies are set out in the shaded areas of each note.

Consolidated statement of financial position

(in thousands of euros)	Note	31 December 2024	31 December 2023 (*)
Assets			
Goodwill	6.2	8,320,616	-
Intangible assets	7.3	7,945,818	-
Property, plant and equipment	7.4	6,142,359	-
Right-of-use assets	8.2	1,412,059	-
Cost of obtaining contracts with customers	3.4	128,531	-
Contract assets	3.4	76,097	-
Interests in associates accounted for using the equity method	10	197,947	-
Non-current financial assets	12.1	9,362	-
Non-current derivatives assets	12.6	16,800	-
Other non-current assets		25,265	-
Deferred tax assets	9.2.5	205,855	-
Total non-current assets		**24,480,709**	**-**
Inventories	4.4	86,990	-
Trade receivables	3.3	489,411	-
Cost of obtaining contracts with customers	3.4	132,738	-
Contract assets	3.4	232,300	-
Current financial assets	12.1	14,466	-
Current derivatives assets	12.6	18,092	-
Other current assets		4,016	-
Operating tax receivables	9.1	108,315	-
Income tax receivables	9.2	234,700	-
Prepaid expenses	4.5	207,713	-
Cash and cash equivalents	13	96,061	2
Total current assets excluding assets held for sale		**1,624,802**	**2**
Assets held for sale	2.4	143,404	-
Total current assets		**1,768,206**	**2**
Total assets		**26,248,915**	**2**

(*) Unaudited data.

The accompanying notes form an integral part of the consolidated financial statements. The accounting policies are set out in the shaded areas of each note.

Consolidated statement of financial position

(in thousands of euros)	Note	31 December 2024	31 December 2023 (*)
Equity and liabilities			
Share capital		500,000	3
Share premium		6,654,363	-
Retained earnings		(582,818)	(1)
Other reserves		(56,047)	-
Equity attributable to owners of the parent company		**6,515,498**	**2**
Non-controlling interests		2	-
Total equity	15	**6,515,500**	**2**
Non-current fixed assets payables	7.5	590,869	-
Non-current financial liabilities	12.1	11,070,828	-
Non-current lease liabilities	8.3	1,206,433	-
Non-current derivatives, liability	12.6	83,762	-
Non-current provisions	4.7	807,978	-
Other non-current liabilities	4.6.1	13,250	-
Deferred income	3.5.2	133,513	-
Deferred tax liabilities	9.2.5	735,125	-
Customer contract liabilities	3.5	188,367	-
Total non-current liabilities		**14,830,125**	**-**
Current fixed assets payables	7.5	756,553	-
Trade payables	4.6	1,745,770	-
Current financial liabilities	12.4 and 12.5	1,558,252	-
Current lease liabilities	8.3	261,089	-
Current derivatives liability	12.6	8,490	-
Current provisions	4.7	175,135	-
Current employee benefits	5	47,832	-
Other current liabilities	4.6.1	83,598	-
Operating taxes payables	9.1	150,731	-
Current taxes payables	9.2	2,502	-
Customer contract liabilities	3.5	79,498	-
Deferred income	3.5	33,840	-
Total current liabilities		**4,903,290**	**-**
Total equity and liabilities		**26,248,915**	**2**

(*) Unaudited data.

The accompanying notes form an integral part of the consolidated financial statements. The accounting policies are set out in the shaded areas of each note.

Consolidated statement of changes in shareholders' equity

(in thousands of euros)	Attributable to the owners of the parent company						Attributable to non-controlling interests		
	Share capital	Share premium	Other reserves	Currency translation reserve	Retained earnings	Total	Reserves	Other comprehensive income	Total equity
Balance as of 30 May 2023 (*)	**3**	**-**	**-**	**-**		**3**	**-**	**-**	**3**
(Loss) for the year	-	-	-	-	(1)	(1)	-	-	(1)
Balance as of 31 December 2023 (*)	**3**	**-**	**-**	**-**	**(1)**	**2**	-	-	**2**
Joint venture formation (Note 2.2)	499,997	6,654,363	-	-	-	7,154,360	-	-	7,154,360
Total comprehensive income	**-**	**-**	**(55,766)**	**(281)**	**(582,817)**	**(638,864)**	**2**	**-**	**(638,862)**
(Loss) for the year (**)	-	-	-	-	(582,817)	(582,817)	2	-	(582,815)
Other comprehensive income (**)	-	-	(55,766)	(281)	-	(56,047)	-	-	(56,047)
Balance as of 31 December 2024	**500,000**	**6,654,363**	**(55,766)**	**(281)**	**(582,818)**	**6,515,498**	**2**	**-**	**6,515,500**

(*) Unaudited data.
(**) Represents nine months of activity, since the formation of the Group.

The accompanying notes form an integral part of the consolidated financial statements. The accounting policies are set out in the shaded areas of each note.

Consolidated statement of cash flows

(in thousands of euros)	Note	2024 (**)	7-month period ended 31 December 2023 (*)
Operating activities			
Consolidated net income		(582,815)	-
Non-monetary items and reclassified items for presentation			
Gains (losses) on disposal of fixed assets, investments and activities	2.1	4,195	-
Other gains and losses		(26,163)	-
Depreciation and amortisation of fixed assets	7.1	1,511,885	-
Depreciation and amortisation of right-of-use assets	8.2	186,674	-
Changes in provisions	4.7	126,863	-
Impairment losses from trade receivables	3.3	(94,223)	-
Capitalisation of the cost of obtaining contracts with customers	3.4	26,347	-
Recognised costs for contractual assets	3.4	152,907	-
Share of profits (losses) of associates	10	15,286	-
Finance costs, net	12.2	828,362	-
Income tax	9.2	(112,734)	-
Changes in working capital			
Provisions	4.7	(94,432)	-
Decrease (increase) in inventories, gross	4.4	4,266	-
Decrease (increase) in trade receivables, gross	3.3	221,767	-
Increase (decrease) in trade payables	4.6	(238,615)	-
Changes in costs of obtaining contracts with customers	3.4	(287,616)	-
Changes in customer contract assets	3.4	(173,092)	-
Changes in other assets and liabilities		517,995	-
Other net cash out			
Interest paid		(593,734)	-
Income tax paid	9.2	(27,238)	-
Proceeds from cashflow hedges		15,295	-
Net cash provided by operating activities (a)		**1,381,180**	**-**
Investing activities			
Payments for property, plant and equipment and intangible assets	7	(1,469,211)	-
Payments for acquisition of financial assets		(20,353)	-
Proceeds from sale of property, plant and equipment and intangible assets		119,318	-
Proceeds from investment on financial assets		37,715	-
Proceeds from government grants	3.5	113,498	-
Cash acquired as a result of the joint venture formation	2.2	40,167	-
Net cash used in investing activities (b)		**(1,178,866)**	**-**
Financing activities			-
Proceeds from borrowings	12.4	3,589,729	-
Proceeds from other financial liabilities	12.5	707,018	-
Payments for other financial liabilities	12.5	(137,527)	-
Repayment of borrowings	12.4	(4,058,194)	-
Payments of lease liabilities	8.3	(207,282)	-
Net cash used in financing activities (c)		**(106,256)**	**-**
Cash change in cash and cash equivalents (a) + (b) + (c)		**96,058**	**-**
Net change in cash and cash equivalents			
Cash and cash equivalents in the opening balance		3	-
Cash and cash equivalents in the closing balance		96,061	-

(1) Changes in other assets and liabilities mainly includes prepayments and deferred revenue.

(*) Unaudited data.

(**) Represents nine months of activity, since the formation of the Group.

The accompanying notes form an integral part of the consolidated financial statements. The accounting policies are set out in the shaded areas of each note.

Note 1 Description of business and basis of preparation of the consolidated financial statements

1.1 Background and description of business

MASORANGE, S.L. (hereinafter referred to as Masorange, the Company or the Parent Company) is a private company limited by shares that was originally incorporated and domiciled on 30 May 2023 in Madrid, initially registered under the name Haoki Investments, S.L. The address of the registered office is Paseo Del Club Deportivo, 1, Parque Empresarial La Finca, Pozuelo de Alarcón (Madrid), Spain.

The Company is the parent company of a group formed by its subsidiaries and associates (hereinafter, Masorange Group or the Group). The shareholders of the Company are:

(i) Lorca MidCo Ltd, an entity domiciled in the United Kingdom, whose main shareholder is Lorca Aggregator Limited (Lorca), an entity domiciled in Jersey. Lorca Aggregator Limited is ultimately owned mostly by funds and investment vehicles managed or advised by PEP VII-A International Ltd and PEP VIII International Ltd (Providence), Cinven Capital Management (VII) General Partner Limited (Cinven), and Kohlberg Kravis Roberts & Co. L.P. (KKR); and

(ii) Orange Participations UK Ltd (Orange), an entity domiciled in the United Kingdom, which is ultimately owned by Orange, S.A., whose shares are listed on Euronext Paris.

Masorange Group is the result of the 50:50 joint venture that was created on 26 March 2024 between Lorca (former MásMóvil Group) and Orange. The Group was created after the approval by the European Commission and the different national authorities competent in matters of foreign investments, spectrum transfer, and the Bank of Spain. Lorca Midco Ltd contributed 100% of the share capital of Lorca HoldCo Limited, and therefore the telecommunications business of the Lorca Group in Spain, and Orange Participations UK Ltd contributed all the shares of Orange Espagne, S.A.U. which also represented 100% of its share capital and therefore the entire telecommunications business of the Orange, S.A. Group in Spain.

Therefore, the Group takes the form of a 50-50 joint venture co-controlled by Lorca and Orange, and both parties have equal governance rights. The agreement between the shareholders includes the right to trigger an Initial Public Offering (IPO) under certain conditions agreed to by both parties after a defined period and, in such scenario, the option for Orange to take control and consolidate the combined entity.

Appendix I lists the main companies composing the Masorange Group, their corporate purpose, country, auditor, the Group's shareholding and their method of consolidation, and forms part of this note.

The Group has proprietary fibre, ADSL and 3G/4G/5G mobile infrastructures. The Group is a telecommunications operator providing landline, mobile, broadband and TV services to residential customers, businesses and other operators.

Masorange is the leading operator in the Spanish market by number of customers, with a market share of above 40% for both fixed and mobile services. It is also a sustainable player with the financial capacity to keep investing in the development of a leading telecommunications infrastructure in Spain.

It is also the Spanish operator with the most extensive fiber-to-the-home (FTTH) coverage, with more than 29 million FTTH households, as well as offering some of the best mobile coverage for 4G (98%), in addition to 5G (over 80%) in more than 2,500 Spanish municipalities. It has the highest customer satisfaction level, or net promoter score (NPS), and draws on the best talent in the market, a single team made up of over 6,500 talented professionals.

The Masorange Group offers individual and business customers services in TV, insurance, energy, alarms, consumer financing, health, cybersecurity, and cloud solutions. The Group operates under nine main national brands (Orange, Yoigo, Jazztel, MásMóvil, Simyo, Pepephone, Lebara, Lyca, and Llamaya) and five regional brands (Euskaltel, R, Telecable, Guuk, and Embou), effectively meeting all customer needs across Spain.

Masorange aspires to be the operator with the most satisfied customers, to establish itself as a driver of talent, and to lead the purpose-driven economy in Spain, all while being respectful of people and the planet. Furthermore, it is committed to making technology accessible to everyone (with a focus on depopulated areas of Spain) and to developing products and services that enhance the experience for all its customers.

1.2 Basis of preparation of the financial statements

These consolidated financial statements were approved by the Board of Directors at its meeting of 28 March 2025.

The separate financial statements of Masorange for 2024 were prepared by the Board of Directors in a separate document to these consolidated financial statements.

The 2024 consolidated financial statements have been prepared in accordance with the Accounting Standards of the International Financial Reporting Standards as endorsed by the European Union (IFRS or IFRS-EU), as well as with the current commercial legislation in Spain, as outlined in the reformed Commercial Code pursuant to Law 16/2007 of 4 July.

For the reported periods, the accounting standards and interpretations endorsed by the European Union are similar to the compulsory standards and interpretations published by the International Accounting Standards Board (IASB) with the exception of the texts currently being endorsed, that have no effect on the Group's financial statements. Consequently, the Group's financial statements are prepared in accordance with the IFRS standards and interpretations, as published by the IASB.

IFRS 1 considerations are not relevant for these first set of financial statements since no previous consolidated financial statements were prepared under any other accounting principles.

The principles applied to prepare the 2024 financial data are based on:

- all the standards and interpretations endorsed by the European Union that were compulsory at 31 December 2024;
- historical cost convention, except for certain financial assets and liabilities (including derivative financial instruments) measured at fair value;
- the recognition and measurement options allowed under IFRS:

Standard		**Option selected**
IAS 2	Inventories	Measurement of inventories according to the weighted average unit cost method
IAS 7	Interest paid and dividends received	Classification as net cash provided by operating activities
IAS 16	Property, plant and equipment	Measurement at depreciated historical cost
IAS 38	Intangible assets	Measurement at amortised historical cost
IFRS 3	Non-controlling interests	At the acquisition date, measurement either at fair value or according to the portion of the identifiable net assets of the acquired entity
IAS 20	Government grants related to assets	Classification as deferred income and presentation in the statement of cash flows as investing activities when related to fixed assets

− accounting positions adopted by the Group in accordance with paragraphs 10 to 12 of IAS 8:

Topic	Note
Income taxes	Note 9.2
Contributions to a jointly controlled entity	Note 2.2 Formation of joint venture

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

− present a true and fair view of the Group's financial position, financial performance and cash flows;

− reflect the economic substance of transactions;

− are neutral;

− are prepared on a prudent basis; and

− are complete in all material respects.

1.3 Comparative information

The consolidated financial statements presented herein are the first to be prepared in accordance with IFRS. In accordance with IFRS 1, comparative figures are presented for the seven-month period ended 31 December 2023 and as of that date using the same basis of preparation. This comparative information has not been audited.

There were no relevant transactions in the seven-month period ended 31 December 2023, nor during the year 2024 until the creation of the Group on 26 March 2024.

1.4 Presentation and functional currency

All the items included in these consolidated financial statements are measured using the currency of the primary economic environment in which each of the Group companies operates (functional currency). The consolidated financial statements are presented in euros, which is Masorange´s presentation currency.

The data are presented in thousands of euros, without decimals. Rounding to the nearest thousand may in some cases lead to non-significant discrepancies in the totals and subtotals shown in the tables.

1.5 Going concern

The Directors of the Parent Company reasonably expect that the Group has sufficient resources to maintain operational continuity for at least 12 months from the approval date of these consolidated financial statements. Consequently, these financial statements have been prepared on a going concern basis.

This expectation is based on the predictable nature of the Group's cash flows in the short to medium term, largely due to its mainly subscription-based revenue model. Additionally, the Group's capacity to secure long-term contracts for its major industrial expenses, particularly national roaming and transmission agreements, further reinforces this outlook.

Liquidity projections

The Directors have prepared financial projections extending to the end of March 2026. These projections include an analysis of severe yet plausible downside scenarios to assess the robustness of the Group's cash flow and liquidity in the face of adverse events, including extreme conditions that could significantly reduce EBITDA, which is closely tied to cash flow and liquidity. These scenarios also assume no additional funding through the notes program in the Alternative Fixed Income Market (MARF).

The results of these assessments confirm the Group's resilience, demonstrating that it maintains sufficient liquidity throughout the projected period ending March 2026. Additionally, the Group is capable of quickly adjusting a substantial portion of its operating and capital expenditures in response to unexpected challenges. These forecasts illustrate that the Group's existing financial structure is adequate to meet its funding requirements, maintaining a "springing covenant" level below the threshold outlined in the TLB (see Note 12.4) for at least the 12 months following the approval date of these consolidated financial statements.

Working capital

As of 31 December 2024, the Group reports negative working capital amounting to Euro 3,135,084 thousand. This situation is typical in the industry in which the Group operates and is consistent with its financial structure. The Directors do not view this as an impediment to the Group's normal operations. They estimate that the Group's cash needs in the short to medium term will remain within and not exceed its current financing capabilities, given the particular aspects of its working capital management.

The Group's core business involves providing telecommunications services, which benefit from a shortened payment collection period. Coupled with an average supplier payment period of 42.22 days, this allows the Group to optimise its resources by operating with negative working capital.

In addition, current liabilities include interests accrued but not paid and short-term loans and borrowings for amounts of Euro 114,763 thousand and Euro 547,509 thousand, respectively.

Financing facilities

The Group has available financing facilities at 31 December 2024, notably RCF tranches (Euro 750 million), as well as TLC by Euro 600 million, both with a maturity in 2027 (see Note 12.4). At 31 December 2024, the Group has drawn down Euro 151 million against the RCF tranches, being the TLC facility fully undrawn.

In relation to the RCF, this credit facility can be used for Group’s general corporate purposes. It has a “springing covenant” defined as consolidated Senior Secured Net Debt leverage ratio (consolidated Senior Secured Net debt/EBITDA (as EBITDA is defined in the facility)). This “springing covenant” has to be lower than 8 times EBITDA and it is activated at the time the drawn down amount exceeds 40% of the total credit facility.

Related to the TLC, this facility can be used to finance Group’s CAPEX purposes. It has a “springing covenant” defined as consolidated Senior Secured Net Debt leverage ratio (consolidated Senior Secured Net debt/EBITDA (as EBITDA is defined in the facility)). This “springing covenant” has to be lower than 6 times EBITDA and it is activated at any time once the TLC has been drawn.

In addition, the financing structure completed in 2024 (see Note 12.4) allows the Group to be leveraged to a large extent so as to increase senior and subordinated debt subject to certain ratios (Net debt/EBITDA) (as EBITDA is defined in the facility), calculated depending on the purpose of the additional financing. The Group has complied with covenant test as at 31 December 2024 and there are no indications that the Group would not comply with the covenants when they will be next tested in 2025 interims reporting date.

During March 2025, long-term bullet debt (TLBs) was repriced, reducing the spread from 3.50% to 2.75% (see Note 18). This spread improvement has not been considered in the financial projections extending to the end of March 2026 prepared by the Directors.

Furthermore, through the subsidiaries MásMóvil Ibercom, S.A.U. and Euskaltel, S.A.U. the Group registered two note programmes in the MARF for a maximum of Euro 400 million and a maximum of Euro 200 million, respectively of each programme. At 31 December 2024, a total of Euro 272,600 thousand and Euro 155,100 thousand respectively, have been drawn down (see Note 12.5).

At 31 December 2024 the Group has available short-term lines of credit totalling Euro 21 million. As of the same date, the Group has drawn down Euro 316 million from these short-term lines by (see Note 12.4).

Furthermore, the Group has in ownership its own bonds for an amount of Euro 47 million (see Note 12.5). Those bonds could be eventually used to improve liquidity if necessary.

1.6 New standards and interpretations applied from 1 January 2024

Only the amendments to the standards applicable to the Group whose effective date is 1 January 2024 are described below:

1.6.1 Amendment to IAS 1: Presentation of financial statements

Amendments made to IAS 1 Presentation of Financial Statements in 2020 and 2022 clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (for example, the receipt of a waiver or a breach of covenant that an entity is required to comply with only after the reporting period).

Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either on or before the reporting date, this needs to be considered in the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants with which the entity must comply within 12 months of the reporting date. The disclosures include:

- the carrying amount of the liability;
- information about the covenants (including the nature of the covenants and when the entity is required to comply with them); and
- facts and circumstances, if any, that indicate that the entity might have difficulty complying with the covenants.

The amendments must be applied retrospectively in accordance with the requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

1.6.2 Amendment to IFRS 16: Leases

In September 2022, the IASB finalised narrow-scope amendments to the requirements for sale and leaseback transactions in IFRS 16 Leases which explain how an entity accounts for a sale and leaseback after the date of the transaction.

The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

1.6.3 Amendment to IAS 7 and IFRS 7: Supplier finance arrangements

On 25 May 2023, the IASB issued amendments to IAS 7 and IFRS 7 to require specific disclosures about supplier finance arrangements (SFAs). The amendments respond to the investors' need for more information about SFAs to be able to assess how these arrangements affect an entity's liabilities, cash flows and liquidity risk.

As a result of the adoption of the amendments to IAS 7 and IFRS 7, the Group has provided disclosures for liabilities under supplier finance arrangements as well as the associated cash flows in Note 4.6.2.

Other than these additional disclosures, the amendments listed above are not expected to significantly affect the current or future periods.

1.7 Standards and amendments that have not yet entered into force, but can be adopted in advance

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for 31 December 2024 reporting period and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and amendments is set out below:

1.7.1 Amendment to IAS 21: Lack of exchangeability (effective for annual periods beginning on or after 1 January 2025)

In August 2023, the IASB amended IAS 21 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not. The Group does not expect these amendments to have a material impact on its operations or financial statements.

1.8 Standards and amendments to existing standards that cannot be adopted early or have not been adopted by the European Union

At the date of preparation of these consolidated financial statements, the IASB and the IFRS Interpretations committee had published the standards, modifications and interpretations detailed below, which are pending adoption by the European Union:

1.8.1 Amendments to IFRS 10 and amendments to IAS 28: Sale or contribution of assets between an investor and its associates or joint ventures

These modifications clarify the accounting treatment of sales and contributions of assets between an investor and its associates and joint ventures, which will depend on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a "business". The investor will recognise full gain or loss when the non-monetary assets constitute a "business". If the assets do not meet the definition of a business, the investor recognises the gain or loss to the extent of the interests of other investors. The modifications will only apply when an investor sells or contributes assets to its associate or joint business.

Originally, these amendments to IFRS 10 and IAS 28 were prospective and effective for annual periods beginning on or after 1 January 2016. However, at the end of 2015, the IASB made the decision to postpone the date of validity of the same (without setting a new specific date), since it is planning a broader review that could result in the simplification of the accounting of these transactions and other aspects of the accounting of associates and joint businesses.

1.8.2 Amendments to IFRS 9 and IFRS 7: Classification and Measurement of financial instruments (effective for annual periods beginning on or after 1 January 2026)

On 30 May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;

- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The Group does not expect these amendments to have a material impact on its operations or financial statements.

1.8.3 IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027)

Issued in May 2024, IFRS 19 allows for certain eligible subsidiaries of parent entities that report under IFRS Accounting Standards to apply reduced disclosure requirements. The Group does not expect this standard to have an impact on its operations or financial statements.

1.8.4 IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)

Issued in April 2024, IFRS 18 will replace IAS 1 and the related interpretations. The aim of the standard is to enable investors to obtain more detailed and comparable information on the presentation of financial performance, in particular concerning:

- better comparability of the income statement thanks to the addition of new categories of income and expenses (operating, investing and financing) and required sub-totals;
- enhanced information to be provided on performance indicators;
- a critical review of the information disclosed either in the summary statements or in the notes to ensure that the information needed by investors is provided.

IFRS 18 will apply retrospectively as from 1 January 2027, with an earlier application option from 1 January 2026, subject to its adoption by the European Union. The Group has launched a working group to analyse the expected impacts on its consolidated financial statements, while taking into account the changes required for the tools used to produce the consolidated financial statements.

1.8.5 Amendments to IFRS 9 and IFRS 7: contracts referencing nature-dependent electricity (effective for annual periods beginning on or after 1 January 2026)

Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-Dependent Electricity”: Nature-dependent electricity contracts help companies secure their electricity supply from sources such as wind and solar energy. The amount of electricity generated under these contracts can vary based on uncontrollable factors, such as weather conditions.

The amendments help companies better reflect these contracts in their financial statements and consist of:

- A clarification of the application of the "own use" requirements;
- The possibility to apply hedge accounting if these contracts are used as hedging instruments; and
- The addition of new disclosure requirements to enable understanding of the impact of these contracts on the company's financial information.

Except for what was indicated above for IFRS 18, the amendments listed above are not expected to significantly affect the future periods.

1.8.6 Annual Improvements to the IFRS Accounting Standards. Volume 11

The modifications affect IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 and apply to annual periods beginning on or after 1 January 2026. The purpose of the modifications is to avoid possible confusion arising from inconsistencies of drafting in the regulations, addressing changes in the following standards:

- IFRS 1 "First-time adoption of IFRS”;
- IFRS 7 "Financial instruments: Disclosure information";
- IFRS 9 "Financial instruments";
- IFRS 10 "Consolidated financial statements"; and
- IAS 7 "Statement of cash flows".

1.9 Accounting policies, use of judgment and estimates

The accounting policies are presented within each note to which they refer. In summary:

Note	Topic	Accounting policies	Judgments and estimates
Note 2.2	Changes in the scope of consolidation, business combinations, assets held for sale, non-controlling interests	X	X
Note 2.3	Non-current assets held for sale	X	X
Note 3.1	Revenue	X	X
Note 3.3	Trade receivables	X	X
Note 4.4	Inventories	X	X
Note 3.4	Customer contract assets and costs of obtaining a contract	X	X
Note 3.5.1	Customer contract liabilities	X	X
Note 3.5.2	Government grants	X	
Note 4.6	Trade payables	X	
Note 5	Employee benefits	X	X
Note 6	Goodwill, impairment of goodwill	X	X
Note 7.1	Depreciation and amortisation	X	X
Note 7.2	Impairment of fixed assets	X	X
Note 7.3	Intangible assets	X	X
Note 7.4	Property, plant and equipment	X	X
Note 4.7	Provisions	X	X
Note 8	Leases	X	X
Note 8.2	Right-of-use assets	X	X
Note 8.3	Lease liabilities	X	X
Note 9.1	Operating taxes	X	
Note 9.2	Income taxes	X	X
Note 10	Interests in associates and joint ventures	X	X
Note 11.1	Related-party transactions	X	X
Note 12	Net financial debt	X	
Note 13	Cash and cash equivalents	X	
Note 12.1	Financial assets and liabilities	X	
Note 14.1	Fair value of financial assets and liabilities	X	X
Note 12.6	Derivatives and hedge accounting	X	X

1.9.1 Use of judgment

In addition to the alternatives or accounting positions mentioned above in Note 1.2, Management exercises judgment in order to define the accounting policies for certain transactions:

Note	Topic	Nature of accounting judgment
Note 2.3	Control	Exercise of judgment in certain circumstances with respect to the existence or not of control. Continuous control assessment which can affect the scope of consolidation, as for instance when a shareholders' agreement is revised or terminated, or when protective rights turn into substantive rights, or when call options become exercisable.
Note 3	Revenue	Splitting transaction price between mobile and service. Identification of distinct or non-distinct performance obligations.
Note 4	Purchases and other expenses	Reverse factoring: distinguishing operating debt and financial debt.
Note 8	Leases	Determination of whether a contract falls within the scope of IFRS 16. Determination of the non-cancellable lease term and assessment of the exercise or not of termination, extension and purchase options. Separation of service and lease components.
Note 2.3 and 18	Classification as discontinued operations and non-current assets and liabilities held for sale	Determination of whether a transaction falls within the scope of IFRS 5 at the reporting date.

1.9.2 Use of estimates

Relevant accounting estimates and judgments and other estimates and assumptions have been made when applying the Group's accounting policies to prepare the consolidated financial statements in conformity with IFRS-EU. A summary of the items requiring a greater degree of judgment, or which are more complex, or where the assumptions and estimates made are significant to the preparation of these consolidated financial statements, is as follows.

Note	Topic	Key sources of estimates on future income and/or cash flows
Note 6.3	Calculation of the recoverable amount of the CGU to which goodwill and trademarks have been assigned	Method of equivalent royalties, discounted cash flows, growth rates, weighted average cost of capital.
Note 4.7.3	Risk of resources outflow linked to litigation	Common practices, internal technical reports.
Note 7	Useful life of assets with a definite useful life	Common practices, internal technical reports.
Note 9.2.5	Deferred tax assets	Recognition and recoverability of deferred tax assets using earnings projections for Group companies, based on the tax regulations applicable to the corresponding tax group.
Note 8	Leases	Determination of the incremental borrowing rate of the lease when the implied interest rate is not identifiable in the lease. Determination of the term of certain leases.
Note 14.2	Fair value of financial assets and liabilities	Models, selection of parameters, fair value hierarchy, assessment of non-performance risks.
Note 2.2	Opening balance of the joint venture	Valuation methods and assumptions used to measure the consideration issued and the purchase price allocation exercise.
Note 3.4	Amortisation period of cost of obtaining contracts with customers	Common practices, internal technical reports.
Note 4.7.3	Onerous contracts and unfavourable contracts	Common practices, internal technical reports.
Note 3.3	Estimated credit loss	Segmentation into groups of homogeneous assets, applying historical and prospective information on default rates for such groups.

While the estimates are derived from the most reliable information currently available, future developments may require revisions to these estimates. Any impacts on the consolidated financial statements resulting from adjustments made in subsequent periods will be recognised on a prospective basis.

1.9.3 Consideration of climate change risks

The Group is systematically incorporating climate change risks into its operations. This approach can be seen in the assessment of these risks concerning the value of certain assets, including fair value estimates and depreciation schedules, which may indicate potential impairment loss or affect future financing opportunities. The Group's commitment to achieving Net Zero Carbon by 2040 further underscores its focus on climate risks and has prompted adjustments in specific investment decisions.

To better understand the impacts of climate change on its activities, the Group has launched numerous initiatives. In the telecommunications industry, where it primarily operates, network energy consumption constitutes the majority of total usage. Consequently, improving efficiency and driving savings in this area is both critical and a priority. Recently, network sharing agreements have been instrumental in eliminating infrastructure duplication, leading to reduced energy consumption, resource use, emissions, and waste, thereby lessening the environmental impact.

A key project underway involves migrating the network from HFC to the more energy-efficient FTTH technology. Moreover, the formation of the joint venture has enabled the consolidation of mobile networks. National Roaming agreements further enhance efficiency by allowing our customers access to other operators' networks, thereby reducing site requirements, boosting equipment utilisation, and minimising both visual and environmental impacts.

In the energy sector, the Group provides electricity and gas services through seven of its brands. Offering 100% renewable electricity, we provide customers with complimentary access to consumption management tools via an app. Additionally, Yoigo, through its EnergyGO service, promotes self-consumption by installing solar panels, supporting the transition to cleaner, sustainable energy.

The Group is assessing climate risk exposure across various geographic locations, analysing multiple climate change impact scenarios. The effects of the projects developed are taken into consideration when preparing the variety of estimates necessary to prepare the financial statements and, consequently, are considered in the measurement of the Group's assets and liabilities. In particular, climate issues have been considered when addressing the following estimates impacting the consolidated financial statements: impairment of non-financial assets, asset retirement obligations and restoration costs, adaptation costs, estimation of useful lives and residual values, and fair value measurement.

When the severest Isolated Depression at High Levels (DANA) of the century struck on 29 October 2024, the hardest-hit regions included the Valencian Community, Castilla-La Mancha, Andalusia, Catalonia, and to a lesser extent, the Balearic Islands and Aragon. This event led to catastrophic flooding, substantial fatalities, disappearances, and widespread damage to vehicles, machinery, and critical infrastructure, including water, electricity, transport, and communications systems.

The Group's rapid response to the disaster demonstrated our unwavering commitment to society and our customers. The Group did not experience significant impacts.

1.9.4 Changes in the macroeconomic environment

The judgment and estimates made by the Group also take into account the volatility of certain data linked to the complexity of the current macroeconomic context, and the Group has paid particular attention to:

- possible impacts on impairment testing, whether on changes in market data (discount rates, changes in inflation) or on the flows used;
- consequences of changes in market data on the valuation of certain Group assets and liabilities.

Note 2 Gains and losses on disposal and main changes in the scope of consolidation

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

(in thousands of euros)	**2024**	**7-month period ended on 31 December 2023**
Transfer price	146,048	-
Net book value of assets sold	(150,243)	-
Losses from the disposal of fixed assets	**(4,195)**	**-**

2.2 Joint venture formation

The joint venture was completed on 26 March 2024, and comprises the entire telecommunications business of the former MásMóvil Group and Orange Group in Spain.

The following table sets forth a reconciliation between the enterprise value of the contributed businesses and the equity value as at 26 March 2024:

(in thousands of euros)	
Enterprise value (a)	20,130,450
Net financial debt	(12,414,882)
Other assets and liabilities (b)	(774,166)
Equity investments	212,958
Equity value as of 26 March 2024 (c)	**7,154,360**

The amounts represent estimated fair values as of 26 March 2024. For additional information regarding certain fair value inputs used in the enterprise valuation see Note 14.

a) Represents the estimated enterprise value as of 26 March 2024 of the joint venture.

b) Other assets and liabilities primarily consist of assets held for sale, certain lease liabilities, certain provisions and other payables.

c) The equity value equals the consideration for the transfer of the business which was settled through the issuance of 500 million ordinary shares (see Note 15).

We have accounted for the joint venture at fair value based on the accounting policies explained below, in accordance with IFRS 3 Business combinations, using the acquisition method of accounting. The identifiable net assets of both MásMóvil and Orange Spain were assessed for their respective fair values in accordance with purchase price allocation (PPA) accounting and the excess of Masorange's business enterprise value over the fair value of these identifiable net assets was allocated to goodwill. The assets and liabilities recognised as a result of the business combination are as follows:

(thousand euros)	Fair value
Property, Plant and Equipment	6,118,095
Land and buildings	123,479
Other property, plant and equipment	606,532
PP&E in progress	54,705
Networks and devices	5,333,379
Intangible assets	8,228,595
Trademarks	660,867
Customer relationships	4,450,000
Other intangible assets	3,117,728
Right of use assets (IFRS 16)	1,472,376
Financial assets	66,853
Derivative financial instruments, Net	47,617
Equity investments	212,958
Inventories	91,256
Prepaid expenses	241,159
Contract assets	288,212
Trade receivables	647,395
Cash and cash equivalents	40,167
Assets held for sale	120,000
Loans and borrowings	(9,172,790)
Other financial liabilities	(3,277,769)
Lease liabilities (IFRS 16)	(1,548,447)
Provisions	(950,682)
Fixed assets payables	(811,336)
Deferred tax assets/liabilities	(471,874)
Trade payables	(1,724,953)
Employee payables	(58,119)
Taxes	(311,918)
Customer contract liability	(206,952)
Deferred income	(45,993)
Other assets and liabilities	(160,106)
Net identifiable assets acquired	*(1,167,256)*
Add: goodwill	**8,320,616**
Equity value as of 26 March 2024	**7,154,360**

The most important factor considered when recognising goodwill has been the valuation of expected synergies from the business combination, expectation on future customer relationships growths and the assembled workforce, amongst others (Note 14).

Specifically, synergies arise mainly through the optimisation of the cost of using mobile telecommunications networks and the costs of the FTTH network borne to the transaction date, due to being able to use the mobile and FTTH networks deployed by the Group and be party to wholesale agreements concluded with third parties, and the optimisation of commercial costs to sale and distribute services and products through our different brands.

Goodwill will not be deductible for tax purposes.

No contingent liabilities were recognized upon formation of the joint venture.

The businesses formed through the joint venture have contributed all of the Group's consolidated revenues and operating profits.

2.3 Main changes in the scope of consolidation

There were no changes in the consolidation scope since the formation of the joint venture.

2.4 Non-current assets held for sale

As part of the conditions imposed by the European Commission to approve the combination between the MásMóvil and Orange businesses, commonly referred to as remedies, the Group has committed to a series of divestments in favour of another operator. In particular, a total of 60MHz of the 1,800, 2,100 and 3,500 (5G) frequency band of spectrum licenses (20MHz of each of them).

As of 31 December 2024, Euro 120 million are presented as held for sale in connection with this intangible asset.

In addition, on 2 August 2024, the Group entered into an agreement with other operator to divest 20Mhz of 3.5 MHz frequency band. As a consequence, Euro 23.4 million were also reclassified to assets held for sale.

No losses were recognised as a result of the remeasurement to fair value less costs to sell.

Accounting policies

Scope of consolidation

Entities are fully consolidated if the Group has the following:

- existing substantive rights that give it the ability to direct the relevant activities; and
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect the amount of its returns.

The entities over which the Company either directly or indirectly exercises control are considered subsidiaries.

IFRS 10 requires the exercise of judgment and continuous assessment of the control situation.

Information on the subsidiaries controlled by the Group is presented in Appendix I.

The income, expenses and cash flows of subsidiaries are included in the consolidated financial statements from the date on which the Group takes control until the date that control ceases.

As part of the consolidation process:

- Transactions and balances with Group companies and unrealised gains or losses have been eliminated (unrealised losses have been considered as an indicator of impairment of the assets transferred).
- Subsidiaries' accounting policies are modified in line with the principles adopted by the Group.
- The financial statements of the subsidiaries used in the consolidation process have been prepared as of the same date and for the same period as those of the Parent Company.

When the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Joint ventures and companies over which the Group exercises significant influence are accounted for using the equity method.

The entities over which the Group has significant influence are considered associates.

The Group is considered to have significant influence when it has the power to intervene in the decisions regarding financial and operating policies at a company, without having control or joint control over that entity. This is generally the case where the Group holds between 20% and 50% of the voting rights.

When assessing the level of control or significant influence exercised over a subsidiary or associate, the existence and effect of any exercisable or convertible potential voting rights at the closing date are taken into account.

Investments in associates are accounted for using the equity method, initially recognised at cost (cost equals fair values for those assets received upon formation of the joint venture) and subsequently adjusted to reflect the Group's share of post-acquisition profits or losses, and other comprehensive income of the investee. Dividends received from associates reduce the carrying amount of the investment. If the Group's share of losses exceeds its interest in an associate, no further losses are recognised unless obligations have been incurred or payments made on behalf of the entity. Unrealised gains on transactions with associates are eliminated to the extent of the Group's interest, while unrealised losses are eliminated unless they indicate an impairment of the asset transferred.

The carrying amount of equity-accounted investments is tested for impairment as per the Group's policy. When transactions with associates involve assets recognised at fair value, any differences between the agreed price and fair value are accounted for based on the economic context of the operation.

Information related to Group's associates is presented in Appendix I.

Businesses contributed on formation of a joint venture

The IFRSs do not establish how a joint arrangement should account for businesses contributed to it by its investors on formation. IFRS 3 excludes the formation of a joint arrangement from its scope. The contribution of a business on the formation of a joint venture is also outside the scope of IFRS 2.

A joint venture has an accounting policy choice on how to account for businesses contributed to it on formation. The joint venture could:
- record the businesses contributed at fair value, including goodwill; or
- record the businesses at the previous carrying amount in the venturer's financial statements.

The businesses received upon the formation of Masorange were recorded at fair value, applying the acquisition method of accounting as detailed below.

Business combinations

Acquisitions from third parties

The acquisition date is the date on which the Group obtains control of the acquiree.

The Group applies the acquisition method for business combinations:

- the acquisition cost is measured at the fair value of the consideration transferred, including all contingent consideration, at the acquisition date. Subsequent changes in the fair value of a contingent consideration are accounted for either through profit or loss or in equity, in accordance with the applicable standards, facts and circumstances.

- an asset or liability qualifies for recognition as part of applying the acquisition method if the assets acquired or liabilities assumed meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting at the acquisition date. An asset is identifiable if it either is separable or arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

- goodwill is the difference between the consideration transferred, plus the non-controlling interests and the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date and is recognised as an asset in the statement of financial position. Considering the Group's activity, the fair value measurements of the identifiable assets mainly relate to licenses, customer bases and brands (which cannot be capitalised when developed in-house), generating associated deferred tax. The fair value of these assets, which cannot be observed, is established using commonly adopted methods, such as those based on revenues or costs (e.g.: the "market approach" method for the valuation of the spectrum licenses, the "relief from royalties" method for the valuation of brands and the "excess earnings" method for customer bases).

- when the consideration transferred, plus the non-controlling interests, is less than the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date, a badwill is recognised as income for the period in the income statement on the line "effects resulting from business combinations".

For each business combination involving an equity investment below 100%, the fraction of the interest not acquired (non-controlling interests) is measured:

- either at its fair value, in which case goodwill is recognised for the portion relating to non-controlling interests; or
- proportionate to its share of the acquiree's identifiable net assets: in which case, goodwill is only recognised for the portion acquired.

Costs directly attributable to the acquisition are recognised directly in operating expenses in the period in which they are incurred.

When a business combination is achieved in stages, the previously held equity interest is re-measured at fair value at the acquisition date through operating income. The related other comprehensive income, if any, is fully reclassified to the income statement.

Loss of exclusive control resulting from the partial disposal of consolidated shares

A loss of exclusive control by the Group over one of its subsidiaries results in the recognition in profit or loss of a capital gain or loss on the disposal, and in the remeasurement at fair value of the residual interest retained in accordance with the requirements of IFRS 10 applicable in the event of a loss of control.

Loss of significant influence or joint control leading to the discontinuation of the equity method while retaining a residual interest

A loss of significant influence or joint control by the Group over one of its associates or joint ventures while retaining a residual interest results in the recognition in profit or loss of a capital gain or loss on the disposal of the shares sold, and, in accordance with the provisions of IAS 28, the remeasurement at fair value of the residual interest retained. The fair value of the retained interest constitutes the entry value of the financial asset within the scope of IFRS 9.

Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable.

The Group qualifies an asset or group of assets as "held for sale" when:

- the asset is available for immediate sale in its present condition (subject only to terms that are usual and customary for such disposals);
- the appropriate level of management is committed to a plan to sell;
- an active programme to locate a buyer has been initiated;
- the sale price is reasonable in relation to its current fair value;
- the disposal is expected to be completed within within 12 months from the date of classification;
- and the shareholders´approval is highly probable.

They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated while classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets and disposal group assets classified as held for sale are disclosed separately from the other assets in the consolidated statement of financial position. Disposal group liabilities classified as held for sale are disclosed separately from the other liabilities in the consolidated statement of financial position.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the income statement.

Note 3 Sales

3.1 Revenue

The breakdown of revenue by type during 2024 is as follows:

	2024	7- month period ended 31 December 2023
Equipment revenue	599,313	-
Service revenue	4,443,296	-
Wholesale services	471,826	-
Other services	47,342	-
Total revenue	**5,561,777**	**-**

The Group operations are located in Spain. The Group is mainly engaged in providing landline and mobile telephone services, and broadband services.

The Group distinguishes the following types of customers:

- Residential: customers in this group are offered landline, mobile and broadband services.
- Business: these customers are offered landline, mobile and broadband services, as well as other value-added services such as data centres, cloud, virtual PBX, email and video-conferencing.
- Wholesale: voice services are sold to other industry operators, without offering access since the customers have their own network.

Accounting policies

Revenue recognition

Sale of equipment
Revenue from equipment sales is recognised when the Group transfers control to the buyer, ensures the buyer has full control over sales channels and pricing, and delivers the equipment to the agreed location, with the buyer accepting it according to the sale agreement. Any probable and reliably estimated discounts are deducted from revenue at the time of sale recognition.

Equipment can be sold independently or bundled with services. Revenue is recognised upon delivery. For indirect channel sales, control is retained until resale, and revenue is recognised when the end-customer takes possession.

In bundled sales, if equipment and services are distinct, their revenues are recognised separately. If not, revenue is allocated based on selling prices, with equipment revenue recognised upon delivery.

Revenue from services
The Group provides services to end customers (telecommunications), other operators (interconnection and roaming), wholesale customers, and related corporate services. In general terms:

- Usage-based revenues: recognised as services are rendered.
- Flat-rate contracts: accounted for on a straight-line basis over the contract term.
- Prepaid services: advances received are recognised as liability until services are used or obligations fulfilled.
- Commercial packages: revenue is allocated among performance obligations based on their independent selling prices.

Revenue is recognised net of VAT and other taxes collected on behalf of governments.
Penalties for failing service level commitments are deducted from revenue.

Main sources of service revenue

1. Standalone service offers (mobile-only services, fixed-only services, convergent services)

Masorange provides both retail and wholesale customers with fixed and mobile telephony services, internet access, and content offers like TV and video. Service contracts can be fixed-term (typically 12 or 24 months) or cancellable on short notice (e.g., monthly). Revenue is recognised when services are delivered, either based on usage (e.g., minutes, data) or time period (e.g., monthly fees).

When acting as an agent for third-party content, revenue is recognised net of amounts transferred to the third party.

Customer contracts typically do not include material rights, as prices reflect standalone selling prices, and contract modifications have minimal impact. Service obligations delivered consistently are treated as a single obligation. Discounts or free items, such as initial sign-up discounts or free subscription periods, are spread over the contract term as revenue deductions.

If performance obligations are not distinct, revenue is recognised evenly over the contract term. This applies, for example, to initial service connections, which are integrated into subscription offers and recognised over the expected contract duration.

2. Service offers to carriers (wholesale)

Three commercial models:
- Pay-as-you-go: revenue recognised as services are provided.
- Send-or-pay: revenue recognised progressively based on actual traffic.
- Mix model: combines both, with entry fees recognised based on traffic.

"Free peering" agreements are not recognised in revenue.

3.2 Other operating income

Other operating income recognised during the year comprises:

(in thousands of euros)	**2024**	**7- month period ended 31 December 2023**
Network services revenue	18,642	-
Property fees (nota 8.4)	16,890	-
Comission income	6,594	-
Co-marketing and other advertising income	6,745	-
Customer fees	51,309	-
o/w customer reconnection fees	*6,961*	-
o/w customer rejection fees	*10,589*	-
o/w customer collection fees	*33,759*	-
Other	11,692	-
Total	**111,872**	**-**

3.3 Trade receivables

(in thousands of euros)	**31 December 2024**	**31 December 2023**
Gross book value of trade receivables	**583,634**	**-**
Allowances on trade receivables (Note 4.2)	(94,223)	-
Net book value of trade receivables	**489,411**	**-**

The Group has assessed the risk of non-recovery of trade receivables at 31 December 2024 and has recognised impairment losses on trade receivables in the income statement for an amount of Euro 94,223 thousand (see Note 4.2).

The loss allowances for trade receivables as at 31 December 2024 reconcile to the opening loss allowances as follows:

(in thousands of euros)	**31 December 2024**	**31 December 2023**
Allowances on trade receivables - in the opening balance	**-**	**-**
Losses on trade receivables (Note 4.2)	(94,223)	-
Allowances on trade receivables - in the closing balance	**(94,223)**	**-**

(in thousands of euros)	Not past due	Less than 180 days	Between 180 days and 360 days	More than 360 days	Total
Ageing	261,910	139,982	52,945	34,574	**489,411**

Accounting policies

Trade receivables are generally short-term, bear no interest, and are recorded at nominal value. Receivables from wholesale equipment finance leases are also recognised as current operating receivables.

Impairment

Trade receivables impairment is assessed using three methods:

- Collective statistical method: uses historical loss data to determine impairment rates for different aging categories within homogeneous customer groups, such as wholesale and professional customers.
- Stand-alone method: evaluates impairment probability and amount based on qualitative factors like payment history, ratings, and geographical area. This method is used for carrier customers, public authorities, and key business accounts.
- Provisioning based on expected credit loss: recognises expected losses immediately upon receivable recognition, applying a simplified early impairment approach. The impairment rate depends on the maximum non-recoverability rate.

The practical expedient employed is the use of a provision matrix based on segmentation into groups of homogeneous assets, applying historical information on default rates for such groups and using reasonable information on future economic conditions.

Following the analysis of the Group's trade receivables, three groups of homogeneous assets were identified: residential, corporate and wholesale. These groups have different characteristics in terms of the management of collection and recoverability of balances, specific matrices having been developed for them.

Default rates are calculated based on current default experience during the past year given the highly dynamic nature of the market and are adjusted for differences between current and historical economic conditions, taking into account projected information which is reasonably available.

Recognition of impairment losses for a group of receivables occurs before identifying impairment losses on individual receivables. When information becomes available, such as customers undergoing bankruptcy or court-ordered liquidation, these receivables are removed from the statistical impairment database and assessed for impairment on an individual basis.

Derecognition of financial assets

The Group applies the criteria for derecognition of financial assets to part of a financial asset or part of a group of similar financial assets.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

In particular, for sales of receivables with a repurchase agreement and factoring transactions, the financial asset is derecognised once the Group's exposure has been compared, before and after the transfer, to the variation in the amounts and in the timing of the net cash flows of the transferred asset, and it can been concluded that the risks and rewards have been substantially transferred, or control of the asset has been transferred (see Note 13 b)).

3.4 Customer contract assets and costs of obtaining contracts with customers

(in thousands of euros)	31 December 2024	31 December 2023
Customer contract assets	**308,397**	**-**
Current customer contract assets	232,300	-
Non-current customer contract assets	76,097	-
Costs of obtaining contracts	**261,269**	**-**
Current costs of obtaining contracts with customers	132,738	-
Non-current costs of obtaining contracts with customers	128,531	-
Total	**569,666**	**-**

Contract assets relate to the capitalisation of discounts and subsidies which are recognised in the consolidated income statement on a straight-line basis. The rollforward for the year ended 31 December 2024 is as follows:

(in thousands of euros)	2024		2023	
	Current	Non current	Current	Non current
Customer contract assets - in the opening balance	**-**	**-**	**-**	**-**
Joint venture formation	212,631	75,581	-	-
Additions	-	173,092	-	-
Transfers to profit or loss	(152,907)	-	-	-
Transfers to current	172,576	(172,576)	-	-
Customer contract assets - in the closing balance	**232,300**	**76,097**	**-**	**-**

Costs of obtaining contracts with customers relate to the capitalisation of certain costs to obtain contracts with customers. Set out below is an analysis of these costs showing movements during the year ended 31 December 2024:

(in thousands of euros)	2024		2023	
	Current	Non current	Current	Non current
Costs of obtaining a contract - in the opening balance	**-**	**-**	**-**	**-**
Additions	-	287,616	-	-
Transfers to profit or loss	(26,347)	-	-	-
Transfers to current	159,085	(159,085)	-	-
Costs of obtaining a contract - in the closing balance	**132,738**	**128,531**	**-**	**-**

Accounting policies

Customer contract assets

Contracts with tie-in periods in which discounts or terminal subsidies exist are recognised as a customer contract asset as "*contract assets*" and are recognised on a straight-line basis as a reduction in revenue over the estimated life of the contract provided that the obligation to provide telecommunications services is fulfilled.

These assets are presented in the Group's consolidated statement of financial position under current or non-current items, based on whether they will be taken to profit or loss within 12 months or afterwards.

Contract assets, similar to trade receivables, are evaluated for impairment due to credit risk. Their recoverability is assessed to account for potential impairment losses if a contract is terminated. Additionally, changes in the legal environment affecting the offers may impact the recoverability of these assets.

Costs of obtaining a contract

The incremental costs that are directly attributable to obtaining and retaining convergent and non-convergent contracts with customers, and which may be individually identified and reliably measured, when considered probable that the payments made will be recovered and are expected to be recovered in more than 12 months, are initially recognised as an asset under the heading "costs of obtaining contracts with customers" and are released to the consolidated income statement under "external purchases" in a systematic manner that is consistent with the transfer to the customer of the goods or services to which the asset relates. This is updated to reflect significant changes in the expected timeline of the transfer of the related goods or services to customers. The Group has identified the fees paid for obtaining and retaining contracts, the commissions paid to distributors and the various sales platforms as costs of obtaining contracts with customers.

The Group recognises an impairment loss if the carrying amount of the costs exceeds the residual amount of the consideration that the Group expects to receive for the goods or services, less the costs directly related to their delivery that have not been recognised as an expense.

3.5 Customer contract liabilities and deferred income

Set out below is an analysis of the customer contract liabilities and deferred revenue:

(in thousands of euros)	31 December 2024		31 December 2023	
	Current	**Non-current**	**Current**	**Non-current**
Customer contract liabilities (Note 3.5.1)	79,498	188,367	-	-
Government grants (Note 3.5.2)	-	133,513	-	-
Other deferred income	33,840	-	-	-
	113,338	**321,880**	**-**	**-**

3.5.1 Customer contract liabilities

Customer contract liabilities reflect the right to use the Group's FTTH infrastructures by an operator (IRUs), which is recognised in the profit or loss over a period of 20-25 years, corresponding to the initial term of the agreement without extensions. This approach (recognition in profit and loss over the duration of the agreement) aligns with the method used to amortise the right of use held by the Group to use infrastructures of other operators (see Note 7.3.5). As at 31 December 2024 the total amount recognised under customer contract liabilities related to IRUs is Euro 189,790 thousand.

Additionally, this section comprises advance payments received from customers (Euro 15,156 thousand), proceeds from advance sales of equipment to distribution channels (Euro 14,080 thousand), and revenue recognised in advance under agreements with other operators (Euro 51,361 thousand).

The movement during 2024 of customer contract liabilities is as follows:

(in thousands of euros)	31 December 2024	31 December 2023
Deferred revenue related to customer contracts - in the opening balance	**-**	**-**
Joint venture formation	206,952	-
Transfers to profit or loss	(9,630)	
Additions for the period	70,543	-
Deferred revenue related to customer contracts - in the closing balance	**267,865**	**-**

3.5.2 Government grants

As of 31 December 2024, Euro 133,513 thousand are related to non-refundable government grants received under the "*UNICO Redes Activas*" program (*Plan de Recuperación, Transformación y Resiliencia*). These grants were awarded to the Group to support the development of rural 5G infrastructure in Spain.

The Group has assessed the conditions attached to these grants and considers it highly probable that the conditions will be met. The amount of grants recognised in profit or loss during the year ended 31 December 2024, was Euro 842 thousand.

Accounting policies

Customer contract liabilities

Contract liabilities are amounts that customers pay to the Group before they receive the promised goods and/or services outlined in the contract. This often occurs with customer advances or when invoices are issued and payments are received for goods or services that have not yet been delivered. Examples include the right to use the Group's FTTH infrastructures by an operator (IRUs) subscriptions paid in advance or prepaid contracts.

Government grants

Government grants are recognised when there is reasonable assurance that the conditions associated with the grant and collection will be met.

Government grants related to assets awarded in the form of monetary assets are credited to deferred income in the consolidated statement of financial position and released to other income as the assets financed are depreciated.

Interest rate grants

Financial liabilities that incorporate implicit assistance through below-market interest rates are initially recognised at fair value. The difference between this fair value, adjusted for any issuance costs, and the amount received is recognised as a government grant, depending on the nature of the grant awarded.

Note 4 Purchases and other expenses

The purchases and other expenses for the year ended 2024 are detailed below.

4.1 External purchases

(in thousands of euros)	**2024**	**7- month period ended 31 December 2023**
Access costs	(940,618)	-
Purchase of retailed contents	(468,433)	-
Selling fees	(297,718)	-
Customer support and management services	(77,702)	-
Cost of equipment and other goods sold	(814,803)	-
Other services	(465,650)	-
o/w Operating and maintenance	*(85,407)*	-
o/w Property, rent and facilities	*(149,812)*	-
o/w Marketing and communication	*(98,831)*	-
o/w Other services	*(131,600)*	-
Total external purchases	**(3,064,924)**	**-**

Property, rent and facilities mainly include Euro 83,002 thousand in connection with infrastructure services, Euro 32,905 thousand relating to operation and maintenance (O&M) services, Euro 13,216 thousand relating to electricity services. Variable, low value and short-term payment leases are not significant in 2024.

Accounting policies

Firm purchase commitments are reported as unrecognised contractual commitments (refer to Note 16).

Access costs include, mainly, roaming, interconnection services, bitstream access costs and other costs incurred with other operators.

Communication and marketing expenses, encompassing advertising, promotion, sponsorship, communication, and brand development, presented under "marketing and communication" are recorded in the period they are incurred.

Property, rent and facilities expenses include short-term leases (12 months or less), leases for low-value assets (under Euro 5,000), and variable lease payments excluded from lease liability calculations (see Note 8 for details).

Operation and maintenance costs are expensed as incurred.

4.2 Other operating expenses

(in thousands of euros)	2024	7-month period ended on 31 December 2023
Allowances and losses on trade receivables (note 3.3)	(94,223)	-
Corporate fees	(48,762)	-
Changes in provisions	(19,655)	-
Operating foreign exchange gains/(losses)	(471)	-
Other expenses	(20,228)	(1)
Total other operating expenses	**(183,339)**	**(1)**

Corporate fees mainly comprise Euro 33,808 thousand of royalties related to the Orange brand and Euro 14,954 thousand of corporate management fees (Note 11.1).

4.3 Restructuring costs

(in thousands of euros)	2024	7-month period ended on 31 December 2023
Employee termination	(116,886)	-
Integration costs	(54,252)	-
Total restructuring costs	**(171,138)**	**-**

On 16 October 2024, Masorange Labour Group initiated a collective redundancy procedure impacting six of its subsidiaries. An agreement was reached with the majority of employee representatives, outlining the number of redundancies and an agreed-upon package, including compensatory measures. Voluntary redundancy was established as the primary and preferred method. The total estimated cost for this restructuring is Euro 116,886 thousand of which Euro 61,823 thousand was disbursed in 2024. The remaining provision of Euro 55,063 thousand is anticipated to be fully utilised by the end of June 2025 (see Note 4.7.2). As of 31 December 2024, there is an ongoing dispute with two local unions. However, based on legal advice, the Board of Directors does not foresee any materially negative impact from this dispute.

Under the heading "integration costs", the Group mainly records costs in connection with implementing synergies following the creation of the joint venture. These costs relate primarily to the termination of contracts, and they have been fully provided for in the current reporting period.

Accounting policies

Restructuring costs

The adaptation of the Group's activities to changes in the environment may generate costs related to the discontinuation or major transformation of an activity.

The costs that the Group approves as restructuring expenses primarily include employee termination plans and costs related to implementing the integration process.

Restructuring costs are recognised in the income statement when:

- The costs are directly attributable to a restructuring plan that meets the recognition criteria for a restructuring provision;
- The amount of the costs can be reliably measured;
- The costs are incurred, meaning the Group has an obligation to pay for them.

4.4 Inventories

(in thousands of euros)	31 December 2024	31 December 2023
Handset inventories	68,211	-
Other products and equipment	15,384	-
Other	3,806	-
Gross value	**87,401**	-
Impairment allowance	(411)	-
Net book value of equipment inventories	**86,990**	**-**

Handset inventories on consignment in distributors´ premises amount to Euro 30,576 thousand as of 31 December 2024.

Inventories recognised as an expense during the year ended on 31 December 2024 amounted to Euro 814,803 thousand. These were included in Cost of equipment and other goods sold (see Note 4.1).

The Group has obtained the same insurance policies referenced under property, plant, and equipment to mitigate the risks faced by its inventories. The coverage offered by these policies is deemed adequate.

Accounting policies

Inventories

Handset inventories include inventories treated as consignment with distributors when these are qualified, for accounting purposes, as agents in the sales of handsets bought from the Group.

Other products and equipment include network equipment and equipment intended for sale to customers which are measured at the lower of cost or likely realizable net carrying value. The cost corresponds to the purchase or production cost determined by the weighted average cost method.

4.5 Prepaid expenses

(in thousands of euros)	31 December 2024	31 December 2023
Prepaid external purchases	136,487	-
Other prepaid operating expenses	71,226	-
Total	**207,713**	**-**

The prepaid external purchases mainly consist of football rights. Furthermore, the Group has made other prepayments for customer discounts as well as other ongoing projects.

Accounting policies

Prepaid expenses

The Group records under this category the advance payments that either accumulate after the end of the reporting period or have a multi-year nature. These amounts are allocated to the consolidated income statement their accrual period.

4.6 Trade and other payables

(in thousands of euros)	31 December 2024	31 December 2023
Trade payables	1,745,770	-
Other liabilities (Note 4.6.1)	96,848	-
Trade and other payables	**1,842,618**	**-**

Fair value

Please refer to Note 14 for the fair value of non-current trade and other payables.

4.6.1 Other liabilities

The detail of other current and non-current liabilities is as follows:

(in thousands of euros)	31 December 2024
Other non-current liabilities	13,250
Other current liabilities	83,598
Total	**96,848**

This heading comprises various types of liabilities, with Euro 53,057 thousand allocated to prepayments to clients being particularly noteworthy.

4.6.2 Liabilities under supplier finance arrangements

Supplier finance arrangements are characterised by one or more finance providers offering:

- early payment terms for Group's suppliers compared to the related invoice payment due date;
- extended payment terms to the Group (not exceeding customary payment terms in the industry).

These arrangements provide the Group with extended payment terms, or the entity's suppliers with early payment terms, compared to the related invoice payment due date.

The Group has not derecognised the original trade payables relating to the SFAs because neither a legal release was obtained nor have the original liabilities been substantially modified upon entering into the arrangements.

At 31 December 2024, the authorized outstanding cap the Group is Euro 921,500 thousand, whereas the carrying amount of liabilities under supplier finance arrangement is Euro 719,424 thousand. The payment period for supplier under SFAs is extended from 30 to 60 days compared to usual payment periods. The Group does not provide any financial guarantees to the financial institutions under these programmes and continues to settle supplier payables in accordance with their contractual terms. As such, these programmes do not change the Group's net debt, trade payable balances or cash flows.

4.6.3 Average payment period to suppliers

Information on average payment period to suppliers. Third additional provision. "Information duty" of Law 15/2010, of 5 July, modified by Law 18/2022 of 28 September.

The information on the average period of payment to suppliers, during the year ended 31 December 2024 for the group entities domiciled in Spain, is as follows:

	2024	2023
Average payment period to suppliers (days)	42.22	-
Ratio of payments (days)	41.66	-
Ratio of transactions outstanding payment (days)	50.76	-

	2024	2023
Total payments made	3,596,772	-
Total outstanding invoices	231,836	-

Below is the information for the 2024 financial year regarding the monetary volume and number of invoices paid within a timeframe shorter than the maximum allowed by late payment regulations. It also includes the percentage these represent of the total number of invoices and overall monetary payments to suppliers.

	2024	2023
Invoices paid within the legal term (in thousands of euros)	2,614,363	-
% over total invoices paid	73%	-
Number of invoices paid within the legal term	171,993	-
% over total invoices	83%	-

Accounting policies

Financial liabilities, including trade and other payables, which are not classified as fair value through profit or loss, are initially recognised at fair value less any transaction costs that are directly attributable to the issue of the financial liability. Following initial recognition, liabilities classified in this category are carried at amortised cost using the effective interest method.

Supplier finance arrangements

Trade payables resulting from commercial transactions and settled in the normal operating cycle are classified as current items. They include payables that the supplier may have assigned, with or without notification, to financial institutions as part of reverse factoring, and those for which the supplier proposed an extended payment period to the Group and for which the Group confirmed the payment arrangement under the agreed terms. The Group considers these financial liabilities to have the characteristics of trade payables, in particular due to the ongoing commercial relationship and the payment schedules ultimately consistent with the operating cycle of a telecommunication operator.

Trade payables without specified interest rates are measured at par value if the interest component is negligible. Interest-bearing trade payables are recognised at amortised cost.

4.7 Provisions

The detail of provisions as of 31 December 2024 is as follows:

(in thousands of euros)	31 December 2024		31 December 2023	
	Non-current	Current	Non-current	Current
Provision for dismantling costs	8,811	-	-	-
Provision for restructuring costs (note 4.3)	-	91,961	-	-
Provision for litigations	11,163	600	-	-
Provision for other contingencies and operating tax	788,004	82,574	-	-
Total	**807,978**	**175,135**	**-**	**-**

The changes in "provisions" during 2024 are as follows:

(in thousands of euros)	Provision for dismantling costs	Provision for restructuring costs	Provision for litigations	Provision for other contingencies and operating tax	Total
Balance at 1 January 2024	**-**	**-**	**-**	**-**	**-**
Joint venture formation	11,867	44,543	10,628	883,644	950,682
Charge for the year	-	116,942	1,862	47,072	165,876
Applications	(3,056)	(61,823)	(727)	(28,826)	(94,432)
Reversals	-	(7,701)	-	(31,313)	(39,014)
Balance at 31 December 2024	**8,811**	**91,961**	**11,763**	**870,577**	**983,112**

4.7.1 Provisions for dismantling costs

The provision for dismantling sites represents the estimated costs associated with decommissioning, removing, or restoring telecommunication infrastructure sites. This provision is recorded as an increase in the value of the associated assets and is determined using the estimated unit cost for decommissioning and an assumed contract completion date, based on historical experience.

4.7.2 Provisions for restructuring costs

At 31 December 2024, provisions for restructuring costs include Euro 24,318 thousand related to the 2021 Orange redundancy program, Euro 55,063 thousand to the 2024 Masorange redundancy program and Euro 12,580 thousand for other restructuring expenses within the distribution channel. The charges of the year are mainly related to the Masorange redundancy program by Euro 116,942 thousand (see Note 4.3).

4.7.3 Provisions for other contingencies and operating taxes

At 31 December 2024, provisions for other contingencies mainly include Euro 749,875 thousand in connection with onerous and unfavourable contracts related to mobile infrastructure agreements and bitstream access agreements mainly recognised upon the formation of the joint venture.

Accounting policies

Provisions

General criteria

Provisions are recognised when the Group has a present (legal or constructive) obligation due to a past event, it is likely that resources embodying economic benefits will be needed to settle the obligation, and the amount can be reliably estimated. The amounts recorded as a provision in the consolidated statement of financial position reflect the best estimate of the expenditure necessary to address the obligation at the end of the reporting period. This estimate considers all associated risks and uncertainties, and, if significant, includes the financial impact of discounting, assuming the disbursements in each period can be reliably determined. The discount rate used is a pre-tax rate, factoring in the time value of money and specific risks not included in the provision's cash flows at each closing date.

The financial impact of provisions is recorded under finance costs in the consolidated income statement. Provisions exclude tax effects and expected gains from asset disposal or abandonment.

Reimbursement rights from third parties to settle the provision are recognised as a separate asset when collection is practically assured. Any income from the reimbursement is recognised in the consolidated profit or loss, reducing the provision expense up to the provision's amount.

If it becomes unlikely that an outflow of resources will be required to settle an obligation, the provision is reversed. The reversal is recorded against the consolidated profit or loss caption where the related expense was initially recognised, with any surplus reported under Other operating income.

Provisions for unfavourable contracts

In the context of business combinations, the Group records liabilities for unfavourable contracts to recognise the impact of those contracts whose contractual terms are disadvantageous compared to market terms. The estimation considers the difference between contractual and market terms, as well as any penalties for early contract termination.

Provisions for onerous contracts

A provision for onerous contracts is recognised when the Group has a contract under which the unavoidable costs of fulfilling the contractual obligations exceed the economic benefits expected to be received from the contract.

Provisions for dismantling, restoration, and similar liabilities

These provisions are measured according to the general criteria for provisions and are recognised as an increase in the cost of the related property, plant, and equipment (see Note 7). Changes in provisions due to adjustments in the amount, timing of resource outflow, or discount rate either increase or decrease the cost of fixed assets up to their carrying amount. Any excess is recorded in the consolidated profit or loss. The Group evaluates whether the increase in the value of property, plant, and equipment indicates impairment.

Any changes in provisions after an asset's useful life ends are recognised in consolidated profit or loss as they occur.

Termination benefits and restructuring provisions

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Commercial provisions

The Group provides subscription services that include a terminal financing option, primarily funded through banks, spanning 24 or 36 months. This financing model features an option for a final payment known as *Cuota 25* or *Cuota 37*. At the end of the financing term, customers have the choice to either make this final payment or return the terminal to the Group in exchange for the *Cuota 25/37* amount. To manage potential liabilities arising from the *Cuota 25/37* payment plan, the Group sets aside a provision for sales transactions. This provision also considers the risks of non-payment related to financing and terminal purchases, taking into account the terminal's market value if repurchased from the customer. The difference between the agreed *Cuota 25/37* amount and the terminal's anticipated market value after 24 months impacts the revenue from the service contract, resulting in a monthly contractual liability. This liability is settled when the customer decides whether to return the terminal to the Group or make the final payment. This provision is included in the provision for other contingencies caption.

Note 5 Employee benefits

5.1 Personnel costs

(in thousands of euros)	Note	2024	7-month period ended on 31 December 2023
Wages and employee benefit expenses		(204,478)	-
Social security contributions		(78,750)	-
Total labour expense		**(283,228)**	**-**

The current employee benefits balance as of 31 December 2024 mainly records Euro 26,202 thousand of bonus accruals and Euro 10,119 thousand of social security charges.

The Group's average headcount during the year 2024 by category, considering the date of formation of the joint venture, is as follows:

	2024
Board of directors	8
Senior management	203
Management	639
Technical personnel	2,904
Administrative personnel	4,523
Average employees	**8,277**

The detail, by category, of the headcount of the Group as at 31 December 2024 is as follows:

	31 December 2024	
	Men	Women
Board of director	6	2
Senior management	141	47
Management	380	201
Technical personnel	1,661	1,036
Administrative personnel	1,977	2,501
Total	**4,165**	**3,787**

The number of employees with disabilities at a rate exceeding 33% is 82.

Accounting policies

Employee benefits

Short term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period, and they are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

Note 6 Impairment losses and goodwill

6.1 Impairment losses

The Group has identified a single Cash Generating Unit (CGU) that encompasses all the Group operations.

As of 31 December 2024, the Group did not recognise any impairment losses, nor were any losses recognised as of 31 December 2023.

6.2 Goodwill

(in thousands of euros)	31 December 2023		
	Gross value	**Accumulated impairment losses**	**Net book value**
Masorange CGU	-	-	-
Goodwill	**-**	**-**	**-**

(in thousands of euros)	31 December 2024		
	Gross value	**Accumulated impairment losses**	**Net book value**
Masorange CGU	8,320,616	-	8,320,616
Goodwill	**8,320,616**	**-**	**8,320,616**

(in thousands of euros)	Note	31 December 2024	31 December 2023
Gross value in the opening balance		**-**	-
Joint venture formation	2.2	8,320,616	-
Gross value in the closing balance		**8,320,616**	-
Net book value of goodwill		**8,320,616**	-

6.3 Key assumptions used to determine the recoverable amount

Goodwill arising on the joint venture formation in 2024 (see Note 2.2) has been allocated to the single Masorange CGU.

The Group's management assessed the need to perform an impairment test at year-end and concluded that there are no indicators of impairment based on the following reasons:

- The goodwill originates from the formation of the joint venture that took place during the current financial year, and the allocation of the purchase price to the different components has been completed throughout the year.
- No indicators of impairment have been identified since the date of the joint venture's formation.
- The economic conditions and the operating environment of the single CGU remain stable and consistent with the budget and forecasts for the period, and there are no adverse changes in the market.

Accounting policies

Goodwill and intangible assets with indefinite useful lives

Goodwill is determined using the same criteria as for business combinations (see Note 2).

Goodwill is not amortised but is tested for impairment annually or more frequently where events or circumstances indicate that the asset may be impaired. Goodwill on business combinations is allocated to the Group's CGU or to the CGUs integrated in the Group which are expected to benefit from the synergies of the business combination.

Following initial recognition, goodwill is stated at cost less accumulated impairment losses.

The Group tests goodwill and other intangible assets with an indefinite useful life, principally certain trademarks, for impairment on an annual basis. The calculation of the recoverable amount of a CGU to which the goodwill and trademarks have been allocated requires the use of estimates. The recoverable amount is the higher of the fair value less costs to sell and the value in use.

The Group uses the discounted cash flow method to calculate the value in use of the trademarks and goodwill. The calculation of discounted cash flows is based on five-year projections of the consolidated budget approved by the Group. The cash flows take into consideration earlier experience, the Group´s environmental and sustainability commitments, and represent the Group's best estimate of the future performance of the market. Cash flows beyond this five-year period are extrapolated by using terminal growth rates. Key assumptions used to calculate the fair value less costs to sell and the value in use include rates of growth, weighted average cost of capital and tax rates in force.

The current business model is based on a single, centralised management of the Group's assets, based on its own network and agreements to use other third-party networks. The commercial policy is defined centrally for all the Group trademarks, considering the different customer profiles.

Impairment tests on CGUs may result in impairment losses on goodwill and on fixed assets.

Please refer to Note 7.2 for further detail of accounting policies relating to impairment of non-financial assets.

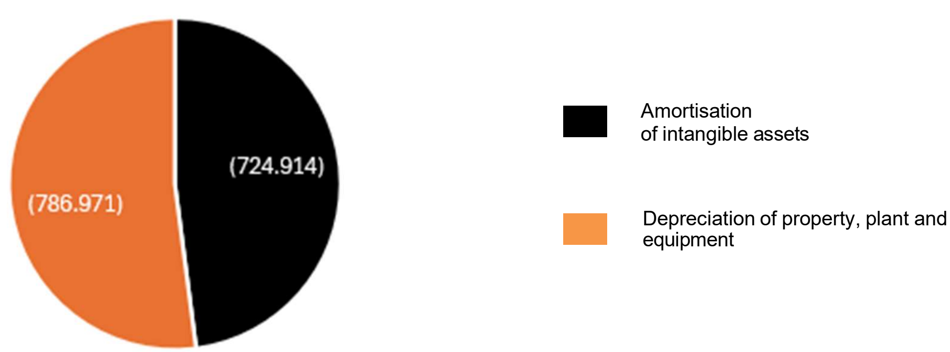
Note 7 Fixed assets

7.1 Depreciation and amortisation

The detail of depreciation and amortisation as of 31 December 2024 is as follows:

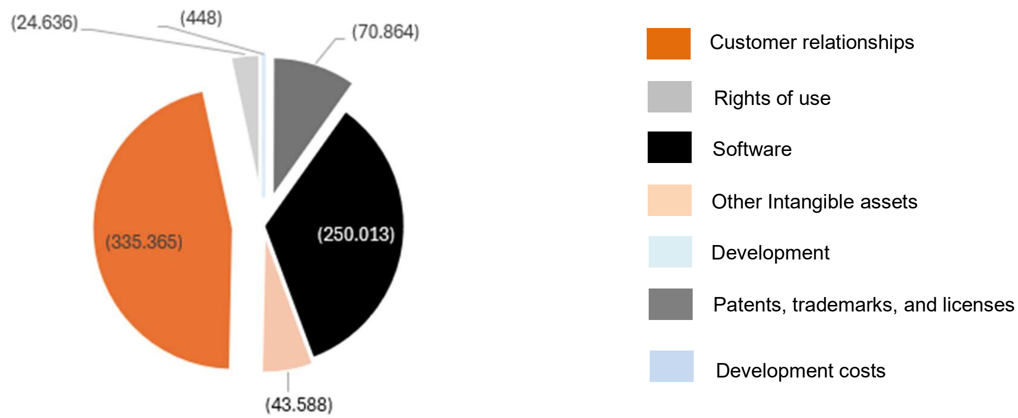
(in thousands of euros)	Amortisation / depreciation for the year
Intangible assets (note 7.1.1)	(724,914)
Property plant and equipment (note 7.1.2)	(786,971)
Total depreciation and amortisation	**(1,511,885)**

(in thousands of euros)



7.1.1 Amortisation of intangible assets

(in thousands of euros)



The amortisation of Intangible assets primarily comprises the amortisation of customer relationships that amounts to Euro 335,365 thousand.

Accounting policies

The Group evaluates whether each intangible asset has a finite or indefinite useful life. An intangible asset is considered to have an indefinite useful life if there is no predictable limit to the time it will produce net cash inflows.

Intangible assets with indefinite useful lives are not amortised but are instead subjected to an annual impairment test, or more/ frequently if there are signs of potential impairment. The Group identifies the brands Yoigo, Pepephone, MásMóvil, Euskaltel, R Telecable, Jazztel, and Simyo, along with goodwill, as the only significant assets with indefinite useful lives, as they are expected to generate net cash inflows indefinitely.

Intangible assets with finite useful lives are amortised by systematically allocating their depreciable amount over their useful life, using the following criteria:

	Amortisation method	Estimated years of useful life
Development	Straight-line	5
Software	Straight-line	4 – 5
Patents, licenses, trademarks and similar items	Straight-line	5 – 20
Customer relationships	Straight-line	6 – 12
Rights of use	Straight-line	5 – 35

For these purposes, the amortisable amount is determined by considering the acquisition cost or allocated cost, less the residual value.

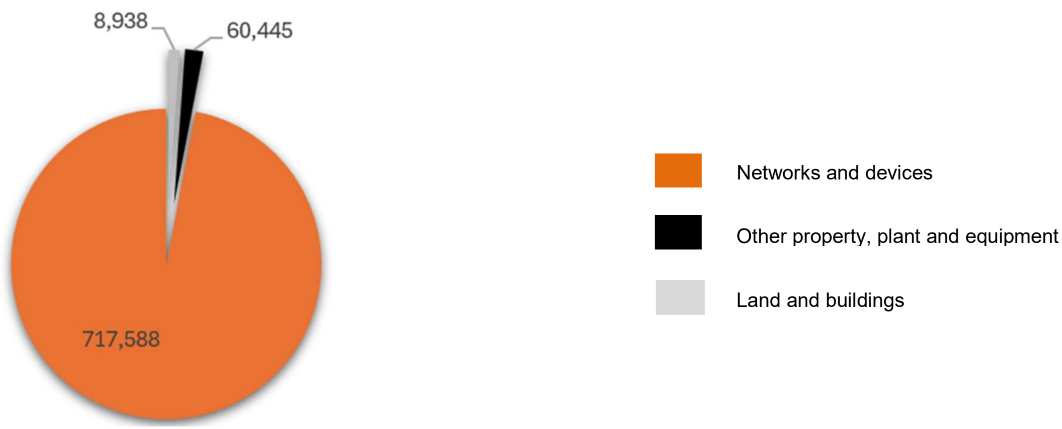
License costs are amortised on a straight-line basis from the time they begin generating income for the Group, in line with their intended purpose, taking into account the remaining concession period.

Rights of use are amortised over the duration of the contracts that provide access to networks operated by other companies, including any renewals anticipated by the Directors.

The Group evaluates the residual value, useful life, and amortisation method of intangible assets at the end of each year. Any changes to the original criteria are recorded as adjustments to accounting estimates. The Group assesses and decides on recognising or reversing impairment based on the guidelines in Note 7.2.

7.1.2 Depreciation of property, plant and equipment

(in thousands of euros)



Accounting policies

Depreciation of property, plant, and equipment begins from the date they are installed and ready for use, with the depreciable amount allocated systematically over the useful life of the assets. The depreciable amount is determined by subtracting the residual value from the acquisition cost. The Group calculates depreciation separately for each component of a property, plant, and equipment item if its cost is significant in comparison to the total asset cost and its useful life differs from that of other components.

For leased assets, depreciation is based on the shorter of the lease term or the asset's useful life. However, if the Group is reasonably certain it will acquire ownership of the asset at the end of the lease term, the asset is depreciated over its useful life.

The depreciation of property, plant, and equipment is determined using the following methods:

	Depreciation method	Estimated years of useful life
Buildings *(Land and buildings)*	Straight-line	20 – 50
Mobile network infrastructure *(Network and devices)*	Straight-line	8 – 30
Mobile network equipment *(Network and devices)*	Straight-line	7 – 20
Mobile network core *(Network and devices)*	Straight-line	7 – 20
Fibre-optic network (internal plant) *(Network and devices)*	Straight-line	10 – 18
Fibre-optic network (external plant) *(Network and devices)*	Straight-line	30 – 35
Fixtures, fittings, tooling and furnishings *(Network and devices)*	Straight-line	3 – 10
Routers, installation fees *(Network and devices)*	Straight-line	2 – 15
Other fixed assets *(Other property, plant and equipment)*	Straight-line	3 – 15

The HFC network assets that will be replaced by a FTTH network, are depreciated using the sum-of-units-produced method over an estimated average period of 1.8 years (Note 7.4).

The Group assesses the residual value, useful life, and depreciation method of property, plant, and equipment at the end of each year. Any changes to the initially set criteria are recorded as adjustments to accounting estimates.

7.2 Impairment of fixed assets

The Group has assessed whether there are any indicators of impairment in its property, plant, and equipment and its intangible assets, other than goodwill and intangible assets with indefinite useful lives, considering the industry in which it operates, and the financial projections developed by the Group. This assessment examines whether there are conditions suggesting that the carrying value of the Group's property, plant, and equipment may not be recoverable.

No indicators of impairment were identified, and no impairment losses were recognised during the year ended 31 December 2024.

Accounting policies

The Group has a policy to evaluate any indications that might suggest potential impairment of non-financial assets that are subject to amortisation or depreciation. This is done to determine if the carrying value of these assets exceeds their recoverable value.

Intangible assets with indefinite useful lives, goodwill, and intangible assets not yet ready for use are tested for potential impairment at least once a year. The recoverable value of an asset is defined as the higher of its fair value less costs to sell and its value in use. The value in use is assessed based on the anticipated future cash flows from the asset, potential variations in these cash flows, the time value of money, the uncertainty related to the asset, and other factors market participants would consider when pricing these cash flows.

If the carrying amount of an asset exceeds its recoverable amount, the negative difference is recorded in the consolidated income statement.

The recoverable amount is calculated for each individual asset unless the asset does not generate cash flows independently of other assets or asset groups. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

The Group allocates goodwill and corporate assets to the single CGU for impairment testing. Impairment losses are first applied to reduce the carrying amount of any goodwill in the CGU, then distributed among other assets in the CGU on a pro-rata basis, limited to the higher of their fair value less costs to sell, value in use, and zero.

At the end of each reporting period, the Group checks if any previously recognised impairment losses may no longer exist or have decreased. Impairment losses on goodwill cannot be reversed. Reversal of impairment losses on other assets can occur if there is a change in the estimates used to calculate the asset's recoverable value. A reversal of an impairment loss for a CGU is allocated to the non-current assets of the CGU, except for goodwill, in proportion to their carrying amounts. The carrying amount of an asset cannot be increased beyond the lower of its recoverable amount or its carrying amount net of amortisation or depreciation, had no impairment loss been recognised. Reversals are recorded in the consolidated income statement.

After recognising an impairment or its reversal, the depreciation/amortisation for subsequent periods is adjusted according to the new carrying amount. If an asset's specific circumstances indicate an irreversible loss, this is directly recorded as a loss from the disposal of fixed assets in the consolidated income statement.

7.3 Intangible assets

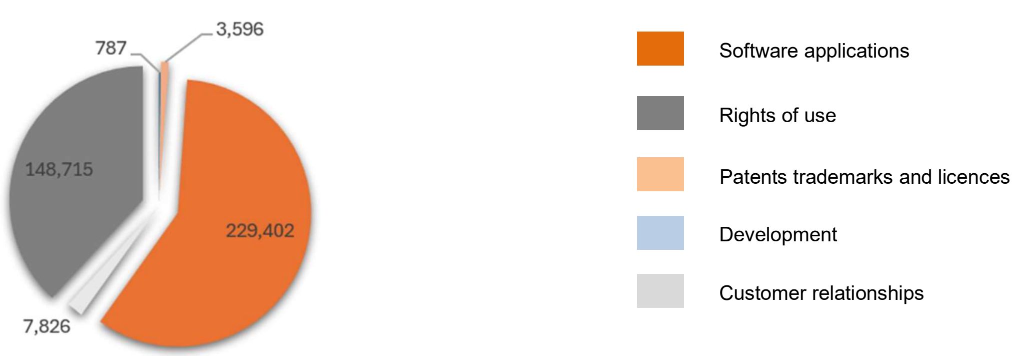
	31 December 2024		
(in thousands of euros)	**Gross value**	**Accumulated amortisation**	**Net book value**
Development	1,439	(448)	991
Patents, trademarks, and licenses (Note 7.3.1 and 7.3.2)	2,601,981	(70,864)	2,531,117
Software applications	916,199	(250,013)	666,186
Rights of use (Note 7.3.5)	556,537	(24,636)	531,901
Customer relationships (Note 7.3.3)	4,451,989	(335,365)	4,116,624
Other intangible assets (Note 7.3.6)	142,587	(43,588)	98,999
Total	**8,670,732**	**(724,914)**	**7,945,818**

The rollforward of intangible assets during 2024 is as follows:

(in thousands of euros)	**2024**	**2023**
Net book value of intangible assets – in the opening balance	**-**	**-**
Joint venture formation (note 2.2)	8,228,595	-
Acquisitions of intangible assets	390,326	-
Disposals	(161,428)	-
Amortisation	(724,914)	-
Reclassifications and other items	213,239	-
Net book value of intangible assets – in the closing balance	**7,945,818**	**-**

Additions to intangible assets during the year primarily comprised investments in network and customer-related software and licenses. Notable additions include software for network deployment, customer management, TV, multimedia and content delivery, and customer service platforms. Rights of use received from other operators and the development and evolution of digital services for both B2C and B2B segments in data centres have also been key investment areas. Finally, the development of new functionalities within corporate software and the migration of billing systems have also been prioritised.

Additions, by category of intangible assets are presented as follows:



7.3.1 Trademarks

This caption encompasses the carrying values of the trademarks: Yoigo, MásMóvil, Pepephone, Jazztel, Simyo, Euskaltel, R, and Telecable. All these trademarks have been allocated to the Masorange CGU.

The Group also operates under other trademarks, such as Orange, Lycamobile, Lebara and Virgin Media. Nevertheless, the Group does not own these intangible assets and instead pays royalties for its use. Royalty fees are booked in the consolidated income statement in the caption "Other operating expenses".

Below is a summary of the trademarks with indefinite useful lives, along with their respective carrying amounts:

(in thousands of euros)	31 December 2024
Yoigo	187,336
MásMóvil	118,017
Pepephone	42,352
Euskaltel, R y Telecable	125,438
Jazztel	163,555
Simyo	24,169
Total	**660,867**

As outlined in Note 6.2 regarding goodwill, the Group evaluated whether it was necessary to assess the recoverable amount of the trademarks at year-end. The Group concluded that such a test was not needed due to the recent establishment of the joint venture, the completion of the purchase price allocation exercise during the year, and the absence of adverse market changes or indicators of potential impairment.

7.3.2 Spectrum licenses

The detail of the Group's principal licenses by frequency band is shown below:

(in thousands of euros)	Frequency band	Cost	Accumulated amortisation	Net book value
Validity				
2061	700 MHz	541,874	(10,777)	531,097
2041	800 MHz	416,939	(18,294)	398,645
2040	900 MHz	132,275	(5,913)	126,362
2038 – 2040	1800 MHz	59,159	(2,996)	56,163
2040	2100 MHz	64,721	(3,020)	61,701
2040 – 2043	2600 MHz	109,770	(4,787)	104,983
2040 – 2048	3500 MHz	613,008	(24,296)	588,712
		1,937,746	**(70,083)**	**1,867,663**

In August 2024, the Group entered into an agreement with other operator to divest 20Mhz of 3.5 MHz frequency band. Euro 23.4 million are presented as assets held for sale as of 31 December 2024 (see Note 2.4).

7.3.3 Customer relationships

The detail of the Group's customer relationships is shown below:

(in thousand euros)	31 December 2024		
	Cost	**Accumulated amortisation**	**Net book value**
Fixed line	62,995	(7,169)	55,826
Bundle	3,070,618	(224,189)	2,846,429
Prepaid mobile	151,784	(17,749)	134,035
Postpaid mobile	1,166,592	(86,258)	1,080,334
Total	**4,451,989**	**(335,365)**	**4,116,624**

This heading includes the value of the customer relationships acquired as part of the formation of the joint venture (see Note 2.2).

7.3.4 Software

This item mainly includes different software application (e.g. ERP, billing and customer relationship management, systems dedicated to managing core mobile and FTTH networks, etc.). Software additions during 2024 were mainly related to the major activities carried out during the year that have implied complex upgrades in different software for integration purposes and the acquisition and development of IT solutions needed by the activity of the Group.

7.3.5 Rights of use

The Group has secured important strategic agreements for wholesale access to third-party mobile and FTTH networks, as well as for the joint deployment of FTTH networks with other operators. These agreements enable network enhancements, cost stability for convergent business operations, better unit pricing for data transmission, and the adoption of future technologies with enough flexibility to support the Group's growth. Additionally, they include shared telecommunications infrastructure agreements that provide access to a significant number of additional building units.

During the 2024 financial year, the Group secured an agreement with another industry operator for a wholesale FTTH shared network. This agreement grants the Group an irrevocable right of use of up to 2 million BUs (Building Units) for an amount of Euro 110 million, where the Group will only pay for the operation and maintenance of customers active in said footprint. These rights of use have an initial term of 15 years and may be extended at the discretion of the Group for an additional period of 15 years, up to a total of 30 years. As a result of the above-mentioned provision, the Group has recognised rights of use amounting to Euro 148 million and, in addition, the reclassification to this heading of Euro 213 million of advance payments made in agreements signed prior to the creation of the joint venture.

In turn, the FTTH agreement includes a mechanism for reducing wholesale prices linked to previous agreements as well as a reduction (discounts) in the non-recurring prices. These new conditions are effective from 1 January 2025 and the agreement has an initial duration of 5 years until 31 December 2029, being extendable for 5 additional periods of 5 years.

In addition, the agreement mentioned in the previous paragraph has led to the cancellation of a previous wholesale agreement signed by the former MásMóvil Group with the same operator, which has led to the cancellation of rights of use and related liabilities amounting to Euro 138 million. This cancellation has generated a cancellation penalty of Euro 28 million, recognised under heading "Restructuring costs" of the consolidated income statement, as well as the write-off of certain discounts to which the Group will no longer have access amounting to Euro 43 million recognised under the heading "External purchases" of the consolidated income statement.

As a result of these agreements, the Group will be able to provide more services through its own networks, both fixed and mobile, which will result in greater flexibility in its cost management and in improving the quality of the service it offers to its customers. Therefore, the Group continues to develop the strategy of reaching agreements with telecommunications infrastructure operators to extend its own network (co-investment) and to increase wholesale access to third-party networks.

7.3.6 Purchase commitments

At 31 December 2024, the Group does not have significant purchase commitments for intangible assets.

Accounting policies

Patents, trademarks, and licenses

Patents, trademarks, and licenses are initially recognised at acquisition cost or fair value if they result from a business combination. Acquired licenses primarily related to mobile telephony services are recorded at cost or assigned cost.

The payments indexed to revenue, especially for some telecommunications licenses, are expensed in the relevant periods.

Trademarks are considered corporate assets and are allocated to the Group´s single CGU for purposes of impairment testing.

Customer relationships

Customer portfolios acquired through business combinations are initially measured at fair value and amortised on a straight-line basis over their estimated useful lives, which are calculated based on customer type, historical attrition rates, and industry averages.

Software

Computer software acquired and developed by the Group, including website costs, is recognised when it meets the criteria as development costs. Expenditure on developing a website to promote and advertise the Group's products or services, as well as maintenance expenses for IT applications, are expensed when incurred.

Rights of use

This pertains to the rights for indirect access to other operators' networks, which are valued at the actual payment amount or at fair value if they arise from a business combination. These rights of use emerge from agreements the Group enters into with other operators for network access, as well as mutualisation agreements. These agreements grant the Group long-term access to the infrastructure of those operators, thereby providing indirect access to a significantly larger number of building units. The rights of use are amortised over the duration of the contract.

Internally generated intangible assets

Research expenditure is expensed when incurred. Costs associated with development activities are capitalised if:

- The Group has technical studies demonstrating the feasibility of the production process;
- The Group is committed to completing the asset for sale or internal use;
- The asset will generate sufficient economic benefits;
- The Group has adequate technical and financial resources to complete and use the asset, along with budget control and cost accounting systems for monitoring expenses.

The cost of internally generated assets includes costs directly related to their development. Production costs are capitalised by crediting the costs to the work carried out by the Group on its assets under other operating income in the consolidated income statement.

Expenditure on activities where research and development costs cannot be clearly distinguished is expensed in the period incurred.

Development work by and purchased from third parties is capitalised if there is evidence of technical success and financial feasibility, as the purchase price reflects the expected future economic benefits to the Group.

Previously expensed development costs are not capitalised in later periods.

Subsequent expenditure

Subsequent expenditure is capitalised only if it enhances the future economic benefits of the specific asset it pertains to. All other expenses, such as those incurred to generate internal capital gains or trademarks, are recorded in the consolidated income statement at the time they are incurred.

7.4 Property, plant and equipment

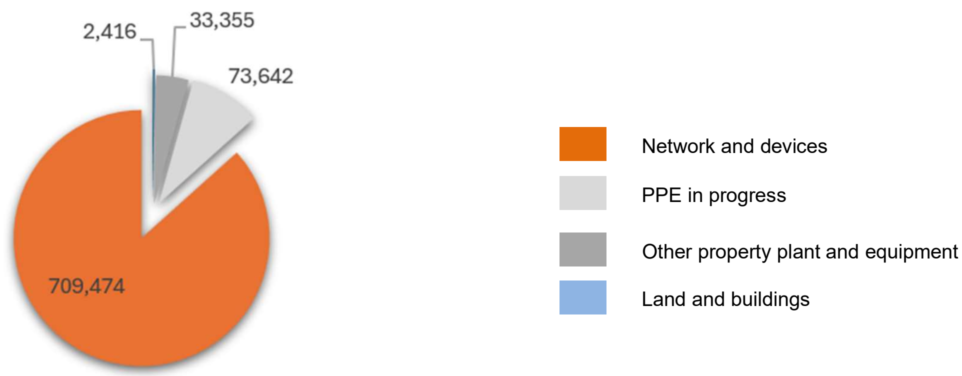
	31 December 2024			31 December 2023
(in thousands of euros)	**Gross value**	**Accumulated depreciation**	**Net book value**	**Net book value**
Networks and devices	6,605,231	(763,059)	5,842,172	-
Land and buildings	126,133	(8,937)	117,195	-
PP&E in progress	62,142	-	62,142	-
Other property, plant and equipment	135,824	(14,975)	120,849	-
Total property, plant and equipment	**6,929,330**	**(786,971)**	**6,142,359**	**-**

(in thousands of euros)	31 December 2024	31 December 2023
Net book value of property, plant and equipment - in the opening balance	**-**	**-**
Joint venture formation (note 2.2)	6,118,095	-
Acquisitions of property, plant and equipment	818,886	-
Disposals and retirements	(7,829)	-
Reclassifications and other items	178	-
Depreciation and amortisation	(786,971)	-
Net book value of property, plant and equipment - in the closing balance	**6,142,359**	**-**

Additions to Property, plant and equipment during the year were primarily focused on network infrastructure and related equipment. These additions mainly comprise FTTH (Fiber to the Home) and FTTN (Fiber to the Node) deployments, along with essential equipment such as WDM, Giga Ethernet, Optical Line Terminals (OLTs), Optical Termination Box (OTBs), materials, and external services.

Significant investments were also made in mobile network access infrastructure, including equipment for the Mobile RAN (Radio Access Network), CPEs (Customer Premises Equipment) for end-users, and IP equipment. Emphasis was also placed on technology for the Shared Network, encompassing hardware, software, spare parts, and quality checks. Other additions include installation and provision of services to customers, installation of customer equipment, and installation of the fibre optic access network and co-owned properties.

The additions in property, plant and equipment by category are presented as follows:



7.4.1 Network and devices

Networks and devices are broken down as follows:

- fixed network, comprising cable piping and conduits, coaxial or optical fiber cable, customer premise equipments and transmission equipments.
- mobile network, comprising microwave equipments, mobile antennas and feeders and passive infrastructure.
- core network.

No interest was capitalised during year ended 31 December 2024.

7.4.2 Other property, plant and equipment

Other property, plant and equipment mainly include other installations and furniture.

7.4.3 Internal costs capitalised as property, plant and equipment

Internal costs capitalised as property, plant and equipment mainly include labour expenses and amount to Euro 44,711 thousand in 2024.

7.4.4 Insurance

The Group has taken out insurance policies to cover the risks to which its property, plant and equipment are exposed. The coverage provided by these policies is considered to be sufficient.

7.4.5 Purchase commitments

At 31 December 2024, the Group has purchase commitments for property, plant and equipment totalling Euro 166,612 thousand with which to expand its telecommunications network in the coming years.

Accounting policies

Initial recognition

Property, plant, and equipment are initially recognised at fair value when acquired as part of a business combination. Subsequent additions are recognised at cost, less accumulated depreciation and impairment losses.

The cost includes the purchase price, direct installation to commissioning costs, and estimated dismantling, removal, and site restoration costs, minus trade discounts or rebates. If these obligations arise from using the asset, they are capitalised as an increase in the asset's cost, resulting in a provision that is adjusted in future periods (see Note 4.7).

Any gain or loss on disposal is the difference between the consideration received and the carrying amount, and it is recorded in the consolidated income statement.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that future economic benefits will flow to the Group. Repair and maintenance costs are expensed in the consolidated income statement when incurred.

7.5 Fixed assets payables

(in thousands of euros)	31 December 2024	31 December 2023
Fixed assets payable	**1,347,422**	**-**
Long-term fixed assets payable	590,869	-
Short-term fixed assets payable	756,553	-

Accounting policies

These payables arise from trading activities. In cases involving infrastructure roll-out and license acquisition, payment terms may extend over several years. Payables that are due in more than 12 months are classified as non-current items. Trade payables that do not have specified interest rates are recorded at face value if the interest component is negligible. Interest-bearing trade payables are recognised at amortised cost.

Additionally, trade payables include those that the supplier may have transferred to financial institutions, either with or without notification, through direct or reverse factoring arrangements (see Note 4.6.2).

Firm commitments to purchase fixed assets are detailed in Note 7.4.6, net of any down payments, which are recorded as down payments on fixed assets.

Note 8 Lease agreements

8.1 Leases where the Group is the lessee

Information on leases where the Group is the lessor is included in Note 8.4.

The main types of lease agreements identified by Group management, as well as the key judgments applied in determining the terms of the leases, are as follows:

Lease agreements covering mobile telephony network locations: Mobile network site lease contracts involve rights to use identifiable spaces in mobile network infrastructures of other operators or in specific locations. The Group has not made significant judgments about the lease term, as these contracts generally have mandatory initial periods of 8 to 15 years, with termination possible only in remote circumstances or by paying all outstanding amounts. The Group does not have unilateral extension options, so the lease term is typically the remaining mandatory period. There are some exceptions where the Group has unilateral extension and early termination rights, but these are not significant.

OBA contracts and fibre-optic networks: These involve rights to use specific spaces in technical facilities (OBA) to house the Group's active equipment, as well as pipelines for fibre-optic network installation. The Group has the right, but not the obligation, to use the relevant underlying assets indefinitely. Therefore, the lease term is associated with the period during which the possibility of fulfilling operational needs with other assets or alternative means is considered remote. Although using other assets or means could be considered remote, and considering the period covered by the Group's business plans and the rate of relevant changes, Group management considers that the term of these contracts should not exceed 5 years.

Transmission line contracts: These involve rights to use groups of assets comprising fibre-optic networks ("dedicated networks"). The Group has not applied significant judgments regarding the lease terms under these agreements, as there are initial mandatory compliance periods (with termination possible only in circumstances considered remote or after full payment of outstanding amounts), and the Group does not have unilateral extension options. Therefore, the lease term generally corresponds to the remaining mandatory compliance period.

Housing contracts: These involve rights to use specific spaces in properties, technical telecommunications facilities, or infrastructures of public bodies or third parties to house the Group's equipment. Generally, the lease term initially considered is the mandatory period. However, when the mandatory compliance period is less than the time during which the possibility of fulfilling operational needs with other assets or alternative means is considered remote, Group management uses the latter period (without exceeding the maximum period granted by the contract). Similar to the OBA and cabling pipelines, although using other assets or means could be considered remote, considering the period covered by the Group's business plans and the rate of relevant changes, Group management considers that the term of these contracts should not exceed 5 years, which serves as a reference for these contracts.

Other contracts: These involve rights of use related to the lease of offices, vehicles, and other assets not directly related to operations. The lease terms are generally the minimum periods established in the agreements.

Accounting policies

The Group assesses at inception whether a contract contains a lease. This analysis requires judgment to determine whether there is an identified asset and whether the Group has the right to obtain substantially all the economic benefits from the use of the asset and the right to direct its use.

For each lease contract, the Group initially recognises the corresponding right-of-use asset and a lease liability.

To measure the lease liability, the Group considers amounts pending payment (less any incentives receivable) at the inception of the lease, discounted using the appropriate discount rate. The Group uses incremental borrowing rates suited to each type of asset and term as the discount rate.

To measure the right-of-use asset, the Group takes the lease liability amount as a starting point, increased by any payments and incentives prior to inception, restoration costs, and indirect initial costs.

The Group recognises the depreciation of the right-of-use asset and the annual interest expense associated with the lease liability in the consolidated income statement. The tax effects related to the differences between IFRS 16 and applicable tax criteria are recognised in both the consolidated statement of financial position and in the income statement.

When the Group assumes the position of lessee under a lease contract as a result of a business combination, the liability is measured at the present value of outstanding payments at the acquisition date, as if it were a new lease. The right-of-use asset is recognised for the same amount as the lease liability, adjusted for any favourable or unfavourable lease conditions relative to market terms.

Right-of-use assets are tested for impairment like other assets with finite useful lives.

In the consolidated statement of cash flows, cash payments for the principal and interest of the lease liability are classified under financing activities.

The Group applies the exemptions under IFRS 16 for short-term and low-value leases to non-strategic assets (e.g., low-value IT assets, furniture, housing).

Payments associated with short-term lease agreements are recognised as an expense in the consolidated income statement. A short-term lease agreement is one with a term of 12 months or less.

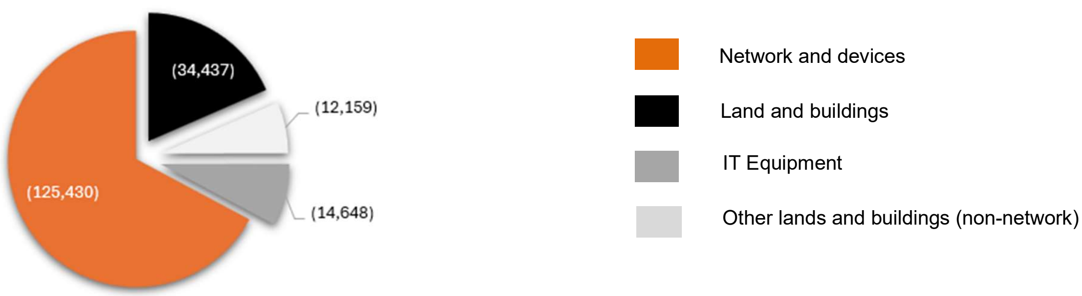
Payments associated with low-value lease agreements are also recognised as an expense in the consolidated income statement. A "low-value lease agreement" is one where the underlying asset assigned for use has a value of less than Euro 5,000.

8.2 Right-of-use assets

(in thousands of euros)	31 December 2024			31 December 2023
	Gross value	**Accumulated depreciation**	**Net book value**	**Net book value**
Land and buildings	204,917	(34,437)	170,481	-
Other lands and buildings (non-network)	42,797	(12,159)	30,639	-
IT equipment	74,579	(14,648)	59,931	-
Network and devices	1,276,440	(125,430)	1,151,009	-
Total right-of-use assets	**1,598,733**	**(186,674)**	**1,412,060**	**-**

(in thousands of euros)	31 December 2024	31 December 2023
Net book value of right-of-use assets - in the opening balance	**-**	**-**
Joint venture formation	1,472,376	-
Additions (new right of use asset)	126,357	-
Depreciation and amortisation	(186,674)	-
Net book value of right-of-use assets - in the closing balance	**1,412,059**	**-**

Amortisation of right-of-use assets



Accounting policies

A right-of-use asset is recorded under assets, with a corresponding lease liability (see Note 8.3). This asset is initially valued at the amount of the lease liability, plus any direct costs incurred for the lease, such as fees, negotiation expenses, or administrative costs, and is adjusted for any rent-free periods and financial contributions from the lessor.

The right-of-use asset is depreciated on a straight-line basis over the lease term selected by the Group, in line with the lease terms outlined in IFRS 16. Any work performed by the lessee, modifications to the leased asset, and guarantee deposits are not included in the right-of-use asset and are recognised according to other relevant standards.

8.3 Lease liabilities

(in thousands of euros)	31 December 2024	31 December 2023
Lease liabilities - in the opening balance	-	-
Joint venture formation	1,548,447	-
Increase with counterpart in right-of-use	126,357	-
Decrease in lease liabilities following rental payments	(207,282)	-
Lease liabilities - in the closing balance	**1,467,522**	-
Non-current lease liabilities	1,206,433	-
Current lease liabilities	261,089	-

The following table details the undiscounted future cash flows of lease liabilities as known at 31 December 2024:

(in thousands of euros)	Total	2025	2026	2027	2028	2029	2030 and beyond
Undiscounted lease liabilities	**1,590,218**	261,089	252,693	237,301	204,512	156,137	478,486

Accounting policies

The Group records a lease liability when the underlying asset becomes available for use. This liability is calculated as the present value of unpaid fixed and in-substance fixed payments at that time, along with any amounts the Group is reasonably certain to pay at the end of the lease. This may include the exercise price of a purchase option (if it's reasonably certain to be exercised) or penalties for terminating the lease (if termination is reasonably certain).

When determining the lease liability, the Group considers only the lease portion of the contract. However, for certain asset categories where leases involve both service and lease elements, the Group might treat the entire contract as a lease, without separating the service and lease components.

8.4 Leases where the Group is the lessor

The Group has operating lease agreements related to the sharing of telecommunications infrastructure under agreements signed with other operators. Lease income in 2024 amounted to Euro 16,890 thousand.

The Group has the following minimum lease payments receivable according to the contracts currently in force, without taking into consideration the effects of common expenses, future inflation increases (Consumer Price Index or CPI), or future rent reviews:

(in thousands of euros)	31 December 2024
Up to one year	2,289
Between 1 and 5 years	5,010
More than 5 years	-
Total leases	**7,299**

Accounting policies

When the Group is the lessor, leases relate to telecommunications infrastructure shared under agreements with other operators. Assets leased to third parties are classified by their nature and increased by directly attributable contract costs, if applicable.

Lease income is recognised on a straight-line basis over the lease term. Initial direct costs incurred to obtain a lease are added to the carrying value of the asset and recognised as an expense over the lease term on the same basis as lease income. Related leased assets are included in the consolidated statement of financial position according to their nature.

Note 9 Taxes

9.1 Operating taxes

The periodic spectrum fees are presented within the operating taxes and levies as they are set by and paid to the state and local authorities.

9.1.1 Operating taxes and levies recognised in profit or loss

(in thousands of euros)	2024	7- month period ended 31 December 2023
Territorial Economic Contribution	4,617	-
Levies on telecommunication services	(4,876)	-
Spectrum fees	(110,380)	-
Other operating tax	(9,528)	-
Total	**(120,167)**	-

9.1.2 Operating taxes and levies in the statement of financial position

(in thousands of euros)	31 December 2024	31 December 2023
Value Added Tax (VAT)	37,592	-
Other operating taxes	70,723	-
Operating taxes - receivables	**108,315**	-
Value added tax (VAT)	(33,236)	-
Spectrum fees	(52,908)	-
Levies on telecommunication services	(19,536)	-
Payroll taxes	(10,068)	-
Other withholding	(9,138)	-
Other operating taxes	(25,845)	-
Operating taxes - payables	**(150,731)**	-
Operating taxes - net	**(42,416)**	-

Accounting policies

Value Added Tax (VAT) receivables and payables correspond to the VAT collected or deductible.

In the normal course of business, the Group occasionally deals with differences of interpretation of tax law with the tax authorities, which can lead to tax reassessments or tax disputes.

Operating taxes are measured by the Group at the amount expected to be paid or recovered from the tax authorities, based on its interpretation regarding the application of tax legislation. The Group calculates its tax assets and liabilities (including provisions) based on the technical merits of the positions it defends versus the tax authorities.

9.2 Income taxes

With the exception of Masorange, S.L., which filed its Corporate Income Tax (hereinafter, CIT) return under the individual regime for the 2024 financial year, its Spanish subsidiaries filed their CIT returns under the special tax consolidation regime. Specifically, the Group includes three tax groups in 2024. The Orange Group consisting of Orange Espagne, S.A.U., Orange Espagne Distribución, S.A.U., Orange España Servicios de Telemarketing, S.A.U., Orange España Virtual, S.L.U., Orange España Comunicaciones Fijas, S.L.U., Jazzplat España, S.L.U., Orange Mediación de Seguros, S.L.U. and the MásMóvil Group consisting of Lorca Telecom BidCo, S.L.U., Lorca Telecom BondCo, S.A.U., Kaixo BondCo Telecom, S.A.U., Másmávil Ibercom, S.A.U., Xfera Móviles, S.A.U., Pepeworld, S.L.U., Pepemobile, S.L., Pepe Energy, S.L., Embou Nuevas Tecnologías, S.L.U., Xtra Telecom, S.A.U., SPF Franquicia Tarifa, S.L., Másmóvil Broadband, S.A.U., Spotting Brands Technologies, S.L.U., Ahimas

Suroeste, S.L., Spotting development, S.L.U., The Bymovil Spain, S.L.U., Comlocal, S.L., Solucions Valencianes i Noves Tecnologies, S.L., Senior Telecomunicaciones y Servicios Avanzados, S.L., Energía Colectiva, S.L.U., Masmovil Mediación de Seguros, S.L., Rcable y Telecable Telecomunicaciones, S.A.U., subject to CIT in common territory, and the Euskaltel tax group consisting of Euskaltel, S.A., Kaixo Telecom S.A., Guuk Telecom S.A., which filed in the Provincial Territory of Biscay. Additionally, the Masorange Group comprises companies resident in third-party jurisdictions (specifically, the United States, the United Kingdom, and Colombia), where they are subject to CIT under the individual regime in accordance with the regulations of those countries.

As a result of the creation of the joint venture (see Note 1), Masorange, S.L. complies with the provisions of Article 58 of Law 27/2014 of 27 November on Corporate Income Tax for the application of the tax consolidation regime with effect from 1 January 2025. As of that date, Masorange S.L. is considered the parent company of the tax consolidation group consisting of Orange Espagne, S.A.U., Orange Espagne Distribución, S.A.U., Orange España Servicios de Telemarketing, S.A.U., Orange España Virtual, S.L.U., Orange España Comunicaciones Fijas, S.L.U., Jazzplat España, S.L.U., Orange Mediación de Seguros, S.L.U., Suma Operador de Telecomunicaciones, S.L.U., Lorca Telecom BidCo, S.L.U., Lorca Telecom BondCo, S.A.U., Kaixo BondCo Telecom, S.A.U., Másmóvil Ibercom, S.A.U., Xfera Móviles, S.A.U., Pepeworld, S.L.U., Pepemobile, S.L., Pepe Energy, S.L., Embou Nuevas Tecnologías, S.L.U., Xtra Telecom, S.A.U., SPF Franquicia Tarifa, S.L., Másmóvil Broadband, S.A.U., Spotting Brands Technologies, S.L.U., Ahimas Suroeste, S.L., Spotting development, S.L.U., The Bymovil Spain, S.L.U., Comlocal, S.L., Solucions Valencianes i Noves Tecnologies, S.L., Senior Telecomunicaciones y Servicios Avanzados, S.L., Energía Colectiva, S.L.U., Másmóvil Mediación de Seguros, S.L., Rcable y Telecable Telecomunicaciones, S.A.U.

9.2.1 Income tax expense

(in thousands of euros)	2024	7- month period ended 31 December 2023
Current income tax	**137,197**	-
Current period	5,590	-
Adjustments for current tax of prior periods	127,925	-
Others	3,682	-
Deferred tax expense	**(24,463)**	-
Deferred taxes originated and reversed during the year (note 9.2.5)	34,328	-
Capitalised tax-losses carryforwards	55,798	-
Offsetting of tax-losses carryforwards and deductions	(125,487)	-
Others	10,898	-
Total Income taxes	**112,734**	-

On 18 January 2024, the Constitutional Court unanimously upheld the unconstitutionality of several measures introduced by Royal Decree-Law 3/2016 of 2 December, concerning Corporate Income Tax. These measures primarily imposed stricter limitations on the offsetting of tax losses carried forward, compared to the limits previously established by Law 27/2014 of 27 November on Corporate Income Tax. Among other measures, the aforementioned ruling annulled Additional Provision 15 of Law 27/2014 on Corporate Income Tax, which established the limitation on the offsetting of negative tax bases from previous years to 25% for large companies, compared to the general limit of 70%. As a result of this ruling, the Group recognised current income tax revenue of Euro 114,058 thousand during the year.

Law 7/2024, dated December 20 not only regulates the Complementary Tax to ensure a minimum global tax level for large multinational and national groups (see note 9.4), aligning with EU Directive 2022/2523 of December 15, 2022, but also introduced significant changes in Corporate Tax, some of which impact Masorange tax groups for tax years 2024 onwards.

Measures have been put in place to reverse the partial annulment of tax provisions from Royal Decree-Law 3/2016, of 2 December. The Constitutional Court, on 18 January 2024, found that some of these measures compromised the duty to contribute to public expenses and were improperly approved via a royal decree-law, violating Article 86.1 of the Constitution. Effective for tax periods starting on or after 1 January 2024, and not concluded by the enactment of Law 7/2024, the measures are reinstated as follows:

a) Stricter limits are being reintroduced for offsetting negative outstanding losses (NOLs) by large companies, based on their net turnover. Specifically, (i) companies with a net turnover of up to 20 million euros will maintain the general offsetting limit of 70% of the positive taxable base before offsetting, while (ii) those with a net turnover over 20 million euros and up to 60 million euros can offset NOLs up to 50% or 25% (respectively) of the positive taxable base before offsetting. Companies can still offset up to 1 million euros in any case.

b) The restriction on individual NOLs of the year offsetting within tax groups is extended to 2024 and 2025. For tax periods starting in 2023, a 50% cap was imposed on the use of individual NOLs generated in the same period when calculating the taxable base of tax groups, which is now extended to tax periods starting in 2024 and 2025. This limitation explicitly excludes foundations under the general Corporation Tax regime within a tax group. Adjustments from this limitation must be reversed evenly over ten years following its application. If the tax consolidation regime is lost or the group dissolves, pending eliminations will be integrated into the individual taxable base of former group entities.

During 2024, the Group recognised a deferred tax asset of Euro 55,798 thousand in relation to tax losses for the year. The recognition is based on a recoverability assessment that includes tax projections based on the Group business plan. It is considered probable that the Group will generate sufficient taxable profits to utilise the recognised deferred tax assets in the future, in light of the analysis carried out on its capacity to generate taxable income, given its economic potential and profitability, mainly due to the creation of the joint venture and the synergies expected to be achieved as a result (see note 9.2.5). The Group has performed a sensitivity analysis on the key assumptions used and concluded positively on the recoverability of the recognised deferred tax assets.

Additionally, for the companies included in the Euskaltel tax group, the Group has derecognised deferred tax assets related to certain deductions as a result of the recoverability assessment of tax credits carried out, in the amount of Euro 25,211 thousand.

Furthermore, on 5 June 2024, the ongoing tax audit procedures for the former MásMóvil tax group were closed. As a result of the closure of the tax audit, the Tax Agency has adjusted the Group's tax loss carryforwards. Consequently, and considering that the Group has signed the tax audit reports related to this adjustment of tax losses in conformity, the Group has derecognised deferred tax assets for the aforementioned adjustment of tax loss carryforwards in the amount of Euro 73,119 thousand.

9.2.2 Reconciliation of income tax

(in thousands of euros)	2024	7- month period ended 31 December 2023
Profit/(loss) before income tax	(695,550)	-
Statutory tax rate in Spain	25%	25%
Theoretical income tax	173,888	-
Reconciling items:		
Permanent differences	(17,904)	-
Offsetting of tax-losses carryforwards and deductions	(125,487)	-
Adjustments for current tax of prior periods	127,925	-
Other adjustments	(45,688)	-
Effective income tax	**112,734**	**-**
Effective tax rate (ETR)	**16%**	**-**

Permanent differences primarily comprise non-deductible provisions (Euro 12,960 thousand), penalties and fines (Euro 763 thousand), and non-deductible expenses (Euro 792 thousand), among others.

Other adjustments reflect tax effects that did not impact current or deferred tax for the year, such as the non-recognition of the entirety of the tax loss generated during the year, among others.

9.2.3 Income tax on other comprehensive income

(in thousands of euros)	2024		7- month period ended 31 December 2023	
	Gross amount	Deferred tax	Gross amount	Deferred tax
Gains / (losses) on cash flow hedges	(53,798)	(15,255)	-	-
Hedging gains / (losses) reclassified to profit or loss	(17,554)	(4,389)	-	-
Exchange difference on translation of foreign operations	(281)	(70)	-	-
Other comprehensive income of associates and joint ventures	(4,128)	-	-	-
Total presented in other comprehensive income	**(75,761)**	**(19,714)**	**-**	**-**

9.2.4 Tax in the statement of financial position

Change in net current tax

(in thousands of euros)	31 December 2024	31 December 2023
Net current tax assets/(liabilities) - in the opening balance	**-**	**-**
Joint venture formation	67,763	-
Change in income statement	137,197	-
Cash tax payments/(reimbursements)	27,238	-
Net current tax assets/(liabilities) - in the closing balance	**232,198**	-

Change in net deferred tax

(in thousands of euros)	31 December 2024	31 December 2023
Net deferred tax assets/(liabilities) - in the opening balance	**-**	**-**
Joint venture formation (Note 2.2)	(471,874)	-
Change in income statement (Note 9.2.5)	(24,463)	-
Change in retained earnings (Note 9.2.5)	19,714	-
Reclassifications and other items (Note 9.2.5)	(52,647)	-
Net deferred tax assets/(liabilities) - in the closing balance	**(529,270)**	-

9.2.5 Deferred tax assets and liabilities by type

Deferred tax assets and liabilities are attributable to the following:

(in thousands of euros)	December 31, 2024 Assets	Liabilities	Net
Intangible assets	46,092	1,669,352	(1,623,260)
Property, plant and equipment	8,279	175,807	(167,528)
Lease	212,812	185,356	27,456
Provisions	225,966	-	225,966
Costs of obtaining a contract	91,792	-	91,792
Financial instruments	126,041	20,956	105,085
Tax credits for tax-losses carryforwards	704,103	-	704,103
Tax credits for deductions	129,386	-	129,386
Other accounting differences	24,091	(1)	24,092
Other	14	46,376	(46,362)
Total gross amount	**1,568,576**	**2,097,846**	**(529,270)**
Compensation between deferred tax assets and liabilities	(1,362,721)	(1,362,721)	-
Net assets and liabilities	**205,855**	**735,125**	**(529,270)**

Deferred tax assets and liabilities are presented on a net basis only when they pertain to taxes levied by the same tax authority on the same taxable entity.

"Other" comprises deferred tax liabilities relating to government grants and assets held for sale.

Movements in deferred tax assets and liabilities during 2024 are as follows:

(in thousands of euros)	At 1 January 2024	Joint venture formation	Recognised in profit/(loss)	Recognised in OCI	Other	At 31 December 2024
Intangible assets	-	(1,694,903)	71,643	-	-	(1,623,260)
Property, plant and equipment	-	(179,872)	12,344	-	-	(167,528)
Lease	-	28,295	(839)	-	-	27,456
Provisions	-	248,283	(22,317)	-	-	225,966
Costs of obtaining a contract	-	140,588	(48,796)	-	-	91,792
Financial instruments	-	62,413	22,958	19,714	-	105,085
Tax credits for tax-losses carryforwards	-	795,595	(38,845)	-	(52,647)	704,103
Tax credits for deductions	-	151,371	(21,985)	-	-	129,386
Other accounting differences	-	20,337	3,755	-	-	24,092
Other	-	(43,981)	(2,381)	-	-	(46,362)
Net assets and liabilities	**-**	**(471,874)**	**(24,463)**	**19,714**	**(52,647)**	**(529,270)**

Details of deferred tax assets and liabilities that are expected to be realised or reversed after more than 12 months are as follows:

(in thousands of euros)	31 December 2024 Current	31 December 2024 Non-current	31 December 2023 Current	31 December 2023 Non-current
Deferred tax assets related to temporary differences	112,591	622,497	-	-
Tax credits for tax-losses carryforwards	-	704,103	-	-
Tax deductions	-	129,386	-	-
Total assets	**112,591**	**1,455,986**	**-**	**-**
Deferred tax liabilities	110,055	1,987,792	-	-
Net	**2,536**	**(531,806)**	**-**	**-**

Detail of deferred tax assets and liabilities recognised in the Spanish common territory and the Basque country is as follows:

	31 December 2024		
	Assets	**Liabilities**	**Net**
Common Territory [Orange]	727,191	1,462,317	(735,125)
Common Territory [Lorca]	574,272	546,307	27,964
Basque Country	247,738	89,223	158,515
Other	19,376	-	19,376
Net assets and liabilities	**1,568,577**	**2,097,847**	**(529,270)**

Tax loss carryforwards

The Group has the following tax-loss carryforwards (NOLs) capitalised at 31 December 2024:

	31 December 2024					
	Common Territory			**Basque Territory**		
(in thousands of euros)	**Tax base**	**Tax rate**	**Capitalised tax-losses carryforwards**	**Tax base**	**Tax rate**	**Capitalised tax-losses carryforwards**
NOLs generated prior to consolidation (1)	2,312,184	25%	578,046	190,266	24%	45,664
NOLs generated on consolidation				334,974	24%	80,394

(1) In connection with the common territory tax bases, "consolidation" refers to the new tax group created in 2025.

The Group has generated tax bases for a total amount of Euro 9,759,141 thousand, of which Euro 2,312,184 thousand were capitalised as of 31 December 2024.

The Group has assessed the recoverability of deferred tax assets arising from unused tax losses based on the existence of sufficient taxable temporary differences and estimates of future taxable profits (see Note 9.2.5).

Tax loss carryforwards in Common Territory do not have an expiration date, while tax loss carryforwards in the Basque Territory expire after 30 years.

Tax deductions

The Group has the following unused deductions at 31 December 2024:

(in thousands of euros)	**Common Territory**	**Basque Country**
Deductions generated prior to consolidation	42,843	129,269
Deductions generated on consolidation	-	9,916
Total	**42,843**	**139,185**

As of the end of fiscal year 2024, the Group has recognised tax credits amounting to Euro 129,386 thousand. These are comprised of Euro 22,135 thousand relating to the Common Territory tax system and Euro 107,251 thousand relating to the Basque Territory tax system.

The Group had no tax credits recognised as of the end of fiscal year 2023.

Existing tax deductions as of 1 January 2014 have an expiration date 31 December 2043. Tax deductions generated after 1 January 2014 expire after 30 years.

9.3 Developments in tax disputes and audits

During the 2022 fiscal year, the Spanish Tax Authority (Agencia Tributaria) initiated tax audits of several subsidiaries within the MásMóvil Group. These audits pertained to the primary taxes applicable to these entities for the periods spanning from 2017 to 2020. On 5 June 2024, the Tax Authority concluded these audit procedures (refer to Note 9.2.1 for further details).

VAT

The Spanish tax Authorities concluded a VAT audit procedure on Orange Espagne, S.A.U. (2014-2016), Orange España Comunicaciones Fijas, S.L. (2017) and Xtra Telecom, S.A.U. (2015-2016). The main reason for the assessment relates to some wholesale transactions carried out by these entities with apparent missing traders that were operating under a carrousel fraud scheme. It should be noted that these companies were not aware that they were buying phone traffic within a fraud scheme since their direct suppliers (even second tier suppliers in some cases) were fully compliant with the Spanish Tax Authorities, being consequently not materially possible for these entities to know or have any means of knowing that they were part of the referred fraud scheme. However, the tax office understood that the due diligence of Orange Espagne, S.A.U. and Orange España Comunicaciones Fijas, S.L. was not sufficient. At the present moment, this issue is under review by the National Court. This risk is not provisioned since there are solid grounds to win the case before the National Court.

9.4 International tax reform – Pillar Two

On 21 December 2024, Law 7/2024 of 20 December was published in the Official State Gazette (BOE), establishing:

i. a complementary tax to guarantee a global minimum level of taxation for multinational groups and large national groups,

ii. a tax on interest and commission margins of certain financial institutions, and

iii. a tax on e-cigarette liquids and other tobacco-related products, and amending other tax regulations (hereinafter, the Law).

This Law entered into force on 22 December 2024 and applies to tax periods beginning on or after 31 December 2023.

Following the formation of the joint venture (see notes 1.1 and 2.2), Lorca Midco, a wholly-owned subsidiary of Lorca Aggregator (ultimate parent company of the Lorca Group), contributed 100% of its shares in MasOrange Holdco UK to MasOrange, S.L. MasOrange Holdco UK in turn held 100% of Lorca Telecom Bidco, the parent company of the Spanish group until the integration. Simultaneously, Orange Participations UK Limited, a wholly-owned subsidiary of Orange, SA (ultimate parent company of the Orange Group), contributed 100% of its shares in Orange Espagne, S.A.U., the parent company of the Spanish group (with the exception of the four entities mentioned below, whose parent company is foreign), to the joint venture.

The Group also includes some entities domiciled in third jurisdictions. These include MasOrange Holdco UK and MasOrange Finco UK, resident in the United Kingdom, and MasOrange Coborrower US, resident in the United States, all originating from the Lorca Group. Additionally, Jazzplat Colombia S.A., a tax resident of Colombia, originates from the Orange Group (see Note 9.2).

Therefore, in application of the Law during the 2024 financial year, we must distinguish between three different commercial groups to analyse the potential impact of the national top-up tax and, where applicable, the primary top-up tax in relation to foreign subsidiaries.

I. Orange Group

1. Group Composition

During 2024, Orange, S.A., resident in France and the ultimate parent company of the Orange Group, held control of certain companies resident in Spain (specifically, it held control from 1 January to 26 March 2024 for Orange Espagne, S.A.U. and its subsidiaries, and for the entire tax period for the others). These entities were consolidated under the full consolidation method with Orange, S.A. in accordance with IFRS-EU.

2. National Top-up Tax - Calculation

According to management's estimates, the tax is not payable by any of the Spanish entities pursuant to the Fourth Transitory Provision of the Law, specifically due to the significant weight of substance (7.8% of the average carrying amount of tangible assets, and 9.8% of personnel expenses, the amount of which is significantly higher than the aggregate accounting profit according to IFRS-EU).

The analysis of compliance with the global minimum tax rules for foreign entities (not resident in Spain) controlled by Orange, SA is the responsibility of the latter as the ultimate parent company of the Orange Group and therefore does not generate compliance obligations for the Spanish entities belonging to the Group.

II. Másmóvil Group

1. Group Composition

During 2024, Lorca Aggregator Limited, resident in the United Kingdom and the ultimate parent company of the MásMóvil Group, held control of certain companies resident in Spain (specifically, it held control from 1 January to 26 March 2024). These entities were consolidated under the full consolidation method with Lorca Aggregator Limited in accordance with IFRS-EU.

2. National Top-up Tax - Calculation

According to management's estimates, the tax is not payable by any of the Spanish entities pursuant to the Fourth Transitory Provision of the Law.

Specifically, the aggregate accounting result of these entities during that period, according to IFRS-EU, was a loss.

III. Masorange Group

1. Group Composition

During the period from 26 March 2024 (date of formation of the joint venture) to 31 December 2024, Masorange, S.L., resident in Spain and the ultimate parent company of the Group, held control of certain companies resident in Spain. These entities were consolidated under the full consolidation method with Masorange, S.L. in accordance with IFRS-EU.

It also held control of companies located abroad, in which it has a 100% stake. Specifically, these companies are: Masorange Co-borrower LLC, resident in the United States; Masorange Holdco Limited and Masorange Finco Plc, resident in the United Kingdom; and Jazzplat Colombia S.A.S., resident in Colombia.

2. National Top-up Tax - Calculation

According to management's estimates, the tax is not payable by any of the Spanish entities pursuant to the Fourth Transitory Provision of the Law.

Specifically, the aggregate accounting result of these entities, according to IFRS-EU, during that period was a loss. The dividend distributed by Orange España Comunicaciones Fijas, S.L. to Orange Espagne, S.A.U. in December 2024 for €743 million has been excluded from the calculation of this accounting result, in accordance with the criteria for compliance with country-by-country reporting obligations.

3. Primary Top-up Tax

According to management's estimates, the tax is not payable by any of the foreign entities.

Masorange Co-borrower LLC is a US resident entity that has not carried out any activity or generated any income.

Holdco Limited and Masorange Finco Plc are resident in the United Kingdom, a country that has established its own global minimum tax rules. In any case, both entities generated an accounting loss of Euro 114,000 and Euro

52 million respectively during 2024.

Jazzplat Colombia SAS is a Colombian resident entity subject to a corporate income tax rate of 35%. No global minimum tax legislation has yet been established and approved in this country, so it is the responsibility of Masorange, S.L., as the ultimate parent company resident in Spain, to carry out this calculation. Specifically, according to the calculation criteria set out in the Fourth Transitory Provision, the effective rate is 48.91%, so the tax is not payable.

Accounting policies

Current income tax and deferred tax are measured by the Group at the amount expected to be paid or recovered from the tax authorities, based on its interpretation with regard to the application of tax legislation. The Group calculates the tax assets and liabilities recognised in the statement of financial position based on the technical merits of the positions it defends versus that of the tax authorities.

Deferred taxes are recognised for all temporary differences between the carrying values of assets and liabilities and their tax basis, as well as for unused tax losses, using the liability method. Deferred tax assets are recognised only when their recovery is considered probable. The Group recognises a deferred tax asset arising from unused tax losses or tax credits only to the extent that the Group has sufficient taxable temporary differences or/and there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or tax credits can be utilised by the Group.

A deferred tax liability is recognised for all taxable temporary differences associated with investments in subsidiaries, interests in joint ventures and associates, except to the extent that both of the following conditions are satisfied:

− the Group is able to control the timing of the reversal of the temporary difference (e.g. the payment of dividends); and

− it is probable that the temporary difference will not reverse in the foreseeable future.

Accordingly, for fully consolidated companies, a deferred tax liability is only recognised in the amount of the taxes payable on planned dividend distributions by the Group.

Deferred tax assets and liabilities are not discounted.

At year end, the Group reviews the recoverable amount of the deferred tax assets carried by certain tax entities with significant tax losses carryforwards. The recoverability of the deferred tax assets is assessed in the light of the strategic plan used for impairment testing. This plan may be adjusted for any tax specificities.

Deferred tax assets arising on these tax losses are not recognised under certain circumstances specific to each company/tax consolidation group concerned, and particularly where:

− entities cannot assess the probability of the tax loss carryforwards being set off against future taxable profits, due to the horizon for forecasts based on business plans used for impairment testing and uncertainties as to the economic environment;

− entities do not expect to use the losses within the timeframe allowed by tax regulations;

− it is estimated that tax losses are uncertain to be used due to risks of differing interpretations with regard to the application of tax legislation.

Note 10 Interests in associates and joint ventures

10.1 Change in interests in associates

The table below shows the value of the main interests in associates. Except for Bidasoa TopCo, S.L., the companies listed below have share capital composed only by ordinary shares. All the shares are held directly by the Group. The ownership interest is the same as the percentage of voting rights held.

Name of entity	Place of business	% of ownership interest	Nature of relationship	Measurement method	Carrying amount
		2024			
Uclés InfraCo, S.L.	España	49,90%	Associate	Equity method	76,359
Xfera Consumer Finance, Establecimiento financiero de crédito, S.A.	España	49,00%	Associate	Equity method	15,213
Bidasoa TopCo, S.L.	España	49,00%	Associate	Equity method	105,355
Data Center Euskadi, S.L.	España	21,25%	Associate	Equity method	1,020
Total equity-accounted investments					**197,947**

The most significant associates are as follows:

- Xfera Consumer Finance, Establecimiento Financiero de Crédito, S.A. (Xfera Consumer Finance)

The Group, through its subsidiary Xfera Móviles S.A.U., together with Banco Cetelem, S.A.U., set up the hybrid payment entity Xfera Consumer Finance, Establecimiento Financiero de Crédito, S.A. This company began to do business in 2020, once the pertinent Bank of Spain authorisation had been granted. On 6 March 2025, the Group has signed an agreement with a third party to sell the shares related to its 49% investment in Xfera Consumer Finance (see Note 18).

- Uclés InfraCo, S.L.

The Group, through its subsidiary MásMóvil Broadband S.A.U., together with a leading international infrastructure fund set up a fibre network infrastructure company, Uclés InfraCo, S.L. (InfraCo). The Group provides to the InfraCo operating, maintenance, supply and transmission services. Additionally, the InfraCo and the Group have in place a bitstream service contract until 2046. During 2024 the Group has made additional capital contributions of Euro 308 thousand.

- Bidasoa TopCo, S.L.

The Group, through its subsidiary Euskaltel S.A.U., together with a national group of investors set up a fibre network infrastructure group, whose parent company is Bidasoa TopCo, S.L. (Bidasoa). The Group provides to Bidasoa operating, maintenance, supply and transmission services. Additionally, Bidasoa and the Group have in place a bitstream service contract until 2047. The Group has a call option to purchase the remaining share capital of Bidasoa TopCo after five years from the effective date of the agreement, July 2022, to be exercised during a time period of 6 months, at a variable price based on the performance of the business plan (Note 18). The Group has recognised the call option as a financial instrument at fair value through profit or loss (Note 12.4).

There were no other changes in the interests in associates during the year.

The main transactions between the Group and companies consolidated using the equity method are presented in Note 11.

10.2 Key figures from associates

A summary of the financial information regarding the associates that have been identified as material and/or significant for the Group and the reconciliation to the carrying amount is presented below.

The information disclosed reflects the amounts presented in the financial statements of the relevant associates and not Masorange's share of those amounts. The amounts have been revised to align with the Group´s accounting policies.

	31 December 2024		
(in thousands of euros)	**Uclés InfraCo**	**Xfera Consumer finance**	**Bidasoa TopCo**
Assets			
Non-current assets	555,269	8,458	762,052
Current assets	37,558	248,894	22,398
Total assets	**592,827**	**257,352**	**784,450**
Liabilities			
Shareholder's equity	153,025	31,047	55,946
Non-current liabilities	434,465	4,214	720,753
Current liabilities	5,337	222,091	7,751
Total equity and liabilities	**592,827**	**257,352**	**784,450**
Income statement			
Revenue	21,852	17,372	30,480
Operating income	11,806	(6,464)	2,971
Finance costs, net	(20,159)	-	(22,850)
Income tax	-	1,942	1,710
Net income	**(8,353)**	**(4,522)**	**(18,169)**

	31 December 2024		
(in thousands of euros)	**Uclés InfraCo**	**Xfera Consumer Finance**	**Bidasoa TopCo**
Opening net assets 1 April 2024	**160,512**	**29,569**	**80,435**
Profit for the period	(8,353)	(4,522)	(18,169)
Other comprehensive income	-	-	(6,320)
Capital contribution	866	6,000	-
Closing net assets	**153,025**	**31,047**	**55,946**
Group's share in %	49.90%	49.00%	49.00%
Group's share	76,359	15,213	27,414
Joint venture fair value adjustment	-	-	77,941
Carrying amount	**76,359**	**15,213**	**105,355**

Accounting policies

The carrying value of interests in associates or joint ventures is determined by the initial acquisition cost plus the share of net income for the given period or by their fair value if they result from a business combination. If an associate or joint venture reports losses and the carrying value of the investment is reduced to zero, the Group does not recognise additional losses, as it has no obligations beyond its initial investment.

An impairment test is conducted at least annually or whenever there is evidence suggesting an impairment loss, such as significant financial difficulties faced by the entity, observable indications of a measurable decrease in estimated future cash flows, or information about significant adverse changes affecting the entity.

An impairment loss is recorded if the recoverable amount falls below the carrying value. The recoverable amount is defined as the greater of the value in use and the fair value minus transaction costs, with the entire investment considered as the unit of account. Any impairment loss is recognised in the "share of profits (losses) of associates and joint ventures." Impairment losses can be reversed if the recoverable amount subsequently exceeds the carrying value.

Note 11 Related parties

The shareholders of the Company are:

- Lorca MidCo Ltd, an entity domiciled in the United Kingdom, whose main shareholder is Lorca Aggregator Limited, an entity domiciled in Jersey. Lorca Aggregator Limited is ultimately owned mostly by funds and investment vehicles managed or advised by PEP VII-A International Ltd and PEP VIII International Ltd (Providence), Cinven Capital Management (VII) General Partner Limited (Cinven), and Kohlberg Kravis Roberts & Co. L.P. (KKR); and
- Orange Participations UK Ltd, an entity domiciled in the United Kingdom, which is ultimately owned by Orange, S.A., whose shares are listed on Euronext Paris.

11.1 Transactions with related parties

The details of the transactions with related entities during the years ended 31 December 2024 and 2023 are as follows:

(in thousands of euros)	2024		2023
	Other related parties	Total	Total
Income statement			
Expenses			
Salaries and allowances	(793)	(793)	-
Network and communication expenses	(199,402)	(199,402)	-
Professional services	(49,389)	(49,389)	-
Total expenses	**(249,584)**	**(249,584)**	**-**
Income			
Revenue	47,426	47,426	-
Other operating income	10,966	10,966	-
Finance costs, net	(651)	(651)	-
Total income	**57,741**	**57,741**	**-**

The "Network and communication expenses" line item includes a framework agreement signed with a related party for the provision of services necessary to cover the Group's mobile electronic communications network. This agreement regulates co-location, operation, and maintenance services for network sites and has a duration of 15 years, with the possibility of extension for an additional 10 years. This item also includes services related to fixed network access services (see Note 10.1).

The "Professional services" line item primarily comprises royalties for the use of the Orange brand (see Notes 4.2 and 7.3.1) as well as corporate management fees (management service agreement) by Euro 14,954 thousand (see Note 4.2). Revenue from related parties mainly relates to transactions with Orange France. This includes Euro 27,600 thousand from roaming services, primarily generated by Orange France customers. These charges are settled monthly, with an annual discount applied and reconciled the following year upon reconciliation of the traffic data. Additionally, Euro 3,000 thousand relates to international interconnection traffic for voice and messaging services related to Orange Comunicaciones Fijas, S.L.U.

During 2024, transactions with related parties were carried out on arm-length basis.

11.2 Related parties' balances

(in thousands of euros)	2024		
	Group companies	Other related parties	Total
Assets			
Trade and other accounts receivable	-	5,610	5,610
Total assets	**-**	**5,610**	**5,610**
Liabilities			
Trade and other accounts payable	-	(167,200)	(167,200)
Total liabilities	**-**	**(167,200)**	**(167,200)**

11.3 Information on the Group's Directors and key personnel management

Remuneration of Board Members and senior management

Members of the Masorange, S.L. Board of Directors, do not receive any remuneration or allowances in their capacity as Company directors. Additionally, no termination benefits were paid to members of the Board of Directors, and no provisions had been recognized for severance pay as at the reporting date. The Chief Executive Officer is member of the Board of Directors of Masorange and does not receive any remuneration as member of the Board of Directors but is remunerated as key personnel management of the Group.

The Group has not furnished any advances or loans to Directors, nor provided any guarantees on their behalf. Additionally, no pension or life insurance commitments have been made to former or current members of the Parent Company's Board of Directors.

Remuneration and loans to Board Members and senior management

(thousand of euros)	**2024**	**7-month period ended 31 December 2023**
Salaries, fees, and other remuneration	29,782	-
Pension obligations	532	-
Life insurance premiums	253	-
Termination benefits / Severance pay	4,845	-
	35,412	**-**

Total remuneration accrued in the financial year 2024 to senior management, including the Chief Executive Officer, amounted to euro 35,412 thousand, of which Euro 785 thousand corresponds to contributions to pension plans and insurance premiums.

The cost of total severance payments received by senior management who ceased their functions during the financial year 2024 amounted to Euro 4,845 thousand.

During the financial year 2024 and 2023, no loans were granted to senior management.

Transactions other than ordinary business or on non-market terms carried out by the Parent Company's directors and senior management personnel

During the year ended 31 December 2024 and 2023, the Directors and Senior Management staff of the Parent Company have not carried out operations with it or with Group companies outside of ordinary business or under conditions other than market conditions.

Conflict of interest situations involving the directors of the Parent Company

In their duty to avoid conflicts of interest with the Parent Company, the directors who have held positions on the Board of Directors have complied with the obligations set forth in Article 228 of the Revised Capital Companies Law during the year. Likewise, both they and their related parties have refrained from engaging in the conflicts of interest set forth in Article 229 of said law.

Accounting policies

The related parties of the Masorange Group include the following:

- The Group's Directors, key management personnel and their families.
- Its shareholders, and companies under the control of them.
- Associates, joint ventures, and companies in which the Group has a significant investment (refer to Note 10).

Note 12 Financial assets, liabilities and financial results

12.1 Financial assets and liabilities

The following table details the financial assets and liabilities in the consolidated statement of financial position at 31 December 2024.

(in thousands of euros)	31 December 2024	31 December 2023
Non-current financial assets	9,362	-
Non-current derivatives assets (note 12.6)	16,800	-
Current financial assets	14,466	-
Current derivatives assets (note 12.6)	18,092	-
Trade receivables (note 3.3)	489,411	-
Cash and cash equivalents	96,061	-
Total financial assets	**644,192**	**-**
Non-current financial liabilities	11,070,828	-
Non-current fixed assets payables (note 7.5)	590,869	-
Non-current lease liabilities (note 8.3)	1,206,433	-
Non-current derivatives liabilities (note 12.6)	83,762	-
Current financial liabilities (note 12.5)	1,558,252	-
Current derivatives liabilities (note 12.6)	8,490	-
Current lease liabilities (note 8.3)	261,089	-
Trade payables (note 4.6)	1,745,770	-
Current fixed assets payables (note 7.5)	756,553	-
Total financial liabilities	**17,282,046**	**-**

12.2 Profits and losses related to financial assets and liabilities

The financial income and expense resulting from financial assets and liabilities are as follows:

(thousand euros)	31 December 2024	7-month period ended 31 December 2023
Financial income		
Other financial income	14,284	-
	14,284	**-**
Financial expenses		
Borrowing costs	(527,530)	-
Bonds and other financial liabilities	(114,244)	-
Lease liabilities costs	(29,455)	-
Other financial expenses	(171,417)	-
	(842,646)	**-**

Allowances and losses on trade receivables are recorded within other operating expenses and amount to Euro 94,223 in 2024 (see Note 4.2).

Hedge ineffectiveness in relation to the interest rate swaps are recorded within other financial expenses (see Note 12.6).

Accounting policies

Investments and other financial assets

Classification of financial instruments

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded either in profit or loss or in OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to present subsequent changes in fair value in other comprehensive income.

The Group reclassifies debt instruments only when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all of the risks and rewards of ownership.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: assets that are held for collection of contractual cash flows, where those cashflows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "other net financial expenses" together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the consolidated income statement.

- FVOCI: assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in "other net financial expenses". Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in "other net financial expenses", and impairment expenses are presented as a separate line item in the consolidated income statement.

- FVTPL: assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognised in profit or loss and presented net within "other net financial expenses" in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in "other net financial expenses" in the consolidated income statement, as applicable.

Offsetting principles

A financial asset and a financial liability are offset only when the Group currently has the legally enforceable right to offset the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Loans and borrowings

Initial recognition and measurement

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Derecognition

Borrowings are derecognised when the obligation specified in the contract is extinguished, cancelled or expired. The difference between the carrying amount of a financial liability that has been 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 as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

The Group deems the terms to be significantly different based on both qualitative and quantitative factors. For the quantitative evaluation, if the discounted present value of the cash flows under the new terms, including any fees paid minus any fees received and discounted using the original effective interest rate, differs by at least 10 percent from the discounted present value of the remaining cash flows of the original financial liability, it is regarded as new financing.

Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.

Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

12.3 Reconciliation of financial debt

The reconciliation of financial debt for the year ended 31 December 2024 is as follows:

(in thousands of euros)	At 1 January 2024	Joint venture formation	Cash flows	Payment of interests	Interests accrued in profit and loss	At 31 December 2024
Financial liabilities with financial institutions	-	9,172,790	(468,465)	(484,203)	527,530	8,747,652
Lease liabilities	-	1,548,447	(80,925)	(29,455)	29,455	1,467,522
Other financial liabilities	-	3,277,769	569,491	(80,076)	114,244	3,881,428
Total Debt	**-**	**13,999,006**	**20,101**	**(593,734)**	**671,229**	**14,096,602**

12.4 Loans and borrowings

Financing facilities upon formation of the joint venture

The debt contributions for the creation of the joint venture primarily came from the MásMóvil Group. MásMóvil Group had various financial debts totalling approximately Euro 6 billion, mainly broken down as follows:

- Euro 3.2 billion in syndicated financing loans - Term Loan Bullet (TLB tranches 1 and 2).
- Euro 2.35 billion in senior secured notes (SSN).
- Euro 453 million in senior unsecured notes (SUN).

These facilities were contributed upon the formation of the joint venture at fair value and as a result the debt balance increased by Euro 115 million.

The formation of the joint venture was accompanied by the signing of additional credit facilities totalling Euro 6 billion. This additional financing was structured through a Term Loan Amortising (TLA) syndicated loan amounting to Euro 4.35 billion, and an additional Euro 1.65 billion as an expansion of one of the existing Term Loan Bullet lines (TLB tranche 2) and a new facility (TLB tranche 3).

Subsequently, the Group completed a refinancing and debt reallocation process which included Euro 600 million in senior secured notes (SSN) and a syndicated loan (TLB4) by USD 400 million. The financing agreements for the TLB tranches 1 and 2 included provisions allowing for these loans to be refinanced or replaced with a new TLB tranche 3 facility once the joint venture was established and the new debt arrangements were in place. While the general terms of this new financing were agreed upon before the joint venture's formation, the specific details were finalised at the effective date of the new debt formalisation, which occurred in May and June 2024. The Group's management evaluated the context of the new financing terms, its qualitative and quantitative factors and concluded that the refinancing terms were not substantially modified. Hence, the existing facilities were not derecognised.

Detailed below is the composition of the loans and borrowings as at 31 December 2024:

	31 December 2024	
(in thousands of euros)	Non-current	Current
Loans	7,661,574	617,319
Credit lines	-	468,321
Other loans and borrowings	-	438
Total loans and borrowings	**7,661,574**	**1,086,078**

The terms and conditions of loans and borrowings at 31 December 2024 are as follows:

	Currency	Fixed or variable rate	Effective interest rate	Maturity	Nominal	Current	Non-current	Total
Various financial institutions (Senior Debt)	EUR	Variable	5.662% - 6.675%	sep.-27	4,132,500	608,739	3,461,779	4,070,518
Various financial institutions (Senior Debt)	EUR	Variable	6.352% - 7.395%	sep.-27	250,000	485	246,718	247,203
Various financial institutions (Senior Debt)	EUR	Variable	6.752% - 7.195%	mar.-31	3,661,015	6,882	3,585,562	3,592,444
Various financial institutions (Senior Debt)	USD	Variable	6.661% - 6.752%	mar.-31	373,085	1,213	367,515	368,728
Other loans and credit policies	EUR	Fixed / Variable			1,086,740	468,759	-	468,759
					9,503,340	**1,086,078**	**7,661,574**	**8,747,652**

See Note 13 for further information regarding the Group’s exposure to interest rate, currency and liquidity risks.

These debts are secured by a package of guarantees, the most important of which is that corresponding to the shares/holdings in the Company's principal subsidiaries as well as the shares of the Parent Company (see Note 17).

To mitigate the volatility of the interest rate risk, the Group has outstanding interest hedging structures (swaps). At the date of issuance of these consolidated financial statements, the Group has interest rate hedging instruments with a notional amount of Euro 7,081 million. See Note 12.6 for further information regarding the valuation of these hedging instruments.

The aforementioned financing is structured as follows:

Non-current

Term Loan Amortised (TLA)

- Facility A: Syndicated term loan facility of Euro 4,350 million formalised upon the formation of the joint venture. This loan carries an initial interest rate of Euribor + 2.75% per annum with an upward/downward ratchet mechanism linked to the Senior Secured Debt/EBITDA ratio (based on the definition of EBITDA established in the agreement) and ESG ratios. On 19 November 2024, the Group's Senior Secured Debt/EBITDA ratio triggered a change in the loan's interest rate and the interest rate on the loan adjusted to Euribor + 2.50%. Maturity on 84 months from the first utilisation date. In September 2024, as stipulated in the contract, 5% of the principal was repaid. The outstanding balance as at 31 December 2024 is Euros 4,133 million. Transaction costs of Euro 172 million were capitalised as part of the loan's amortised cost.

Term Loan Bullet (TLB)

- TLB tranche 2: existing facility contributed by MásMóvil Group, initially signed in 2021, that has been increased by Euro 150 million throughout 2024 and partially substituted by TLB tranche 3. It has ended with an outstanding balance of Euro 250 million as of 31 December 2024. The loan accrues interest at Euribor + 3.7% per annum with an upward/downward ratchet mechanism linked to the Senior Secured Debt/EBITDA ratio (based on the definition of EBITDA established in the agreement) and ESG ratios. It is repayable in a single bullet payment in September 2027. Transaction costs of Euro 4 million were capitalised as part of the loan's amortised cost.
- TLB tranche 3: new facility signed upon formation of the joint venture with Euro 1,500 million. In addition, it has substituted TLB tranche 1 and partially TLB tranche 2. As of 31 December 2024, the outstanding balance on this facility is Euro 3,661 million. The loan accrues interest at Euribor + 3.5% per annum with an upward/downward ratchet mechanism linked to the Senior Secured Debt/EBITDA ratio (based on the definition of EBITDA established in the agreement) and ESG ratios. It is repayable in a single bullet payment in March 2031. Transaction costs of Euro 131 million were capitalised as part of the loan's amortised cost.
- TLB tranche 4: USD 400 million facility signed on 16 May 2024. The loan initially accrued interest at SOFR + 3.5%. At 31 December 2024, as a result of the use of a cross-currency swap by the Group, the loan accrues interest at Euribor +3.5% with an upward/downward ratchet mechanism linked to the Senior Secured Debt/EBITDA ratio (based on the definition of EBITDA established in the agreement) and ESG ratios. The loan agreement stipulates quarterly repayments of USD 1,000 thousand until maturity. The remaining balance is due as a single bullet payment in March 2031. The outstanding amount as of 31 December 2024 is Euro 373,085 thousand. Transaction costs of Euro 6 million were capitalised as part of the loan's amortised cost.

Term Loan Capex (TLC)

- Facility C: This facility, totalling Euro 600 million, features a structured repayment schedule over 84 months from its first utilisation date. The loan accrues interest at Euribor + 2.75% per annum with an upward/downward ratchet mechanism linked to the Senior Secured Debt/EBITDA ratio (based on the definition of EBITDA established in the agreement) and ESG ratios. This facility has a "springing covenant" triggered when Senior Secured Net Debt leverage ratio (consolidated Senior Secured Net debt/EBITDA (as EBITDA is defined in the facility) is higher than 6 times EBITDA and it is activated at any time once the TLC has been drawn. At 31 December 2024, the Group had available the full amount of this loan. The facility accrued commitment fees on undrawn amounts, totalling Euro 1.2 million during 2024.

Current

The Group has access to two revolving credit facilities (RCFs) by Euro 500 million (RCF) and Euro 250 million (RCF – Revolving Facility 2), totalling Euro 750 million. Originally signed in July 2020 and August 2021, respectively, bear interest at rates of Euribor + 3.50% and Euribor + 3.25% per annum, respectively, with an upward/downward ratchet mechanism linked to the Senior Secured Debt/EBITDA ratio (based on the definition of EBITDA established in the agreement) and ESG ratios. Both facilities include a "springing covenant" activated when the drawn amount exceeds 40% of the total facility. The springing covenant has not been activated as at 31 December 2024.

As of 31 December 2024, the Group had fully available the Euro 500 million RCF, while Euro 151 million was drawn against the Euro 250 million RCF 2. Both RCFs accrue commitment fees on undrawn amounts, totalling Euro 1 million during 2024.

At 31 December 2024 the Group has available short-term lines of credit totalling Euro 21 million. At the date of these consolidated financial statements, the Group has drawn Euro 316 million against these short-term lines of credit.

Additionally, Euro 543,750 thousand correspond to the current portion of the Facility A loan, representing the principal payments due within the next twelve months.

Loan covenants

There are no additional covenants other than the upward/downward ratchet mechanisms linked to the Senior Secured Debt/EBITDA ratio and ESG ratios applicable to the TLA, TLB and TLC facilities and RCFs, and the springing covenant applicable to both RCFs, as detailed above.

The covenants are tested quarterly. There are no indications that the Group would not comply with the covenants when they will be next tested in 2025 interims reporting date.

Most of Masorange's financing agreements and bonds do not require early repayment if there is a material adverse change or due to cross default provisions. However, many of these agreements do contain cross acceleration provisions. Therefore, simply having events of default in other financing agreements would not automatically lead to accelerated repayment under these agreements.

12.5 Bonds and other financial liabilities

At 31 December 2024, Euro 3,412,941 thousand correspond to bonds issued. The detail of these bonds is as follows:

Notional currency	Initial nominal amount	Maturity	Interest rate (%)	Issuer	Type of operations	Current	Non-current	Total
Euro	800,000	September 2027	4%	Lorca Telecom BondCo, S.A.U.	Repayment at maturity	9,333	799,057	808,390
Euro	1,550,000	September 2027	4%	Lorca Telecom BondCo, S.A.U.	Repayment at maturity	18,084	1,550,943	1,569,027
Euro	452,850	September 2029	5.125%	Kaixo Telecom, S.A.U.	Repayment at maturity	7,474	452,706	460,180
Euro	600,000	April 2029	5.750%	Lorca Telecom BondCo, S.A.U.	Repayment at maturity	10,062	597,469	607,531
Total	**3,402,850**					**44,953**	**3,400,175**	**3,445,128**

The information memorandum in respect of each of these bonds were deposited in the official registers of the Luxembourg Stock Market and they are listed on the Euro MTF Market.

The aforementioned financing of bonds is structured as follows:

- Euro 800 million, existing bonds contributed by MásMóvil Group with a fixed annual coupon of 4.00%, maturing in September 2027, initially signed in 2020, that were issued in two tranches, Euro 720 million and Euro 80 million which were placed among investors at 101.375% of their par value, the amount obtained totalling Euro 81 million.
- Additionally, the Group has existing bonds contributed by MásMóvil Group, issued both (i) a tap of the senior secured bonds of Euro 1,550 million maturing in September 2027 and (ii) senior unsecured bonds amounting to Euro 500 million maturing in September 2029.
    - Tap of the Senior secured bonds by Euro 1,550 million, issued at par value, with a fixed annual coupon of 4.00%. As this is a Tap of the previous bond, it forms part of the same bond issue contract and shall pertain, to all intents and purposes, to a single series (collectively, the "Bonds") and the information memorandum in respect of them has been entered in the official registers of the Luxembourg stock market and they are listed on the Euro MTF Market.
    - Senior Unsecured bonds by Euro 500 million with a fixed annual coupon of 5.125%. The Group has the ownership of part of these bonds issued for an amount of Euro 47 million.
- Bonds issued upon formation of the joint venture of Euro 600 million with a fixed annual coupon of 5.75%, maturing in April 2029. Transaction costs of Euro 2.759 million were capitalised as part of the loan's amortised cost.

Current

At 31 December 2024, Euro 423,420 thousand correspond to promissory notes, as follow:

- Euro 272,600 thousand correspond to promissory notes issued by the Group through its subsidiary MásMóvil Ibercom S.A.U., all of them issued under the MARF program for a total amount of Euro 300 million. The notes have been issued at an average margin of 0.65% over Euribor (with a maturity at issuance typically between 1 and 3 months).
- Euro 155,100 thousand correspond to the promissory notes program issued by the Group through its subsidiary Euskaltel, S.A.U., all of them issued under the MARF program for a total amount of Euro 200 million. The notes have been issued at an average margin of 0.65% over Euribor (with a maturity at issuance typically between 1 and 3 months).

As at 31 December 2024, Euro 114,886 thousand correspond to interest accrued on the bonds issued and other bank loans.

12.6 Derivatives

The Group has the following derivative financial instruments in the following line items in the statement of financial position:

(in thousands of euros)	31 December 2024	31 December 2023
Current assets		
Interest rate swaps – cash flow hedges	18,092	-
Total current derivative financial instrument assets	**18,092**	**-**
Non-current assets		
Call option Bidasoa	16,800	-
Total non-current derivative financial instrument assets	**16,800**	**-**
Current liabilities		
Interest rate swaps – cash flow hedges	8,490	-
Total current derivative financial instrument liabilities	**8,490**	**-**
Non-current liabilities		
Interest rate swaps – cash flow hedges	83,762	-
Total non-current derivative financial instrument liabilities	**83,762**	**-**

Interest rate swaps

The main purpose of the Group's cash flow hedges is to switch floating-rate debt to fixed-rate debt and to a lesser extent to cover the currency risk.

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as "held for trading" for accounting purposes and are accounted for at fair value through profit or loss.

The method used to estimate the fair value of these derivative financial instruments is detailed in Note 14.2.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and hedging instrument.

The Group enters into interest rate swaps that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The Group does not hedge 100% of its loans, therefore the hedged item is identified as a proportion of the outstanding loans up to the notional amount of the swaps. As all critical terms matched during the year, there is an economic relationship.

The Group performs a qualitative assessment of effectiveness. If changes in circumstances affect the terms of the hedged item the Group uses the hypothetical derivative method to assess effectiveness.

Hedge ineffectiveness in relation to the interest rate swaps amount to Euro 13,174 thousand in 2024.

Bidasoa call option

At the time of acquisition of the 49% shareholding in Bidasoa TopCo, in July 2022 (see Note 10.1) contributed by MásMóvil Group, the Group was granted a call option to purchase the remaining shares of Bidasoa TopCo five years after the agreement´s effective date. This option can be exercised over a six-month period and is priced variably based on the business plan's performance. Details on the valuation method used to estimate the fair value of this call option can be found in Note 14.

Accounting policies

Derivatives and hedging activities

Derivatives are initially recorded at fair value on the date the contract is established and are subsequently remeasured to fair value at the end of each reporting period. The accounting treatment for these changes in fair value depends on whether the derivative is designated as a hedging instrument and the type of item being hedged. The Group classifies certain derivatives as either:

- Fair value hedges, which hedge the fair value of recognised assets, liabilities, or firm commitments.

- Cash flow hedges, which hedge specific risks associated with the cash flows of recognised assets, liabilities, and highly probable forecast transactions.

At the beginning of a hedge relationship, the Group documents the economic relationship between the hedging instruments and the hedged items, ensuring that changes in cash flows of the hedging instruments are expected to offset changes in the cash flows of the hedged items. The Group also documents its risk management objectives and strategy for entering into hedge transactions.

The full fair value of hedging derivatives is classified as a non-current asset or liability if the hedged item has more than 12 months remaining until maturity. It is classified as a current asset or liability if the remaining maturity of the hedged item is less than 12 months. Trading derivatives are always classified as current assets or liabilities.

Cash flow hedges qualifying for hedge accounting

The effective portion of the change in fair value of derivatives designated and qualifying as cash flow hedges is recognised in the cash flow hedge reserve within equity. Any gain or loss related to the ineffective portion is recognised immediately in profit or loss under finance income or expense. When option contracts are used to hedge forecast transactions, the Group designates only the intrinsic value of the options as the hedging instrument. Gains or losses from the effective portion of changes in the intrinsic value of the options are recognised in the cash flow hedge reserve within equity, while changes in the time value of the options related to the hedged item are recognised within Other Comprehensive Income (OCI) in the costs of hedging reserve within equity.

Amounts accumulated in equity are reclassified in the periods when the hedged item impacts profit or loss, as follows:

- When the hedged item leads to the recognition of a non-financial asset, both deferred hedging gains or losses and the deferred time value of option contracts or deferred forward points, if any, are included in the initial cost of the asset. These deferred amounts are eventually recognised in profit or loss as the hedged item affects profit or loss (e.g., via cost of sales).

- Gains or losses from the effective portion of interest rate swaps hedging variable rate borrowings are recognised in profit or loss within finance costs, coinciding with the interest expense on the hedged borrowings.

If a hedging instrument expires, is sold or terminated, or if a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity remain in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset such as inventory. If the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging reported in equity are immediately reclassified to profit or loss.

Derivatives not qualifying for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any such derivative instruments are recognised immediately in profit or loss and are included in other gains or losses.

Note 13 Information on market risk and fair value of financial assets and liabilities

The Group faces the following risks associated with the use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note provides details on the Group's exposure to each of these risks, as well as its strategies, policies, and procedures for measuring and managing them, including how it manages its capital.

Risk management framework

The Board of Directors holds ultimate responsibility for establishing and overseeing the Group's risk management framework. The Group's risk management policies are designed to identify and evaluate the risks it faces, define appropriate risk limits and controls, and ensure the management of risks and adherence to these limits. These policies and systems are regularly reviewed to accommodate changes in market conditions and the Group's activities. Through its management standards and procedures, the Group seeks to foster a disciplined and constructive control environment where all employees are aware of their roles and responsibilities.

The Group's comprehensive risk management program aims to minimise uncertainties in financial markets and mitigate potential negative impacts on the Group's financial performance. To manage specific risks, the Group uses derivatives as hedging instruments (see Note 12.6).

a) Credit risk

Credit risk refers to the potential financial loss the Group might incur if a client or counterparty of a financial instrument does not fulfill their contractual obligations. This risk primarily arises from trade receivables and investment instruments.

Exposure to credit risk

The maximum exposure to credit risk for loans and other receivables in the consolidated statement of financial position at the reporting date is as follows:

(in thousands of euros)	31 December 2024	31 December 2023
Non-current financial assets (Note 12.1)	9,362	-
Current financial assets (Note 12.1)	14,466	-
Trade and other receivables (Note 3.3) (*)	489,411	-
	513,239	**-**

(*) Excluding Other receivables from Public Administrations.

Trade and other receivables

The Group does not have significant credit risk concentrations and follows policies to ensure sales are made to customers with a suitable credit history. When the Group provides financing for terminal purchases, short-term accounts receivable is recorded under "Trade and other receivables," while long-term receivables are classified as "Other non-current financial assets".

The Group has policies to limit exposure to risk arising from trade receivables. Exposure to risk arising from the recovery of receivables is managed as part of its routine operations. Services are provided to customers with verified creditworthiness.

The Group has established formal procedures for identifying impairments in trade receivables. Using these procedures, the Group estimates default rates based on past customer insolvency experiences and records expected credit losses at the start. Impairment components include significant individual exposures and a collective loss component for similar asset groups concerning losses incurred but not yet identified.

Trade receivables are initially recorded at fair value, which aligns with their face value minus expected losses over their lifespan. There are no significant overdue receivables lacking loss allowances, and trade receivables from business combinations are recognised at market value, net of any associated loss allowances.

The Group is exposed to counterparty risk through its investments and derivatives. Therefore, it performs a strict selection of public, financial or industrial institutions in which it invests or with which it enters into derivative agreements. This selection takes particular note of the institutions' credit ratings.

b) Liquidity risk

Liquidity risk refers to the potential challenges the Group might face in fulfilling its financial obligations that require settlement in cash or other financial assets. To manage this risk, the Group adopts a strategy aimed at maintaining sufficient liquidity to meet its obligations as they become due, even under normal or adverse conditions, thereby avoiding unacceptable losses or reputational harm.

The Group implements a cautious approach to liquidity risk management by ensuring it has adequate cash reserves, marketable securities, and access to financing through credit facilities to cover its market positions. Due to the dynamic nature of its business operations, the Group's Finance Department strives for flexibility in financing by utilising drawdowns on existing credit lines as needed.

As of 31 December 2024, the Group's available cash resources totalled Euro 96 million, of which Euro 5 million are subject to cash restrictions. For the year 2024, the net cash generated from operating activities was positive, amounting to Euro 1,359 million.

By 31 December 2024, the Group had engaged in non-recourse accounts receivable sales contracts, transferring customer portfolios valued at Euro 292 million. These receivables have been derecognised because the associated risks and rewards have been transferred to the buyer.

As detailed in Note 4.6.2, the Group has entered into supplier finance arrangements with a finance providers which have enhanced the Group's working capital. The finance provider is financially sound, and the Group does not face significant liquidity risk concentration with these providers.

Below are the contractual maturities of the Group's financial liabilities, including estimated interest payments and excluding the effects of netting agreements:

(in thousands of euros)	31 December 2024							
	Carrying amount	**Contractual cash flows**	**Less than 1 year**	**More than 1 and less than 2 years**	**More than 2 and less than 3 years**	**More than 3 and less than 4 years**	**More than 4 and less than 5 years**	**More than 5 years**
Non-derivative								
Loans and bank borrowings (note 12.4)	8,749,887	8,957,404	1,088,313	765,009	3,081,259	3,759	3,759	4,015,305
Other payables	1,358,067	1,358,151	758,121	60,156	52,784	52,734	51,325	383,031
Lease liabilities (note 8.3)	1,467,522	1,590,218	261,089	251,639	237,301	204,512	156,137	479,540
Bonds and other financial liabilities (note 12.5)	3,868,548	3,918,373	468,373	-	2,350,000	-	1,100,000	-
Trade and other payables (note 4.6)	1,876,458	1,876,458	1,876,458	-	-	-	-	-
Total non-derivative	**17,320,482**	**17,700,604**	**4,452,354**	**1,076,804**	**5,721,344**	**261,005**	**1,311,221**	**4,877,876**
Derivatives								
Interest rate swaps – cash flow hedges	92,252	74,287	18,183	35,354	20,750	-	-	-
Total derivative	**92,252**	**74,287**	**18,183**	**35,354**	**20,750**	**-**	**-**	**-**

The table below shows the contractual maturities of the notional values of the interest rates swaps:

(thousand euro)	**31 December 2024 Notional value (*)**				
	2025	2026	2027	Subsequent years	Total
Interest rate swaps - cash flow hedges	1,000,000	-	6,080,500	-	7,080,500
(thousand euro)	**31 December 2023 Notional value (*)**				
	2024	2025	2026	Subsequent years	Total
Interest rate swaps - cash flow hedges	-	-	-	-	-

(*) The notional value is shown in the bucket according to the IRS contractual termination date.

c) Market risk

Market risk involves the potential for changes in market conditions, such as fluctuations in exchange rates or interest rates, to impact the Group's earnings or the valuation of its financial instruments. The objective of managing market risk is to keep these exposures within acceptable limits while also enhancing profitability.

The Group may engage in transactions involving its own bonds or other debt securities, including buying or selling them in the open market or through other means. These transactions could include tender offers, open market purchases and sales, negotiated deals, or other methods, potentially at prices below their face value. Such activities might involve a significant portion of the bonds or debt series, which could reduce the trading liquidity of that particular class or series.

Interest rate risk

The Group faces interest rate risk primarily from loans obtained from institutional investors and certain credit institutions that carry variable interest rates (refer to Note 12.4). This exposure means that fluctuations in interest rates, such as the Euribor, could affect the Group's future cash flows by increasing borrowing costs, thereby reducing the funds available for other business activities. Currently, the Group maintains a policy of low leverage with variable rates to manage this risk effectively.

To mitigate interest rate risk, the Group has entered into hedging arrangements (see Note 12.6). The breakdown of financial assets and liabilities subject to variable and fixed interest rates is as follows:

(in thousands of euros)	Net book value	
	31 December 2024	**31 December 2023**
Fixed-interest debt		
Financial assets	23,828	-
Financial liabilities	3,868,548	-
Variable-interests debt		
Financial liabilities	8,749,887	-

<u>Sensitivity analysis</u>

As of 31 December 2024, a 100-basis point ("bps") rise in interest rates, assuming all other variables remained unchanged, would have decreased the post-tax outcome by Euro 56,858 thousand, primarily due to the higher borrowing costs associated with variable-rate loans.

d) Capital management

The Group actively manages its capital structure and modifies it in response to shifts in economic conditions. To do this, the Directors evaluate and, when necessary, implement suitable policies concerning dividend distributions, self-financing investments, term loans, and other related strategies.

The primary goal of the Group's capital management is to ensure its ability to continue operating as a going concern and to promote sustainable growth, thereby delivering returns to shareholders while maintaining an optimal capital structure to minimise the cost of capital. Currently, the Group is focused on meeting the debt ratio requirements outlined in the financing arrangements detailed in Note 12.4.

Note 14 Fair value measurements

This note aims to provide a clear understanding of the significant judgments and assumptions employed in determining the fair value of assets and liabilities presented or disclosed in the consolidated financial statements.

14.1 Joint venture accounting

Fair value measurements are used in connection with non-recurring valuations performed in connection with acquisition accounting, the formation of the joint venture (Note 2.2) and impairment assessments.

All of our non-recurring valuations, except for third-party debt and derivatives, as further described below, use significant unobservable inputs and therefore fall under Level 3 of the fair value hierarchy.

The fair value calculation method for the main assets and liabilities of the acquired businesses have been performed with the participation of a third-party expert. The following sets forth the main inputs and methodology used for the primary non-recurring valuations performed related to certain assets and liabilities recognised upon formation of the joint venture (see Note 2.2):

- Customer relationships: the Group has identified customer relationships as a primary intangible asset. The fair value has been measured at the acquisition date, through segmentation by product (prepaid, post-paid, convergence packages), by brand and residential/business customers, using the Multi-Period Excess Earnings Method (MEEM). Under this method, an intangible asset's fair value is equal to the present value of the incremental after-tax cash flows (excess earnings) net of contributory asset charges, attributable solely to the intangible asset over its remaining useful life. The key parameters used in the measurement of this intangible were the attrition rate, gross monthly billing by user, contributory asset charges for convergence packages and for prepaid and post-paid expenses that are necessary to maintain the service, and a range of 5.6 and 6.1% discount rate.

- Tradenames: the tradenames (brands) are identifiable assets arising from contractual and/or other legal rights and are also separable assets. The tradenames owned by the Group whose fair value has been recognised are Jazztel, Simyo, Yoigo, MásMóvil, Pepephone, Euskaltel R and Telecable. The fair value of these intangible assets was calculated by applying the Relief from Royalty Method, the most significant parameters employed being a royalty of a range from 1.0% to 1.4% based on royalties observed in the sector, a range discount rate from 7.1% to 7.6% and a growth rate to perpetuity of 1.0%.
- Spectrum licences: the fair value of the spectrum licences has been analysed upon the market approach, performed market research for similar auctions that have occurred in Spain for each of the frequency bands owned by the Group, considering date placed in service ("DPIS") and useful estimated life ("UEL") to determine the expiration for each license. As part of the remedies package imposed by the European Commission, the Group will transfer the ownership of the rights of spectrum blocks of 60 MHz in the 1800 MHz, 2100 MHz and 3500 MHz bands (20 MHz each) to other Spanish operator. Consequently, these licenses are recognized as "Assets held for sale" in the balance sheet as of the valuation date (see Note 2.3).
- Property plant and equipment: the fair value of the fixed assets has been analysed by nature, using Replacement Cost less Depreciation (DRCN) valuation method for the most of them. The valuation took into account the reduction in the useful life of some assets, mainly the useful life of HFC network assets as result of the migration to an FTTH network, as well as the extension of the useful life of the FTTH network to aligned it to benchmark and market useful life.
- Cost of obtaining contracts with customers were written off as part of the purchase price allocation exercise. Sales commissions paid to third parties do not comply with the definition of an acquired asset in a business combination since they represent past outflows that are apportioned over time. Their value is implicitly embedded in the measurement of relationships with customers.
- Provisions: this line item mainly contains provisions for unfavourable and onerous contracts. Unfavourable contracts have been remeasured based on market conditions at the acquisition date; thus, meaning that the difference between the annual cost incurred for those contracts up to their completion date and the costs that would have been incurred by similar contracts under market conditions has been calculated (see Note 4.7.3). Onerous contracts are due to an overlapping of the footprint, as same customers can be served through others Group agreements (Indefeasible right of use (IRUs)) and with own footprint, therefore, there is no economic benefit to the contract from a consolidated joint venture perspective. Based on the cash flow approach, the value of the onerous contracts represents the overpayments that the Group has committed by contract (see Note 4.7.3).
- Loans and borrowings: this line item contains adjustments to recognise the fair value of the long-term borrowings previously acquired, which includes the derecognition of the financing costs received from third parties that were capitalised, since they do not qualify as a recognisable asset.
- Deferred tax assets and liabilities: these items have been estimated by applying the tax rate applicable to the joint venture created (25%) to the difference between the accounting basis and tax basis of the assets acquired and the liabilities assumed.
- Leases: the book value of lease liabilities for the joint venture is aligned with their fair value (that is, with the discounted expected lease payments using the incremental borrowing rate (IBR), as of the valuation date). Right of use assets are remeasured to an amount equal to the lease liability adjusted to reflect unfavourable lease terms in certain contracts.

- Equity investments: this line item reflects the total value of the investments in associates, accounted for using the equity method. This includes Xfera Consumer Finance and Data Center Euskadi, S.L., whose carrying amounts have been considered to be a reasonable representation of their fair value. For the equity method investment companies, Bidasoa TopCo and Uclés InfraCo, their fair values have been estimated via a discounted cash flow approach and adjusted by the call option book value.
- Assets held for sale: these have been stepped up to their fair value aligned with their estimated selling price less costs to sell.
- Grants: the fair value of grants was written-off to zero since they will not result in an actual future cash outflow.

Enterprise value

The fair value of Masorange at the time of its formation has been calculated using the discounted cash flows and market approach method, with comparable company multiples and transaction multiples as additional references. This valuation is based on Masorange's business plan for 2025-2027, which combines the individual business plans of Orange and MásMóvil for the same period, along with a synergy plan developed by the strategy teams of both companies. Below are the main variables considered for determining the fair value:

- Revenue: the valuation scenario anticipates growth rates between 0.4% and 7.3% throughout the plan period, aligning with analysts' estimates and supported by expected revenue synergies from the transaction.
- EBITDA Margin: the projected EBITDA is derived from individual plans, with a normalised margin of 29.3%.
- Synergies: the valuation scenario accounts for synergies based on management's analysis at the individual work stream level and benchmarked against analysts' estimates regarding their likelihood of realisation.
- The discount rate applied to the cash flow projections is the weighted average cost of capital (WACC), reflecting the expected return suitable for the anticipated risk level.

  A modified capital asset pricing model (CAPM) is used to estimate the required return on equity. The beta is relevered based on the joint venture's intrinsic leverage. Additionally, a specific premium or alpha is incorporated to account for additional risks.

  For the cost of debt, following the leverage assumptions, the joint venture's bonds have been analysed, and their spreads compared to a comparable risk-free rate (with a similar maturity, in the same currency, and issued in the same country to avoid distortions from country risk premiums). As interest on financial debt is tax-deductible, an after-tax return is used to calculate the cost of debt.

  The discount rate applied in the valuation ranges between 6.6% and 7.1%.
- Perpetuity growth rate: revenue from year 2027 onward is adjusted towards the long-term growth rate (g), considering analysts' consensus estimates for companies in the Spanish market, contrasted with long-term inflation estimates and the assumptions used by companies in the sector during impairment tests. The considered long-term growth rate is 1%.

14.2 Financial instruments

The carrying amounts of financial instruments classified by category are presented below.

Financial instruments measured at fair value

For those financial instruments measured at fair value, the fair value hierarchy levels are shown below.

31 December 2024

(in thousands of euros)	Note	Classification under IFRS 9 (1)	Carrying value	Estimated fair value	Level 1	Level 2	Level 3
Derivatives (assets)	**12.6**		**34,892**	**34,892**	**-**	**18,092**	**16,800**
Interest rate swaps – cash flow hedges		FVTPL	18,092	18,092	-	18,092	-
Call option Bidasoa		FVTPL	16,800	16,800	-	-	16,800
Derivatives (liabilities)	**12.6**		**92,252**	**92,252**	**-**	**92,252**	**-**
Interest rate swaps – cash flow hedges		FVTPL	**92,252**	**92,252**	-	92,252	-

(1) "FVTPL" stands for "fair value through profit or loss". Derivatives are shown in the table as instruments at FVTPL, without prejudice to the fact that when they are designated and qualify as part of a hedging relationship, the changes may be recorded in OCI.

Derivatives

We use the fair value method to measure our derivative instruments for financial reporting purposes (Note 12.6). Fair values reported in our financial statements are based on market data and assumptions about future market conditions as of 31 December 2024. Due to the inherent uncertainty in predicting future market movements, the actual amounts we will ultimately pay or receive upon settlement or disposal of these derivatives may differ from the reported fair values, considering that the values of these instruments are inherently tied to future market performance, which is subject to fluctuations.

Interest rate swaps

The fair value for the interest rate swaps is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the Group and of the counterparty. This is calculated based on credit spreads derived from current credit default swap or bond prices.

They are classified as level 2 fair values in the fair value hierarchy due to the use of observable inputs (note 12.6).

Bidasoa call option

The valuation technique used to measure the fair value for the call option Bidasoa considers, among others, the present value of the expected future payments, discounted using a risk-adjusted discount rate. The fair value of this call option was categorised as level 3 since the fair value was determined based on unobservable inputs.

Financial instruments not measured at fair value

For those financial instruments not measured at fair value, for which fair value disclosures are presented, the fair value hierarchy levels are as follows.

31 December 2024 (in thousands of euros)	Note	Classification under IFRS 9	Carrying value	Estimated fair value	Level 1	Level 2	Level 3
Trade receivables		AC	**489,411**	**-**	**-**	**-**	**-**
Financial assets			**23,828**	**24,751**	**-**	**651**	**24,100**
Loans receivable		AC	23,075	23,998	-	-	23,998
Other investments		AC	753	753	-	651	102
Cash and cash equivalents			**96,061**	**-**	**-**	**-**	**-**
Trade and other payables			**3,093,192**	**1,435,004**	**-**	**-**	**1,435,004**
Trade payables	4.6	AC	1,745,770	-	-	-	-
Fixed assets payables	7.5	AC	1,347,422	1,435,004	-	-	1,435,004
Financial liabilities	**12**		**12,629,080**	**12,719,017**	**3,499,670**	**9,219,347**	**-**
Loans and borrowings	12.4	AC	8,754,687	8,754,687	-	8,754,687	-
Bonds	12.5	AC	3,438,093	3,499,670	3,499,670	-	-
Other financial liabilities	12.5	AC	436,300	464,660	-	464,660	-
Lease liabilities	**8.3**	**AC**	**1,467,522**	**-**	-	-	**-**
Other liabilities	**4.6**		**96,848**	**87,778**	-	-	**87,778**
Other current liabilities		AC	13,250	-	-	-	-
Other non-current liabilities		AC	83,598	87,778	-	-	87,778

(1)"AC" stands for "amortised cost".

Trade receivables

The fair values of Trade and other receivables do not materially differ from their carrying amounts since they have a short-term nature.

Loans receivable

For the majority of the loans receivable, the fair values are not materially different from their carrying amounts, since the interest receivable on those financial assets is either close to current market rates or the assets are of a short-term nature.

The fair values for the loans receivable disclosed above were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

Trade and other payables

The fair values of Trade payables do not materially differ from their carrying amounts since they have a short-term nature.

The fair value for fixed assets payables which includes payables to asset suppliers, were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy.

Loans and borrowings

For the short-term financial liabilities, their fair values are not materially different from their carrying amounts.

Non-current loans and borrowings mainly include the TLA and TLB which have a variable interest rate. The fair values have been estimated as the present value of expected payments discounted using a risk-adjusted discount rate. They are classified as level 2 fair values in the fair value hierarchy due to the use of observable inputs.

Bonds

The bonds recorded under other non-current financial liabilities are listed on the Luxembourg Euro MTF Market, and the fair value is based on their respective quoted market prices at the reporting date. They are classified as level 1 fair values in the fair value hierarchy due to the use of observable inputs.

Other liabilities

The fair value of other liabilities were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the consideration of unobservable inputs.

Accounting policies

The Group's accounting and disclosure policies involve determining the fair value of financial and non-financial assets and liabilities, supported by a control framework. Designated personnel oversee these fair value calculations and report directly to management. These employees regularly review significant unobservable inputs and valuation adjustments. When using third-party information, such as pricing services or broker quotes, the valuation team ensures compliance with IFRS and determines the appropriate fair value hierarchy level.

The fair value measurements are based on observable market data whenever possible and are classified into three levels of the fair value hierarchy:

- Level 1: Instruments traded in active markets, like publicly traded derivatives and equity securities, are valued using quoted market prices. These prices reflect market assumptions, including changes in economic factors and ESG risks.
- Level 2: Instruments not traded in active markets, such as over-the-counter derivatives, are valued using techniques that maximise observable market data and minimise reliance on Company-specific estimates.
- Level 3: Instruments with significant inputs not based on observable data, such as unlisted equity securities or those with significant ESG risk adjustments, are included here.

When inputs for fair value measurement span different levels, the measurement is categorised entirely based on the lowest-level significant input. Transfers between hierarchy levels are recognised at the end of the reporting period in which they occur.

Note 15 Equity

At 31 December 2024, the Company's share capital consists of 500 million fully-paid ordinary shares with a par value of Euro 1 each. They all carry the same voting and dividend rights. The shares are subject to transfer restrictions as they are pledged as collateral in a financing agreement.

The holders of the shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

At 31 December 2024, the Company´s shares are held by Lorca MidCo Limited and Orange Participations UK in a 50:50 ratio.

15.1 Changes in share capital

No new shares were issued during the year ended 2024 except for those to effect the formation of the joint venture.

15.2 Share premium

The share premium amounts to Euro 6,654,363 thousand and originates from the non-monetary contributions received during the formation of the joint venture. The share premium is not subject to distribution restrictions.

15.3 Other reserves

Cash flow hedge reserve

The cash flow hedge reserve is recorded within retained earnings and is used to recognise gains or losses on derivatives designated as cash flow hedges.

Legal reserve

Article 274 of the Spanish Companies Act mandates that 10% of annual profits shall be allocated to a legal reserve until it reaches 20% of share capital. This reserve cannot be distributed and must be replenished if used for losses. As of 31 December 2024, the legal reserve has not met the legal minimum requirement.

15.4 Proposed distribution of results of the Parent Company

Masorange incurred a loss of Euro 2,393 thousand for the year ended 31 December 2024. The Company's Board of Directors will propose at the shareholders' meeting that these losses be allocated to accumulated losses from prior periods.

Note 16 Unrecognised contractual commitments

Financing commitments

The Group's main commitments related to financing facilities are set out in Note 12.4.

Masorange has pledged (or given as guarantees) certain investment securities and other assets to financial lending institutions or used them as collateral to cover bank loans and credit facilities.

Assets covered by commitments

At 31 December 2024, there are no tangible or intangible assets whose title is restricted, nor are there any tangible and intangible assets pledged as security for liabilities.

Note 17 Guarantees and contingencies

In addition to the guarantees mentioned in Note 16, as of 31 December 2024, the Group has guarantees in place to secure commitments totalling Euro 150,667 thousand. These guarantees are primarily related to corporate operations, property leases, business agreements, various appeals against settlements by local governments and other public administrations.

The Company's Directors do not believe there are any significant risks associated with the guarantees provided. Additionally, the Directors consider that there are no other potential significant lawsuits that could result in liability for the Group.

Note 18 Subsequent events

FibreCo Project

As of 2 January 2025, the Group with other Spanish telecommunications operator (the "Strategic Partners") have signed a binding agreement to create, along with a financial investor yet to be determined, a non-full function joint venture to combine and manage part of the fixed network operations of both Strategic Partners (FibreCo Project).

The joint venture will provide access services (bitstream) exclusively to the Strategic Partners, who, in turn, will be able to freely market to their retail and wholesale customers.

The FibreCo Project involves the strategic partners contributing part of their infrastructure businesses and assets to a new entity (FibreCo) over which the Group, jointly with the other Spanish telecommunications operator and the financial investors, will have joint control. Masorange's contribution will mainly consist of a significant portion of the FTTH network, which includes the corresponding assets, contracts, liabilities and employees and certain usage rights of use over the HFC network (the, “Masorange Perimeter Businesses”). The contribution will be made through the transfer of shares, by way of “a shareholder’s contribution in kind”, to the FibreCo of Bidasoa Topco and those companies that results from the full demerger of MásMóvil Broadband, S.A.U. (MMBB) and Orange España Comunicaciones Fijas, S.L.U. (OSFI), to separate the businesses contributed to the FibreCo Project from those remaining within the Masorange Group.

Simultaneously with the contribution, a series of agreements will be signed between Masorange and FibreCo for the provision of bitstream services, infrastructure O&M services, as well as certain rights of use over the broadband network and civil infrastructure.

This operation is expected to be completed during the first half of 2025.

As previously mentioned, at the approval of these consolidated financial statements both strategic partners are in the process of select and determine the financial investor to be incorporated to the FibreCo Project. Additionally, relevant approvals from the different authorities are still pending to be obtained at 31 December 2024. Considering the status of the project, the progress of the approval process and the existing uncertainties at the reporting date, the Group considered that the relevant requirements to classify and measure the operations as a disposal group held for sale were not met at 31 December 2024.

Acquisition of control of Bidasoa TopCo

As of 2 January 2025, the Group, through its subsidiary Euskaltel, has signed an agreement to acquire the remaining 51% of the share capital of Bidasoa TopCo. The execution of the agreement is subject to certain preconditions, such as regulatory approvals (foreign direct investment -FDI- approval by the Council of Ministers of Spain) and the completion of the FibreCo Project. Given that the aforementioned preconditions and regulatory approvals were still pending as of 31 December 2024, the Group concluded that it does not meet the necessary requirements to control Bidasoa TopCo and, therefore, cannot consolidate the investment using the full consolidation method. Furthermore, the investment cannot be classified and measured as an asset held for sale.

Government grants

During January 2025 the Group received non-refundable government grants for an amount of Euro 59,060 thousand under the *"UNICO Redes Activas" program (Plan de Recuperación, Transformación y Resiliencia)”*. This program aims to support the development of rural 5G infrastructures in Spain.

Debt repricing

During March 2025, long-term bullet debt (TLBs) was repriced, reducing the spread from 3.50% to 2.75%. As a result, TLB2, TLB3 and TLB4 have been redesignated as TLB5 for a total amount of Euro 4.3 billion with maturity in March 2031. As part of this redesignation, the cross-currency swap has been cancelled.

Promissory notes

Within the promissory note program, through the subsidiary MásMóvil Ibercom, S.A.U., the Group has registered in the Alternative Investment Market the renewal of Euro 152,000 thousand during January to 15 March 2025 and promissory notes amounting to Euro 155,600 thousand have been cancelled.

Furthermore, within the promissory note program through the subsidiary Euskaltel, S.A.U., the Group has registered in the Alternative Fixed Income Market (MARF) the renewal of Euro 79,100 thousand during January to 15 March 2025 and promissory notes amounting to Euro 105,500 thousand have been cancelled. Additionally, in March 2025, Euskaltel S.A. promissory note program has been renewed.

Sale of associate - Xfera Consumer Finance

On 6 March 2025, the Group, through its subsidiary Xfera Móviles, S.A.U., has signed an agreement with a third party to sell the shares related to its 49% investment in Xfera Consumer Finance, Establecimiento Financiero de Crédito, S.A. by Euro 10 million. Additionally, on the same date, the Group has signed an amendment with the same third party to increase the agreement for sales of receivables to all the brands of the Group.

Note 19 Auditors' fees

The fees for services provided by the audit firm KPMG Auditores, S.L. for the audit of the Group's annual accounts for the financial year ended 31 December 2024, irrespective of the invoice dates, are as follows:

(in thousands of euros)	31 December 2024	31 December 2023
Audit services	1,522	-
Other assurance services	52	-
Other services	61	-
Total	**1,635**	**-**

The amounts included in the previous table include all fees related to services rendered during the year 2024, regardless of the timing of their invoicing.

Additionally, the fees for services provided by other entities affiliated to KPMG International for the audit of the Group's annual accounts for the financial year ended 31 December 2024, irrespective of the invoice dates, are as follows:

(in thousands of euros)	31 December 2024	31 December 2023
Audit services	107	-
Total	**107**	**-**

Appendix I

The following table outlines the companies comprising the Masorange Group as of 31 December 2024, in addition to the main investments accounted for using the equity method. It includes the company name, corporate purpose, country of operation, auditor, Masorange Group's ownership percentage, the particular company or companies through which the Group maintains its stake, and the consolidation method.

The main changes in the scope of consolidation in 2024 are detailed in Note 2.2.

Name	Registered office	Activity	Auditor	Shareholder	Percentage ownership	Percentage of voting rights	Consolidation method
Masorange, S.L.	Parque Empresarial La Finca, Paseo del Club Deportivo, 1, Edificio 7, 28223 Pozuelo de Alarcón (Madrid)	Holding company	-	Lorca JVCo Limited	100%	100%	Global
Masorange HoldCo Limited	1 Bartholomew Lane, London, England, EC2N 2AX	Holding company	KPMG	Lorca JVCo Limited	100%	100%	Global
Lorca Co-Borrower L.L.C	251 Little Falls Drive.19808 Wilmington, Delaware. USA	Holding company	-	Lorca Telecom BidCo, S.L.U..	100%	100%	Global
Lorca Telecom BidCo, S.L.U..	Parque Empresarial La Finca, Paseo del Club Deportivo, 1, Edificio 7, 28223 Pozuelo de Alarcón (Madrid)	Activities and services in the field of telecommunications	KPMG	Lorca Telecom BidCo, S.L.U..	100%	100%	Global
Lorca Telecom BondCo, S.A.U.	Parque Empresarial La Finca, Paseo del Club Deportivo, 1, Edificio 7, 28223 Pozuelo de Alarcón (Madrid)	Development of financing activities	KPMG	Lorca Telecom BidCo, S.L.U..	100%	100%	Global
Masorange FinCo PLC	1 Bartholomew Lane, London, England, EC2N 2AX	Development of financing activities	KPMG	Lorca Telecom BidCo, S.L.U..	100%	100%	Global
Orange Espagne, S.A.U.	Parque Empresarial La Finca, Paseo del Club Deportivo, 1, Edificio 7, 28223 Pozuelo de Alarcón (Madrid)	Activities and services in the field of telecommunications	KPMG	Lorca Telecom BidCo, S.L.U..	100%	100%	Global
Orange Espagne Distribución, S.A.	Parque Empresarial La Finca, Paseo del Club Deportivo, 1, Edificio 7, 28223 Pozuelo de Alarcón (Madrid)	Activities and services in the field of telecommunications	KPMG	Orange Espagne, S.A.U.	100%	100%	Global
Inversiones en telecomunicaciones, F.C.R.	Parque Empresarial La Finca, Paseo del Club Deportivo, 1, Edificio 7, 28223 Pozuelo de Alarcón (Madrid)	Activities and services in the field of telecommunications	-	Orange Espagne, S.A.U.	66,67%	66,67%	Global
Orange Mediación de Seguros, S.L.	Parque Empresarial La Finca, Paseo del Club Deportivo, 1, Edificio 7, 28223 Pozuelo de Alarcón (Madrid)	Insurance distribution	-	Orange Espagne, S.A.U.	100%	100%	Global
Orange España Servicios de Telemarketing, S.A.U.	Parque Empresarial La Finca, Paseo del Club Deportivo, 1, Edificio 7, 28223 Pozuelo de Alarcón (Madrid)	Activities and services in the field of telemarketing	KPMG	Orange Espagne, S.A.U.	100%	100%	Global
Orange España Virtual, S.A.	Parque Empresarial La Finca, Paseo del Club Deportivo, 1, Edificio 7, 28223 Pozuelo de Alarcón (Madrid)	Activities and services in the field of telecommunications	KPMG	Orange Espagne, S.A.U.	100%	100%	Global

Name	Registered office	Activity	Auditor	Shareholder	Percentage ownership	Percentage of voting rights	Consolidation method
Jazzplat Colombia, S.A.S.	Cra 56 No 9 - 09 piso 3 Edif. BOG-Américas. Bogotá, Colombia.	Contact Center services	-	Orange Espagne, S.A.U.	100%	100%	Global
Jazzplat España, S.L.U.	Parque Empresarial La Finca, Paseo del Club Deportivo, 1, Edificio 7, 28223 Pozuelo de Alarcón (Madrid)	Contact Center services	KPMG	Orange Espagne, S.A.U.	100%	100%	Global
Orange Spain Cominucaciones Fijas, S.L.	Parque Empresarial La Finca, Paseo del Club Deportivo, 1, Edificio 7, 28223 Pozuelo de Alarcón (Madrid)	Activities and services in the field of telecommunications	KPMG	Orange Espagne, S.A.U.	100%	100%	Global
Suma Operador de Telecomunicaciones, S.L.	Parque Empresarial La Finca, Paseo del Club Deportivo, 1, Edificio 7, 28223 Pozuelo de Alarcón (Madrid)	Activities and services in the field of telecommunications	KPMG	Orange Espagne, S.A.U.	100%	100%	Global
Másmóvil Ibercom, S.A.U.	Parque Empresarial Zuatzu, Edificio Easo, 2da planta (Guipúzcoa) San Sebastián	Development of activities and services in the field of telecommunications	KPMG	Lorca Telecom BidCo, S.L.U..	100%	100%	Global
Xfera Móviles, S.A.U.	Parque Empresarial La Finca, Paseo del Club Deportivo, 1, Edificio 7, 28223 Pozuelo de Alarcón (Madrid)	Activities and services in the field of telecommunications	KPMG	MásMóvil Ibercom, S.A.	100%	100%	Global
Másmóvil Broadband, S.A.U.	Parque Empresarial La Finca, Paseo del Club Deportivo, 1, Edificio 7, 28223 Pozuelo de Alarcón (Madrid)	Activities and services in the field of telecommunications	KPMG	Xfera Móviles, S.A.U.	100%	100%	Global
Xtra Telecom, S.A.U.	Parque Empresarial La Finca, Paseo del Club Deportivo, 1, Edificio 7, 28223 Pozuelo de Alarcón (Madrid)	Activities and services in the field of telecommunications	KPMG	Xfera Móviles, S.A.U.	100%	100%	Global
Embou Nuevas Tecnologías, S.L.U.	Calle Bari 33, Edificio 1, 2 planta, Zaragoza (Zaragoza)	Consultancy and business advisory services in the field of telecommunications and new technologies	KPMG	Xfera Móviles, S.A.U.	100%	100%	Global
Pepeworld, S.L.U.	Parque Empresarial La Finca, Paseo del Club Deportivo, 1, Edificio 7, 28223 Pozuelo de Alarcón (Madrid)	Holding company	-	Xfera Móviles, S.A.U.	100%	100%	Global
Pepe Energy, S.L.U.	Parque Empresarial La Finca, Paseo del Club Deportivo, 1, Edificio 7, 28223 Pozuelo de Alarcón (Madrid)	Electricity supply	-	Pepe World, S.L.U. y Xfera Móviles, S.A.U.	100%	100%	Global
Pepemobile, S.L.U.	Parque Empresarial La Finca, Paseo del Club Deportivo, 1, Edificio 7, 28223 Pozuelo de Alarcón (Madrid)	Telecommunications services; IT services; development, sale and distribution of IT programs and materials	KPMG	Pepe World, S.L.U. y Xfera Móviles, S.A.U.	100%	100%	Global
The Bymovil Spain, S.L.U.	Polígono Mies de Molladar D-9. Cartes (Cantabria)	Marketing and selling of electrical, electronic and telephone materials	KPMG	Xfera Móviles, S.A.U.	100%	100%	Global
Senior Telecomunicaciones y Servicios Avanzados S.L.	Calle María Tubau 8. Madrid	Provision and / or commercialization of telemedicine services and / or assistance	-	Xfera Móviles, S.A.U.	82%	82%	Global

Name	Registered office	Activity	Auditor	Shareholder	Percentage ownership	Percentage of voting rights	Consolidation method
Guuk Telecom, S.A.U.	Parque Empresarial Zuatzu, Edificio Easo, 2da planta Nº 8 (Guipúzcoa) San Sebastián	Activities and services in the field of telecommunications	-	Xfera Móviles, S.A.U.	100%	100%	Global
Spotting Developments, S.L.U.	Calle Ramon y Cajal 2. Las Rozas de Madrid, (Madrid)	Activities and services in the field of telecommunications	-	Xfera Móviles, S.A.U.	100%	100%	Global
Xfera Consumer Finance Establecimiento Financiero de Crédito, S.A.	Calle Retama 3. Madrid	Personal loans and credits	Mazars	Xfera Móviles, S.A.U.	49,00%	49,00%	Equity method
Spotting Brands Technologies, S.L.U.	Parque Empresarial La Finca, Paseo del Club Deportivo, 1, Edificio 7, 28223 Pozuelo de Alarcón (Madrid)	Telecommunications services	-	Xfera Móviles, S.A.U.	100%	100%	Global
Ahimas Sur, S.L.	Las Rozas de Madrid (Madrid)	Telecommunications services	-	Spotting Brands Technologies, S.L.	100%	100%	Global
SPF Franquicia Tarifa,S.L.U.	Las Rozas de Madrid (Madrid)	Activities and services in the field of telecommunications	-	Spotting Brands Technologies, S.L.	100%	100%	Global
Energía Colectiva, S.L.U.	Calle Joan D'austria, 28 - ptas 3 Y 4, Valencia, (Valencia)	Electricity supply	KPMG	Xfera Móviles, S.A.U.	100%	100%	Global
Uclés InfraCo, S.L.	Camino Cerro de los Gamos, 1, Pozuelo de Alarcon, 28224, Madrid	Activities and services in the field of telecommunications	PwC	Másmóvil Broadband, S.A.	49,90%	49,90%	Equity method
Comlocal, S.L.	Parque Empresarial La Finca, Paseo del Club Deportivo, 1, Edificio 7, 28223 Pozuelo de Alarcón (Madrid)	Activities and services in the field of telecommunications	-	Xfera Móviles, S.A.U.	100%	100%	Global
Solucions Valencianes i Noves Tecnologies, SL	Calle Mallorca, parcela C1, Despacho 106 P.I. La Reva , Ribarroja del Turia 46190 (Valencia)	Activities and services in the field of telecommunications	-	Comlocal, S.L.	100%	100%	Global
Kaixo BondCo Telecom, S.A.U.	Parque Empresarial La Finca, Paseo del Club Deportivo, 1, Edificio 7, 28223 Pozuelo de Alarcón (Madrid)	Development of financing activities	KPMG	Lorca Telecom BidCo, S.L.U.	100%	100%	Global
Kaixo Telecom, S.A.U.	Parque Empresarial Zuatzu (San Sebastián)	Activities and services in the field of telecommunications	-	MásMóvil Ibercom, S.A.	100%	100%	Global
MásMóvil Mediación de Seguros S.L.	Parque Empresarial La Finca, Paseo del Club Deportivo, 1, Edificio 7, 28223 Pozuelo de Alarcón (Madrid)	Insurance distribution	-	Xfera Móviles, S.A.U.	100%	100%	Global
Euskaltel, S.A.U.	CL Tecnológico, Derio (Bilbao)	Activities and services in the field of telecommunications	KPMG	Kaixo Telecom, S.A.	100%	100%	Global
R Cable y Telecable Telecomunicaciones S.A.U.	Calle Real 85 (La Coruña)	Activities and services in the field of telecommunications	KPMG	Euskaltel, S.A.U.	100%	100%	Global
Bidasoa TopCo S.A.	Calle Gran via Diego Lopez de Haro 41-1, Bilbao, Bizkaia	Activities and services in the field of telecommunications	KPMG	Euskaltel, S.A.U.	49%	49%	Equity method
Masbusinessinnovations, S.L.	Parque tecnológico Elkartea, edificio 80 (Derio)	Activities and services in the field of telecommunications	-	Euskaltel, S.A.U.	100%	100%	Global
Data Center Euskadi, S.L.	Plaza Pío Baroja 3, 1º, 48001, Bilbao (Bizkaia)	Activities and services in the field of telecommunications	-	Euskaltel, S.A.U.	21,25%	21,25%	Equity method

Consolidated management report 2024

FAIR PRESENTATION OF THE BUSINESS

MASORANGE is the result of the 50:50 joint venture that was created on 26 March 2024 between Lorca (former MásMóvil Group) and Orange. The joint venture was formed following the approval of the European Commission and the different national competent authorities. Lorca Midco Ltd contributed 100% of the telecommunications business of the Lorca Group in Spain and Orange Participations UK Ltd contributed the entire telecommunications business of the Orange Group, S.A. in Spain. As a result, Masorange takes the form of a 50:50 joint venture co-controlled by Lorca and Orange, and both parties enjoy equal governance rights.

During the 2024 financial year, the Group, as a result of the formation of the aforementioned joint venture, has consolidated its position as the leading operator in the telecommunications sector in terms of number of customers in Spain. This management report outlines the Group's activities during 2024.

Economic environment

In Spain, the economic context of 2024 reflected a certain dynamism, marked by the slowdown in inflation, as well as an increase in national GDP, which grew by 3.2% despite the ongoing armed conflicts in Ukraine and the Middle East.

Employment progressed favourably, reaching record highs, partly due to the contribution of stable domestic demand. In annual terms, the unemployment rate fell to 10.61% in December (Labour Force Survey - LFS).

Regarding the European Central Bank (ECB)'s monetary policy, it has been marked by the reduction of interest rates to below 3%, and rates are expected to decrease throughout 2025, mainly as a result of a policy of progressively moderating the inflation rate.

As for the telecommunications sector, the Spanish market has not benefited from this dynamism and remains flat, mainly due to increasing competitive pressure in the residential sector, especially in the low-cost segment. Revenue generation capacity is a fundamental pillar of the industry, requiring high levels of investment. In this context, the Group's strategy in 2024 has focused on consolidating itself as the new leader in the sector in Spain. The formation of the joint venture has made it possible to identify synergies that will bring significant savings and optimisations, estimated at 500 million euros from the third year onwards. The commitment to digital development and industry growth is reflected in the significant investment made by the Group during 2024 and in its plans for future investment. This investment is based on the deployment of improved XGSPON-based broadband connections with speeds of up to 10Gbps and the creation of services around 5G-SA networks, which allow for lower latency and higher speeds.

Commercial information

As a result of the aforementioned joint venture, the new leader in telecommunications in Spain by number of customers was created, with more than 38.9 million lines, of which approximately 25.8 million are mobile, 7.1 million are fixed broadband and 6 million are M2M lines, marking a milestone in our country and opening a new stage in the telecommunications sector, both nationally and at European level.

Fixed broadband services continued to grow, driven mainly by the residential market and the development of ultra-fast FTTH broadband networks to the detriment of xDSL technology over copper pairs; while the commercialisation of converged service packages (fixed and mobile communications) with higher capacities and speeds was further consolidated, reaching a 38% market share.

The Spanish market continues to be enormously competitive. Nearly 7.2 million users changed their fixed or mobile phone provider in Spain during 2024 thanks to portability, the regulated procedure that allows you to switch from one operator to another for free and keeping the number.

The Group also has an ambitious industrial plan that will have a dynamic and multiplying effect on the Spanish economy. The Group currently has more than 31 million marketable homes with its fibre optic offer, a 4G mobile network that reaches close to 100% of the Spanish population, and more than 90% of the country's homes and businesses also have the new 5G technology, with coverage in more than 3,700 municipalities.

Moreover, we have already started the project to modernise our mobile infrastructure and make it the first technologically advanced 5G Open RAN mobile network in Europe and we are working to create the largest, most modern, innovative and sustainable FibreCo in Europe to offer the best quality fibre optics for the benefit of Spanish customers.

Technical information

Network

During 2024, the Group continued its plan to consolidate and optimise its networks and in their technological evolution, such as the development of the 5G SA network, as well as the progressive dismantling of plants with obsolete ADSL technology and the commitment to cybersecurity obligations.

The Group continues to promote the deployment of new technologies, such as 5G and XGSPON, to ensure the improvement of the quality of fixed and mobile telecommunications services provided in the Spanish market. During 2024, the FTTH network footprint deployed by the Group was expanded to 18 million building units. Consequently, this footprint, combined with the footprint arising from wholesale agreements with other operators, represents a global coverage for the Group of 31.3 million building units. In addition, the Group continues to focus on the deployment of capacity in CTOs and optical headends, and on XGSPON technology, currently available in 1.5 million homes.

Since the massive implementation of FTTH has provided superior technology to the previous technology (ADSL), enabling speeds of up to 10Gbps with XGSPON, and for the sake of greater efficiency and quality of service, the Group has decommissioned 550 copper plants during 2024 (666 cumulative) and plans to close another 660 plants in 2025, significantly reducing energy consumption.

Therefore, the Group's deployed FTTH footprint and full coverage, together with the launch of the first router device equipped with WiFi 7 that allows a clear increase in achievable speeds (x3) and a greater number of wirelessly connected devices, has resulted in substantial benefits for the Group's customers.

In relation to mobile networks, the Group has deployed approximately 4,669 5G nodes (18,119 cumulative), including approximately 1,543 nodes in the 3.5GHz high band (3,682 cumulative). These deployments represent a significant increase in 5G coverage, reaching 88.4% of the Spanish population. In rural areas, 51% coverage has been achieved in terms of population. Thanks to these investments, the Group's customers have benefited directly through better coverage, higher quality services and more innovative services.

Within the technological evolution plans of the current networks currently in place, the following should be highlighted:

- Network Virtualization, where the Group has been the first operator worldwide to have an implementation with productive applications of the solution of the OpenSource Sylva project (of the Linux Foundation), which aspires to become a de-facto standard for this type of solutions in telecommunications operators, while at the same time standardising the way of managing the life cycle of network functions of different Vendors, streamlining operations, and reducing network operational complexity.

- Autonomous networks, where progress is being made and helped in the process of network integration, which has significantly increased the volume of automated configurations on network equipment.

- Network as a Service (Network-as-a-Service), through which progress has been made in the program of exposure of APIs such as Device Swap and KYC (Know Your Customer) with the aim of generating business models that allow network operators to offer and expose the services and capabilities of their network in a similar way to cloud services.

On the other hand, the Group continues to carry out the technological evolutions of the first commercial 5G Stand

Alone (5G SA) network in Spain, advancing in the deployment of slicing and VoNR technologies:

- Network slicing allows you to create multiple independent virtual networks on top of the same 5G network physical infrastructure. The Group has implemented this technology according to the plan planned for both the B2C and B2B segments. In the B2C segment, the first mass event with Network Slicing-based traffic prioritisation was launched at Madcool in July 2024, and in the B2B segment, the first private 5G SA network was delivered to the Port of Barcelona in July 2024, and the first private network with network slices for Basqueccam in December 2024.

- VoNR (Voice over New Radio) is the technology that allows voice calls to be made over 5G networks natively, without employing any fallback mechanism to older technology networks. This technology enables faster call establishment, better voice quality, rich communication services, and the ability to use 5G NR capabilities simultaneously with the voice call. In January 2025, the milestone of the first interprovincial VoNR call in the +O commercial network is communicated.

IT

During the 2024 financial year, the process of migrating customers from the Yoigo brand to the Group's multi-brand suite was completed, which has allowed it to integrate the entire customer portfolio, providing efficiencies by simplifying and homogenising both in the configuration of the commercial offer and in the execution of the processes of delivering services to the customer, which has led to the achievement of economic synergies.

During 2024 we have continued to strengthen our multi-brand suite (MasStack) by providing it with new functionalities, such as the incorporation of in-house signature and KYC customer identification system, or new terminal financing models (deferred payment, multi-financing, etc.).

In the commitment to the use of Cloud environments, the migration of infrastructures to these environments has begun, providing the Group with greater security against cyberattacks, as well as consistency and robustness in the face of unplanned changes.

B2B

In the field of 5G for B2B customers, the Group continues with its commitment to innovation and technological progress in our country, specifically, with the help of the Madrid City Council, we will put into service the first private emergency network in Spain.

During 2024, the Group's capabilities for the B2B business continue to grow, allowing the Group to offer its customers technological advantages in all areas, expanding the footprints, modalities and CPEs on which the Group provides connectivity services. The Group has evolved in products and proof of this are the different relevant launches such as the new mobile trunking station, mutisim with VOLTE and the evolution of the recorder, to strengthen our commitment to the B2B business.

We also continue to renew the confidence of companies and administrations and we have been awarded relevant solutions such as the deployment of 5G for ADIF on three of its railway lines.

During 2024, a technological and IP network renovation has been carried out for B2B customers, evolving its routing architecture and updating its SW, adapting it to the needs of our customers. This capillarity has allowed us to deploy access networks to more than 2,700 company headquarters.

At the same time, a significant improvement has been made to the Group's mobile coverage for B2B customers, improving coverage in nearly 1,000 company headquarters throughout the national territory.

All this deployment of new functionalities and access for B2B customers has been accompanied by a clear focus on the quality of services to the Group's customers, ensuring the capacity of the technological environments that support our customers with the aim of increasing their satisfaction.

During the 2025 financial year, the Group will continue to promote value-added solutions on 5G virtual private networks, to continue offering not only the most innovative but also the best 5G private network solution on the market that allows solutions to be provided to different sectors, such as industry 4.0, Smartcities, Health, Logistics

& Transport, among others. At the same time, the Group maintains its commitment to the evolution of legacy emergency networks to 5G in a progressive and agile way for security forces, civil protection and emergencies on the mobile network.

During 2025, the Group will strengthen its products focused on the evolution of value-added SDWAN solutions, cybersecurity products, and IoT solutions to provide its customers with the greatest value in their processes and services.

TV

In the TV service, the Group has reached 2.4 million accumulated customers across all its brands, through the MASORANGE platform for the Orange and Jazztel brands and through Agile TV for the rest of the group's brands. During the 2025 financial year, the Group plans new specific offers on the MASORANGE platform for the Yoigo, MasMovil and Pepephone brands.

In terms of content, in addition to being the only alternative operator that offers all football, agreements have been completed with the main audiovisual players in the market, with approximately 200,000 titles and more than 100 channels fully integrated into the service so that the Group's customers can enjoy a unique experience from a single TV interface.

During 2024, the Group has undertaken a significant technological evolution and incorporation of new functionalities that will continue to evolve during the 2025 financial year. Pioneering technological projects have been launched, such as ABR multicast for the optimisation of network resources, Truemotion that optimises image quality at sporting events, the new low-latency architecture that allows football customers to live a real-time experience, among others.

Cockpit

In relation to ensuring the customer experience, the Group has achieved reductions in the number of customers with voice or data problems of approximately 50% in mobile services in 2024, mainly supported by the deployment of new functionalities such as VoLTE or customer migrations to the optimal network in the Group's new architecture. as well as the development of the deployment of the new generation 5G and 5G SA networks.

On the other hand, in the fixed service, the capacities offered in homes have been improved, both in terms of speed and devices, so that practically all fixed connections work at high speed (300 – 600 Mbps) and that more than 10% already enjoy 1Gbps. In addition, 35% of our customers already enjoy Wi-Fi 6 equipment and the roll-outs of Wi-Fi 7 technology have already begun.

During 2024, both mobile and fixed network services have received important awards or reports for leadership in quality, from various agents, such as regulators (CNMC) or other reputable agents, such as, for example, Opensignal, Ookla, Médux, nPerf among others. It is relevant to highlight that the Group's brands consistently lead the customer satisfaction and NPS metrics according to different studies in the sector.

Economic information

During the 2024 financial year, the Group, with the formation of the joint venture, has consolidated its position as the main telecommunications operator by customers in Spain, with a value proposition that comprehensively responds to the communication needs of people, institutions and companies throughout the national territory. The Group maintains its interest in undertaking different corporate operations in line with its strategy of growth, profitability and the search for synergies and savings in its management.

The Group's aforementioned growth strategy is also reflected in the signing of long-term agreements with the main operators in the sector, which will allow the Group to obtain significant cost savings, incorporate the Group's wholesale access to FTTH infrastructures of other operators, carry out joint deployments of FTTH networks and reduce the operational risks inherent in the migration of customers to the Group's own network and make a more efficient management of the own infrastructures and costs.

During the 2024 financial year, the Group has focused mainly on carrying out and managing all the activities necessary for the integration and organisation of the aforementioned joint venture, the growth of its customer portfolio in the residential market, the achievement of the synergies identified for this transaction, the optimisation of its operating and structural costs, among others.

Regarding the expected synergies from the formation of the joint venture, the Group is in the process of obtaining the expected target savings, of which around Euro 120 million have already been achieved during the 2024 financial year, thus exceeding the target of Euro 100 million for that year. During the 2025 financial year, these synergies are expected to exceed Euro 300 million.

As part of the Group's growth strategy, on 2 January 2025, the Group has signed an agreement with other Spanish telecommunications operator to form, along with a financial investor yet to be determined, the market's most innovative FTTH network with the highest standards in sustainable development and energy efficiency with over 12 million premises, which will combine and manage part of the fixed network operations of both strategic partners (FibreCo).

The newly created FibreCo will benefit from economies of scale and operational efficiencies, stimulating investment and innovation including faster adoption of new technologies (e.g. XGSPON) to provide best in class quality of service. This represents a step forward by MasOrange and the other partner, to ensure Spain has the most advanced telecommunications infrastructure in Europe. This FibreCo will provide access services (bitstream) exclusively to the strategic partners, who, in turn, will be able to freely market their FBB services to their retail and wholesale customers.

The Project involves the strategic partners contributing part of their infrastructure businesses and assets to a new entity (FibreCo) over which the strategic partners, jointly with the financial investors, will have joint control. Masorange's contribution will mainly consist of a significant portion of the FTTH network, certain usage rights of use over the HFC network and other broadband assets, and a number of employees. Simultaneously with the contribution, a series of agreements will be signed between Masorange and NetCo for the provision of bitstream services, infrastructure operation and maintenance (O&M) services, as well as certain rights of use over the broadband network and civil infrastructure.

The transaction to create the FibreCo is expected to be completed by the end of the first half of 2025. All of the proceeds obtained by MasOrange from this operation will be used to reduce debt, accelerating the Group's deleveraging plan, with the aim of achieving a debt ratio after the closing of FibreCo of 2.75x EBITDA.

In turn, during the 2024 financial year, the Group, in its aim to contribute to Spain's leadership in connectivity and digitalisation and in the use of new technologies, invested a total of Euro 1,187 million in 2024, mostly for new deployments of 5G and fibre infrastructures.

The Group reports consolidated revenue and adjusted EBITDA figures of Euro 5,562 million and Euro 2,022 million, respectively. Reported consolidated EBITDA amounted to Euro 1,846 million. The ratio of consolidated adjusted EBITDA to revenues is 40% and 38% to reported consolidated EBITDA.

In thousands of euros	**31/12/2024**	**31/12/2023**
Profit / (loss) from continuing operations	(582,815)	-
Income / (expense) from income tax	(112,734)	-
Net financial interest	787,890	-
Depreciation and amortisation	1,511,885	-
Amortisation of rights of use	186,674	
EBITDA	**1,790,900**	**-**
Lease interests	40,472	-
Profit sharing / (loss) from equity accounting investments	15,286	-
EBITDA Reported	**1,846,658**	**-**
Integration, migration and other costs (*)	171,138	-
Impairment and gains/(loss) on disposals of fixed assets	4,195	-
Adjusted EBITDA	**2,021,991**	**-**

(*) Integration, migration and other expenses mainly relate to costs associated with restructuring plans, severance payments, incentive plans, and advisory services for non-recurring projects.

Financing facilities upon formation of the joint venture are as follow: The debt contributions for the creation of the joint venture primarily came from the MásMóvil Group. MásMóvil Group had various financial debts totalling approximately Euro 6 billion, mainly broken down as follows:

i. Euro 3.2 billion in syndicated financing loans - Term Loan Bullet (TLB tranches 1 and 2).
ii. Euro 2.35 billion in senior secured notes (SSN).
iii. Euro 453 million in senior unsecured notes (SUN).

These facilities were contributed upon the formation of the joint venture at fair value and as a result the debt balance increased by Euro 115 million.

The formation of the joint venture was accompanied by the signing of additional credit facilities totalling Euro 6 billion. This additional financing was structured through a Term Loan Amortising (TLA) syndicated loan amounting to Euro 4.35 billion, and an additional Euro 1.65 billion as an expansion of one of the existing Term Loan Bullet lines (TLB tranche 2) and a new facility (TLB tranche 3).

Subsequently, the Group completed a refinancing and debt reallocation process which included Euro 600 million in senior secured notes (SSN) and a syndicated loan (TLB4) by USD 400 million.

These debts are secured by a package of guarantees, the most important of which is that corresponding to the shares/participations in the Group's main subsidiaries, as well as the Company's own shares. To mitigate the volatility of interest rate risk, the Group has outstanding interest coverage structures (swaps). As of the date of preparation of these consolidated financial statements, the Group has interest rate hedging instruments with a nominal amount of Euro 7,081 million.

Considerations for climate change risks

The Group is integrating climate change risks more systematically into its activities. This can be seen in the assessment of these risks on the value of some of its assets through their fair value estimates, depreciation schedule or as an event that could lead to the identification of an impairment loss indicator or on the future prospects of obtaining financing. Consideration of climate risks is also reflected in the Group’s commitment to be Net Zero Carbon by 2040. This commitment has led to changes in certain investment choices related to its activity.

Numerous projects have been initiated within the Group to understand the impacts of climate change on its operations. In this regard, in the telecommunications industry, where the Group operates, the energy consumption of its networks accounts for the largest share of total consumption. Therefore, the Group considers it critical and vitally important to work on increasing efficiency and generating savings in these areas. In recent years, network sharing agreements have become a key element in avoiding duplication in telecommunications infrastructures and networks, while significantly reducing energy consumption, resource use, emissions and waste, thus minimising the impact on the environment.

The Group is developing a plan to migrate its network from HFC technology to more energy-efficient FTTH technology. This migration process has led to more than 1,400,000 kWh of cumulative consumption reduction, with a total of 1,419 cumulative supply cancellations. In turn, one of the synergies that the formation of the joint venture will bring is the consolidation of mobile networks. Between 2024 and mid-2025, we are working on the shutdown of more than 4,600 nodes of the mobile network, which represents an energy saving of 87 GWh/year. In addition, the Group has National Roaming agreements that allow our customers to have communications service through the network of other mobile operators. In this way, the number of sites needed is reduced, we increase the level of use of the equipment and thus the efficiency of the network and at the same time we minimise the visual and environmental impact of the activity.

The Group offers its customers electricity and gas services in seven of its brands. We have more than 250,000 customers and we aim to become the first independent marketer in the sector. Our customers, in addition to having 100% renewable electricity, can access consumption control tools from an application that we make available to them free of charge. In addition, Yoigo, through its EnergyGO electricity service, has a commercial proposal for self-consumption through the installation of solar panels that helps customers save on their bills (between 30% and 40%) and allows them to participate in the energy transition to cleaner, greener and more sustainable energy sources.

The Group has initiated an analysis process to diagnose the exposure to climate risks of its various geographical locations, based on the study of various impact scenarios related to climate change.

On 29 October 2024, the worst Isolated High Level Depression (DANA) of the century occurred, with the most affected autonomous communities being the Valencian Community, Castilla La Mancha, Andalusia, Catalonia and, to a lesser extent, the Balearic Islands and Aragon. The intensity of the rains caused severe flooding, resulting in a large number of deaths and disappearances, as well as significant material damage to vehicles, machinery, homes, industrial and commercial buildings, as well as essential infrastructure for water and sanitation, electricity, transport and communications.

It is relevant to highlight the Group's rapid response to the floods caused by the DANA, a reflection of its commitment to society and our customers. The Group mobilised more than 200 professionals to quickly restore fixed and mobile connectivity (95% in less than a week), deploying new fibre lines and 11 portable mobile stations in record time. In addition, we offered our clients additional data, billing suspension, and free telemedicine, insurance, and psychological support services.

Evolution of the workforce

The Group's employees form the fundamental foundation on which the organisation is built. Their experience, dedication, commitment and empathy are pillars that guide towards well-being and diversity. Our policies deepen the values on which the Group is based, establishing a commitment to equality, professional development and work-life balance. The total number of employees at the end of the 2024 financial year is 7,944. The Group continues to create jobs and jobs in the telecommunications industry in Spain.

The Group, through its different policies and processes, is committed to implementing an appropriate talent attraction and selection programme, taking into account the academic, personal and professional merits of the candidates and the needs of the Group. We are committed to society. People are the key to our success and we firmly believe in the richness offered by cultural, functional, age or gender diversity. For this reason, we value professionals for their value and desire to contribute, promoting equal opportunities for all.

The Group has the best team in the sector. This can only be achieved with a solid talent management policy and processes, which generate engagement and increase performance to the maximum potential. The main lines of the Group's strategy are:

- ✓ To promote global talent within the Group with a special focus on female and technological talent through various development programmes.
- ✓ Continue to bet on promoting leadership and intra-entrepreneurship.
- ✓ Promote and foster the culture of feedback throughout the organisation.
- ✓ To promote volunteering and well-being actions within the Group.
- ✓ Negotiate and sign the new equality plans of the companies that make up the MasOrange Group.
- ✓ Promote diversity in the workplace and promote the inclusion of underrepresented groups in the organisation.

Human Resources and Labour Relations Policy

The objective of the Human Resources Policy is to implement a human resources management model in the Group that allows it to attract, promote and retain talent and promote the personal and professional growth of all the people who belong to its human team, as well as to align the interests of professionals with the Group's strategic objectives.

The Group has an internal team dedicated to selection, ensuring diversity, transparency and closeness with candidates throughout the process.

Equal Opportunities and Talent Diversity Policy

The Human Resources and Labour Relations policies are complemented by the provisions of the Equal Opportunities policies, which aim to be the backbone of a favourable environment for employees by promoting effective equality between men and women. This Policy develops the basic principles of action, among which those of job quality, equal opportunities and equity, and respect for diversity stand out.

Restructuring costs

An agreement was reached with the local union representatives on 18 October 2024, which specifies the number of staff involved and the voluntary redundancy compensation package offered by the Group, as well as amounts payable to those made redundant. As of 31 December 2024, there is an ongoing dispute with one of the local trade unions. The Board of Directors, based on the relevant legal advice, do not expect significant negative impacts of this dispute.

RESEARCH AND DEVELOPMENT ACTIVITIES OF THE GROUP

Since its inception, the Group has been and is strongly committed to R+D+i activities as a tool for technological training and as a way to differentiate itself from the rest of the players in the sector. The Group's R+D+i strategy is supported by the programmes and tools that allow these activities to be subsidised and financed in order to increase the scope and chances of success of its initiatives in this area, and benefits from the tax deductions linked to its R+D+i activity.

Grants

With regard to the line of tenders for national public subsidies, during 2024 the Group has maintained its participation as one of the main cooperating partners in the execution of several projects. During the first half of 2024, the project "Robust, Reliable and Resilient Connected and Autonomous Vehicle for the transport of people (R3CAV)" was successfully completed, within the framework of the Sustainable Automotive Technology Programme within the framework of the Recovery, Transformation and Resilience Plan (managed by the Centre for Technological and Industrial Development, CDTI), which consisted of an adaptable architecture, both hardware and software, for autonomous vehicles capable of operating at different levels of autonomy, from advanced predictive driving assistance systems to fully autonomous driverless systems.

On the other hand, during 2024, work was intensified on the projects awarded in calls aimed at promoting the development of 5G sectoral digitalisation tractor projects, UNICO 5G SECTORIAL calls within the framework of the Recovery, Transformation and Resilience Plan, Financed by the European Union–NextGenerationEU:

- **CRETA: Mobility Control and Reduction of Traffic Emissions.**
  The aim of the project is to demonstrate the capabilities of three different technologies (5G, remote measurement of traffic pollutant emissions and advanced analytics and artificial intelligence) to drive optimal traffic management in three strategic areas: urban mobility and low emission zones, interurban mobility and access to cities and cross-border control and payment for pollution.

- **MAS4Care: Development of Connectivity Infrastructures and Services on 5G and Edge Computing for the management and processing of telemedicine and telecare services**
  This project aims to offer a remote medical management platform, in which patients can have 24-hour telecare and, if necessary, be monitored in real time to make a better diagnosis of the situation or respond quickly, safely and effectively to an emergency. This platform will have a far-EDGE device with 5G capabilities, to which a series of IoT devices will be connected in charge of monitoring the patient. In turn, the patient will have a device with a graphic interface, tablet or similar, through which they will be able to manage all IoT devices, as well as carry out teleconsultations (in video call or traditional call format) with the corresponding medical service.

5G technology is the main enabler of the proposed solution, since thanks to the low-latency connections it provides, it will allow patient monitoring in real time.

The main technological objective is to create an integrated and orchestrable transversal solution with 5G technologies, which allows the deployment of virtual distributed computing functions and the real-time management of sensors and medical devices, whose metrics are processed and monitored as close as possible to patients, enabling the digital medical platform for teleconsultation tasks or the fast and remote reaction to health emergencies, while ensuring high availability of medical services.

- **5G CITYBRAIN: Intelligent Orchestration of 5G Services for 21st Century Cities.**
  The project was born from the needs of cities to improve the management of their urban solutions, the main objective of the project being to create a transversal reactive technology (IoT-MEC-Cloud), integrated and orchestrable with the mechanisms of 5G, capable of analysing the city's sensor network, detecting patterns and acting appropriately, guaranteeing the efficient distribution of computing capacity. and proposing low latency and high availability for the development of advanced smart city management services, with special emphasis on the prediction of areas of high pollution and congestion, vehicle identification, as well as tourist flow of people.

  The use cases within the 5G CITYBRAIN project are the detection of tourist flows of people and reduction of polluting emissions from road traffic.

- **TRANSBORDER5G: Cross-border control with 5G interoperability**
  The project is conceived to design and implement a pioneering 5G SA Roaming solution capable of creating 5G land corridors and facilitating efficient management of road transport taking into account the real emissions of vehicles.

  The project focuses on the Irún border crossing, with strong public-private collaboration with the Provincial Council of Gipuzkoa and the French authorities. The solution will make it possible to advance in the effective implementation of pay-as-you-go on motorways, including payment for pollution, with more coordinated, efficient and sustainable cross-border management.

  The project is based on the fusion of advanced traffic control technologies (remote sensing sensors and artificial vision cameras) with advanced telecommunications technologies (5G, Edge Computing, IoT and V2X) to create a complete solution in the comprehensive and advanced management of the border crossing, with a view to creating hyper-connected 5G land corridors that improve mobility between countries.

- **Fires (IoT): Early detection of fires in industrial buildings.**
  The project arose from the need to deal with the accumulation of fire-related claims in industrial environments by presenting a disruptive solution to deal with fire risks from an absolutely innovative perspective based on a preventive criterion. The project aims to demonstrate the differential advantages and disruption of making use of the 5G SA (Stand Alone) architecture with UPF (User Plan Function) and Edge Computing (MEC, Multi-access Edge Computing) as close as possible to the test scenario, reducing latency, allowing the execution of new processes and services. Within the project, three use cases are proposed in industrial environments. As a result of the autonomous driving of robots and drones, they would be very useful for protection against electrical fires, alerting them thanks to early detection and generating an immediate response.

Broadband Deployment Projects

In 2024, an application was submitted to the call for the Programme for the Universalisation of Digital Infrastructures for Cohesion-Broadband, within the framework of the Recovery, Transformation and Resilience Plan - financed by the European Union - NextGenerationEU (the only national broadband), of which the Group was awarded 7 files. The objective of these projects is the deployment of the Group's own fibre optic network to offer high and very high speed broadband services in areas that currently do not have coverage. The first deployment work related to these projects began at the end of 2024 and is expected to be completed in December 2025.

In parallel to these deployments, during 2024 the fibre optic deployment works contemplated in the national UNICO BROADBAND of 2023 were carried out, which have been executed during 2024 and will also be completed in December 2025.

The objective of the deployment projects, whether at the level of industrial estates or in rural or isolated residential areas, is to improve the functionality and quality of digital services and thus improve well-being and quality of life while the Group's own network infrastructure grows.

Backhaul Deployment Projects

In 2024, work has also been done on Backhaul deployment projects, subsidised by grants from the Program for the Universalization of Digital Infrastructures for Cohesion - 5G Networks - Fiber Optic Backhaul.

The objective of these projects in the three provinces (Asturias, Cáceres and the Balearic Islands) where the Group is deploying is the provision of fibre optic backhaul connection to those existing electronic communications networks of mobile wireless broadband services (public mobile telephone networks), which did not currently exist. nor was it expected that they would have a fibre optic backhaul by 31 December 2025 to deal with services resulting from the implementation of the capabilities and characteristics of 5G networks.

Active Network Deployment Projects

During 2024, the Group, through two of its companies, was awarded and began the development of aid projects for the provision of the set of active equipment and auxiliary infrastructure necessary for the provision of mobile communications services with 5G technology in areas where there is no 4G mobile coverage with a minimum service of 50 Mbps (UNICO 5G active networks program), within the framework of the Recovery, Transformation and Resilience Plan.

The main objective of these projects is the deployment of a 5G Stand Alone (5G SA) mobile network in 20 Spanish provinces, especially in areas where there is no 4G mobile coverage with a minimum service of 50 Mbps.

Aid has also been requested for the 2024 call for these same grants, and a proposal for a provisional resolution is available in which aid has been granted to continue deploying in 23 provinces.

TRANSACTIONS WITH TREASURY SHARES

During the 2024 financial year, the Group has not acquired and/or sold its own shares. As of 31 December 2024, the Group does not own any treasury shares.

USE OF FINANCIAL INSTRUMENTS

As of 31 December 2024, the Group uses derivative financial instruments to hedge the risks to which its future business activities, operations and cash flows are exposed.

To mitigate the volatility of interest rate risk, the Group has interest rate hedging structures (swaps). As of the date of preparation of these consolidated financial statements, the Group has interest rate hedging instruments with a nominal value of Euro 7,081 million.

Financial risk factors

The Group's activities are exposed to various financial risks: market risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the uncertainty of the financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is controlled by the Group's Financial Management in accordance with policies approved by the Board of Directors. The Financial Management identifies, assesses and covers financial risks in close collaboration with the Group's operating units. The Board of Directors sets guidelines for global risk management, as well as for specific matters such as exchange rate risk, interest rate risk, liquidity risk and investment of excess liquidity.

Market risk

Market risk is the risk that changes in market prices, such as exchange rates and interest rates, will affect the Group's revenues or the value of the financial instruments it holds. The objective of market risk management is to manage and control exposures to this risk within reasonable parameters and at the same time optimise profitability.

The Group may trade the bonds issued, the debt loans or instruments or the loans of any other series issued by the Group from time to time and/or from time to time on the open market or otherwise by means other than an amortisation, whether by offer to buy, purchases and sales on the open market, transactions negotiated or otherwise, and such purchases may be at prices below face value. Any such purchases may be made in respect of a substantial volume of bonds or other types of debt, with a corresponding reduction in the available liquidity of these bonds or debt.

- **Interest rate risk**

The Group's interest rate risk arises mainly from loans with institutional investors and some credit institutions. These loans are issued at variable rates and expose the Group to interest rate risk in future cash flows.

A rise in reference rates, in this case the Euribor, could increase the cost of financing the Group and thus detract resources from the Group's activity for other purposes. The Group's current policy is to maintain a reasonable level of leverage at variable rates.

To mitigate this risk, the Group has contracted hedging instruments.

- **Credit risk**

The Group has no significant concentrations of credit risk and maintains policies to ensure that sales are made to customers with an adequate credit history.

The Group has formal procedures in place for detecting impairment on trade receivables. Through these procedures, the Group estimates, in accordance with the current experience of non-payment during the last 12 months, the percentages of non-payment of trade credits, recording the expected credit loss at the beginning of the credit. The main components of this impairment relate to individually significant exposures, and a collective loss component established for Asset Groups related to losses that have been incurred but have not yet been identified.

The valuation allowance for customer insolvencies, the review of individual balances based on customer credit quality, current market trends and historical analysis of insolvencies at an aggregate level, implies a high degree of estimation. With regard to the valuation adjustment derived from the aggregate analysis of the historical experience of defaults, a reduction in the volume of balances implies a reduction in valuation adjustments and vice versa.

- **Liquidity risk**

It is the risk that the Group will have difficulties in meeting the obligations associated with its financial liabilities that are settled through the delivery of cash or other financial assets. The Group's approach to managing liquidity is to ensure, to the greatest extent possible, that it will always have sufficient liquidity to meet its obligations when they mature, both under normal and stressed conditions, without incurring unacceptable losses or risking the Group's reputation.

The Group carries out prudent liquidity risk management, based on the maintenance of sufficient cash and marketable securities, the availability of financing through a sufficient amount of committed credit facilities and sufficient capacity to liquidate market positions. Given the dynamic nature of the underlying businesses, the Group's Financial Management aims to maintain flexibility in financing through the availability of contracted credit lines.

ALTERNATIVE PERFORMANCE MEASURES (APMs)

In order to comply with the ESMA (European Securities Market Authority) Guidelines on Alternative Performance Measures (hereinafter referred to as "APMs"), the Group submits this additional information in order to promote the comparability, reliability and understanding of its financial information. The Group presents its results in accordance with the applicable financial reporting regulatory framework (IFRS-EU). However, the Administrators consider that certain APMs provide additional useful financial information that should be considered when evaluating their performance. These APMs are additionally used by the Group's Directors and Management in making financial, operational and planning decisions, as well as to evaluate the Group's performance. The Group provides those APMs considered appropriate and useful for decision-making.

- EBITDA: Earnings before interest, taxes, depreciation and amortisation.

- Reported EBITDA: Reported EBITDA is calculated based on EBITDA, which is adjusted for financial income, interest on leases, other financial expenses, change in the fair value of financial instruments, exchange differences, impairment and profit or loss from disposals of financial instruments and results from companies accounted for by the equity method. The purpose of reported EBITDA is to obtain a true picture of what the Group is gaining or losing in its business itself. Reported EBITDA excludes non-cash variables that may vary significantly depending on the accounting policies applied. Amortization is a non-monetary variable and therefore of limited interest to investors.

- Adjusted EBITDA: It is the reported EBITDA minus integration, migration and other expenses, and impairment and result from disposals of fixed assets.

AVERAGE PAYMENT PERIOD TO SUPPLIERS

The average payment period to the Group's suppliers during the 2024 financial year was 42.22 days.

SUBSEQUENT EVENTS

FibreCo Project

As of 2 January 2025, the Group with other Spanish telecommunications operator (the “Strategic Partners”) have signed a binding agreement to create, along with a financial investor yet to be determined, a non-full function joint venture to combine and manage part of the fixed network operations of both Strategic Partners (FibreCo Project). The joint venture will provide access services (bitstream) exclusively to the Strategic Partners, who, in turn, will be able to freely market to their retail and wholesale customers. This operation is expected to be completed during the first half of 2025.

The FibreCo Project involves the strategic partners contributing part of their infrastructure businesses and assets to a new entity (FibreCo) over which the Group, jointly with the other Spanish telecommunications operator and the financial investors, will have joint control. Masorange's contribution will mainly consist of a significant portion of the FTTH network, which includes the corresponding assets, contracts, liabilities and employees and certain usage rights of use over the HFC network (the, “Masorange Perimeter Businesses”). The contribution will be made through the transfer of shares, by way of “a shareholder’s contribution in kind”, to the FibreCo of Bidasoa Topco and those companies that results from the full demerger of MásMóvil Broadband, S.A.U. (MMBB) and Orange España Comunicaciones Fijas, S.L.U. (OSFI), to separate the businesses contributed to the FibreCo Project from those remaining within the Masorange Group.

Simultaneously with the contribution, a series of agreements will be signed between Masorange and FibreCo for the provision of bitstream services, infrastructure O&M services, as well as certain rights of use over the broadband network and civil infrastructure.

As previously mentioned, at the approval of these consolidated financial statements both strategic partners are in the process of select and determine the financial investor to be incorporated to the FibreCo Project.

Acquisition of control of Bidasoa TopCo

As of 2 January 2025, the Group, through its subsidiary Euskaltel, has signed an agreement to acquire the remaining 51% of the share capital of Bidasoa TopCo. The execution of the agreement is subject to certain preconditions, such as regulatory approvals (foreign direct investment -FDI- approval by the Council of Ministers of Spain) and the completion of the FibreCo Project.

Government grants

During January 2025 the Group received non-refundable government grants for an amount of Euro 59,060 thousand under the *"UNICO Redes Activas" program (Plan de Recuperación, Transformación y Resiliencia)"*. This program aims to support the development of rural 5G infrastructures in Spain.

Debt repricing

During March 2025, long-term bullet debt (TLBs) was repriced, reducing the spread from 3.50% to 2.75%. As a result, TLB2, TLB3 and TLB4 have been redesignated as TLB5 for a total amount of Euro 4.3 billion with maturity in March 2031. As part of this redesignation, the cross-currency swap has been cancelled.

Promissory notes

Within the promissory note program, through the subsidiary MásMóvil Ibercom, S.A.U., the Group has registered in the Alternative Investment Market the renewal of Euro 152,000 thousand during January to 15 March 2025 and promissory notes amounting to Euro 155,600 thousand have been cancelled.

Furthermore, within the promissory note program through the subsidiary Euskaltel, S.A.U., the Group has registered in the Alternative Fixed Income Market (MARF) the renewal of Euro 79,100 thousand during January to 15 March 2025 and promissory notes amounting to Euro 105,500 thousand have been cancelled. Additionally, in March 2025, Euskaltel S.A. promissory note program has been renewed.

Sale of associate - Xfera Consumer Finance

On 6 March 2025, the Group, through its subsidiary Xfera Móviles, S.A.U., has signed an agreement with a third party to sell the shares related to its 49% investment in Xfera Consumer Finance, Establecimiento Financiero de Crédito, S.A. by Euro 10 million. Additionally, on the same date, the Group has signed an amendment with the same third party to increase the agreement for sales of receivables to all the brands of the Group.

STATEMENT OF NON-FINANCIAL INFORMATION

The Statement of Non-Financial Information for the 2024 financial year, which has been prepared in accordance with the standards of the Global Reporting Initiative (GRI), is attached as an annex to this Consolidated Management Report.

SUSTAINABILITY REPORT AND NON-FINANCIAL INFORMATION STATEMENT 2024

(Appendix to the Consolidated Management Report)

MasOrange Group

CONTENT

1. Letter from the CEO

GRI 3-3; 2-12; 2-22

MasOrange: generating a positive impact for a fairer, more sustainable and better connected world

March 2024 marks a pivotal moment in the history of telecommunications in Spain and Europe, as it signifies the **birth of MasOrange, the leading telecommunications operator in our country by number of customers**, with over 39 million lines across broadband and mobile services. Our goal is to provide the best service experience to our customers, ensuring they are the most satisfied in the market. This event, beyond being a business achievement, represents a commitment to sustainability, positive impact, and the well-being of Spanish society for all of us who are part of this Company.

Firstly, the merger of Orange and MASMOVIL results in **a stronger and more sustainable operator**, with greater investment capacity to offer the best connectivity and providing significant benefits to our more than 30 million customers.

However, being a leader also entails great responsibility. Aware of this, we strive to foster a **corporate culture** grounded in clear values—customer first, positive attitude, pragmatism, and collaboration—that we live by daily, aiding us in our objective to be the leading Company in talent, innovation, and positive impact on society and the planet.

In this regard, our purpose is clear and can be summarized in the following objectives: to **humanize technology**, making it a means of communication and closeness among people regardless of their location; to **accelerate access to innovative services** that support the inclusion of all individuals and territories, thereby reducing the **digital divide**; and to **drive value creation** through sustainable digitalization.

All of this is reflected in our daily business operations through the development of our **ESG Strategic Plan** (Environmental, Social, and Governance), formulated from a thorough analysis involving all our stakeholders, including our customers, teams, collaborators, and partners.

This dialogue has allowed us to identify and prioritize the most relevant impacts, risks, and opportunities of our business activities on people and the planet, leading to the establishment of our six main lines of action:

1. **Energy and emissions**: We commit to reducing greenhouse gas emissions to achieve carbon neutrality by 2040 through efficient and sustainable energy management, maintaining the use of **electricity sourced 100% from renewable sources.** In line with this commitment, we also offer **100% sustainable energy to our customers and audit and reduce the actual emissions from our vehicle fleet.**
2. **Circular economy**: Maximizing the value and lifespan of our products and equipment by promoting **repair, reuse, and recycling**, encouraging the use of refurbished equipment, and applying eco-design practices.
3. **Governance and business ethics**: We uphold the highest standards of ethics and transparency, not only adapting to regulatory evolution but also integrating impact measurement into decision-making and contributing to the global B Corp movement.

4. **People and talent**: We promote an inclusive and collaborative culture focused on **talent development, employee well-being, safety, and health**, as well as gender, age, and cultural diversity, and equal opportunities. Committed to their development, our employees benefit from **140,000 hours of training** annually and participate in a leading technology and innovation project.
5. **Secure connectivity and customer experience**: We provide the best experience through the most modern fiber and 5G mobile networks in the market, leading numerous rankings in quality and speed, ensuring **information security and data protection**, and developing innovative and sustainable solutions that enhance the quality of our products and services and improve customer satisfaction.
6. **Equality and digital training**: We work to ensure that digital opportunities reach all individuals in all territories, with a special focus on rural areas, providing affordable connectivity and services, quality education, and promoting entrepreneurship to reduce the digital divide. Additionally, in our commitment to ensuring a safe digital environment for minors, we have signed a strategic collaboration with UNICEF to **protect children's digital rights** and launched **TúYo**, a solution for children to safely access their first mobile phone. Finally, we will invest nearly €5.5 million in training specific groups in digital skills.

Furthermore, we are developing an ambitious industrial plan that will have a stimulating and multiplying effect on the Spanish economy. We currently have **over 31 million marketable homes with our fiber optic offering, our 4G mobile network reaches nearly 100% of the Spanish population, and more than 90% of homes and businesses in the country now also have access to the new 5G technology,** with coverage in over 3,700 municipalities.

On another note, we have already initiated the project to modernize our mobile infrastructure and transform it into the **most technologically advanced 5G Open RAN mobile network in Europe**, and we are working to create the largest, most modern, innovative, and **sustainable FibreCo in Europ**e to provide the highest quality fiber optic services for the benefit of Spanish customers.

And this is just the beginning, as we aim to go further to ensure that even the most remote areas of our geography have quality connectivity, turning it into a tool for progress for all.

I am particularly proud that the MasOrange Group reaffirms its commitment to Spanish society, **generating a positive impact of over €18.77 billion in 2024**, according to the ESG impact measurement report. This study, conducted using a methodology from Harvard University, not only quantifies the economic impact of our activities and reaffirms our **ability to generate tangible value for society and the environment** but has also become a key tool for decision-making that **integrates ESG strategy into our business** to remain leaders in positive impact.

I would also like to highlight our **swift response to the flooding caused by the DANA** in October, reflecting our commitment to society and our customers. We mobilized over 200 professionals to quickly restore fixed and mobile connectivity (95% in less than a week), deploying new fiber lines and 11 portable mobile stations in record time. Additionally, we offered our customers additional data, billing suspension, and free telemedicine, insurance, and psychological support services.

The solidarity and proximity of our professionals through volunteer work, along with material donations, underscore the importance of connectivity in critical moments and the solidarity of MasOrange employees. Moreover, we have also launched a project to extend **B Corp** certification, which MASMOVIL achieved in 2021, across our entire Group, making us the first "telco" in Europe to receive this recognition. This will consolidate our leadership in ESG and once again demonstrate our **firm commitment to being a transformative company serving people, communities, and the planet.**

We are convinced that, with the effort and collaboration of all the individuals who make up this great team, we will achieve a significant positive impact on our society and the environment.

Thank you to all our collaborators, customers, and partners for their support on this journey toward a more sustainable and connected future. Together, we build a better world.

Meinrad Spenger, CEO of the MasOrange Group

2. Executive summary

2.1 Description of the MasOrange Group

GRI 2-6

- **Who we are**

The MasOrange Group was created in 2024 with the combination between Orange Spain and the MASMOVIL Group. This joint venture gave rise to the new telecommunications leader in Spain by customer base, *with over 38.9 million broadband and mobile lines at the end of 2024*. It was a landmark moment for our country and ushered in a new era for the domestic and European telco sector.

We currently have nine main national brands (Orange, Yoigo, Jazztel, MASMOVIL, Simyo, Pepephone, Lebara, Lyca and Llamaya) and five regional brands (Euskaltel, R, Telecable, Guuk and Embou). Through these, we design value propositions that cater fully to the communication needs of people, institutions and businesses across the entire country. We also provide ancillary services that enhance our private and business customers' experience, such as TV, insurance, energy, alarm systems, consumer finance, health care, cybersecurity, and cloud services.

Since the creation of MasOrange, the Company, as well as all its professionals, have a road map with very specific objectives: to be the operator with the most satisfied customers, to consolidate our position as a driving force of talent, and to lead the purpose economy in Spain, while respecting people and the planet.

As a company that wants to be not only the best company in the world but also the best company for the world and an ESG benchmark, we dedicate all our efforts toward achieving something that is so basic, i.e., making technology accessible for all, particularly in rural Spain and for people in vulnerable contexts. In our view, technology and the new digital society only lead to progress if they are within everyone's reach, to improve their daily lives.

First and foremost, we are developing an ambitious industrial plan for telecommunications to multiply the value of the Spanish economy, while demonstrating that ours is a long-term commitment to innovation and investment to help make Spain the leader in digitalization and use of new technologies.

With this, we aim to continue extending our 5G and FTTH deployments in the coming year beyond our current footprint. There are already more than 31 million households and businesses connected to our fiber optic network, while more than 88% of the population in Spain have access to new 5G technology.

We want everyone—citizens and businesses alike—to enjoy the best connectivity whether they live or work in urban settings or are based in rural areas. To achieve this, our 5G network currently reaches nearly 3,700 municipalities, meaning almost half of Spain's towns can benefit from the vast advantages of the most advanced mobile connectivity, thanks to MasOrange. MasOrange's 5G network now extends to over 2,400 municipalities across Spain with populations of under 5,000. More than half of these communities are home to fewer than 1,000 people, demonstrating our unwavering commitment to fostering rural development and bridging the digital divide.

5G Network

MasOrange's **5G** covers 90% of the Spanish population in more than 3,700 municipalities

Meanwhile, we are continuing with our plans to promote solutions that improve people's quality of life.

MasOrange supports the digitalization of the self-employed, SMEs and entrepreneurs, offering digital services tailored to their needs. We also promote the responsible use of technology, especially among young people, with initiatives such as *TúYo* (You and I) to protect children in the use of their first mobile phone. The Company also gears efforts toward bridging the digital divide and encouraging the digital inclusion of older and vulnerable people through programs such as *Mayores Conectados* (Seniors Connected) and *Generation D*. We partner with several associations and foundations to drive the digital transformation, promote innovation, and enhance the competitiveness—and fair and inclusive development—of society. We also take part in sustainability and mobility projects, such as CRETA, for smart traffic management and emissions reduction, and 5G CityBrain, for real-time urban traffic management. At the same time, we support entrepreneurship and social outreach through awards and acceleration programs for startups with a positive impact on rural Spain. We also promote social initiatives through our *Pienso, Luego Actúo* (I think, Therefore I act) project.

Finally, we are firmly committed to respecting the environment and caring for our planet. In this respect, both Orange and MASMOVIL have been working for several years to develop secure and sustainable digital infrastructures, while transitioning their business toward more efficient and environmentally responsible business models. MasOrange has kept up these efforts. Our plans are to speed up the Net-Zero Carbon target by 2040 and gradually reduce our carbon footprint throughout the value chain. We remain committed to the use of energy from renewable sources and the energy efficiency of our networks. We are committed to the circular economy, refurbishing all equipment delivered to customers, to the OSCAR initiative—a project focused on reusing dismantled materials in new deployments and network maintenance tasks— and to reducing the amount of plastic in SIM cards and their packaging.

In 2024, we also launched a project to extend the B Corp certification to the entire Group, reinforcing our leadership in ESG and our commitment to the global movement of companies that is transforming the economy for the benefit of all people, communities, and the planet. These companies embody the world's most advanced, sustainable and regenerative business model. Unlike companies that only pursue economic goals, B Corps meet high standards of verified social and environmental performance, public transparency, and legal accountability. They are legally required to consider the impact of their decisions on employees, customers, suppliers, etc.

- **Key figures for the Group in 2024**

Environment	0 net CO_2 emissions (Scopes 1 and 2)
	100% electricity consumption directly from renewable sources
	41.17% refurbished equipment installed for new customers
Society	Approximately 7.76 million real estate units deployed in municipalities with a population under 20,000
	€46 million income tax contribution and €3.295 million social contribution
Team	7,944 employees at year-end 2024
	98.69% of the workforce with permanent contracts at year-end 2024
	140,180 hours of training
	47.6% women on the workforce
Customers	38.9 million customers (25.8 million mobile and 7.1 million fixed broadband, and 6 million M2M lines)
	Fixed fiber optic network with access to over 31 million households and businesses through own or third-party infrastructure
	> 99% of the population covered by the 4G network
	Over 88% of the population in nearly 3,700 municipalities with 5G coverage
Corporate governance	Corporate-wide cybersecurity and compliance awareness programs for all Group employees
	Board-approved unified corporate policies
	CEO appointed by the Board as Chief ESG Officer
	0 confirmed incidents of corruption

2.2 ESG Strategic Plan

Over the course of 2024 we developed our ESG Strategic Plan, which addresses key environmental, social, and governance (ESG) matters. This plan is committed to generating a positive long-term impact, generating value, and reducing risk, and includes an action plan and specific short- and medium-term measures.

- **How we define and execute our ESG strategy**

Our strategic plan revolves around our Purpose, Vision, and Values as a Group, which underpin our long-term ESG strategy. Building on this foundation, we have defined the main pillars of our strategy, establishing key performance indicators (KPIs) and outlining specific actions to be implemented in the short, medium, and long term. Additionally, our commitment to sustainable performance and reporting transparency has enabled us to secure ESG-linked financing, i.e., financing linked to the progression of our ESG score.

- **Core pillars of the strategy**

Our strategy is built on six core pillars aligned with the United Nations (UN) Global Compact's Sustainable Development Goals (SDGs):

1. Energy and climate change
2. Circular economy
3. Governance and business ethics
4. People and talent
5. Connectivity and customer experience
6. Digital inclusion

- **Key performance indicators**

We defined a series of key performance indicators (KPIs) for each of these six pillars to measure and assess our ESG performance and determine what actions to implement in the short and medium term.

2.3 ESG ratings and certifications

- **CDP rating**

In 2024, we took part in the CDP's environmental disclosure initiative, obtaining a B-score for our contribution to climate change in 2023.

- **ESG rating by Sustainable Fitch**

In March 2023, Sustainable Fitch assigned MASMOVIL an entity score of 77 out of 100, the highest score given to a European telecommunications company at the time.

- **ESG rating by Standard & Poor's Global Ratings**

In October 2023, Standard & Poor's (S&P Global Ratings) assigned MASMOVIL an ESG rating with a final score of 68 out of 100, signaling improvement from the previous score.

- **ESG rating by Morningstar Sustainalytics: *ESG Top Rated***

In August 2023, MASMOVIL achieved a new and particularly important milestone in its commitment to sustainability and ESG criteria when it obtained an ESG Risk Rating by renowned firm Morningstar Sustainalytics. It was classified as "Low Risk" and given a score of 14.1. This positioned MASMOVIL as the leading convergent telco with proprietary fixed and mobile infrastructure, ahead of its main competitors, and enabled MASMOVIL to be included in the ESG Top Rated group of companies within the telecommunications industry.

- **ESG rating by Clarity AI**

In November 2023, Clarity AI assigned MASMOVIL a new ESG rating, with a score of 80 points, the highest of all telecommunications operators in Spain.

- **Other certifications and policies validating our ESG strategy**

The MasOrange Group has also implemented a series of measures (outlined in detail later in this report) demonstrating that it is adapting its strategy to the ESG landscape and emphasizing our responsibility in managing ESG risks:

- Adherence to the United Nations Global Compact
- Definition of the Purpose, Vision and Values integrating positive impact
- Equality and diversity plans
- Corporate policies:
    - ESG Policy
    - Environment and Energy Policy
    - Anti-corruption Policy
    - Conflict of Interest Policy
    - Gift and Hospitality Policy
    - Crime Prevention Policy

- Policy for Compliance with Economic Sanctions Programs and Trade Control Rules
- Information Security Policy
- Internal Reporting System Policy – Ethics Channel
- Supplier Code of Conduct
- Internal Control Policy
- Risk Management and Control Policy
- Data Privacy Policy
- Global Security Policy
- Business Continuity Policy
- Workplace Safety, Health and Well-being Policy
- Equality Plans
- Anti-fraud Policy
- Anti-trust Policy
- Fiscal Policy
- External Auditor Relationship Policy

- Certifications:
  - ISO 9001: Quality management system
  - ISO 14001: Environmental management systems
  - ISO 50001: Energy management systems
  - ISO 14064: Greenhouse gases
  - EMAS system: European Eco-management and Audit Scheme
  - ISO 37001: Anti-bribery management systems
  - UNE 19601: Criminal compliance management system
  - ISO 27001: Information security management systems
  - ISO 27701: Privacy information management system
  - Spanish national security system (ENS) certification:
  - ISO 22301: Business continuity management systems
  - ISO 45001: Occupational health and safety management systems
  - ISO 45003: Psychological risk management

- Preparation to extend B Corp certification to the entire MasOrange Group

- Spanish Ministry for the Ecological Transition (MITECO) 'Calculate, Reduce and Offset' seal; Net zero CO_2 emissions for Scopes 1 and 2

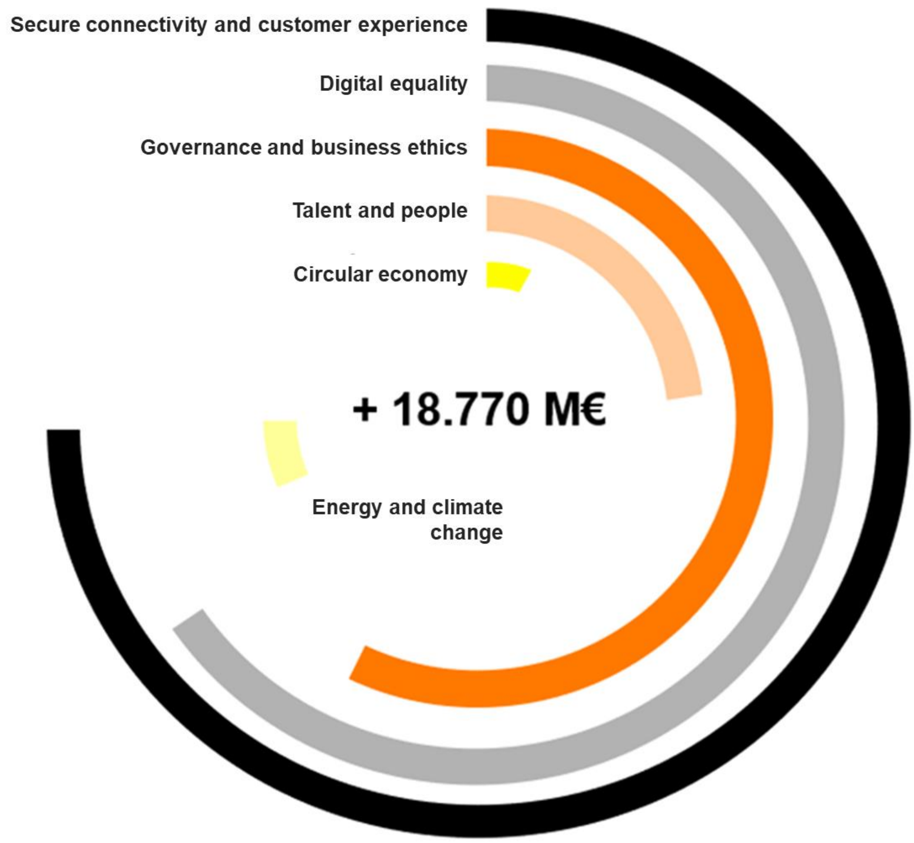
2.4 Social and environmental impact measurement

The MasOrange Group has reiterated its commitment to Spanish society, generating a positive impact in 2024 of over €18 billion.

The Company prepared an ESG impact measurement report with quantification of its sustainability impact. The results underscore MasOrange's commitment to be able to generate tangible value for society and the environment and cement its position as the leader in sustainability in Spain.

The aim of this initiative was to strengthen MasOrange's commitment to sustainability through three key pillars:

- Integration of the ESG Strategic Plan into the business model.
- Use of the ESG assessment as an adaptive tool for decision-making.
- Transparent communication of progress to bolster stakeholder trust.



2.5 The MasOrange Group's main ESG milestones and achievements

Type	Milestone/Achievement	Remarks
Governance	Creation of MasOrange	MasOrange's Articles of Association outline its commitment to creating positive impact, focused on generating sustainable value through its activities and considering stakeholders, the environment and good governance practices.
Governance	Our CEO is appointed Chief ESG Officer	At MasOrange, the Board of Directors and the CEO, as Chief ESG Officer, assume maximum responsibility for ESG matters, as stated in the ESG Policy.
Governance	Social and environmental impact measurement	The MasOrange Group published its integrated Social and Environmental Impact Report, underscoring its commitment to a sustainable business model and generating an impact of over €18.77 billion
Governance	New integrated policies at Group level	We integrated policies post-constitution of the MasOrange Group
Governance	B Corp certification	MasOrange embarked on a process to extend the B Corp certification—obtained by MASMOVIL in 2021, making it the first European operator and largest Spanish enterprise to be certified—to the entire Group.
Governance	Incentives linked to ESG metrics	The new ESG Strategic Plan includes short- and long-term incentives linked to social, environmental and governance performance.
Governance	United Nations Global Compact	MasOrange renewed its commitment to the Global Compact, of which Orange was a member since 2000 and MASMOVIL since 2020.
Governance	ISO certifications	ISO 9001 Quality Management System UNE 19601 Criminal Compliance and ISO 37001 Anti-bribery ISO 22301 Business Continuity ISO 27001 Information Security and ISO 27701 Information Privacy Management AENOR certification of conformity with the National Security Scheme
Governance	ESG-linked syndicated financing	MasOrange obtained a cost reduction on the ESG-linked syndicated financing derived from its Fitch rating upgrade.
Environmental	Environment and Energy Policy	Integration and approval of the policy in MasOrange by the Board of Directors.

Environmental	CDP rating	In 2024, we took part in the CDP's environmental disclosure initiative, obtaining a B-score for our contribution to climate change in 2023.
Environmental	ISO 14001 certification	Environmental management certification for Orange since 2006 and MASMOVIL since 2020
Environmental	ISO 50001 certification	Energy efficiency management certification for MASMOVIL since 2022 and Orange since 2023
Environmental	ISO 14064 certification	Verification of carbon footprint for Orange since 2016
Environmental	Measurement of Scope 3 emissions	MasOrange integrated the measurement of its Scope 1 and 2 emissions and unified the calculation of its Scope 3 emissions, for which it will draft an integrated action plan.
Environmental	100% of electricity consumption from renewable sources	All direct electricity consumed has an REGO or a PPA
Environmental	Commitment to renewable energies	Commissioning of a new photovoltaic (PV) facility, which will result of annual saving of 90 MWh, and completion of the project to install solar panels on 23 buildings, which will result in an annual energy saving of over 1,200,000 kWh.
Environmental	Calculate, Reduce and Offset seal	Recognition by the Spanish Climate Change Office for the calculation, reduction and offsetting of Orange's carbon footprints, and the Calculation and Offset seal for Euskaltel, R Cable and Telecable Telecomunicaciones
Environmental	Carbon sequestration projects	More than 50,000 trees were planted in Spain through the reforestation projects carried out in Teruel and Llanes by Orange, Pepephone and R.
Environmental	Investment in CO_2 capture projects equivalent to our direct footprint (Scopes 1 and 2)	Conservation and recovery of an area at extreme risk of deforestation in Sena Madureira (Acre, Brazil) through the REDD+ Yuxibu project, in conjunction with Grupo Sylvestris and Canopée Gestão Ambiental e Forestal.
Environmental	Green fleet certificate: low emission vehicles	Issued by OPUS RSE at the end of 2024
Social - Customers	+0's FTTH recognized as "best in class"	Highest overall customer experience by nPerf for our fixed network Orange ranked 1st in customer experience in all categories by Opensignal
Social - Customers	First European operator in commercial deployment of Open RAN	MasOrange leader in 5G base stations in 2024 according to the CNMC Orange tied for 1st as best mobile network in Spain according to Umlaut Orange ranked 1st in 5G availability by Opensignal

Social - Customers	Corporate social responsibility certificate	MasOrange companies MASMOVIL and XFERA took part in AUTOCONTROL certification, reaffirming our commitment to ethical and fair advertising that benefits consumers, competitors, and the wider market. They are scheduled to receive the certificate in the first quarter of 2025.
Social - Customers	Renewable energy for our customers	We expanded our renewable energy services offering to include Orange Energía, Euskaltel Luz y Gas and R customers, delivering annual growth of 67% in the number of households with electricity and gas supply.
Social - Customers	New advanced cybersecurity solutions for SMEs	We launched a catalog of advanced solutions to provide comprehensive cyber threat protection. Divided into two categories—Network Protection and User Protection—these solutions are designed to enhance digital security, safeguard data, protect reputation, and ensure business continuity.
Social - Customers	Launch of *TúYo*	*TúYo* is a solution developed by Orange in collaboration with child protection experts, ensuring children can use their first mobile phone with complete safety
Social - Customers	Leader in customer satisfaction indexes	In 2024, all of the Group's legacy brands were leaders in customer satisfaction in their segment, improving on the high satisfaction levels achieved in previous years in the three main brands
Social - Customers	Integrated customer experience	An integrated customer experience model based on strikes was implemented, achieving 100% of our ambitious target: a 5% reduction in customer issues.
Social - Customers	Leadership in network quality	We ranked first for the quality of our fixed or mobile networks in five of the seven independent public reports recently published by accredited organizations, such as the CNMC, nPerf, Ookla and Opensignal.
Social - Customers	Record low level of complaints over bills	We ended last year with the lowest number of customer complaints over their bills.

Social - Talent	Concern for the well-being of our people	ISO 45001 Occupational Health and Safety Management Systems certification ISO 45005 psychosocial risk management certification
Social - Talent	Focus on retention and equality among employees	98.69% of the workforce with permanent contracts and 47.6% of women on the workforce
Social – Talent and Society	+O volunteering week	More than 2,200 volunteers took part in over 37 activities focused on cohesion, diversity, digital inclusion, rural development, and the circular economy, and in a solidarity market that raised nearly €70,000.
Social - Society	*Pienso, luego actúo* (PLA) platform	Platform designed to promote social initiatives, which is changing the status quo and making the world a better place, with more than 69 million views during the year
Social - Society	Support of social impact organizations	With a total endowment of €120,000, the 13th annual MasOrange Volunteer Awards recognize organizations that improve the planet and reduce inequalities through environmental, education, digital inclusion and community technology projects.
Social - Society	Startup accelerator with a positive impact: *¡Que Vivan Los Pueblos!* (Long Live our Villages)	In 2024, a total of 10 startups were mentored by 10 Yoigo and MasOrange Group professionals, and more than 105 new startups registered.
Social - Society	First Childhood and Adolescence in Digital Environments report	Prepared by the Orange Foundation, GAD3, and Save the Children, this report explores key concerns and proposes actionable solutions to enhance digital childcare, as well as provides insights for developing a medium- to long-term plan aimed at generating a positive impact.
Social - Society	Collaborations and partnerships with social institutions	In 2024, we continued our social collaborations with Asociación Cultural Avanza ONG, ATA, Círculo de Impacto Unlimited, Comité de Emergencia, the Spanish Red Cross, ANAR Foundation, Euskaltel Foundation, Fundación FDI, the Orange Foundation, Fundación SERES, Red Innicia, Save The Children, and Voluntare.
Social - Society	Madrid Excelente seal	The Madrid Excelente seal was renewed including MasOrange, recognizing it as a company dedicated to management excellence, innovation, environmental sustainability, customer satisfaction, improving people's lives, and driving progress.
Social - Society	*Periodismo y Comunicación en Sostenibilidad* (Sustainability journalism and communication) awards	The *Periodismo y Comunicación en Sostenibilidad* awards recognize journalists who explore topics related to technology, the environment, and sustainability. With nearly 160 reports submitted, this underscores the critical role of sustainable development and technological innovation in improving lives and protecting the environment.

Social - Society	Rural Emprende award	Embou, MasOrange's operator in Aragon, and the Caja Rural de Aragón Foundation gave the Rural Emprende 2024 award to the *Pastores de Emergencia* (emergency shepherds) project in recognition of talent in rural areas of Aragón.
Social - Society	Business growth alliance	MasOrange, Telefónica, Vodafone and i2CAT teamed up to launch the first multi-operator Open Gateway API lab in Europe to accelerate the adoption of interoperable APIs and promote co-operation in the telco sector.

2.6 Economic value generated, distributed and retained in 2024

GRI 201-1; 201-4; 207-1; 207-2; 207-3

INDICATOR	2024
Economic value generated	**5,636**
Revenue	5,562
Other operating income	112
Finance income	-37
Economic value distributed	**4,520**
Consumption of goods for resale	-
Subcontracted work and other supplies	3,065
Salaries and wages	283
Other operating expenses	494
Finance costs	791
Income tax and other taxes	-113
Economic value retained	**1,116**
Profit/(loss) before tax	-696
Profit/(loss) from continuing operations	-583
Profit/(loss) loss from discontinued operations	-
Profit/(loss) for the year	-583
Government grants and assistance received	134
Income tax paid	46

* Figures in € million.

MasOrange's tax strategy is centered primarily on ensuring full compliance with tax regulations, adopting a reasonable interpretation of the law and adhering to binding resolutions from the Administration and/or national and EU case law. It also reflects our commitment to upholding good tax practices.

Good tax practices encompass compliance activities and ongoing advisory support for the business, as well as our involvement in special projects and relationships with tax authorities. All these efforts are focused on preventing tax risks and promoting efficiency to support the Company's business strategy.

This tax policy is reflected in the payment of the direct and indirect taxes generated by our activities, thereby contributing positively to long-term value creation and fostering the country's economic development.

2.7 Key performance indicators

Regarding the tables below, it is important to note that the merger between Orange and MASMOVIL to become the MasOrange Group became effective in 2024. As a result, increases in figures do not reflect pure organic growth.

- **Emissions**

GRI 3-3; 305-1; 305-2; 305; 305-5

GHG emissions	2024
Scope 1	6,125
Scope 2	0
Scope 3	707,001
Total GHG emissions (tCO_2eq)	**713,126**

- **Waste and recycling**

GRI 3-3; 306-1; 306-2

Waste in network operations	2024
Electrical and electronic equipment (WEEE)	182,768
Cellulosic waste: office, stores, and logistic operators	181,585
Other waste (toner and batteries)	1,635
Total waste in network operations (kg)	**365,988**

Refurbished equipment	2024
Refurbished equipment ('000 units)	1,027,125
Total equipment sent to customers ('000 units)	2,494,973
% refurbished equipment	**41.17%**

Consumption

GRI 305-5; 302-1; 302-3

KPIs	2024
Electricity (MWh)	215,429
Fuel (MWh)	8,442
Natural gas (MWh)	132
Water (m^3)	26,085
Paper (Kg)	1,573,570

- **People**

GRI 2-7; 3-3; 405-1

KPIs	2024
Total workforce at year-end	7,944
% of women on the workforce at year-end	47.6%
% of permanent contracts at year-end	98.69%
Total weighted pay gap	-15.04%
Average pay gap among executives	-16.38%
Employees with disabilities	82
Employees covered by collective bargaining agreement	100%
Absentee rate (lost workdays per 100 days)	2.96
Hours of training	140,180

2.8 Key ESG targets

GRI 2-23

Upon approving the new ESG Strategic Plan, we set specific objectives for each strategic ESG priority with the aim of implementing the CSRD, achieving full decarbonization by 2040, and being recognized as a leader in terms of positive impact.

Objectives	Achieved in 2024	Projected for 2025	Ambition for 2027
Consume electricity from renewable sources	100%	100%	100%
Offset residual Scope 1 and 2 emissions with nature-based solutions	100%	100%	100%
Improve % of customer routers refurbished	41%	54%	56%
Deploy state-of-the-art networks	5G coverage of 88.4%	5G coverage of 92%	-
Ensure customer experience by reducing complaints	-5%	-10%	-
Increase the base of customers of sustainable services (EOPs)	246,000	420,000	654,000
Develop digital skills and child protection (beneficiaries)	76,000	79,000	300,000 beneficiaries
Offer coverage in rural areas	96.2%	96.4%	
Increase the percentage of women in management positions	32%	35%	35%
Improve the cultural integration index	6.5	7	8

2.9 Strategy aligned with the SDGs

Promote the health and well-being of everyone We support work-life balance through a hybrid, flexible model and comprehensive health and wellness programs. **Work-life balance, digital disconnection and social benefit measures**	**Contribute to inclusive, equitable and quality education and promote learning opportunities** We recognize education as a key driver of personal development, employability, and technological advancement. Therefore, we gear efforts toward fostering essential skills in the digital and educational environment. **More than 140,000 hours of employee training**	**Promote societies that care about gender equality** We promote diversity and inclusion across all levels of our organization through equitable hiring practices and key initiatives like the Diversity Plan, which fosters gender equality and empowers social impact entrepreneurship. **32% of women in management positions**
Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation We build telecommunications networks and invest in research to deliver cutting-edge connectivity (fixed and mobile networks) and innovative services, (e.g., IT solutions, cybersecurity, and mobile financial services) to regions, businesses, operators, and individuals. **5G coverage of 88.4% and 4G rural coverage of 96.20%**	**Reduce gender inequalities within and among countries** We strive to make technology and knowledge accessible to all, fostering inclusion and empowerment across society. We work every day to advance digital equality, diversity, and equal opportunities within the Company. **79,000 participants in digital equality programs**	**Make cities more inclusive, safe, resilient and sustainable** We connect people with cutting-edge technologies to ensure an outstanding customer experience and strengthen relationships based on trust. We prioritize information security and data protection, fostering a trustworthy and transparent environment for everyone. **Innovation for dynamic management of smart environment, communications, mobility, and transportation services.**

Ensure sustainable consumption and production We are increasingly integrating circular economy principles into our production processes and business models, considering ecological design in products, extension of the product life cycle, optimization of life cycles, and recycling. **41% routers refurbished**	**Take urgent action to combat climate change and its impacts** We enhance the energy efficiency of our infrastructure, expand the use of renewable energy, and develop solutions for the zero carbon transition. Our goal: be carbon neutral by 2040. **100% electricity consumption directly from renewable sources and 100% of Scope 1 and 2 emissions offset**	**Promote peaceful and inclusive societies** We are committed to respecting fundamental rights and liberties and safeguarding privacy. We take an ethical approach, especially through our Responsible Procurement Policy and anti-corruption measures. **346 suppliers assessed based on social, environmental, compliance, and financial risk criteria**

Strengthen adoption of the Global Partnership for Sustainable Development

We support socioeconomic development and build partnerships in areas such as essential services (e.g., mobile money, education, agriculture, health) to support the SDGs. We engage our entire ecosystem: institutions, development agencies, NGOs, etc.

First Childhood and Adolescence in Digital Environments report in conjunction with UNICEF

3. About us

3.1 Who we are

GRI 2-6

We are a leading and established Spanish telecommunications operator, offering a comprehensive value proposition that fully addresses the communication needs of individuals, institutions, and businesses across Spain.

We specialize in: (i) providing telecommunication services (fixed telephony, mobile telephony, broadband internet, and television) to both residential (individual and household) and business end users; (ii) providing interconnection and roaming services to other operators; and (iii) providing trading services for wholesale customers and other services related to the Group's corporate purpose.

We provide our services through the following brands Orange, Yoigo, Jazztel, MASMOVIL, Pepephone, Simyo, Virgin Telco, Lycamobile, Lebara, Llamaya, Euskatel, R, Telecable, Guuk, Embou, Populoos and Cablemovil.

Our history

For several decades now, the companies making up the Group have pursued a growth policy entailing both organic growth and M&A. This approach has enabled us to become Spain's top telecoms operator.

MasOrange is now officially Spain's leading mobile telecommunications operator, surpassing Telefónica, which had held this position since the telecommunications market's liberalization. Our position was certified by the Spanish competition watchdog (Comisión Nacional de los Mercados y la Competencia or CNMC) in its annual list of the main operators in these markets released in December 2024.

The improvement was the result of the merger between Orange's Spanish subsidiary and MASMOVIL, creating MasOrange. Effective as of April 1, the merger has made the Group the leader of the Spanish mobile telephony market by number of lines. As of the end of September, according to CNMC data, MasOrange held 42.5% of Spain's mobile lines, followed by Telefónica with 26.7%, Vodafone with 21.3%, and mobile virtual network operators (MVNOs) with 9.4%.

MasOrange ended December 2024 with 38.9 million customers, of which approximately 25.8 million were mobile and 7.1 million were fixed broadband customers, and 6 million were M2M lines.

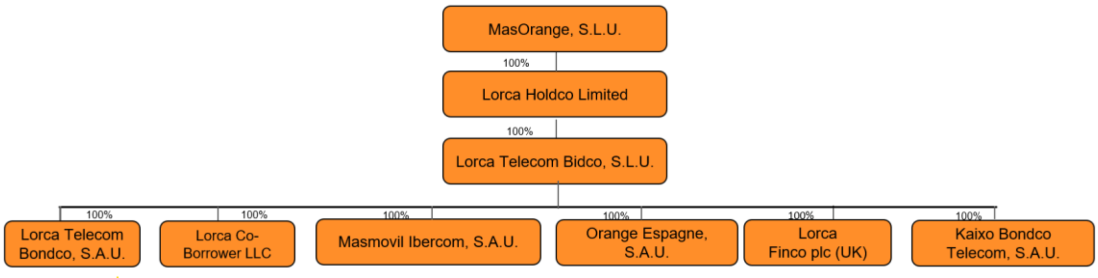
The Group has its own infrastructure and agreements with other operators that provide it with a fixed fiber network that reaches more than 31 million households and Asymmetric Digital Subscriber Lines (ADSL), as well as 3G, 4G, and 5G mobile services.

The Group continues to work to anticipate its customers' needs and demands, constantly enhancing its services. We are one of the operators with the best coverage in Spain, with our 4G network reaching 99.2% of the population. The 5G network now reaches 88% of the Spanish population.

3.2 Organization and structure

MasOrange, S.L.U. (the "Group", "MasOrange Group" or "MasOrange") is a Spanish single member limited company (*Sociedad Limitada Unipersonal*) with registered office in Pozuelo de Alarcón, Madrid (Spain). It engages primarily in the provision of telecommunications services. It is the parent in Spain of MasOrange Group, which arose from the 2024 merger between Orange and MASMOVIL, two leading telecommunications operators in Spain.

The Group's full consolidation scope and each company's corporate purpose are presented in Appendix I to the Group's 2024 consolidated financial statements.



ORANGE ESPAGNE S.A.U. investees	Ownership interest (%)
Orange España Comunicaciones Fijas, S.L.U. Wholesale fixed communication services Paseo del Club Deportivo, 1 – La Finca – Pozuelo de Alarcón – 28223 Madrid, Spain	100%
Orange Espagne Distribución, S.A.U. Telecommunications services and equipment sales Paseo del Club Deportivo, 1 – La Finca – Pozuelo de Alarcón – 28223 Madrid, Spain	100%
Orange España Virtual, S.L.U. Telecommunications services Paseo del Club Deportivo, 1 – La Finca – Pozuelo de Alarcón – 28223 Madrid, Spain	100%
Suma Operador de Telecomunicaciones, S.L.U. Telecommunications services Paseo del Club Deportivo, 1 – La Finca – Pozuelo de Alarcón – 28223 Madrid, Spain	100%
Orange España Servicios de Telemarketing, S.A.U.	100%

Telemarketing and telephone services Paseo del Club Deportivo, 1 – La Finca – Pozuelo de Alarcón – 28223 Madrid, Spain	
Jazzplat Colombia S.A.S Call center and customer services Carrera 72B nº 23-20 – Bogotá, Colombia	100%
Jazzplat España S.L.U. Call center services Paseo del Ocio nº 4 – 19002 Guadalajara, Spain	100%
Orange Mediación de Seguros, S.L.U. Insurance mediation Paseo del Club Deportivo, 1 – La Finca – Pozuelo de Alarcón – 28223 Madrid, Spain	100%
Inversiones en Telecomunicaciones, F.C.R. (in liquidation) Telecommunications investment holding company Paseo del Club Deportivo, 1 – La Finca – Pozuelo de Alarcón – 28223 Madrid, Spain	66.67%

MASMOVIL IBERCOM, S.A.U. investees	**Ownership interest (%)**
Xfera Móviles, S.A.U. Telecommunications services Paseo del Club Deportivo, 1 – La Finca – Pozuelo de Alarcón – 28223 Madrid, Spain	100%
Kaixo Telecom, S.A.U. Telecommunications services Lugar Parque Empresarial Zuatzu, 8 – San Sebastián – 20018 Gipuzkoa, Spain	100%

XFERA MÓVILES, S.A.U investees	**Ownership interest (%)**
Pepeworld, S.L.U. Development of new businesses, management and provision of business services, commercial strategies and planning Paseo del Club Deportivo, 1 – La Finca – Pozuelo de Alarcón – 28223 Madrid, Spain	100%
Embou Nuevas Tecnologías, S.L.U. Consulting and business advisory in the field of telecommunications and new technologies Calle Bari, 33 – Zaragoza – 50009 Zaragoza, Spain	100%
Xtra Telecom, S.A.U.	100%

Telecommunications services Paseo del Club Deportivo, 1 – La Finca – Pozuelo de Alarcón – 28223 Madrid, Spain	
SPF Franquicia Tarifa, S.L. Telecommunications services and equipment sales Paseo del Club Deportivo, 1 – La Finca – Pozuelo de Alarcón – 28223 Madrid, Spain	100%
Masmovil Broadband, S.A.U. Telecommunications services Calle Maria Tubau, 8 – Madrid – 28050 Madrid, Spain	100%
Spotting Bands Technologies, S.L.U.[1] Telecommunications services Paseo del Club Deportivo, 1 – La Finca – Pozuelo de Alarcón – 28223 Madrid, Spain	100%
Spotting Development, S.L.U. Telecommunications services Paseo del Club Deportivo, 1 – La Finca – Pozuelo de Alarcón – 28223 Madrid, Spain	100%
The Bymovil Spain, S.L.U. Telecommunications services and equipment sales Polígono Industrial MIES, D-9 – Cartes – 39311 Cantabria, Spain	100%
Comlocal, S.L. Acquisition, integration and management of operators or companies engaged in the marketing of telecommunications services to residential customers Parque Empresarial – La Finca – Pozuelo de Alarcón – 28223 Madrid, Spain	100%
Senior Telecomunicaciones y Servicios Avanzados, S.L. Design, research, development, acquisition, sale, supply, distribution, import, export, maintenance, installation, interconnection and marketing of software and computer programs Paseo del Club Deportivo, 1 – La Finca – Pozuelo de Alarcón – 28223 Madrid, Spain	81.67%
Guuk Telecom, S.A.U. Distribution and marketing of services, including telecommunication products, using its own trademark Lugar Parque Empresarial Zuatzu, 8 – San Sebastián – 20018 Gipuzkoa, Spain	100%
Energía Colectiva, S.L.U. Electricity supply Calle Joan D'Austria, 28 – Valencia – 46002 Valencia, Spain	100%
Masmovil Medicación de Seguros, S.L. Insurance mediation Paseo del Club Deportivo, 1 – La Finca – Pozuelo de Alarcón – 28223 Madrid, Spain	100%

[1] In turn owns 100% of the shares of Ahimas Suroeste, S.L, which has its registered office at Paseo del Club Deportivo, 1 – La Finca – Pozuelo de Alarcón – 28223 Madrid, Spain and engages in telecommunications services.

Pepemobile, S.L. Telecommunications services Paseo del Club Deportivo, 1 – La Finca – Pozuelo de Alarcón – 28223 Madrid, Spain	10%* * The remaining 84.99% is held by Pepeworld, S.L.U.
Pepe Energy, S.L. Electricity supply Paseo del Club Deportivo, 1 – La Finca – Pozuelo de Alarcón – 28223 Madrid, Spain	15.01%* * The remaining 84.99% is held by Pepeworld, S.L.U.

Kaixo Telecom, S.A.U. investees	**Ownership interest (%)**
Masbusinessinnovations, S.L. Technological research and applications PARQUE TECNOLOGICO EMPRESARIAL – Derio – 48160 Bizkaia, Spain	100%
R Cable y Telecable Telecomunicaciones, S.A.U, Telecommunications services Calle Real, 85 – A Coruña – 15003 La Coruña, Spain	100%

3.3 What we do

MasOrange is the largest telecommunications operator in Spain by number of customers, with more than 38 million broadband and mobile lines. In addition to telecommunications, it offers residential and business customers TV, insurance, energy, alarm systems, consumer finance, e-health, cybersecurity, and cloud services.

MasOrange has nine national brands (Orange, Yoigo, Jazztel, MASMOVIL, Simyo, Pepephone, Lebara, Lyca and Llamaya) and five regional brands (Euskaltel, R, Telecable, Guuk and Embou) through which it is capable of meeting all the needs of its customers in Spain.

We reach over 31 million marketable households with our fiber optic offering, while the 4G network covers 99.20% of the Spanish population. Our new 5G technology covers 88.40% of the population and over 3,700 municipalities in Spain.

The Company aims to be the operator with the most satisfied customers, consolidate our position as a driving force of talent, and lead the purpose economy in Spain, while respecting people and the planet. We work to make technology accessible for all (focusing particularly on the so-called *España vaciada* (the so-called 'Empty Spain') and develop products and services to enhance the experience for all our customers.

MasOrange carries out all its business operations in Spain and offers customer services from the Guadalajara (Castilla la Mancha), Oviedo (Asturias) and Bogotá (Colombia) offices.

3.4 Economic backdrop and strategy

In 2024, the economic landscape in Spain was marked by lower inflation, averaging 3% by year-end, alongside a monetary policy shaped by ECB interest rate cuts to below 3%. Domestic GDP growth exceeded 2%.

Meanwhile, war in Ukraine and the Middle East triggered a slowdown in private investment. Globally, the technology sector featured moderate growth of around 10% year-on-year in areas such as artificial intelligence (AI), Big Data and green technologies.

In the Spanish telecommunications (telco) sector, the completion of the joint venture established the Group as the market leader by customer base. Excluding the impacts of the merger, the market remained broadly flat, with increasing competitive pressures in the residential segment. In the wholesale market, revenue-generation continues to serve as the industry's cornerstone and the key battleground for the three largest operators in the country.

Against this backdrop, the MasOrange Group's strategy in 2024 was centered on securing its position as leader of the Spanish telco market. The merger is expected to give rise to considerable synergies, of up to €500 million through savings and streamlining. The commitment to the industry's digital development and growth is underscored by the €800 million of investment made during the year. The majority of the investment was allocated to deploying advanced XGSPON-based broadband connections, offering speeds of up to 10Gbps, and developing services around 5G-SA networks to achieve lower latency and deliver faster speeds.

With over 7.1 million broadband lines and 25.8 million mobile lines, we are committed to delivering best-in-class service and sustaining our growth trajectory. Currently, we have more than 142,000 FTTH lines and 208,000 mobile contract lines.

Meanwhile, thanks to our commitment to offer competitive 4P bundles so that our customers can enjoy the best content, we renewed our agreements with Movistar and DAZN to include European football.

We have broadened our portfolio for businesses by including new services, such as cybersecurity and AI, focusing on structural growth.

3.5 Key figures for the Group in 2024

Environment	0 net CO_2 emissions (Scopes 1 and 2)
	100% electricity consumption directly from renewable sources
	41.17% refurbished equipment installed for new customers
Society	Approximately 7.764 million real estate units deployed in municipalities with a population under 20,000
	€46 million income tax contribution and €3.295 million social contribution
Team	7,944 employees at year-end 2024
	98.69% of the workforce with permanent contracts at year-end 2024
	140,180 hours of training
	47.6% women on the workforce
Customers	38.9 million customers (21.8 million mobile and 7.1 million fixed broadband, and 6 million M2M lines)
	Fixed fiber optic network with access to over 31 million households and businesses through own or third-party infrastructure
	> 99% of the population covered by the 4G network
	Over 88.4% of the population in nearly 3,700 municipalities with 5G coverage
Corporate governance	Corporate-wide cybersecurity and compliance awareness programs for all Group employees
	Board-approved unified corporate policies
	CEO appointed by the Board as Chief ESG Officer
	0 confirmed incidents of corruption

3.6 Key milestones and recognitions in 2024

- February
  - ✓ The European Commission green lights the Orange and MASMOVIL joint venture, paving the way for a single, stronger operator in Spain.
- March
  - ✓ Orange and MASMOVIL complete the transaction to form the leading operator in Spain in terms of customers.
- April
  - ✓ MasOrange, the new telecommunications leader in Spain, is born.
  - ✓ MasOrange to invest over €100 million in Aragón over the next three years.
  - ✓ MasOrange successfully completes the placement and syndication of its entire €6.6 billion joint venture debt package, enhancing its financial terms.
- May
  - ✓ MasOrange, a campaign to "welcome to the future" the new telecommunications leader in Spain.
  - ✓ All MAX entertainment now available at Orange, Euskaltel, R and Telecable.

- ✓ MasOrange earmarks over €130 million for investment in Barcelona over the next three years, aiming to drive local economic and the social growth of individuals and businesses.

- June
  - ✓ MasOrange reduces its CO_2eq emissions by 24,000 tons in five years.
  - ✓ MasOrange and R will provide 5G coverage to all households in rural Galicia within in the next two years.
  - ✓ MasOrange's 5G network now reaches nine out of every 10 beaches in Spain.
- July
  - ✓ Yoigo launches its FTTR service for households and businesses—the market's most powerful invisible fiber and wireless network.
  - ✓ MasOrange's 5G network will reach nearly 100% of Spanish municipalities with populations of over 10,000 in 2024.
  - ✓ Telecable and MasOrange will invest nearly €100 million over the next three years to driven economic and social growth in Asturias.
  - ✓ MasOrange and Vodafone Spain agree the terms to create a national fiber network company.
  - ✓ Orange enters into a strategic agreement with Real Madrid making it the club's new go-to partner for telecommunications.
- August
  - ✓ The UEFA Euro final and the LALIGA kick-off set new 5G mobile traffic records on MasOrange's network.
- September
  - ✓ MasOrange launches electricity and gas service under the Orange brand.
  - ✓ Orange's new '5G at Home' service delivers the best connectivity for households, with no installation required and charges based solely on usage time.
  - ✓ Nearly 10,000 people over 65 now have digital skills thanks to MasOrange's *Mayores Conectados* program.
  - ✓ Orange TV adds the Filmin service to its content offering.
- October
  - ✓ Orange launches *Orange TV Libre*, making it easier for customers to access the best European football and a wide range of additional content.
  - ✓ 5G connectivity is now available in more than 3,500 municipalities in Spain thanks to MasOrange.
  - ✓ Orange, Euskaltel, R, and Telecable are revolutionizing customer connectivity once again with the launch of their Wi-Fi 7 router.

- ✓ MasOrange and AGILE CONTENT renew their partnership agreement to further benefit their customers.
- ✓ MasOrange and Ericsson partner to create Europe's most modern, open and programmable 5G mobile network in Spain.
- ✓ MasOrange mobilizes to demonstrate solidarity and provide support for those affected by the floods.

- <u>November</u>
  - ✓ MasOrange offers free telemedicine services, psychological support and legal and insurance advice to those affected by the DANA flash floods.
  - ✓ MasOrange, Telefónica, Vodafone Group, and i2CAT launch an Open Gateway API innovation lab.
  - ✓ Orange launches the first comprehensive solution to protect children in the use of their first mobile phone.
  - ✓ MasOrange will invest over €100 million in Murcia over the next three years, aiming to drive local economic and the social growth of individuals and businesses.
  - ✓ Orange, in partnership with New Era Visionary Group (NEVG), will offer the best 5G SA connectivity at Spotify Camp Nou.
- <u>December</u>
  - ✓ R launches a green energy solution in Galicia, along with permanent discounts on telecom bills.
  - ✓ MasOrange partners with Odin Solutions to leverage the advantages of their 5G networks and promote telemedicine and telecare.
  - ✓ Childhood and Adolescence in Digital Environments report by Orange Foundation and Save the Children, together with GAD3: 93% of teenagers believe they should change their current technology usage habits.
  - ✓ SkyShowtime raises its profile in Spain by bringing its most successful films and TV series to Orange TV Libre, Euskaltel, R, and Telecable.

4. Leadership and accountability in good governance

Transparency, ethics, and responsible management are the core values that guide our corporate governance in executing control and management of the MasOrange Group's activities and interactions with shareholders.

One of our key objectives is to instill a culture of integrity and accountability across all geographies, operations, and employees within the Group by developing an ethical, transparent, and reliable business model.

We have reinforced our commitment to rigor and transparency in non-financial reporting, further solidifying our reputation among stakeholders as a responsible company.

4.1 Corporate governance model

The MasOrange Group's corporate governance model reflects our commitment to best corporate governance practices, ethics and responsibility across all our areas of operation.

Its Corporate Governance System comprises a set of bodies, control mechanisms, and internal rules, aimed among other things at directing and regulating the Group's organization transparently and efficiently, and promoting both the common interest and that of its stakeholders, as reflected in the Corporate Governance Policy. The Group has a Code of Ethics, as well as a set of internal rules and regulations, including regulations applicable to its governing bodies, several corporate policies and protocols, and the Criminal Compliance Management System. It also has a series of area-specific policies and procedures to ensure better and more orderly management of the business and processes.

4.1.1 Corporate policies

GRI 2-23

All Board- and CEO-approved policies are uploaded to the Group's intranet (accessible to all employees) and the Corporate website and apply to the entire MasOrange Group.

Our Group has internal policies and processes designed to uphold labor rights and avoid discriminatory practices. These commitments are primarily embodied in the Group's Code of Ethics and cover areas such as: addictive substances; child and forced labor; freedom of association and collective bargaining; integrity; non-discrimination, equal opportunities and diversity; health, safety, and well-being; and hiring.

MasOrange also has specific policies, including:

- ESG Policy
- Environment and Energy Policy
- Anti-corruption Policy
- Conflict of Interest Policy
- Gift and Hospitality Policy
- Crime Prevention Policy
- Policy for Compliance with Economic Sanctions Programs and Trade Control Rules
- Information Security Policy

- Internal Reporting System Policy – Ethics Channel
- Supplier Code of Conduct
- Internal Control Policy
- Risk Management and Control Policy
- Data Privacy Policy
- Global Security Policy
- Business Continuity Policy
- Workplace Safety, Health and Well-being Policy
- Equality Plans
- Anti-fraud Policy
- Anti-trust Policy
- Fiscal Policy
- External Auditor Relationship Policy

Implementation, preparation, approval, and entry into force of policies

Corporate policies are based on best practices, international frameworks (e.g., COSO) and previously approved policies by MASMOVIL's and Orange's governing bodies. They are designed to establish mechanisms that provide reasonable assurance on the reliability of the Company's and its subsidiaries' financial and non-financial information. They also establish principles and guidelines to ensure that risks affecting the Group's strategies and obligations are continuously identified, assessed, reported, and, where possible, managed within the risk appetite defined by the Board of Directors.

The relevant departments within MasOrange develop the Group's general policies and strategies. They also prepare departmental policies, which, when appropriate, are submitted to the Group's Audit and Risk Committee for review before being submitted to the Board of Directors. Ultimately, they are debated and approved by the MasOrange Group's Board of Directors or the Chief Executive Officer (CEO), pursuant to the powers invested in them.

Body responsible for enforcement of the policies

The duties of the Chief Compliance Officer (CCO) include adopting and/or coordinating the measures deemed appropriate to ensure enforcement of the MasOrange Group's Anti-corruption and Criminal Risk Management Model and operating the Ethics Channel in accordance with the Internal Compliance Function Charter. Therefore, the CCO is tasked with ensuring compliance with applicable policies, with the assistance of all area managers.

MasOrange has an Ethics and Compliance Committee responsible for promoting and coordinating compliance with the Code of Ethics, Anti-corruption Policy, Crime Prevention Policy, and Internal Reporting System Policy. Its members are: the Chief Compliance Officer, Chief Legal & Assurance Officer, Chief Financial Officer, Chief People Officer, and the Head of Internal Audit and Compliance.

Evaluation of the proper implementation of corporate policies through internal and external audits

Internal and external audits are conducted to ensure the efficiency and effectiveness of the criminal risk management system and to verify, among other aspects, the implementation of various policies.

MasOrange uses the Three Lines Model to ensure enforcement of the corporate policies. This model is organized as follows:

1. The first line comprises functions overseeing risk-taking processes. First line roles include the Finance, IT and Network areas, and the business units.

2. The second line encompasses Internal Control, Risk and Compliance and other areas that oversee effective risk control (e.g., DPO, Cybersecurity, Telco and non-Telco Fraud, Revenue Assurance).

3. The third line consists of Internal Audit, which reports to the Audit and Risk Committee which, in turn, reports to the Board of Directors.

In addition to these roles, external auditors provide independent assurance on the internal control system as part of the audit of the annual financial statements and non-financial information.

Supplier commitment to our Code of Ethics and policies

As outlined in the chapter on suppliers, our suppliers commit to using their best efforts to adopt the principles and values set forth in the Code of Ethics and Supplier Code of Conduct.

The Company also requires suppliers to:

- Comply with all applicable Spanish and international laws.
- Respect fundamental principles, including human rights, dignity, privacy and individual liberties, and the prohibition of slavery, and adhere to International Labor Organization standards.
- Implement social responsibility practices, such as freedom of association and right to collective bargaining, prohibition of child labor, diversity and non-discrimination, inclusion, prohibition of slavery and forced labor, decent wages, respect for working hours, and health and safety.
- Combat climate change and protect the environment through measures such as greenhouse gas reduction, sustainable energy use, circular economy principles, raw material reduction, accurate product composition, waste management, pollution prevention, obtaining environmental permits and issuing environmental biodiversity conservation reports.
- Refrain from prohibited trade practices, including corruption and influence peddling, comply with rules of free and fair competition and sponsorship, and abstain from political contributions and anti-money laundering.
- Report on social, environmental and compliance audits and monitoring.
- Use MasOrange's Ethics Channel.

As specified in the Supplier Code of Conduct, any clear breach in terms of corruption or influence peddling may result in immediate suspension and/or termination by the Group of any agreements with the Supplier.

4.1.2 Governance bodies: General Shareholders' Meeting and Board of Directors

GRI 2-9; 2-10; 2-11; 2-12; 2-13; 2-14; 2-17; 2-19; 2-20

The Company's governance bodies and main responsibilities are as follows:

- The **General Shareholders' Meeting** represents all shareholders and is the Company's most senior decision-making body.

- The **Board of Directors** is the body in charge of running and representing the Company.

Director appointment, term of office and removal

According to MasOrange's Articles of Association, the General Shareholders' Meeting is vested with the power to appoint shareholders, with no exceptions other than those established by law. Director appointments become effective as of their acceptance and must be placed on file at the Companies Register.

Directors need not be shareholders to be appointed. For a legal person to be appointed director, the legal person must appoint one natural person to permanently discharge the duties of the directorship. A decision to revoke the representative is not effective until the legal person director appoints a person to replace that representative.

Company directors' term of office is indefinite. However, directors may be removed at any time by the General Shareholders' Meeting, even if their removal is not included as an item on the agenda.

Director remuneration policy

The Board of Directors recognizes transparency in all its actions, including the remuneration of its members, as a core element of its corporate governance strategy. In accordance with Article 25 of the Articles of Association, directorships are not remunerated. However, directors appointed CEOs or otherwise attributed executive duties are entitled to receive remuneration for performing executive duties.

Composition of the Board of Directors

MasOrange's Board of Directors, established in full in April 2024, consists of eight members and a Non-director Secretary, as follows:

Name	Category
Jean-François Fallacher	Chairman, non-executive proprietary
Meinrad Spenger	Executive (CEO)
Laurent Vincent Joseph Martinez	Proprietary
Mari-Noëlle Jégo-Laveissière	Proprietary
María Berta Durán Pérez	Proprietary
Miguel Juan Segura Martínez	Proprietary
Ignacio Cobo Bachiller	Proprietary
Roberto Sudo	Proprietary
Alberto Castañeda González	Non-director Secretary

The Board composition includes:

- 7 proprietary directors, representing 87.5% of the total.
- 1 executive director, representing 12.5% of the total, and 7 non-executive directors, representing 87.5% of the total.
- 2 female directors, representing 25% of the total.

Director categories:

- **Independent:** member of the Board of Directors who must perform their duties free of influence by any relationship with the management team or the Company's controlling shareholders. Independent directors are selected based on their personal and professional circumstances. The core mission of independent directors is to defend the interests of all shareholders, particularly non-controlling shareholders who are not eligible to hold a seat on the Board.
- **Executive:** member of the Board of Directors who, in addition to their directorship, are involved in the Company's day-to-day operations in a senior management role or as a Company or Group employee.
- **Proprietary:** member of the Board of Directors as a Company shareholder or for holding a significant interest in the Company's share capital. Proprietary directors may have a seat on the Board directly or through a representative.

Number of Board meetings: the composition of the Board of Directors was amended in 2024 following the Company's change of control on March 26. Prior to the change of control, the Board of Directors of KILI SPAINCO PROJECT, S.L.U. (the Company's previous name) held four meetings (three called in writing and without a meeting) at which it addressed issues related to the Group's strategy and objectives, corporate transactions, and internal organization and functioning, among other specific Board matters.

After the change of control, MasOrange's Board of Directors held eight meetings (two in writing and without a meeting) at which it addressed several issues related to the internal organization and functioning, the Group's strategy and objectives, corporate transactions, budget approval and business plan, internal control, and risk management policy, among other specific Board matters.

The General Corporate, Development & Transformation Department reports to the Board of Directors on sustainability issues. At least annually, the Board addresses environmental, social and governance (ESG) matters, including the ESG Policy and strategy, and the preparation of the Sustainability Report of the previous year, as well as the Company's annual financial statements.

Auditor attendance at Board / Audit and Risk Committee meetings: in 2024, the auditor was not requested to attend any Board meeting since the Company was not obligated to submit its 2023 annual financial statements for assurance. However, following the appointment of the external auditor for the next three financial years, the auditor was called on and attended three Audit and Risk Committee meetings.

- **Articles of Association that reflect the commitment to positive impact**

Following the recasting of the Articles of Association approved at the General Shareholders' Meeting on March 26, 2024, and as part of our efforts to extend B Corp certification across the Group, the Company introduced its commitment to generating a positive social impact in Article 2 of the Articles of Association:

"In pursuing its corporate purpose, the Company shall ensure the creation of sustainable value and a positive social impact by developing activities aligned with its purpose, considering its business stakeholders, institutional context, employees, the environment, and best practices in governance and corporate governance."

4.1.3 Board committees

The following committees have been created:

- **Audit and Risk Committee**, the consultative committee entrusted with the oversight of:

  (i) the quality, accuracy and completeness of the Company's and subsidiaries' financial reports and the appropriateness of the related information;

  (ii) compliance by the Company and its subsidiaries with internal control and risk management policies and procedures, including the adequacy and effectiveness of such controls, policies, procedures and programs, taking into account applicable law and business risks, and ensuring that they are effective and aligned with international standards, and commensurate with the Company's size, risks and business activity, covering both financial and non-financial risks;

  (iii) the internal and external audit functions;

  (iv) the review of sustainability matters affecting the Company's business model and strategy and that of its subsidiaries;

  (v) the sustainability management monitoring systems and performance of the Company and its subsidiaries in accordance with applicable law, regulations, regulatory requirements, and international standards;

  (vi) the review of mergers, acquisitions and investments; and

  (vii) investigations related to breaches of the law or ESG regulations reported by the Chief Compliance Officer, as well as the ESG standards and/or policies, management systems, and plans of the Company and of its subsidiaries.

  The Audit and Risk Committee met eight times in 2024.

The Audit and Risk Committee is composed of the following Board members:

- Laurent Vincent Joseph Martínez (Chair)
- Roberto Sudo
- Ignacio Cobo Bachiller
- Mari-Noëlle Jégo-Laveissière
- Alberto Castañeda González (Non-director Secretary)

- **Remuneration Committee**, the consultative committee entrusted with overseeing:

  (i) the adoption of and amendments to the remuneration policies of the CEO and members of the management team*;*

  (ii) the material terms of employment of the persons appointed by the management team*;* and

  (iii) amendments of the material terms of employment (including remuneration), as well as the pension plans and collective dismissals (furlough schemes) applicable to the Company and its subsidiaries.

The Remuneration Committee held four meetings in 2024.

The Appointments and Remuneration Committee is composed of the following Board members:

- Robert Sudo (Chair)
- Miguel Juan Segura Martín
- Jean-François Fallacher
- María Berta Durán Pérez
- Alberto Castañeda González (Non-director Secretary)

○

4.1.4 Executive committee and direct report CEO

The mission of the Executive Committee and direct report to the CEO is to ensure sustainable, ethical, and transparent growth, creating value for all stakeholders and contributing to a connected future.

Meinrad Spenger
Chief Executive Officer

Ludovic Pech
Chief Financial Officer

Germán López
Chief Operating Officer

Miguel Santos
Chief Technology Officer

Mónica Sala
Chief Network Officer

Mónica Alles
Chief People Officer

Julio Gómez
Chief Strategy & Wholesale Officer

Antonio García
Chief Legal & Assurance Officer

Luz Usamentiaga
Chief Regulation, Public Affairs & Sustainability Officer

Miguel Ángel Suárez
Chief Customer Experience - Cockpit Officer

Pablo Freire
Chief Corporate Development & Transformation Officer

4.2 Internal control and risk management systems

4.2.1 Three Lines Model

As specified in the Spanish Corporate Enterprises Act, one function of the Board of Directors that cannot be delegated is *"Establishment of risk control and management policy, including tax risks, and oversight of the internal reporting and control systems"*.

In this regard, the Board of Directors is not only supported by the Board committees, but also the Three Lines Model implemented in the Group. This establishes a simple and effective system to enhance internal communication for managing and controlling risks, clearly defining functions and responsibilities to ensure the continued success of risk management initiatives.

First line

The first line comprises functions overseeing risk-taking processes. First line roles include the Finance, IT and Network areas, and the business units. These operational areas and process owners are responsible for:

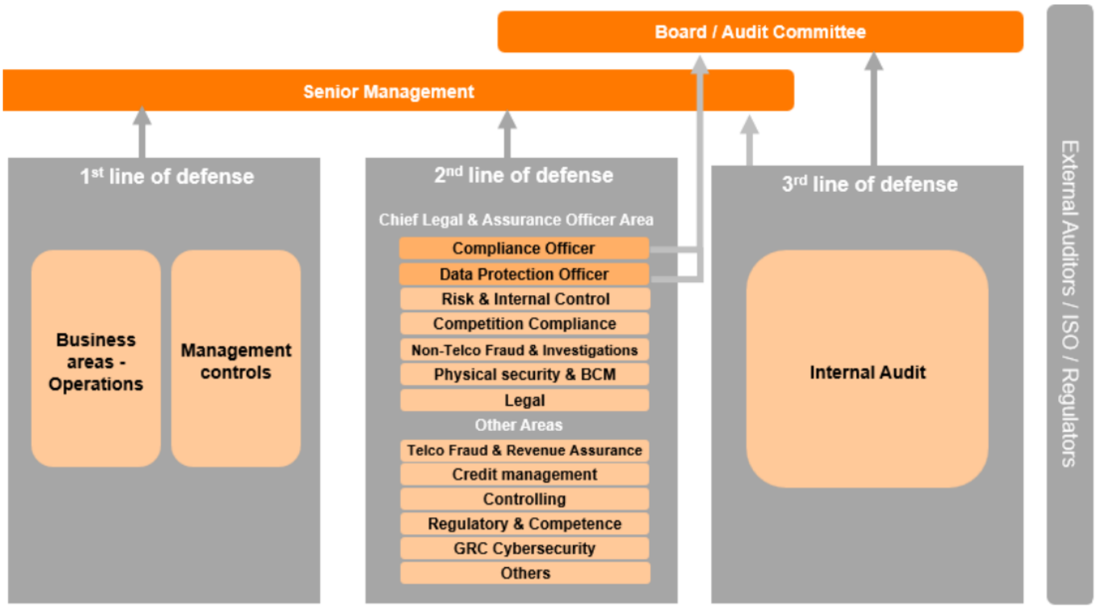
- Promoting an environment that enables the identification of activities or events that may result in the materialization of a potential risk, along with their main characteristics (e.g., impact, probability).
- Developing control measures and mitigation mechanisms for identified risks.
- Implementing appropriate tools to monitor and track identified risks.
- Establishing communication channels with senior management and the second line.

Second line

The second line encompasses assurance areas, such as Internal Control, Risk and Compliance; the Data Protection Office; Competition Compliance; Physical Security and BCM; Cybersecurity; Telco and non-Telco Fraud; and Revenue Assurance. Functions attributed to the second line include:

- Defining the organization's risk management and control policy, as well as its regulatory framework.
- Monitoring and ensuring effective risk management control across operational areas.
- Promoting a risk culture throughout the organization.
- Reporting to senior management on the status of identified risks and the mitigation measures implemented to manage them.

Moreover, as set forth in the Internal Control Policy approved by the Board of Directors at its meeting held on June 27, 2024, the responsibility for the design, as well as supervision of the implementation of the Internal Control System, falls on the Internal Control function with the support of the rest of the areas of the Company. The Internal Control function, in collaboration with the rest of the functions of the second and third lines, will ensure the effectiveness of the Internal Control System.



Internal Audit Function (third line)

According to the Internal Audit Charter approved by the Board of Directors at its meeting held on June 27, 2024, the Internal Audit department, under the supervision of the Audit and Risk Committee, provides independent and objective oversight of the first and second lines with the aim of identifying potential control weaknesses and issuing recommendations for improvement.

Functions associated with the Internal Audit department include those set forth in the Internal Audit Charter and section 5.1.d of the Audit and Risk Committee Regulations:

- Prepare, at least once a year, an internal audit plan considering input from the Audit and Risk Committee and senior management.
- Discuss the plan with the Audit and Risk Committee and senior management and present the plan to this committee for its review and approval.
- Review and adapt the internal audit plan, as necessary, in response to changes in the MasOrange Group's business, risks, operations, programs, systems and controls.
- Ensure that internal audit engagements are conducted, documented and reported in accordance with Global Internal Audit Standards.
- Monitor engagement conclusions, confirm implementation of recommendations or action plans, and report the internal audit engagement findings to the Audit and Risk Committee and senior management.
- Ensure that the internal audit function has the appropriate mix of knowledge, skills and other competencies and qualifications required to comply with the requirements of the Global Internal Audit Standards and establish and maintain a quality assurance and improvement program.
- Identify and consider trends and emerging issues that may affect the MasOrange Group and report them to management.
- Report on any impairments to independence.

Direct reporting to the Board of Directors and Board committees

GRI 2-16

The Three Lines Model implemented by the Group includes several functions with direct reporting lines to both the Board of Directors and Board committees. These are the Chief Compliance Officer, the Data Protection Officer (DPO) and the Head of Internal Audit. This approach allows the risks to which the Group is exposed, along with the corrective actions and mitigation measures implemented, to be communicated directly and effectively.

4.2.2 Risk management

The Company's Board of Directors is the highest body responsible for risk management. To strengthen oversight, on June 27, 2024, the Board of Directors approved the MasOrange Group's Risk Management and Control Policy. This policy enables it to determine all actions designed to control and mitigate identified risks at all times. These actions materialize through a Comprehensive Risk Control and Management system based on COSO (Committee of Sponsoring Organizations of the Treadway Commission). This system enhances the organization's ability to manage scenarios of uncertainty and can be summarized in a continuous cycle comprising five phases:

i. Identifying risks aligned with the Group's strategies.

ii. Evaluating and quantifying risks.

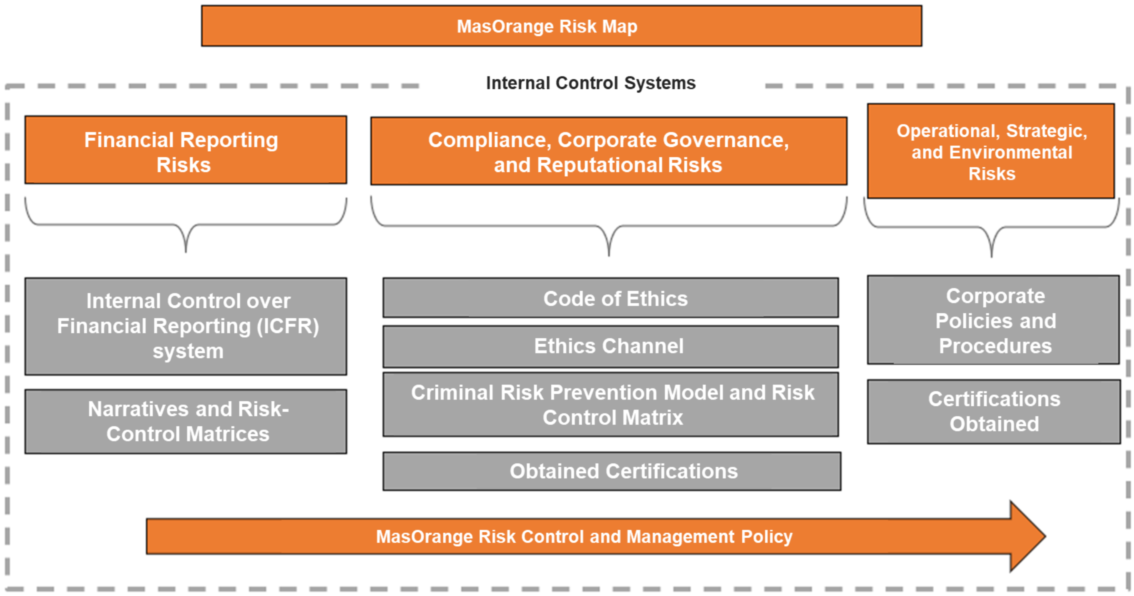
iii. Designing and implementing the risk management system.

iv. Monitoring / continuously updating the risk map.

v. Reporting to the Audit Committee / Board of Directors.

Considering the activities carried out by the Group, there are risks inherent to the sector, the macroeconomic environment, the regulatory framework, and operations that must be identified and controlled using the Company's established risk management systems.

Generally, significant risks are those with a medium-high impact and probability of occurrence, or any internal or external contingency that, if it materialized, would prevent or hinder the achievement of the Group's strategic objectives. To address these, the control systems described in this section were designed.



In addition to these internal control systems, a project was launched in the fourth quarter of 2024 to design and implement the Group's Internal Control over Non-financial Reporting (ICNFR) system. Plans are to roll out the system over the course of 2025.

The risks to which the Group is generally exposed are:

- **Financial and credit risks**: probability of occurrence of an event with negative financial consequences for the Group. Specifically, MasOrange understands that there are risks related to the market, interest rates, liquidity, taxation, debt, solvency, and credit.
- **Compliance risk**: probability of occurrence of an event related to non-compliance with the law, and with internal or external regulations that negatively affect the Group, either from an economic or reputational point of view. Specifically, MasOrange understands that these are risks associated with contracts, its Code of Ethics and other internal regulations, telecommunications laws and regulations, competition law, litigation, the Criminal Compliance Management System, and personal data protection.
- **Strategic risks**: probability of occurrence of an event that has negative consequences on the Group's strategy. Specifically, MasOrange understands that these are risks related to its business model, communication and brand that could materialize in mergers and acquisitions, innovation and transformation, macroeconomic aspects, and planning and resource allocation.
- **Operational risks**: probability of occurrence of an event related to the Group's operations that has negative consequences (e.g., economic, organizational, and reputational). Specifically, MasOrange understands that these are risks related to

external threats, commercial, logistical, organizational, and other risks related to its suppliers.

- **Technological risks**: probability of occurrence of events related to the Group's IT systems and infrastructures. Specifically, MasOrange understands that there are risks related to the integration of IT systems arising from recent corporate acquisitions, to cybersecurity, and privacy or security breaches in IT systems and communications networks that could result in data leakage and/or loss, or systems/network availability, as well as sanctions.

During the year, MasOrange carried out its first double materiality assessment, identifying relevant environmental, social and governance (ESG) risks to its business model. See Chapter 7.4 for further information.

Risk map

The Group's risk control and management model is based on the review and continuous updating of the Company's risk map, which was designed in line with the Group's strategies. Once risks have been identified and quantified (based on their impact of probability of occurrence) the necessary action plans are drawn up and assigned to mitigate them. The residual risk and risk tolerance levels are also assessed.

In accordance with the Risk Control and Management Policy, the Internal Control, Risks and Compliance department is in charge of updating—at least once a year—the risk map. It is also tasked with drawing up the necessary action plans to mitigate those risks, assigning to each a 'risk owner'; i.e., the person responsible for adopting the necessary measures to control the risk.

Quantitative variables (e.g., economic impact, impact on valuations), semi-quantitative variables (e.g., impact on strategic objectives), and qualitative variables (e.g., impact on the Company's internal operations, reputational impact) are used to weight the risks.

Risks cannot be completely eliminated. Therefore, the Board of Directors considers the necessary aspects when deciding the level of acceptable risk based on the risk-reward ratio. It then creates a control structure to keep the risks within appropriate limits. Set out in the following table is a summary of the principle non-financial risks to which the Group is exposed and the main mitigation measures according to the latest version of the corporate risk map presented to the Board of Directors:

Risk category	Risk source	Mitigation measures
Cybersecurity	• IT security • Security breaches in systems and networks	• High level ISO 27001 and Spanish national security system (ENS) certifications • New cybersecurity organization, integrating previous resources and a new governance model • Approval by the Board of Directors of a new Information Security Policy and unification of the control framework

Risk category	Risk source	Mitigation measures
		• New 2024-2027 master plan outlining the main cybersecurity initiatives • Logical security / access controls to critical systems • Continuous improvement in detection and prevention mechanisms • Existence of a cybersecurity insurance policy
Operational	• Continuous business threats (e.g., climate risks, natural disasters, fires, pandemic) • Service interruption	• ISO22301 (BCM) certifications • Definition of new business continuity governance model (including policies and procedures) • Performance of a gap analysis among business continuity models from both groups • Creation of a Crisis Committee • Unification of the incident resolution process
Reputational	• Reputational damage and sanctions for non-compliance with data privacy / protection regulations (at Group level)	• ISO 27701 (privacy information management system) at MASMOVIL level, with plans to extend this to the entire Group • Implementation of the data governance system: e.g., Data Protection Office, Privacy Committee • Personal data protection training and awareness
Strategic / Operational	• IT systems dispersion	• Use of information aggregators for consolidation, budget and budget control processes • Master employee system unification project • MASstack project, to standardize the Group's multi-brand platforms' legacy systems • MASdata project, to standardize the information in the Group's reporting and enhance transparency through the multi-brand data warehouse
ESG / Operational / Reputational	• ESG risks: Operational and reputational with stakeholders	• GAP analysis of regulatory compliance (e.g., CSRD, CSDDD) conducted in 2024 • ISO certifications of the quality, environmental, security, compliance, business continuity, occupational health and safety management systems, among others • Double materiality assessment conducted in 2024 • Definition of the governance model • ESG Policy approved by the Board of Directors

Risk category	Risk source	Mitigation measures
Regulatory	• Potential tax contingencies and/or changes in regulations	• The Group has a system for monitoring regulatory changes through the Legal & Compliance and Tax departments. These departments monitor and report internally on legislative developments to ensure awareness so that internal processes can be modified accordingly. • Review of tax contingencies / regulatory changes with the assistance of specialist advisors to anticipate and attempt to mitigate these risks • Tax Policy approved by the Board of Directors

Although many of these risks could significantly impact the Group's operations, their probability of occurrence is considered medium to low. This is due to the control mechanisms and mitigation measures we have implemented, which keep the impact and probability within the Board-approved tolerance levels.

Financial transparency

The MasOrange Group has not been involved in any violations regarding rigor or transparency in financial reporting.

Regulatory compliance

The MasOrange Group does not view non-compliance with laws as a material risk. However, it takes all necessary measures to assure adherence to the laws in the markets and territories where it operates.

To this end, the Group's actions are guided by a compliance culture rooted in its Code of Ethics, which specifies the obligation to act in accordance with applicable laws, as well as the Group's principles and values.

The MasOrange Group has provided several tools to ensure compliance:

- It has a system for monitoring regulatory changes through the Legal and Assurance departments. These departments monitor and report internally on legislative developments, ensuring awareness to adapt internal processes accordingly.
- Meanwhile, the various ISO-certified management systems (ISO 9001 Quality management system, ISO 14001/ISO 50001 Environmental management system, ISO 14064 Greenhouse gases, ISO 45001/ISO 45003 Occupational health and safety management system, ISO 27001/ISO 27701 Information security management system, ISO 22301 Business continuity management system, UNE 19601 Criminal compliance management system and ISO 37001 Anti-bribery management system) implemented by the Group ensure continuous monitoring and alignment with applicable laws as they are required by the relevant standards.
  Our compliance is validated through internal and external audits conducted to verify the organization's adherence. In some cases, these systems are supported by alerts on legislative developments. Moreover, the organization has EMAS certification (in accordance with Order IET/1090/2014 on service and billing quality) and AENOR certification of conformity with the national security system.

In addition, the Criminal Compliance Management System (see the following section) establishes a series of controls and assigns responsibility for their execution to ensure compliance with applicable legislation. It also regularly monitors the execution and effectiveness of these controls, thereby limiting the associated risks of non-compliance.

4.3 Business ethics

4.3.1 Criminal risk and anti-bribery management model

Code of Ethics adherence campaigns

All MasOrange employees must adhere to the Code of Ethics and the Anti-Corruption Policy. They receive specific training on these principles upon joining the Company, as well as receive regular training on the Criminal Compliance Management System and especially the Ethics Channel, the procedure for reporting gifts and hospitality, and the Conflict of Interest Policy.

Ethics Channel

GRI 2-15; GRI 2-16; 2-26; 205-3; 206-1

The MasOrange Ethics Channel is available to Group directors, executives, employees, and all related parties, including the wider community.

Any conduct or concerns about breaches of the law (e.g., corruption, influence peddling, conflicts of interest, fraud, ethics, internal control, auditing, accounting, human rights, fundamental freedoms, health and safety of persons, environment) as well as of MasOrange's internal policies and procedures (Code of Ethics, Anti-Corruption Policy, Crime Prevention Policy, etc.) can be reported confidentially and anonymously through this channel.

The channel is accessible through the external tool available on the corporate intranet, the MasOrange website (https://masorange.integrityline.com/), and the websites of the various brands operated by the Group.

The Ethics Channel received nine consultations and 255 reports in 2024. The majority of the reports were not related to ethical issues (e.g., customer service complaints), with only 19 leading to investigations by the Compliance Department. These cases were reported to the Ethics and Compliance Committee, as well as the Audit and Risk Committee/Board of Directors, through the Annual Ethics and Compliance Report. As of the reporting date, no substantiated breaches of the Code of Ethics or policies were identified involving any MasOrange Group employee, director, or executive. Similarly, there were no allegations or conclusive reports of corruption or bribery within the Group.

MasOrange was not involved in any cases of anti-competitive behavior in 2024.

Ethics and Compliance Committee The Ethics and Compliance Committee is an internal, collegiate, and autonomous body that operates with criteria of independence. It members include:

- *Chief Compliance Officer (CCO).*
- *Chief People Officer (CPO).*
- *Chief Financial Officer (CFO).*
- *Chief Legal & Assurance Officer (CLO).*
- *Head of Internal Audit and*
- *Compliance*.

The Chief Compliance Officer aligns performance with the framework of the Ethics and Compliance Committee, fulfilling the functions and responsibilities outlined in the Compliance Function.

The functions of the Ethics and Compliance Committee include:

- Acting as the body responsible for promoting and coordinating conduct related to the Code of Ethics across all departments performing the Compliance function and other elements of the Company's governance.
- Promoting dissemination of the Code of Ethics, the Anti-Corruption Policy, and the Crime Prevention Policy among employees, suppliers, customers, and shareholders.
- Making decisions regarding alerts received through the established official channels and other means, ensuring the confidentiality of all information.
- Channeling and directing reports to the specialized area for necessary investigations.
- Proposing amendments to the compliance model based on suggestions and reports received, questions raised, and legal challenges, etc., ensuring that the model adapts to the organization's reality.

Anti-corruption and bribery

GRI 415-1

The **MasOrange Group** upholds the principle of "zero tolerance" for corruption and influence peddling in all its activities throughout the entire Group.

The Board of Directors promotes a culture of integrity and compliance in which there is no room for corruption of any kind.

MasOrange's Anti-corruption Policy, approved by the Board of Directors on June 27, 2024, provides the Board members, directors, and employees of the Group with a framework of principles with which we must comply in all our business operations, as well as a set of prohibited conduct that may be considered corruption or influence peddling. To this end, the MasOrange Group does not finance any political parties or activities.

This policy was drawn up in accordance with the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions of 1997 and the United Nations Convention against Corruption of 2003. It also meets the requirements of the U.S. Foreign Corrupt Practices Act, and of the UK Bribery Act 2010.

MasOrange's Anti-corruption Policy applies to all Group directors, executives, and employees, and must be adhered to by all related parties (companies, subcontractors, partners, advisors or intermediaries acting on behalf of the MasOrange Group).

Criminal risk prevention system

In the Crime Prevention Policy, the MasOrange Group's Board of Directors expresses its firm condemnation and zero tolerance for any criminal offenses or actions that violate the principles and values of MasOrange. This stance applies to all areas of its business activities and its relationships with third parties, with no circumstances justifying such actions, even if perceived to benefit the organization.

One of MasOrange's policies is to cultivate a strong corporate culture of regulatory compliance, fostering honest, ethical, and transparent professional conduct. This ensures the Company's ethical principles and values remain central to its business operations and decision-making processes.

The MasOrange Group bases its actions on minimizing the organization's exposure to criminal risks, in accordance with the principle of due control, assuming compliance with the commitments described in this Policy and in the Criminal Compliance Management System it has adopted. These commitments can be summarized as follows:

- Prohibition against the commission of offenses
- Identification, in the Criminal Prevention Manual, of the activities where potential criminal risks may arise
- Monitoring, prevention and sanctioning of criminal or fraudulent acts and conduct
- Compliance with the law and internal regulations, by Company employees, directors and executives and, where appropriate, by related parties
- Acceptance of internal control over financial and non-financial reporting systems as a mechanism to prevent and control internal fraud
- Implementation of the general framework for the establishment, definition, review, and achievement of criminal compliance objectives, leading to the development of effective control, communication and awareness mechanisms for all employees, with the aim of preventing the commission of crimes and consequently avoiding fraud, corruption and bribery.
- Compliance with the requirements of the Criminal Compliance Management System and where unlawful conduct is detected, reacting appropriately and taking corrective action, including disciplinary measures or, if necessary, reporting to the relevant authorities

The Chief Compliance Officer (CCO) is a core element of the Criminal Compliance Management System—reporting directly to the Board of Directors via the Audit and Risk Committee—as the body delegated by the Board to oversee the effectiveness of internal controls.

The CCO reports to the Audit and Risk Committee and, where applicable, to the Board of Directors at least once a year, giving an account of the most significant aspects of the activity undertaken during the last period, along with the plans and priorities outlined for the following year. This is all without prejudice to the specific report required by the Board of Directors on certain relevant circumstances and situations or on its normal activity, at the request of the Audit and Risk Committee or the CCO's own initiative.

UNE 19601 and ISO 37001 certifications

The MasOrange Group is currently in the process of renewing its UNE 19601 (Compliance management system) and ISO 37001 (Anti-bribery management system) certifications with AENOR, scheduled for completion in the first half of 2025.

5. Sustainability strategy

GRI 2-22

Main pillars of our strategy

- ✓ MasOrange's Board of Directors and CEO have ultimate **responsibility** for ESG initiatives. The Audit and Risk Committee, as a delegated body of the Board of Directors, assumes the oversight function as set forth in Article 5.2 of the Regulations of the Audit and Risk Committee.

- ✓ Our **ESG Policy** integrates corporate responsibility into the Group's business model and strategy, instilling a culture based on creating sustainable value and generating a positive impact for society, citizens, customers, suppliers, shareholders, administrations, the planet, and the communities where we operate.
- ✓ We have formulated the **ESG Strategic Plan**, which will be reviewed and updated annually. It outlines the Group's long-term commitment to creating positive impact, generating value, and reducing risk, and sets out an action plan and the concrete steps to implement it. The ESG strategy is articulated around six strategic priorities, all of which are aligned with the SDGs and are based on the double materiality assessment carried out this year.
- ✓ These **priorities** include: reducing greenhouse gas emissions through efficient energy management and the use of renewable sources, maximizing the value and useful life of products through circular economy strategies, and enhancing connectivity and customer experience with information protection and data security. MasOrange has set specific objectives for each ESG strategic priority, with the key results to be achieved over the coming years.
- ✓ The Company is committed to full decarbonization by 2040, gradually reducing Scope 3 carbon emissions to reach full neutrality, after neutralizing Scope 1 and 2 emissions in 2023. We have reaffirmed our commitment to using renewable energy sources, as well as continually improving the network's energy efficiency by using 5G SA technology and carrying out ad-hoc projects.
- ✓ MasOrange's goal is to improve coverage and offer **secure** mobile and fixed **connectivity** all across Spain and particularly rural areas. We want to offer the best customer experience by improving the **digital skills** of citizens, especially vulnerable groups, and protecting children in digital environments.
- ✓ Finally, in the area of **governance**, the Company upholds the highest standards of ethics and transparency, managing our supply chain responsibly and leveraging technological innovation to drive sustainable business models. Having been the first telco B Corp in Europe, MasOrange is now preparing for recertification as a Group.
- ✓ The Group's corporate objectives will be integrated into MasOrange's incentive plan.

- ✓ Finally, in 2024, the MasOrange Group published its first Social and Environmental Impact report, in line with its full commitment to developing a sustainable business model. The report showed that the MasOrange Group is generating a positive impact, worth over €18.64 billion. This figure highlights the scale of our commitment, translating it into tangible value for both the Group and the environment. It demonstrates how sustainability is embedded in our DNA and one of our core values.

5.1 Purpose, Vision and Values

In 2024, MasOrange took the first steps toward its ambitious goal of being the operator with the most satisfied customers, consolidate our position as a driving force of talent, and lead the purpose economy in Spain, while respecting people and the planet. We worked—and continue to work—to make technology accessible for all and develop products and services to enhance the experience for everyone.

We defined our Purpose and Vision:

Purpose: To (re)connect people by putting technology to work to provide the best experience

- We humanize technology. We make communication between people easier and bring them closer together, wherever they are.
- We accelerate access to innovative services, collaborate with the best companies in the world, and protect our customers and their data.
- We offer our customers an easy, simple and hassle-free experience.

Vision: To be the leading company in customer satisfaction, talent and positive impact

- To create the company with the most positive impact in Spain, thanks to its respect for people and the planet.
- To make technology accessible to everyone
- To develop new services that are useful for our customers.
- To have the best talent: "good people".
- To contribute to society through technology and connectivity.

The Group's values:

The customer first

- We take care of each customer, avoiding problems for them.
- We offer innovative, quality solutions.
- We are a trusted company for customers and partners.

Positive attitude

- We work with enthusiasm and optimism, generating "good vibes."
- We keep an open mind and adapt to change.
- We learn from mistakes and celebrate success together.

Pragmatism

- We are practical and quick: we seek simple solutions.
- We are "doers": we take decisions and execute them rigorously.
- We avoid bureaucracies. We focus on solutions, not on the process.

Collaboration

- We work as a single team to seek out what's best for the company.
- We are constructive and we talk to people with respect.
- We shun egos: we thrive on humility and empathy.

5.2 Responsible management model

The Group's CEO is the Chief ESG Officer

We firmly believe that sustainability is inseparable from business activity. The Group's goal is to create sustainable long-term value, ensuring environmental protection, social development, and business ethics, underpinned by transparency and good corporate governance led by the Company's Board of Directors.

As outlined in our ESG policy—reviewed by the Audit and Risk Committee and approved by the Board in October 2024—MasOrange's Board of Directors and CEO have ultimate responsibility for ESG initiatives. The Audit and Risk Committee, as a delegated body of the Board of Directors, assumes the oversight function as set forth in Article 5.2 of the Regulations of the Audit and Risk Committee.

The main pillars have been determined for our ESG Strategic Plan. Presented to the Board of Directors in 2024, this plan will be reviewed and updated annually. It outlines the Group's long-term commitment to creating positive impact, generating value, and reducing risk, and sets out an action plan and the concrete sets to implement it. In this regard, the MasOrange Group will define, update, and disclose—taking the pillars of the ESG Strategic Plan as a reference—the key metrics and objectives of its sustainability strategy transparently through appropriate channels.

We recognize ESG internally as a cross-functional responsibility, involving the entire Group and all its business areas under the leadership of our CEO and the Board of Directors, with oversight from the Audit and Risk Committee.

Governance model

MasOrange has established mechanisms to ensure the effective deployment of its strategy and the achievement of its sustainability objectives. Notably, it has set up the ESG Committee, chaired by the CEO and composed of various members of the Management Committee. With quarterly meetings, this committee and is tasked with making key decisions, allocating resources, overseeing the implementation of the ESG strategy, and assessing sustainability performance.

Another key component of our management model is the ESG Community. This multidisciplinary team, coordinated by the ESG department, consists of experts from various areas of the Company. Its mission is to identify and address economic, social, and environmental challenges quickly and in a cross-functional way. Acting as agents of change, community members drive the transformation toward a culture of sustainable impact. They lead key projects, gather data, and report on indicators disclosed in the Sustainability Report, ensuring alignment with our strategic sustainability objectives and compliance with our commitments.

Ultimately, it all comes down to an ESG team, which is responsible for overseeing the execution of environmental, social, and governance (ESG) initiatives across the organization, ensuring that sustainable practices are seamlessly embedded in every aspect of our operations. This team also fosters stakeholder engagement and takes the lead in drafting the Sustainability Report and the Impact Measurement report.

Finally, applying the ESG policies and executing the ESG initiatives, this team coordinates the integration of sustainable practices across the entire organization, ensuring they are embedded in all operations.

5.3 ESG Strategic Plan

Our ESG Strategic Plan is focused on creating a long-term positive impact, generating value, and reducing risk, and contains an action plan that includes concrete measures for both the short and medium term.

The plan revolves around our Purpose, Vision, and Values as a Group—these serve as the key drivers for our long-term ESG strategy—and is aligned with the double materiality assessment, which involved input from both internal and external stakeholders, laying the groundwork for our sustainability priorities.

It is underpinned by six key pillars, which undergo both financial and impact assessments by internal and external stakeholders and are fully aligned with the SDGs:

1. Energy and climate change
2. Circular economy
3. Connectivity and customer experience
4. Digital inclusion
5. People and talent
6. Governance and business ethics

We defined a series of key performance indicators (KPIs) for each of these six pillars to measure and assess our ESG performance and determine what actions to implement in the short and medium term.

5.4 Stakeholder engagement

GRI 2-29

We are a leading player in the telecommunications sector. Guided by our priority of addressing stakeholders' needs and aware of the importance of building relationships rooted in trust and respect, we engage in ongoing dialogue with stakeholders.

Active stakeholder management, with dedicated channels

At the MasOrange Group, we actively manage our stakeholders by assessing the potential positive and/or negative impacts that our activities could have on each of them.

We have established specific dialogue channels tailored to each stakeholder group to maintain smooth, two-way communication at all times. We work to strengthen, diversify, and innovate our channels and approach to stakeholder engagement to help us be more precise in addressing their needs and advance our strategic objectives, while upholding our commitment to digital transformation.

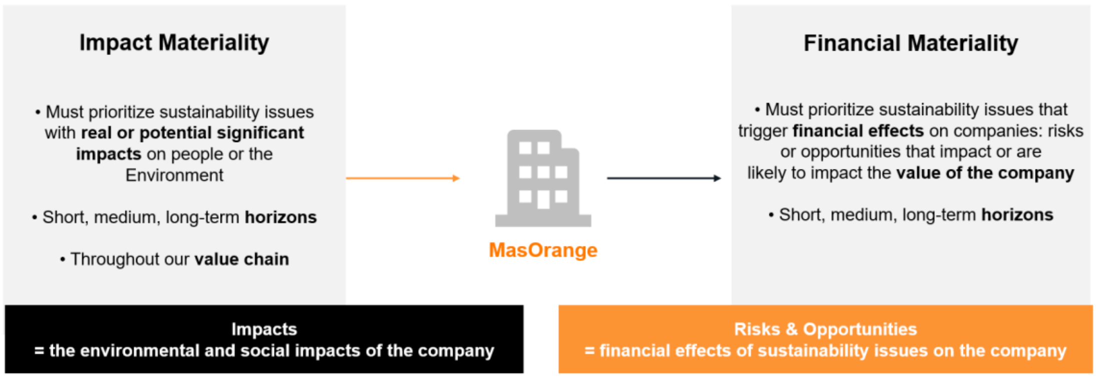
Stakeholder	Why they are important for the MasOrange Group	Communication channels
Customers	Customers are at the heart of everything we do. People- and business-centric communications. We strive to make technology more accessible to them through close, trusting relationships.	Social media and internet. Telephone, online or in-person customer service. Customer surveys.
Employees	Our people are the driving force behind the Company, enabling us to fulfill our mission.	Direct contact, face-to-face and virtual meetings, working committees, corporate intranet, internal collaborative channels for employees to discuss and share measures, initiatives and activities with the entire workforce focused on promoting a sustainable economy. Interviews as part of stakeholder engagement
Strategic partners	Strategic suppliers and business partners forming part of the supply chain	Consultation, evaluation and procurement processes Interviews as part of stakeholder engagement
Society	We help build a more prosperous community by providing access and connectivity solutions that align with the evolving needs and expectations of our users.	Communication outreach actions. Social media and internet. *Pienso, luego actúo* (PLA) platform. Membership of associations. Interviews as part of stakeholder engagement
Shareholders and investors	Our shareholders and investors are integral to our growth and economic stability, enabling us to meet our commitments. Relationship based on good corporate governance and transparency.	Set of information and reporting channels Ratings Investor information requests Investor meetings
Public entities	Public entities, ranging from local to international levels, are key partners in our operations and play an increasingly significant role in shaping ESG reporting regulations and European taxonomy.	Communication with the public administrations through face-to-face meetings, participation in forums, institutional sponsorships and membership in industry associations. Attendance to forums and seminars on European regulations and their evolving requirements for the coming years Interviews as part of stakeholder engagement
Experts	Universities, non-profit organizations, foundations, professional, industry and other associations, entrepreneurship and impact communities, as well as experts in various material topics.	Smooth communication through forums, *think tanks* and events Interviews as part of stakeholder engagement

5.5 Double materiality assessment

GRI 3-1; 3-2

Identifying and monitoring the most relevant issues for both the Group and its stakeholders is crucial for guiding decision-making processes related to corporate governance, strategic planning, and the determination of material topics for our business reports.

The approach used to identify and assess material impacts, risks, and opportunities (IROs) for MasOrange was aligned with the new sustainability reporting landscape, particularly the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). This assessment follows the principle of double materiality. Including the perspectives of impact materiality and financial materiality, this allows us to disclose key information about both the impact our Company has on people and the environment, and the effect that these factors have on the Company.

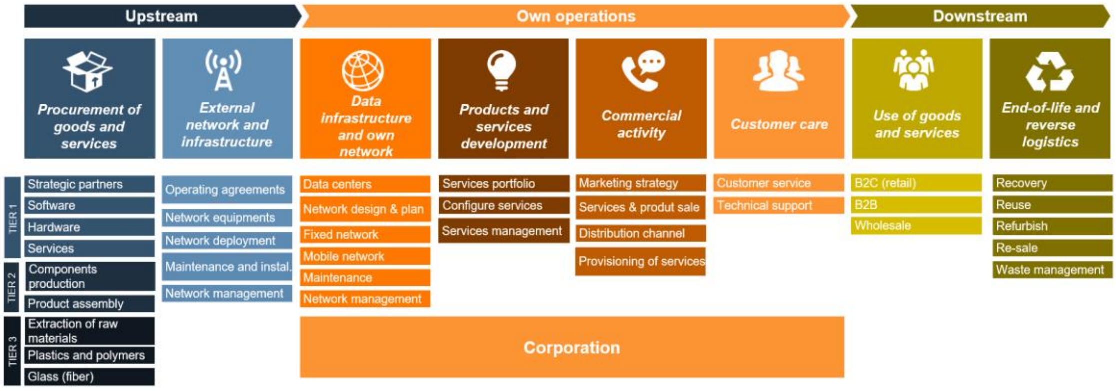


In order to carry out this assessment, we followed a differentiated methodology that included four distinct steps:

1. Understanding	2. Identification	3. Assessment	4. Determination
• Understanding the business, the value chain, and related activities • Understanding the organization's operations, business model, and functions. • Analyzing and detailing the full value chain. • Identifying the topics considered material by identifying IROs. • Identifying stakeholders/experts and plan their role in the assessment.	• Identifying material impacts, risks and opportunities (IROs) • Identifying IROs through research, preliminary assessments, industry standards, evaluation of news, etc. • Identifying the impacts of MasOrange's own operations and value chain. • Identifying the financial risks and opportunities of MasOrange's own operations and value chain. • Helping to identify or validate IROs for evaluation.	• Assessing the materiality of IROs • Developing a mechanism for evaluating IROs and a threshold for determining materiality. • Assessing the scale, scope, irremediability, and probability of impact. • Assessing the size of probability of risks and opportunities • Contributing or validating the score of the financial materiality assessments and the impact materiality assessments	• Determining the material topics to be reported • Identifying material IROs that exceed the threshold • Mapping IROs to the ESRS or company-specific matters to identify disclosure requirements • Identifying relevant information for reporting on each material topic • Validating the list of IROs and material topics

MasOrange initiated its assessment by considering both its sector of activity and the diverse lines of business that comprise its organizational structure. With more than 1,500 exclusive points of sale across Spain, the Company enjoys a broad national footprint. Its business model spans premium, international, digital, regional, and rural-centric brands, enabling it to serve the entire Spanish market.

Understanding the value chain was crucial for gaining a comprehensive view of the Group's business model and its surrounding environment. Many significant risks and opportunities, particularly those related to social, environmental, and governance (ESG) impacts, often lie outside the Company's direct operations—either upstream or downstream in the value chain.



To ensure appropriate stakeholder engagement, we developed a tailored engagement plan for each phase of the IRO assessment:

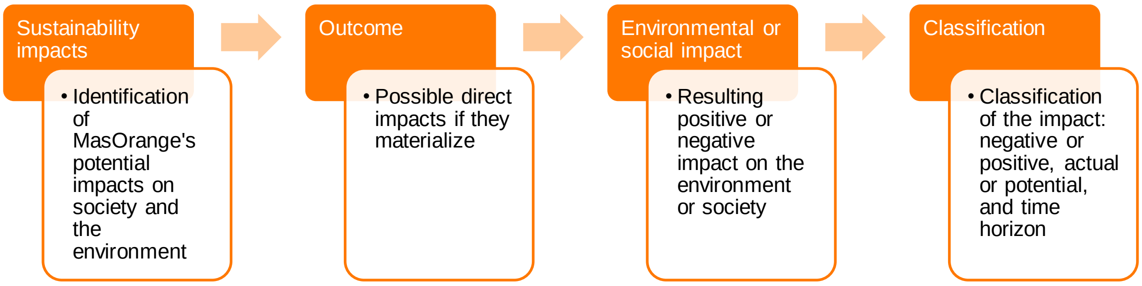
- In identifying IROs, we distributed a preliminary list of IROs to area managers and/or subject matter experts and held working sessions.
- In assessing IROs, we organized focus groups with area managers and/or relevant experts, employees, and the Group's ESG and Risk area. Additionally, panels and interviews were conducted with external stakeholders, including B2B and B2C customers.
- In determining the IROs, the material topics and IROs were validated with all stakeholders through the consolidated results of the assessment.

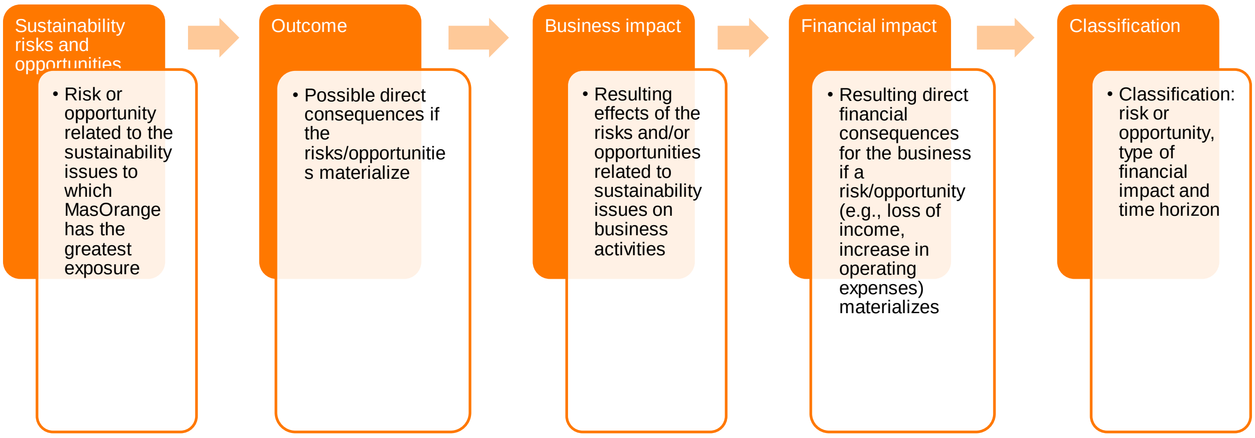
MasOrange's approach to identifying IROs related to its operations included the following steps:

1. Understanding of the MasOrange Group: We conducted an in-depth review of the Group and its operations to identify IROs directly related to its activities.
2. Industry analysis: We leveraged specialized industry publications, such as GSMA and ETNO reports, to identify sector-specific IROs relevant to the Group's various business lines.
3. Internal source analysis: We analyzed internal sources, including sustainability reports, corporate policies, prior materiality assessments, to pinpoint IROs directly associated with the MasOrange Group's activities.
4. External source analysis: We examined academic journals, news articles, and other emerging external trends to identify IROs impacting the Group's operations.
5. Benchmarking: We analyzed publicly available data from industry peers and comparable companies to identify IROs that are also applicable to MasOrange's activity.

6. Sustainability ratings analysis: We looked at ESG ratings from recognized frameworks such as CDP, SASB, and S&P to identify significant IROs linked to MasOrange's operations.
7. Corporate risk mapping: We considered the sustainability-related risks outlined in the corporate risk map (including climate risk monitoring and analysis) as key inputs to identify risks in the double materiality assessment.

After conducting the analysis to identify the IROs, we then classified them by taking the following steps:





Based on all relevant variables outlined in regulations, we established the evaluation scales below to assess identified IROs in collaboration with MasOrange's risk department:

- Impact materiality is calculated multiplying severity by probability. Severity is determined as the average of scale and scope for positive impacts and the average between scale, scope and irremediable character for negative impacts.

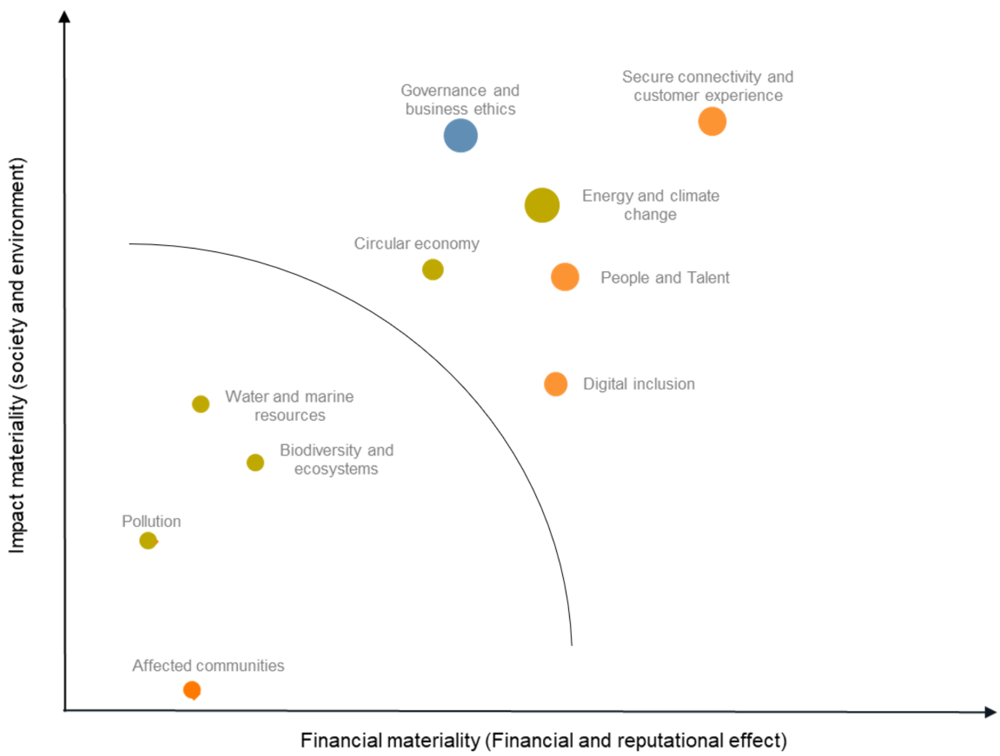
Scale	Severity			Probability
	Positive and negative impacts		Negative impacts	Potential impacts
	Scale of the impact	**Scope of the impact**	**Irremediable character of the impact**	**Possibility of occurrence**
1	Low impact on the environment and/or society	Minimal scope of the environment and/or society	No remediation actions required to restore the previous situation	Highly unlikely the impact will materialize
2	Limited impact on the environment and/or society	Limited scope of the environment and/or society	Easy to restore the previous situation	Unlikely the impact will materialize
3	Significant impact on the environment and/or society	Medium scope of the environment and/or society	Not easy to restore the previous situation	Likely the impact will materialize
4	Significant impact on the	Generalized scope of the environment and/or society	Difficult to restore the previous situation	Highly likely the impact will materialize

5	environment and/or society Extremely important impact on the environment and/or society	Full scope of the environment and/or society	Very difficult restore the previous situation	Certain or nearly certain that the impact will materialize

- Financial materiality is calculated by multiplying the financial impact by the probability.

Scale	Financial impact		Probability
	Risks and opportunities		Potential R&O
	Potential magnitude of financial impact		Possibility of occurrence
1	Under €2 million	Low financial impact	Highly unlikely the risk or opportunity will materialize
2	Between €2 million and €8 million	Limited financial impact	Unlikely the risk or opportunity will materialize
3	Between €8 million and €40 million	Significant financial impact	Likely the risk or opportunity will materialize
4	Between €40 million and €200 million	Important financial impact	Highly likely the risk or opportunity will materialize
5	Over €200 million	Extremely important financial impact	Certain or nearly certain that the risk or opportunity will materialize

Based on the outcome of this process and after validation by the relevant MasOrange areas, we determined the following topics related to the identified IROs:



The double materiality assessment enabled us to identify the key positive and negative ESG impacts, risks, and opportunities for both our business and our stakeholders and address them in our ESG Strategic Plan, as outlined in the following section

ESRS	Positive impacts	Negative impacts	Opportunities	Risks
E1 – Climate change	- Energy efficiency and use of renewable energies - Greenhouse gas (GHG) emissions reduction: own operations and value chain	- Energy consumption of devices and DPC - GHG emissions: Scopes 1, 2 and 3	- Portfolio of sustainable solutions for climate change mitigation and adaptation	- Energy efficiency challenge - Financial impacts of climate risk adaptation
E5 – Resource use and circular economy		- Electronic waste (e-waste) management	- Repair, recycling and reuse of equipment and infrastructure	
G1 — Business conduct S2 — Workers in the value chain	- Compliance: anti-corruption, anti-fraud and fraud prevention - Governance model - Inclusive and dynamic corporate culture - ESG ratings and certifications - Supplier management - Employees in the value chain			
S1 — Own workforce	- Job stability - Health and safety - Diversity, gender equality and inclusion - Work-life balance and digital disconnection - Training and capacity building		- Cultivating a unified culture based on collaboration and customer service	- Dismissal plan
S4 – Consumers and end-users	- Service quality - Freedom of expression - Data security and privacy - Connectivity and socioeconomic development - Affordable products and services - Accessibility		- Sustainable innovation - Rural development - Protection of children	

As this is the MasOrange Group's first integrated assessment, no modifications or changes to the materiality of the identified topics or their associated IROs are disclosed.

5.6 A commitment in action

Since October 2024, the MasOrange Group has been strengthening its commitment to sustainability by implementing an integrated ESG Policy. This policy integrates environmental, social, and governance principles, fostering a culture of social responsibility that prioritizes sustainable value creation and fair remuneration, considers social return on investment, and protects the environment. Furthermore, MasOrange intends to renew its B Corp certification, building on M's achievement as the largest B Corp-certified company in Spain. We have been awarded several ESG certifications and ratings, vindicating our ESG strategy and showcasing our commitment to transparency, ethics, and sustainability across all our operations.

ESG Policy

The MasOrange Group has implemented an integrated ESG Policy since October 2024. Within the scope of ESG, the environmental aspects are further detailed in our Environment and Energy Policy, which, among other things, outlines our approach to natural resources.

Through the ESG Policy, social responsibility is woven into MasOrange's business model and strategy, fostering a culture of social responsibility that aims to:

a) Create sustainable value for society and stakeholders.
b) Provide equitable compensation to all individuals who contribute to the success of our business.
c) Consider the social return on investment, such as generating long-term employment and wealth without compromising short-term results.
d) Promote environmental protection and combat climate change.

This policy is cross-cutting, affecting all levels of the organization and guiding our relationships with third parties. It ensures that we generate value for all stakeholders while providing a balanced, inclusive response to their needs.

As outlined in the Group's ESG Policy, the commitments we have adopted include:

- Compliance with current legislation, adopting additional commitments and standards, and publishing a Sustainability Report in compliance with regulations.
- Support for the United Nations Global Compact, incorporating its principles on human rights, labor practices, the environment, and anti-corruption.
- Respect for human rights, ensuring that our operations and supply chain do not violate these rights.
- Ethical commitment, acting transparently and in alignment with our Code of Ethics.
- Promotion of fair market practices, rejecting illegal activities, and denouncing corruption.
- Development of robust corporate governance practices based on transparency and trust.
- Promotion of communication channels and dialogue with all stakeholders.

First large telecoms operator to become B Corp

In September 2021, as part of its strong commitment to making a positive impact on people and the planet, the MASMOVIL Group became a B Corp company. This recognition verified compliance by the Group with the highest standards of social and environmental impact, governance, public transparency and legal accountability.

To become a B Corp, MASMOVIL Group had to pass a rigorous verification by B Lab to ensure that its social purpose of being the Spanish telecommunications company with the greatest positive impact on society is reflected in all its policies aimed at creating social value for all its stakeholders: employees, suppliers, customers, communities, the environment, bondholders and shareholders.

…and a community committed to generating a positive impact

This certification by B Lab—a non-profit network transforming the global economy to benefit all people, communities, and the planet—made us the first large telecommunications B Corp in Europe, among the more than 8,000 international members of the B Corp community in more than 90 countries and 160 industries. This certification extends to the Group's brands: Yoigo, MASMOVIL, Pepephone, Embou, Llamaya, Lycamobile, Lebara, Euskaltel, R, Telecable, Virgin telco, Cablemovil and Populoos.

MasOrange, the largest B Corp in Spain

The companies that form part of the B Corp community are part of a global movement that encourages businesses to improve the world, transform the economy and contribute to redefining the meaning of business success, based 100% on the well-being of people, communities, and the planet.

Following the integration of MASMOVIL and Orange into the new MasOrange Group, we renewed our commitment to the B Corp movement. Efforts are now underway to achieve full certification for the entire MasOrange Group, positioning us as the largest B Corp in Spain.

Articles of association that reflect the full impact of decision-making

By amending the Articles of Association, the MasOrange Group has formally committed to considering the impact of its decisions on all stakeholders. This includes recognizing that: "*In pursuing its corporate purpose, the Company shall ensure the creation of sustainable value and a positive social impact by developing activities aligned with its purpose, considering its business stakeholders, institutional context, employees, the environment, and best practices in governance and corporate governance.*"

ESG ratings underscoring our commitment to sustainability and ESG criteria

In 2024, MASMOVIL, as a MasOrange Group company, participated for the third time in the Carbon Disclosure Project's climate change rating process. At the reporting date we were still waiting for the final score for transparency in our actual environmental protection performance. We earned B-scores the two previous years, evidencing the Group's commitment to sustainability.

Additionally, in recent years, MasOrange Group companies have strengthened their ESG leadership through various ratings:

- **ESG rating by Sustainable Fitch in 2023** to the MASMOVIL Group, with an entity score of 77 out of 100, the highest score given to a European telecommunications company at the time.
- **ESG rating assigned by Standard & Poor's Global Ratings** to MASMOVIL Ibercom SA, with a final score of 68 out of 100, signaling improvement from the previous score.
- **ESG rating by Morningstar Sustainalytics** to MASMOVIL in 2023, achieving a new and particularly important milestone with a classification as "low risk" and a score of 14.1, positioning it as the leading convergent telco with proprietary fixed and mobile infrastructure, ahead of its main competitors, and enabling it to be included in the ESG Top Rated group of companies within the telecommunications industry.
- **ESG rating assigned by Clarity AI** to MASMOVIL Group in 2023, with a score of 80 points, the highest of all telecommunications operators in Spain.

Calculate, Reduce and Offset seal

All the Company's efforts to systematically measure and gradually reduce its carbon footprint are recognized year after year with the "Calculate, Reduce, and Offset" seal granted by the Spanish Climate Change Office of the Ministry for Ecological Transition and the Demographic Challenge. The seal is awarded annually and acknowledges three levels of participation: carbon footprint calculation, reduction, and offsetting. Orange Spain, a MasOrange Group company, has proudly held this certification since 2020, becoming the first telecommunications company in Spain to receive this triple recognition. Euskaltel, R Cable, and Telecable Telecomunicaciones are certified with the "Calculate and Reduce" seal.

MasOrange generates a social and environmental impact of over €18 billion

In 2024, the MasOrange Group published its first Social and Environmental Impact report, in line with its full commitment to developing a sustainable business model. The report shows how sustainability has been integrated as a core business principle and the value it brings based on an in-depth impact assessment of the Group's activity. For further information, see section 5.7 *A measurable commitment.*

Policies and certifications supporting the implementation of our ESG strategy

The MasOrange Group has also implemented a series of measures (described in detail later in this report) demonstrating our commitment to adapting our strategy to the evolving ESG landscape, while emphasizing our responsibility for working to control environmental, social, and corporate governance risks:

- Adherence to the United Nations Global Compact
- Definition of the Purpose, Vision and Values integrating positive impact
- Equality and diversity plans
- Corporate policies:
    - ESG Policy
    - Environment and Energy Policy
    - Anti-corruption Policy
    - Conflict of Interest Policy
    - Gift and Hospitality Policy
    - Crime Prevention Policy
    - Policy for Compliance with Economic Sanctions Programs and Trade Control Rules
    - Information Security Policy
    - Internal Reporting System Policy – Ethics Channel
    - Supplier Code of Conduct
    - Internal Control Policy
    - Risk Management and Control Policy
    - Data Privacy Policy
    - Global Security Policy
    - Business Continuity Policy
    - Workplace Safety, Health and Well-being Policy
    - Equality Plans
    - Anti-fraud Policy
    - Anti-trust Policy
    - Fiscal Policy
    - External Auditor Relationship Policy
- Certifications:

- ISO 9001: Quality management system
- ISO 14001: Environmental management systems
- ISO 50001: Energy management systems
- ISO 14064: Greenhouse gases
- EMAS system: European Eco-management and Audit Scheme
- ISO 37001: Anti-bribery management systems
- UNE 19601: Criminal compliance management system
- ISO 27001: Information security management systems
- ISO 27701: Privacy information management system
- Spanish national security system (ENS) certification:
- ISO 22301: Business continuity management systems
- ISO 45001: Occupational health and safety management systems
- ISO 45003: Psychological risk management

- Preparation to extend B Corp certification to the entire MasOrange Group

5.7 A measurable commitment

MasOrange generated a positive impact in 2024 of over €18 billion, highlighting its commitment to sustainability and its impact on society and the environment.

At MasOrange—the leading operator in Spain—our main goal is to promote innovation and investment in future networks to provide value to our private and corporate customers, guaranteeing the sustainability of our activities.

Our purposes is to (re)connect people by putting technology to work to provide the best experience

Remaining true to our mission to lead sustainability efforts in Spain, we are committed to generating a positive social and environmental impact by offering solutions that foster economic, social, and environmental development. With this purpose in mind, we prepared an impact measurement report in 2024 with consulting firm Management Solutions to identify and quantify, in financial terms, the ESG impact of all our activities.

The aim of this initiative was to strengthen MasOrange's commitment to sustainability through three key pillars:

- Embedding ESG criteria in the strategy and business model, aligning with global commitments, and driving positive impact
- Supporting the decision-making process, transforming ESG analysis into a strategic tool for decision-making in an ever-changing world
- Transparently communicating progress to ensure the Company's actions address the most pressing social issues while enhancing stakeholder trust

5.7.1 Methodological approach

MasOrange's ESG impact assessment was designed using a methodological approach based on best practices and structured in three main phases: analysis, assessment and reporting.

In the first phase, it analyzed the Company's value chain to identify and determine the impacts deriving from its activity and then develop a reference framework aligned with the Company's corporate values and ESG strategy. This framework enabled it to identify impacts according to the strategic pillars, prioritize them in the double materiality assessment, and organize them into three large groups:

Group	ESG strategic pillars	Impacts analyzed
Social development and digital equality	Secure connectivity and customer experience	Deployment of connectivity Service quality, and data security and privacy Cybersecurity
	Digital inclusion	Affordable products and services Digital accessibility and skills
Committed to the planet	Energy and climate change	Scope 1, 2 and 3 emissions Emissions offset Use of renewable energies Innovative services
	Circular economy	Reuse of equipment Waste management
Ethical leadership and people	Governance and business ethics	Value chain workers and regional development Direct contribution to the local treasury
	Talent and people	Diversity, equity and inclusion Job stability Health and safety

In the assessment phase, the identified impacts were quantified, in financial terms. To facilitate this, the methodology of the International Foundation for Valuing Impacts (IFVI) was applied. In addition, simplified direct quantification methods were developed. The methodology relied on the comparison of internal data with market data, incorporating financial proxies from trusted sources to measure the economic impact.

In the Reporting phase, quantitative data and qualitative information were consolidated into an ESG Impact Report, which communication to and dissemination among stakeholders.

5.7.2 Impact generated

The findings in the report make us especially proud of our work, since the MasOrange Group generated a social impact worth over €18,770 billion from its activities in 2024. This figure highlights the scale of our commitment, translating it into tangible value for society and the environment. It demonstrates how sustainability is embedded in our Company's DNA and positive impact is one of our core values.

The analysis of the three main impact areas reveals significant data:

• **Social Development and Digital Equality – Total impact: +€15.64 billion**
In an increasingly digital world, being connected means accessing education, employment, and opportunities. MasOrange has transformed its network into a driver of social inclusion, enabling more people to participate in the digital economy.

The deployment of infrastructure has been crucial, contributing €8.79 billion to GDP by improving internet access for households and businesses. Additionally, thanks to affordable pricing, it has generated an impact of +€6.17 billion, reducing economic barriers in rural and disadvantaged areas.

Digital security has also been a priority, with €81.5 million invested in cybersecurity to protect its customers. At the same time, €14.8 million has been allocated to training and digital accessibility programs, ensuring that no one is left behind in this technological revolution.

From major cities to the most remote areas, the mission is clear: to make connectivity a tool for equality and development.

• **Commitment to the Planet – Total impact: -€41.7 million**
The digital world has a significant environmental impact, but MasOrange is taking bold steps to reduce its footprint and lead the transition to a more sustainable model. Thanks to renewable energy usage, it has avoided CO_2 emissions worth €7.7 million.

However, the biggest breakthrough comes from digitalization: its technological solutions have helped other industries cut their emissions, with a positive impact of +€102 million.

Challenges remain, particularly in reducing indirect emissions from the supply chain, which have a negative impact of -€153 million. To mitigate this effect, the company is working closely with its key suppliers and strategic partners to optimize processes and promote a circular economy through eco-design and equipment reuse.

The commitment is clear: less impact, more innovation, and a business model aligned with the future of the planet.

• **Ethical Leadership and People – Total impact: €3.047 billion**
Behind every telecommunications network are thousands of people making global connectivity possible. MasOrange has placed people at the center, creating quality jobs and contributing to the country's social and economic development. The impact of direct and indirect job creation in Spain has amounted to €2.002 billion.

Additionally, MasOrange's fiscal contribution has reached €725 million, helping fund essential services for society.

Health and workplace well-being have had a positive impact of €316 million, through medical insurance, social security contributions, and employee support programs.

Training is another major focus, with more than €10 million invested in upskilling, ensuring that its team is prepared to face the challenges of the digital future.

5.8 A commitment that goes beyond

GRI 2-22

United Nations Global Compact

On September 20, 2015, the United Nations (UN) General Assembly adopted the 2030 Agenda for Sustainable Development, a 15-year action plan of action for people, planet and prosperity. It also seeks to strengthen universal peace and ensure access to justice. The Agenda sets 17 Sustainable Development Goals and 169 integrated and indivisible targets that balance the economic, social and environmental dimensions.

Integration of the Sustainable Development Goals (SDGs) in business activity

As sustainability continues to gain importance across industries, senior management is actively integrating the Sustainable Development Goals (SDGs) into companies' strategy.

Renewal of our commitment to the United Nations Global Compact

In alignment with our sustainability pledge and commitment to responsible growth, the MasOrange Group officially joined the United Nations Global Compact in 2020. This membership represents a step forward in the MasOrange Group's mission to create a positive social impact.

Strengthening our commitment to the Global Compact

We reaffirmed our commitment in 2022 by renewing our membership and publishing the Communication on Progress (COP) report as an Advanced member of the Global Compact. Since then, we have continued to renew our commitment annually, uploading our COP report to the Global Compact's new online platform.

Advancing the Ten Principles of the Global Compact

The Group supports and promotes the Global Compact's Ten Principles in the areas of human rights, labor, environment, and anti-corruption, and is committed to advancing the objectives of the 2030 Agenda and the 17 SDGs, focusing on those most relevant to the Group's business activity.

Focusing on relevant SDGs in our area of operation

Specifically, the Group steers efforts toward building resilient infrastructure, promoting sustainable industrialization, and fostering innovation (SDG 9), which align with our core business and operational goals. We also implement initiatives to ensure inclusive, equitable and quality education and promote learning opportunities (SDG 4), to make cities more inclusive, safe, resilient and sustainable (SDG 11), to revitalize the global partnership for sustainability development (SDG 17), to combat climate change (SDG 13), to ensure access to clean and affordable energy (SDG 7), to promote sustainable production and consumption (SDG 12), to achieve gender equality (SDG 5), and to ensure good health and well-being (SDG 3).

Participation in ODS-Lab spearheaded by the Spanish Ministry of Social Affairs and the 2030 Agenda in partnership with Red Innicia

ODS-Lab is a collaborative social innovation lab where third sector entities, public administrations, businesses, universities, and civil society work together to develop innovative initiatives that address the country's challenges as outlined in the 2030 Agenda.

Leveraging research by Innicia, ODS-Lab members come up with six innovative initiatives to lead and implement, with the support of participating organizations.

Key actions linked to SDGs

In alignment with our Master Plan, the key actions linked to the achievement of the goals include:

MasOrange is committed to SDG 3: *Ensure healthy lives and promoting well-being at all ages.* This commitment is reflected in our initiatives to support the overall well-being of our employees, promoting healthy and balanced environments that benefit both their personal and professional life.

Defined objectives

- Enhance work-life balance: We implement a hybrid and flexible working model that empowers our people to control their own schedules, allowing them to balance their personal and professional responsibilities.
- Promote a comprehensive approach to employee health and well-being: We design and implement programs that address key aspects of physical and emotional health, providing resources and continuous support for employee well-being.

Expected outcomes

- Enhance employee satisfaction regarding the balance between their personal and professional lives.
- Drive higher participation in health and wellness initiatives, ensuring a significant percentage of our workforce benefits from these actions.

MasOrange contributes actively to SDGs 4 and 10: *Ensure inclusive, equitable and quality education*, and *Promote lifelong learning opportunities for everyone, helping to reduce inequalities.* We recognize education as a key driver of personal development, employability, and technological advancement. Therefore, we gear efforts toward fostering essential skills in the digital and educational environment.

Defined objectives

- Help seniors develop digital skills: We facilitate access to training programs that empower seniors to integrate into the digital world.
- Promote responsible use of technology: We partner with schools and families to foster responsible technology education, preparing future generations so they can use digital tools safely and ethically.
- Develop training pathways and support programs: We design educational pathways to hone key skills, tailored to the needs of diverse population groups.

Key projects

- Digital skills learning programs: We carry out initiatives that equip employees, families, and communities with essential technological training, enhancing their digital skills and fostering their inclusion in the knowledge society.

Expected outcomes

Through these initiatives, we aim to:

- Bridge the digital divide in older adults and vulnerable groups.
- Foster an educational environment in which students and families use technology responsibly and safely.
- Expand participation in training pathways, improving accessibility and quality in educational offerings.

MasOrange is firmly committed to SDG 5: *Achieve gender equality and empower all women and girls* Through our policies, processes and projects, we promote a business culture that fosters diversity, equity and inclusion across all levels of the organization and in our interactions with society.

Defined objectives

- Promote diverse, equitable and inclusive governance bodies, management teams and workforces: We make efforts to ensure our commitment to diversity and equity are reflected at all levels of the Company's hierarchy.
- Implement fair and inclusive hiring practices: We ensure selection processes uphold standards that promote equal opportunities and diversity, avoiding any type of bias.
- Support entrepreneurship with impact: We champion initiatives that support entrepreneurship projects led by women and vulnerable groups, generating social and economic impact.

Key projects

- Diversity Plan: Through this project, we design and implement strategies that address inclusion and gender equality in all areas of the Company.

Expected outcomes

- Increase the percentage of women in leadership positions.
- Ensure that criteria of diversity and inclusion are applied in all hiring and selection processes.
- Generate a positive impact on the entrepreneurial ecosystem, empowering women and vulnerable groups to lead projects.

MasOrange is aligned with SDG 9: *Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation* We recognize that access to modern, sustainable infrastructure, and promoting advanced technologies, are crucial for driving social and economic progress within communities.

Defined objectives

- Strengthen green energy services: We provide Guarantee of Origin (GoO) certified solutions, encouraging the installation of solar panels for customers and promoting the adoption of more sustainable and energy-efficient equipment.
- Complete 4G development in rural areas: We bring quality connectivity to remote areas, promoting digital inclusion and helping to bridge the technology gap.
- Provide high-speed fiber optic internet: We focus on connecting households with advanced technologies that guarantee fast, stable, and secure internet access.
- Lead 5G deployment in Spain: We are developing a robust 5G network, driving the digital transformation in key sectors, such as health care, industry, and services.

Expected outcomes

- Increase the share of customers using sustainable energy services, thereby increasing our positive environmental impact.
- Reduce the digital divide, by reaching rural areas with high-quality 4G connectivity.
- Raise the quality of life of communities by providing high-speed internet and deploying 5G networks, boosting innovation and increasing access to new technologies.

MasOrange is firmly committed to progressing toward achieving SDG 11 *Make cities and human settlements inclusive, safe, resilient and sustainable*. We recognize that transitioning to a more sustainable energy model is key to building eco-friendly communities and enhancing quality of life.

Defined objective

- Strengthen green energy services: By offering Guarantee of Origin (GoO) certificates, we support the installation of solar panels for our customers and encourage the use of more sustainable, energy-efficient equipment, ensuring communities adopt clean and responsible energy solutions.

Expected outcomes

- Promote energy sustainability in households and businesses through the use of renewable energy.
- Reduce the environmental impact of communities by implementing energy-efficient equipment.
- Foster a resilient urban environment that adapts to climate challenges and is committed to the ecological transition.

MasOrange is committed to SDG 12 *Ensure sustainable consumption and production patterns*. Through a variety of initiatives, we strive to minimize the environmental impacts related to the production and consumption of products and services, promoting circular economy practices and reducing the ecological footprint of our operations.

Defined objectives

- Promote recycling of end-of-life mobile phones: We provide incentives for customers to return their devices at the end of their life cycle for proper recycling, reducing landfill waste and promoting material reuse.
- Encourage the adoption of refurbished phones. We promote the purchase of refurbished devices among our customers, reducing the demand for new production and supporting the circular economy.
- Increase awareness about the circular economy: We develop awareness programs for our customers and employees about the importance of responsible consumption and production, and resource efficiency.
- Adopt strategies to reduce the use of harmful materials: We implement strategies to minimize the use of hazardous and difficult-to-recycle materials in our products and operations.
- Adopt eco-design practices, using recycled materials and gradually reducing plastics in packaging and SIM cards: We promote more sustainable product design by using recycled materials and progressively reducing plastics in our packaging and SIM cards.

Expected outcomes

- Increase mobile device recycling and much greater use of refurbished products.
- Promote awareness and adoption of circular economy practices, helping to transform customers' consumption habits.
- Reduce the use of harmful materials and plastics, making our production processes and products more sustainable.

At MasOrange, we actively strive to align ourselves with SDG 13 *Take urgent action to combat climate change and its impacts*. We recognize that combating climate change requires transitioning toward a more sustainable energy model and a firm commitment to reducing carbon emissions throughout our value chain.

Defined objectives

- Use 100% green electricity for own consumption and maintain zero Scope 2 emissions: We exclusively use renewable energy in our facilities, ensuring that our electricity consumption does not generate carbon emissions.
- Minimize Scope 1 emissions and offset residual emissions: We focus on minimizing our direct emissions by optimizing processes, adopting clean technologies, and offsetting unavoidable emissions to achieve carbon neutrality in Scopes 1 and 2 emissions.
- Implement a decarbonization plan to steadily reduce Scope 3 emissions: We are progressing toward becoming fully carbon neutral (net zero) by 2040, executing strategic measures across the entire MasOrange Group value chain.
- Develop a forest compensation plan: We promote reforestation and forest conservation initiatives to offset residual emissions, promoting biodiversity and natural carbon sinks.
- Conduct physical and transition risk assessments: We assess the potential financial impacts of climate risks on our activities through forward-looking scenario-based analyses to anticipate and adapt to climate challenges.

Expected outcomes

- Achieve 100% green electricity consumption in all our operations, while maintaining zero Scope 2 emissions.
- Achieve and maintain carbon neutrality in Scope 1 and 2 emissions through reduction and offsetting.
- Steadily reduce Scope 3 emissions, becoming sustainability leaders in our industry and achieving Net Zero by 2040.
- Actively contribute to reforestation and environmental conservation by rolling out forestry compensation initiatives.
- Strengthen the Company's resilience to climate change through climate risk assessment and mitigation.

SDGs 16 and 17 are cross-cutting and interconnected with the efforts carried out to deliver the other SDGs discussed above. We promote peaceful and inclusive societies by upholding fundamental rights, protecting privacy, and adopting an ethical approach, as reflected in our responsible procurement policy and anti-corruption measures. Additionally, we advance the Global Partnership for Sustainable Development by promoting socioeconomic growth and building strategic alliances to enhance essential services—including mobile money, education, agriculture, and health care—engaging our entire ecosystem, including institutions, agencies, and NGOs.

6. Environmental pledge

In recent decades, the fight against climate change has taken center stage, leading to significant international agreements and regulatory measures. However, much remains to be done to secure a truly sustainable future. Understanding our environmental impact and identifying ways societies can mitigate climate change are crucial steps toward achieving this goal.

The telecommunications industry does not particularly stand out as one of the highest energy consumers or emitters. Nevertheless, it plays a vital role in developing solutions for a more sustainable economy as its value propositions help third parties reduce their energy dependence.

As a key telecommunications player, MasOrange Group recognizes its responsibility to minimize waste from network infrastructure, data centers, devices, and office operations. We aim to leverage digitalization as a powerful driver of the transition to a greener economy. By connecting people, businesses, and industries, digitalization can drive the adoption of renewable energy, enhance energy efficiency, and reduce carbon footprints.

Furthermore, our unique position within the ecosystem enables us to support other organizations in implementing resource-efficient, low-waste, and low-emission solutions through connectivity and digitalization.

Main pillars of our environmental pledge

- ESG Policy, which outlines the fundamental principles and general framework for managing sustainability practices.
- Environmental and energy management systems implemented and certified in accordance with ISO 14001, ISO 14064, ISO 50001 and EMAS standards, ensuring compliance with the highest environmental standards and applicable legal regulations.
- Commitment to Scope 1, 2 and 3 carbon emissions reduction by designing a Decarbonization Plan based on the SBTi methodology and setting objectives and drawing up action plans to deploy the plan.
- Commitment to carbon neutral events in B2B customer relationships and large internal group meetings and events.

MasOrange reaffirms its environmental pledge by adopting a holistic approach centered on energy transition and the circular economy. Aligned with the SDGs, the 2027 Master Plan establishes concrete objectives regarding climate change mitigation and promotes more efficient resource usage. Key initiatives including aiming to maintain 100% green electricity usage and neutral Scope 2 emissions, while advancing toward carbon neutrality by 2040 through a decarbonization plan. Regarding the circular economy, we promote recycling of our customers' mobile devices, the adoption of refurbished equipment, the reuse of network equipment, and the reduction of harmful materials in our products and processes. These efforts, coupled with awareness campaigns and eco-responsible design, enable us to generate a positive impact, paving the way toward a more sustainable and responsible future.

Key indicators

Energy and climate change	• Consume energy from renewable sources • Offset residual Scope 1 and Scope 2 emissions with nature-based solutions	100% renewable electricity (of total direct consumption) 100% of emissions offset
Circular economy	• Increase % of customer routers refurbished	41%

6.1 Environment and Energy Policy

GRI 3-3.

The Environment and Energy Policy is a formal declaration by management of MasOrange's intentions and principles regarding environmental and energy performance, serving as the reference framework for management across the organization. The policy lays the foundation for carrying out strategic initiatives and setting environmental and energy objectives for the business units within the Integrated Management System, ensuring alignment with MasOrange's ESG Strategic Plan.

MasOrange takes a proactive approach in driving the ecological and energy transition in the areas of climate change, circular economy, resource and waste management, and biodiversity protection.

The policy was approved by the CEO in October 2024 and is available on the corporate website: Corporate standards and policies – MASORANGE.

6.1.1 Environment and Energy Policy principles

- Embedding environmental and energy considerations into MasOrange's decision-making and business processes.
- Prioritizing the procurement of environmentally sustainable and energy-efficient products and services.
- Setting and evaluating environmental and energy objectives through an annual review process led by the organization's management.

Efficient use of natural resources is a core element of our environmental management system. We manage key environmental factors such as energy consumption and waste, while also monitoring less impactful aspects of our operations, including water usage, pollution, and biodiversity conservation.

6.2 Environmental risk management system

GRI 2-27

We have a Risk Committee and an Audit Committee, both of which conduct annual assessments to evaluate the Company's exposure to environmental risks and ensure the effectiveness of internal controls and risk management systems.

Our approach focuses on implementing and enhancing our own system, and mitigating and reporting risks within our scope, in alignment with the global risk map. In 2025, we will complete the analysis of physical and transition climate risks for the MasOrange Group based on previous research conducted for MASMOVIL and the Orange Group. We will also complete the assessment of the potential financial impacts of climate risks on our activities through forward-looking scenario-based analyses to anticipate and adapt to climate challenges.

Key environmental challenges include: climate change mitigation, climate change adaptation, energy efficiency, waste management, and integration of eco-design into our products and services. We have developed targeted action plans to mitigate risks in each of these areas.

Regarding regulatory compliance, in 2024, the following administrative and judicial proceedings occurred in relation to environmental matters, noise, vibrations, and radioelectric emissions:

	2024	
Environmental non-compliance	**No. of incidents**	**Amount (€)**
Administrative / sanctioning proceedings	15	231,750
Administrative appeals proceedings / lawsuits	0	0
Total	**15**	**231,750**

As a telecommunications operator, we recognize that our activity has a visual impact on protected environments because of the required support infrastructure and the emission of electromagnetic fields. All sites deployed in these areas comply with current regulations, adhering to the maximum permitted levels in all cases. Meanwhile, we minimize the visual impact of our network by promoting shared infrastructure deployment with other operators and utilizing camouflage techniques where necessary.

6.2.1 Environmental and energy management certifications: ISO 14001, ISO 50001 and ISO 14064

Our commitment to excellence in environmental management is reflected in the implementation of our environmental and energy management system (designed in accordance with the ISO 14001, ISO 14064, ISO 50001 standards and the EMAS Regulation) across all MasOrange companies. This management system is independently certified by a reputable third party and audited annually for continuous improvement.

It acts as a cross-functional mechanism throughout the entire value chain, supporting the deployment of our ESG strategy both horizontally (across production processes and the provisions of services) and vertically (within the organizational structure).

By operating under a certified environmental management system, we ensure that the proper controls are in place and comply with applicable environmental regulations. To achieve this, it is directly aligned with our risk prevention model, which is integrated into MasOrange's corporate compliance process.

6.2.2 No specific environmental provisions required

The Group did not recognize any specific environmental provisions in its 2024 consolidated financial statements other than the dismantling provision, which includes the estimated cost of dismantling, removing or restoring telecommunications infrastructures. This provision is recognized as an increase in the amount of the related property, plant and equipment. Additionally, since its activity is not covered by Spain's Environmental Liability Law, the Group does not provide any environmental guarantees as a result of this law.

6.2.3 Expenditure on environmental and energy management

The MasOrange Group has an annual environmental and energy management budget. In 2024, it allocated a total of €172,424 to a range of related services and upgrades. Amounts vary each year in accordance with the associated certifications and required consulting studies.

6.3 Energy and climate change

GRI 3-3

Efficient electricity and fuel usage and consumption play a key role in our environmental pledge. Our environmental and energy management system serves to systematize the measurement and assessment of activities carried out and pinpoint opportunities for improvement.

The Group's commitment to the environment entails controlling the impacts arising from its activity. To this end, MasOrange aims to make its facilities more energy efficient in a bid to reduce CO_2 emissions, considering that ISO 14001, ISO 50001 and ISO 14604 certifications help it to deliver these objectives.

6.3.1 Total energy consumption

GRI 302-1; 302-2; 302-3

Consumption of Scopes 1+2	2024
Electricity (MWh)	215,429
Fuel (MWh)	8,442
Natural gas (MWh)	132

* The annual calculation includes estimated consumption for the fourth quarter on a historical data.

Consumption	Unit	2024	Breakdown
a. Direct consumption: Fuel from non-renewable sources	GWh	8.1	Diesel B (generator sets for buildings), diesel A (fleet vehicles), gasoline (fleet vehicles), natural gas (heating)
b. Direct consumption: fuel from renewable sources	GWh	0.5	Biofuels contained in gasoline and diesel of fleet vehicles (percentage of biofuel in gasoline and diesel A)
c. Direct consumption: all electricity	GWh	215	Consumed in buildings (corporate, technical, and own stores) and sites in the managed network sites (own and shared) 100% has a GoO certificate
d. Total energy consumption within the organization	**GWh**	**224**	**Direct + indirect consumption**
Energy consumption outside of the organization	**Unit**	**2024**	**Breakdown**
Energy consumed by TowerCos (diesel B, natural gas and electricity)	GWh	219	Includes diesel B from OSP network (data for 2024) + diesel B and natural gas from TOTEM (data for 2023) + diesel B from MM subcontracted TowerCos (data for 2023) + electricity from GMM and TOTEM TowerCos (2024)

Energy intensity indicator*	Unit	2024
Electricity consumption / customers	kWh / customer	5.53
Total energy consumption / customers	kWh / customer	575

* Indicators calculated using a figure of 38.96 million customers.

6.3.1.1 100% of electricity consumption from renewable sources

All electricity consumed by MasOrange comes from certified renewable energy sources.

6.3.1.2 ISO 50001 energy efficiency and consumption reduction certification

Reducing the impact of electricity consumption is a key pillar of our environmental strategy. To enhance energy efficiency and lower our carbon footprint, MasOrange has implemented an Energy Management System aligned with ISO 50001. As part of this system, we draw up an annual Energy Efficiency Plan, outlining targeted measures to reduce electricity and fuel consumption.

6.3.1.3 Collaborative tools to reduce fuel consumption

We implement savings and streamlining measures to reduce our fuel consumption—diesel in generator sets and the fleet of vehicles for business travel. Key initiatives include optimizing travel between sites by minimizing the number of vehicles used and promoting the use of collaborative tools to facilitate communication and teamwork across different locations.

We also provide a shuttle service at our Madrid headquarters, connecting our Pozuelo offices with multiple stops in downtown Madrid. This service helps reduce reliance on private transportation and lowers fuel consumption and pollutant emissions.

6.3.1.4 Increased energy efficiency in our networks

In a telecommunications company like MasOrange, the energy consumed by its networks represents most of its total consumption, so efforts to boost efficiency and create savings on this front are crucial.

6.3.1.4.1 Fixed network

FTTH Customers

In recent years, **network sharing** agreements have become a key strategy for eliminating infrastructure overlaps in telecommunications, significantly reducing energy consumption, resource use, emissions, and waste, while minimizing environmental impact.

We are currently developing a plan to migrate our network from HFC to the more energy-efficient FTTH. This migration has already led to a cumulative reduction of over 1,400,000 kWh in energy consumption, with 1,419 supply cancellations recorded since the project's inception.

In parallel, we are dismantling and recycling outdated ADSL infrastructure and replacing it with FTTH technology.

To further enhance energy efficiency, we use a (PCR — Smart site) monitoring system, a tool for ensuring appropriate network-wide energy management. With this system we can measure key variables (e.g., temperature and consumption) and define different management guidelines (e.g., setpoint temperatures, alarms) to guarantee use optimal energy use in the network.

6.3.1.4.2 5G mobile network

GRI 302-4

Mobile Customers

One of the key synergies resulting from the creation of MasOrange is the consolidation of mobile networks. Between 2024 and mid-2025, we will shut down more than 4,600 mobile network nodes, producing energy savings of 87 GWh per year.

MasOrange's mobile network currently covers 88.4% of the Spanish population, reaching over 3,700 municipalities. Additionally, we have NRA agreements that enable our customers to access communications services through other mobile operators' networks. This reduces the number of required sites, increases equipment utilization, and enhances overall network efficiency, while also minimizing both visual and environmental impacts.

We deploy increasingly energy-efficient state-of-the-art networks

5G technology provides high network capacity—enough for MasOrange to serve its customers—and efficiency in deployment, allows faster rollout speed, avoids duplication of equipment, and improves both energy efficiency and overall network performance compared to operating two separate networks.

We recognize that greener telecommunications network design is crucial to reducing energy consumption. The 5G infrastructure consumes half the energy per gigabyte transmitted through 4G. It also reduces the use of transportation, improving predictive maintenance and optimizing production processes to bring us closer to our goal of protecting the planet.

Power saving features: another key element is the use of smart configurations that allow for partial or full equipment shutdown when idle without compromising service quality.

6.3.1.4.3 Open RAN

MasOrange has entered into a partnership agreement with Ericsson to upgrade the mobile network, building Europe's most modern, fastest, and technologically advanced 5G mobile network. Through this agreement, MasOrange will transform its mobile network into Europe's first open, programmable, and fully Open RAN (Open Radio Access Network)-ready 5G infrastructure. Open RAN will enable MasOrange to introduce innovative services and applications in the coming years, adding significant value to individual and business customers, as well as public administrations.

Sustainability is a core principle in MasOrange's adaptation to the Open RAN movement, providing a natural fit with the Company's commitment to respecting the environment, reducing its carbon footprint, and combating climate change. This partnership and the deployment of Ericsson's cutting-edge technology and solutions should enable MasOrange to significantly reduce its energy consumption and greenhouse gas emissions, ensuring the most efficient solution and achievement of its sustainable objectives.

6.3.1.4.4 Energy optimization measures in DPCs

At MasOrange, we are continuously working to develop more sustainable technical buildings. Our new technical site projects incorporate efficient construction models (prioritizing modularity and scalability to ensure capacity for future growth). Additionally, we implement state-of-the-art climate control systems that adhere to the highest quality standards and rigorous testing criteria, capable of regulating both temperature and humidity in technical rooms.

In recent years, we have implemented several initiatives to reduce energy consumption in DPCs, including:

- Server virtualization plans.
- Commissioning, in 2024, of a new photovoltaic (PV) facility in one of our DPCs, enabling annual savings of 90 MWh.
- A set point temperature optimization study, currently underway for implementation in 2025.
- Closure of a data center to streamline consumption, migrating customers to other facilities.
- Replacement of cooling equipment with more efficient models.
- Installation of freecooling systems on a large scale (in DPCs and network centers), cooling the technical areas without relying on air conditioning.
- Installation of cold aisles in DPCs and technical centers to reduce electricity consumption at these sites.
- Improved lighting with motion sensors and LED lights.

6.3.1.5 Reduction of consumption at headquarters

As pursuing its strategic commitment to environmental sustainability, MasOrange seeks to enhance efficiency at corporate buildings and headquarters.

One of our key initiatives has been the installation of solar panels across technical and office buildings in Spain. In 2024, we completed the installation of solar panels—with total capacity of 2.5 MWh—on 21 buildings, expected to deliver energy savings exceeding 11% compared to the initial consumption forecast for these buildings. We measure and analyze results in accordance with ISO 14001 and ISO 50001 standards.

Additionally, following the creation of MasOrange, the closure of one of our main offices in Madrid will generate annual energy savings of over 1,200,000 kWh.

6.3.1.5.1 Leveraging collaborative tools (Microsoft 365)

Leveraging collaborative tools, such as Microsoft 365, promotes efficiency through documentation sharing in Teams or Sharepoint and saves energy by sending mass emails with attachments. This approach exemplifies best practices that improve teamwork among staff, with the added benefit of dedicated infrastructure, contributing to IT efficiency for devices, applications, and infrastructures.

6.3.1.5.2 Energy efficiency from teleworking

We have a teleworking system in place at MasOrange allowing staff to choose whether to working on site or from home one or more days a week. This system avoids Scope 1 emissions by saving energy in corporate buildings, and Scope 3 emissions through employee commuting from home to the workplace.

6.3.1.6 Actions for our customers

6.3.1.6.1 Energy efficiency of equipment

We have made significant advancements in customer routers in recent years, enhancing their capabilities without increasing energy consumption by implementing TWT (Target Wake Time) mechanisms, optimizing data transmission between the access point (router) and connected devices.

In 2024, MasOrange launched the new Wi-Fi 7 router, offering customers faster and better browsing, as well as greater energy savings and security than its predecessor, the Wi-Fi 6.

6.3.1.6.2 Sustainable solutions

At MasOrange, we supply electricity and gas through seven of our brands. We already have over 250,000 utility customers and the goal is to become the industry's leading independent supplier.

Our electricity supply is 100% renewable, and we empower customers with tools to manage their consumption through a free app. Additionally, Yoigo, through its EnergyGO service, offers a self-consumption commercial proposition entailing the installation of solar panels. This initiative helps customers save between 30% and 40% on their electricity bills while contributing to the energy transition by using cleaner, greener, and more sustainable energy sources.

According to CNMC data (1H 2024), we are the third-fastest growing supplier in the market.

6.3.1.6.3 Energy efficiency in cities

MAS4City is our smart city platform. Based on Innovasur's solution, it drives energy efficiency in towns and cities through, e.g., remote management, energy-based control of urban lighting, and monitoring of electric vehicle charging stations. It also enables the use of smart water meters to measure water quality, manage automatic irrigation systems, and monitor noise levels and air quality. It transforms safety and mobility through presence-based analytics, smart parking solutions, smart parking, smart pedestrian crosswalks, people tracking and counting systems, traffic flow monitoring, parking controls, and road traffic emissions.

6.3.1.7 Employee and supplier awareness

6.3.1.7.1 Environmental and energy awareness

At MasOrange, we are committed to respecting the environment and fostering a more sustainable workplace. As part of this commitment, we continue to promote environmental awareness both externally, through our social media accounts and the corporate website, and internally, via our intranet and internal communications.

We also extend this commitment to our customers, suppliers, and franchisees. We provide them with regular updates on our achievements on this front and offer support and guidance to help those who wish to do so pursue their own positive environmental impact. We provide further disclosures on our efforts in this report in the section on energy and stakeholder awareness.

6.3.1.7.2 Employees

At MasOrange, we believe that advancing energy efficiency and generating savings is the collective responsibility of everyone. The hardest part is not taking or suggesting measures to reduce consumption, but rather rounding this off by **raising awareness** among different individuals so that, together, we can all become more efficient.

To this end, we have sent out numerous communications and implemented awareness-raising measures, including suggestions on how to save electricity and reduce consumption at the workplace and outside.

We have also included relevant information on ESG and environmental care in our onboarding pack for new recruits. Through the online course platform, we have set up an ESG school providing employees access to courses on:

• Environmental management and climate change

• Sustainable consumption and driving habits

Meanwhile, we have developed different actions aimed at reducing energy costs through direct involvement of our people, including:

- An employee shuttle service for commuting from downtown Madrid.
- EV charging stations in parking lots of corporate buildings. MasOrange subsidizes consumption to encourage the use of hybrid/electric cars by employees and avoid CO_2 emissions.
- Internal events considered 'green' since we calculate and offset the related emissions. An example was the launch of MASORANGE FUSION, an event held on April 2, 2024, at the WiZink Center in Madrid, for which 100% of the power supplied was renewable and sustainable.
- Analysis of employees' vehicle emissions, to identify larger emitters and subsidize 100% of the decarbonization of these vehicles. Toward the end of 2024, we measured the emissions of vehicles traveling to our main headquarters. We performed the study through OPUS RS EUROPE SL, a company specialized in remote measurement of on-road motor vehicle emission. After making the calculation, it certified that MasOrange's fleet and employees' vehicles had lower emissions than the rest of the vehicles in Parque Empresarial La Finca's fleet (Madrid, Spain).

In general, MasOrange's vehicles are in excellent condition. Emissions of the most harmful pollutants, especially PM (particulate matter) are extremely low, considerably lower than the average of other similar vehicles on the road in Spanish cities. Nevertheless, we still cleaned up all vehicles that had low but slightly higher-than-average emissions.

- Regarding fleet vehicles, we kept up efforts to find increasingly efficient and less polluting solutions, maximizing as far as possible the range of hybrid/electric cars available to our employees for leasing.

6.3.1.7.3 Suppliers

Supply chain management is vital for our operations to generate a positive impact. To this end, our suppliers must commit to adopting the principles and values set forth in MasOrange's Code of Ethics and Supplier Code of Conduct, which outline our environmental and sustainable procurement requirements. We also make sure our suppliers are aware of the principles in the Procurement Policy, the ESG Policy, and the Environment and Energy Policy, so they act appropriately within the parameters required by our Company. Our supplier and franchisee awareness efforts entail regular communications, in which we explain the ESG and environmental milestones we have achieved and offer to assist and working together with them to achieve long-term sustainable value creation.

6.3.2 Emissions

At MasOrange, we are aware that our activity is not GHG emission intensive. We also know that emissions reduction is crucial for combating climate change. Therefore, we consider CO_2 emissions reduction to be a priority focus of our environmental strategy. Accordingly, several years ago we began calculating and offsetting our Scope 1 and 2 emissions and now also our Scope 3 emissions.

The MasOrange Group has actively taken steps to drive decarbonization, such as:

- Using renewable electricity with GoO: 100% of the electricity consumption is green.
- Operating efficient networks and promoting of network sharing: dynamic power allocation, alternative power supply, network virtualization.
- Enhancing building and service efficiency: a BMS (building management system) to control electrical equipment with energy consumption reduction measures.
- Adopting circular economy principles: reuse of network equipment and a recycling system for waste produced by MasOrange's activity.
- Promoting the use of EVs or hybrid vehicles by employees and the sales force.

In 2024, the Spanish Climate Change Office recognized the Group's companies for calculating, reducing and offsetting their 2023 carbon footprint.

Orange, 2023 Calculate, Reduce, and Compensate seal

Euskaltel, R Cable and Telecable Telecomunicaciones, 2023 Calculate and Reduce seal

6.3.2.1 Summary of MasOrange Group's Scope 1 and 2 emissions

GRI 305-1; 305-2

Emissions	2024
Scope 1 emissions (tCO2eq)	**6,124.90**
Scope 2 emissions (tCO2eq)	**0**

(*) Factors used to calculate Scope 1 + Scope 2 emissions are from the Spanish Climate Change Office.

(**) PPAs and GoO certifications are available for electricity consumption.

Note: data are estimates for 2024 pending publication of emission factors by the Spanish Ministry of Ecological Transition. In addition, energy consumption data are partially estimated at the reporting date. These emissions are subject to verification by AENOR of the carbon footprint, scheduled for June 2025, in accordance with ISO 14064:2019

6.3.2.2 Analysis of Scope 3 emissions and emission intensity

GRI 305-3; 305-4

Scope 3 emissions include indirect emissions not included in Scope 1 and 2 emissions that arise from sources that are owned or controlled by third parties but are significant for the organization's activities.

MasOrange includes Scope 3 disclosures in its report. In other words, we report on the indirect greenhouse gas emissions occurring throughout our supply chain but that are not under our direct control. All the 707,000.8 tCO2e of Scope 3 emissions are included in 10 of the 15 Scope 3 categories in GHG Protocol methodology. The remaining five categories were ruled out due to MasOrange's business model and after a preliminary analysis of Scope 3 categories according to the GHG Protocol.

Where possible, Scope 3 emissions are calculated by multiplying the physical data by the related emission factor from product life cycle studies or extrapolations. We are still working on completing categories calculated using physical factors, since they are more reliable than monetary factors (applied in 2024 to 1. Capital goods and 2. Purchased goods and services).

We are defining a Decarbonization plan for the long-term reduction of our emissions.

Summary of MasOrange Group's Scope 3 emissions

Scope 3 category	Unit	2024	Breakdown
1. Capital goods	tCO2eq	57,335.4	Network equipment, employee equipment, corporate buildings, own stores, and vehicle fleet
2. Purchased goods and services	tCO2eq	479,418.7	Devices sold to customers
3. Fuel- and energy-related activities	tCO2eq	571.3	Includes upstream emissions of fuel consumed in vehicles, buildings, and owned network
5. Waste generated in operations	tCO2eq	5.	Transportation and treatment management
6. Business travel	tCO2eq	452.2	Domestic and international air and rail travel
7. Employee commuting	tCO2eq		Not calculated
9. Downstream transportation and distribution	tCO2eq	637.6	Direct transportation and distribution logistics from the logistics operator to B2B and B2C customers
11. Use of sold products	tCO2eq	103,065.00	Electricity consumption from devices associated with mobile and fixed lines
12. End-of-life treatment of sold products	tCO2eq	6.3	Electricity consumption from devices associated with mobile and fixed lines
13. Downstream leased assets	tCO2eq	65,509.40	Routers and decos
Total Scope 3 indirect GHG emissions	**tCO2eq**	**707,000.80**	Emissions from capital goods, including gases: CO2, CH4 and N2O

Note: *) For the calculation of A3 emissions, the methodology verified by AENOR in accordance with ISO 14064 has been used. This methodology considers factors from various recognized databases, such as ADEME Base Carbone; Input/Output methodology based on data from the National Institute of Statistics; information provided by device manufacturers; and the national electricity mix emission factor published by the CNMC, among others. These emissions are subject to carbon footprint verification, scheduled for June 2025, in accordance with ISO 14064:2019, to be conducted by AENOR.

GHG emission intensity indicator by customer	Unit	2024
Total GHG emissions (Scopes 1+2) / Customers	kgCO_2eq / customer	**0.16**
Total GHG emissions (Scopes 1+2+3) / Customers	kgCO_2eq / customer	**18.31**

* Indicators calculated using a figure of 38.96 million customers.

6.3.2.3 Decarbonization plan and commitment to alignment with the SBTi

- **The Science Based Targets initiative**

The Science Based Targets initiative (SBTi) is a global organization that enables companies to set ambitious science-based emission reduction targets in line with the latest climate science. GHG emission reduction targets are considered 'science-based' if they are in line with the Paris Agreement; i.e., helping to limit global warming to 1.5°C above pre-industrial levels.

SBTi distinguishes between two types of emission reduction targets:

  - **Near-term targets:** mitigation targets prioritizing rapid cuts to emissions, setting reduction targets within 5 to 10 years in line with the scenario of limiting global warming to 1.5°C.
  - **Long-term targets:** more ambitious targets than near-term targets, with companies committing to reducing their emissions to a residual level of near zero by 2050.

- **MasOrange signed up to the SBTi and assumed a commitment to achieve net zero emissions by 2040**

Recognizing the role of telecommunications in combating climate change—and our responsibility for and commitment to the transition to a carbon-neutral economy—we have committed to developing an Emissions Reduction Plan that enables us to achieve net-zero carbon emissions by 2040.

At MasOrange, we have begun the process of setting a science-based target (SBT) for decarbonization through the Science Based Targets initiative (SBTi). This effort strengthens our long-term approach to sustainability management and reaffirms our commitment to contributing to a global carbon-neutral economy.

6.3.3 Climate change mitigation and adaptation

Climate change is one of the main challenges facing humanity in the 21st century. According to multiple institutions, the warming of the climate system is not only unequivocal, but human influence on it is also evident. Climate change poses significant risks to both human and natural systems.

Therefore, it is essential for companies to voluntarily take meaningful action to reduce the impact of their activities on the climate. Additionally, they should integrate this consideration into their strategic planning.

MasOrange is developing a Decarbonization Plan with a strong focus on Scope 3 emissions.

Recognizing the critical importance of environmental protection, the Group has made environmental management and the fight against climate change a core pillar of its transformation toward a more responsible business model. Our goal is to align our business operations with our environmental commitments, making carbon neutrality and emissions reduction a top priority to ensure responsible management of any environmental impacts associated with our activity.

In 2024, we took part in the CDP's environmental disclosure initiative, obtaining a B-score for our contribution to climate change in 2023.

6.3.3.1 ESG Community

The Group's Senior Management takes responsibility for the environmental management system, ensuring the implementation of our sustainability, environmental and energy management policy and the achievement of its objectives, and guaranteeing alignment with the organization's strategic management.

To this end, we have set up an ESG Community—a multidisciplinary team dedicated to managing ESG challenges across the organization—with representation by the areas affected. The ESG Community meets regularly to assess and monitor progress, review compliance with environmental and energy milestones, and ensure that MasOrange remains on track to achieve its objectives.

6.3.3.2 Carbon sequestration projects

GRI 304-2; 304-3

As line with its commitment to the precautionary principle, MasOrange has implemented the necessary measures to protect the environment in which it operates and ensure a responsible network deployment. Given the nature of the Company's operations, our impact on biodiversity is limited, since most of our infrastructure is located in areas with low or very low habitat value. Nonetheless, we actively implement precautionary measures to support the preservation and natural development of local wildlife without disrupting their habitats or altering natural processes. These include:

6.3.3.2.1 Conservation and restoration in deforested areas

MasOrange invests annually in emissions sequestration (carbon capture) projects equivalent to our direct carbon footprint. These efforts reflect our determination to urgently address climate change.

In 2024, we continued our contributions to the conservation and restoration of an area at extreme risk of deforestation in Sena Madureira (Acre, Brazil) through the REDD+ Yuxibu project, in conjunction with Grupo Sylvestris and Canopée Gestão Ambiental e Forestal.

6.3.3.2.2 Reforestation for post-wildfire recovery: Orange forest

In 2020, we launched a reforestation initiative in Monte La Umbría, Teruel, an area designated as sparsely populated by the EU. Between 2020 and 2023, the Orange Forest project successfully reforested 57 hectares (15.97 hectares in 2023), planting over 43,600 trees and preventing 13,322 metric tons of CO_2 emissions over the next 50 years. This project is registered with the Spanish Ministry for the Ecological Transition and Demographic Challenge.

To ensure the forest's successful establishment and ongoing maintenance, the project involves local workers trained by Grupo Sylvestris, a company specializing in triple-impact (i.e., economic, social, and environmental) projects.

6.3.3.2.3 Reforestation linked to commercial activity: Pepephone plants a tree for each friend

In 2021, Pepephone launched the *Quien tiene un amigo tiene un árbol* (He who has a friend, has a tree) campaign, planting a tree each time a customer refers a friend who signs up. The trees, always native to the local ecosystem, are planted at the best time of year for the given species to ensure optimal care and respect for the surrounding biodiversity. With the campaign, Pepephone plants seeds to repopulate Spain's forests.

This initiative is carried out in collaboration with Bosquia, a company specializing in CO_2 offset projects through reforestation in Spain.

To date, Pepephone has planted 11,475 trees, with over 700 additional applications for trees on the waiting list.

6.3.3.2.4 Reforestation to offset our natural gas customers' emissions

Building on the successful socio-environmental impact of our reforestation efforts, this initiative has been expanded to other MasOrange Group energy brands. In 2024, Euskaltel Luz y Gas, Orange Energía, and R Luz y Gas joined Pepeenergy, EnergyGo, and MasMovil Energía in offsetting the CO_2 footprint from the use of natural gas through reforestation projects in fire-damaged areas, such as the region near Torimbia Beach in Llanes, Asturias.

To do so, the CO_2 emissions from gas consumption are calculated first. Then, the number of trees required to offset those emissions is determined. Finally, seedlings (not just seeds) are planted to ensure the roots take hold. The trees' growth is monitored for the first five years, and trees that do not survive are replaced to maintain the integrity of the reforested area.

To date, we have launched three separate reforestation projects, planting over 10,000 trees across more than 12 hectares. These initiatives will absorb 10,996 metric tons of CO_2—equivalent to the carbon footprint of customers from EnergyGo, MasMovil Energía, Pepeenergy, Euskaltel Luz y Gas, Orange Energía, and R Luz y Gas customers' gas consumption in 2023 and 2024.

6.3.3.2.5 Reforestation linked to green events

MasOrange's B2B technology workshops were designed to be carbon-neutral events. To achieve this, we calculate the environmental impact of each event and fully offset the unavoidable GHG emissions calculated for the event by funding the planting of native trees in the locations where the events are held.

6.3.3.2.6 Ongoing AI-based early wildfire detection project leveraging MasOrange Group's connectivity

In 2022, MasOrange teamed up with Vision Analytics to develop an early wildfire detection system aimed at preserving and protecting biodiversity. Then, in 2023, the initiative evolved into a pioneering project for natural heritage conservation. Wanting to drive adoption of this technology, MasOrange launched pilot programs in Peguerinos (Ávila) and Graus (Huesca).

The system relies on strategically placed security cameras that provide extensive visibility over high-risk areas. The cameras are equipped with a neural network trained for early detection of smoke and fire in outdoor environments from long distances.

The AI algorithm runs 24/7. It instantly identifies smoke or fire and sends an alert to a control center via a secure and reliable communication network (5G, point-to-point, etc.) provided by MasOrange.

The control center reviews and visualizes alerts and, where a risk is detected, takes the appropriate actions.

6.3.3.2.7 AI and 5G technology in fighting wildfires

The risk of wildfires is increasing, with severe economic and environmental consequences. Emerging technologies, such as Artificial Intelligence (AI) and 5G, can play a crucial role in wildfire prevention, mitigation, and response, particularly in high-risk regions in northern Spain.

As part of its firefighting initiative, MasOrange is deploying AI-driven technology integrated with 5G connectivity with wildfire detection capabilities.

The technology (currently in the testing phase) involves installing video cameras and fire-detection sensors that run 24/7.

Equipped with natural vision capabilities, the cameras are mounted on telecommunications towers placed at elevated areas, which are generally more vulnerable to the threat of wildfire. However, they also offer a wide field of vision spanning several kilometers.

The system features an AI program that scans for signs of smoke and fire autonomously; i.e., without human intervention. In the event of a fire, the sensor network immediately identifies smoke and, using AI-based behavioral pattern analysis, assesses the threat and determines whether it signals the start of a wildfire.

6.3.3.3 Corporate headquarters

GRI 301-2

At MasOrange, we believe our commitment to sustainability should extend to our workplaces. In line with this commitment, our main offices feature a variety of shared workspaces and meeting rooms, flexible seating areas, multi-sized spaces, and communal work tables in open spaces.

Actions taken at our offices to combat climate change and create a positive impact on society and our employees

Key actions taken on this front include:

- Placing bins on each floor to collect plastic, paper, and batteries. Specialized electronic waste recycling containers are also available at the building reception and distribution channels.
- Placing containers for packaging, paper, and organic waste on all floors.

- Enhancing the recycling of electronic devices and components, with specific areas for depositing this waste, which is sorted into categories such as regular batteries, mobile telephone batteries, and other electronic equipment. Certified waste management companies handle treatment of this waste based on LER Code (European Waste List).
- Using clean, green, and sustainable electricity. Energy is sourced from CNMC-certified green energy producers.
- Using a Building Management System (BMS) for centralized power control that regulates intensity levels and optimizes electricity consumption, and installing motion detectors in meeting rooms, garages, and basements.
- Equipping the buildings with several water-saving measures, including automatic faucets with aerators and dual-flush toilets.
- Installing EV chargers, subsidized by the Group, to promote use of this type of vehicle among employees.
- Providing a shuttle service in Madrid. Using minibuses financed by the Company, employees can travel free of charge along designated routes.
- Using recycled paper in all office printers.

6.4 Circular economy and resource management

GRI 3-3; 306-1GRI; 306-2

Our Environment and Energy Policy focuses on continuous improvement in environmental aspects, helping to minimizing waste generation and thereby contribute to the circular economy.

At MasOrange, we are strongly committed to waste reduction and recycling across our facilities, regularly organizing campaigns to raise awareness about recycling among both employees and customers.

We have placed bins for plastic, paper, and organic waste on every floor of our headquarters and specialized containers for electronic waste and batteries.

In 2024, MasOrange launched campaigns to encourage mobile device recovery, encouraging employees to donate their old mobile phones by offering them tickets to the movies in exchange. Additionally, all Orange brand stores have mobile recycling bins, where citizens can drop off their old devices. This helps support the recovery of raw materials and the protection of the planet.

As part of these efforts, we collected over 5,600 devices for recycling in 2024 through mobile recovery campaigns targeting Madrid regional government and Madrid city hall employees.

Similarly, our environmental commitment extends to the Group's supply chain. Our suppliers are required to have an environmental management system with specific objectives and measures, as well as ISO 14001 certification. By adhering to the Supplier Code of Conduct, the Group's suppliers undertake to reduce the negative impact of their operations and make efforts to maintain and enhance biodiversity.

Suppliers are also required to establish, where applicable, a monitoring system for emissions, effluents, pollution, and waste, including electronic waste. All waste must be properly managed or recycled, and in a traceable manner.

6.4.1 Ecological design

At MasOrange, we are fully aware of the need to reduce production waste and help offset the carbon footprint generated. To reduce impact and generate savings, we have integrated ecological design standards and practices into our product development process.

Toward the end of 2024, we launched our new Wi-Fi 7 router. This router offers faster, smoother navigation, particularly in environments with high bandwidth demands and multiple connected devices. It also meets sustainability criteria, featuring: increased energy saving, a 100% recycled plastic casing, and an Ecosystem Infinity design (Livebox Infinity and Infinity HomeBox).

This new generation of sustainable fixed devices underscores our commitment to circular economy principles, ensuring the proper lifecycle management of electrical and electronic devices. The ecological design of these devices is not limited to a one-off project, but lays the foundation for MasOrange's sustainability commitment. We guarantee that all new designs:

- Improve the carbon footprint indicator by at least 5% compared to the previous generation.
- Reduce energy consumption by at least 5% over the previous generation.
- Adhere to a responsible supply chain through the ethical sourcing of gold and other rare metals (e.g., tantalum, tin, and tungsten). Manufacturers must provide auditable evidence of compliance with Section 1502 of the Dodd-Frank Act and Regulation (EU) 2017/821 of the European Parliament, ensuring that the sourcing of these materials has a positive impact on the environment, worker health, and human rights.

6.4.2 Proportion of refurbished equipment over total equipment returned by customers

In line with our commitment to the circular economy and waste management, our Group has implemented a reuse policy for devices returned by customers upon cancellation of their service (primarily routers, TV equipment, and Wi-Fi repeaters) after refurbishment by a specialized supplier.

Item	2024
Refurbished equipment installed at customers (units)	1,027,125
Total equipment sent to customers (units)	2,494,973
% refurbished equipment	**41.17%**

As part of our commitment to promote the circular economy, MasOrange recovers a large majority of customers' equipment when they cancel their service. The equipment is refurbished and reused by new customers. At the same time, the Group is replacing older equipment with new, more modern and energy efficient equipment (FTTH, Wi-Fi 6, Wi-Fi 7).

6.4.3 Waste generation

GRI 301-3, 306-3

This section covers the waste generated across our various operations, which is managed and treated by authorized waste managers.

Type of waste	2024
Electrical and electronic equipment (WEEE)	182,768
Cellulosic waste: office, stores, and logistic operators	181,585
Other waste (toner and batteries)	1,635
Total waste (kg)	**365,988**

Considered is the waste included in MasOrange's carbon footprint. The generation of WEEE is influenced by the equipment renewal policies in place at any given time, as well as technological obsolescence, which can lead to fluctuations in the volume of waste generated.

All waste produced by the Group is collected and processed by authorized waste managers, who certify that the waste is handled using the best technologies and in compliance with applicable regulations.

Circular economy – customer electronic waste	2024
a. Mobile phones recovered/total new mobile phones released to the market	2%

6.4.4 Recycling in network operations

At MasOrange, we are spearheading a project targeting the reuse of disassembled materials, ensuring they are repurposed for new deployments or network maintenance tasks. This approach gives these materials a second life via sales to third parties through the OSCAR initiative. We ensure that materials that are no longer reusable are managed properly and recycled by certified providers, complying with applicable regulations.

6.4.5 Recycling at main headquarters

At MasOrange, we actively promote and facilitate proper waste management practices among our employees and run awareness campaigns, such as the one conducted in July 2024 in conjunction with Ecoembes for World Environment Day: *Y esto, ¿dónde lo tiro?* (where should I throw this?).

6.4.6 Raw materials: consumption and reduction measures

GRI 301-1

As a service-oriented company, MasOrange's consumption of materials is not related to the direct production of goods, but rather to the operation of our telecommunications network through which we provide services to our customers.

Our approach to the procurement of paper for printers and office activities at our corporate offices and retail locations entails purchasing, storing, and only buying additional supplies as needed. This can occasionally result in fluctuations in annual consumption, with certain years requiring additional paper purchases, while in others we use up the paper we have in stock.

Consumption	2024
Paper (Kg)	1,537,570

6.4.6.1 Reduction in the amount of plastic in SIM Cards

Our brands, Pepephone, Orange, and Yoigo, manufacture SIM (Subscriber Identity Module) cards using eco-friendly recycled materials. Their packaging content has 50% less plastic, while the paper used is either recycled or has the FSC (Forest Stewardship Council) label, meaning it comes from sustainable forests.

Using these sustainable SIM cards can save up to 38.8 grams of CO_2 per SIM card, thereby reducing emissions by around 18%.

6.4.6.2 MasOrange reduces the amount of plastic in packaging

As part of our commitment to reducing the environmental impact of our processes, we have made efforts to minimize the use of plastic in our logistics processes. Starting in February 2024, we have implemented changes in the packaging of customer devices, replacing the bubble-based padded envelopes and similar packaging used in previous shipments with cardboard boxes.

We continue to work on this area, specifically to reduce the amount of paper used in orders. For instance, delivery slips, which were previously sent on paper, are now digitized in the customer area. We have also reduced the amount of informative letters in hard copies, digitizing them on the logistics operator's website. These changes led to a reduction in the amount of paper used in 2024 by 4,400 kg.

In line with our commitment to comply with current legislation, MasOrange adheres to the requirements of Spanish Royal Decree 1055/2022 regarding packaging and packaging waste through its Ecoembes membership. In 2024, we adapted to new regulations by extending our participation in Ecoembes to cover commercial packaging.

6.4.7 Water consumption

GRI 303-5

Consumption	2024
Water (m^3)	26,085

MasOrange's water is supplied from various municipal networks where the Group's companies are located. Water is used primarily for personal consumption by employees.

Secondary uses include watering gardens, cleaning buildings, and cooling telecommunication network equipment.

As our core business is providing communications services, our water consumption is relatively low, basically for sanitary purposes.

6.4.8 Pollution

- **Light and noise:** Light and noise pollution are not considered to be material as they are not significant for the Group's activities.
- **Solid particles, NOx, and SOx:** MasOrange does not produce significant emissions of solid particles, NOx, or SOx, so it does not report these metrics.

Insurance coverage for accidental pollution

From an environmental perspective, we apply the precautionary principle by maintaining and reviewing our environmental and energy management systems (ISO 14001, ISO 50001). These systems are externally certified, with certifications renewed annually. Additionally, our civil liability insurance policy includes coverage for accidental pollution.

7. People

At MasOrange, our employees are the foundation of our organization. Their experience, dedication, commitment, and empathy are the driving forces that guide us to well-being and diversity. Our policies reflect the MasOrange's core values, outlining a commitment to equality, career development, and work-life balance.

Key indicators

Employment	• Number of employees	7,944
	• Gender balance	47.6% women
	• % permanent contracts	98.69%
	• % employees protected by workers' representatives	79.10%
Talent and training	• Average hours of training per employee and gender	18.98 (women) 16.49 (men)
Diversity and equality	• % female directors	25%
	• % women on management committee	25%
Occupational health and safety	• Certification of ISO 45003 psychosocial risk management system	Yes
	• Renewal of ISO 45001 occupational health and safety management system and AENOR healthy organization certification	Yes

Note: To ensure comparability in MasOrange's reporting, a pro forma exercise was carried out for the first quarter of 2024. Accordingly, integrated and consistent data are presented for both companies. As of the second quarter of 2024, fully integrated results as MasOrange are shown.

Main pillars of our strategy

- ✓ Fostering global talent within the Group, focusing especially on female and technological talent, through various development programs.
- ✓ Continuing to foster leadership and internal entrepreneurship.
- ✓ Strengthening and promoting a feedback culture throughout the organization
- ✓ Encouraging volunteering and well-being initiatives at the Group.
- ✓ Negotiating and signing new equality plans for MasOrange Group companies.
- ✓ Driving diversity in the workplace and promoting the inclusion of underrepresented groups in the organization.

7.1 People management

GRI 3-3; 2-23; 401-2; 401-3; 405-1; 408-; 409-1

Ethical commitment and commitment to human and labor rights

The Group is deeply committed to its team. This commitment entails upholding ethical principles and complying with human and labor rights, as recognized in both national and international legislation. It also aligns with the United Nations Global Compact principles and the (OECD) Organization for Economic Co-operation and Development Guidelines.

The Group also upholds the principles of non-discrimination and equal opportunities, talent retention, diversity, equity, health and safety in the workplace, for which it implements specific policies.

Ethics are a core pillar of the Human Resources area, which enforces application of the Group's Code of Ethics.

Human Resources and Labor Relations Policy

The purpose of this Human Resources and Labor Relations Policy is to establish a human resources management model within the Group designed to attract, promote, and retain talent, and foster both personal and professional growth of all employees while aligning their interests with the Group's strategic objectives.

The MasOrange Group also has an Occupational Health and Safety policy that establishes the framework for an OHS management system in accordance with ISO 45001.

Equal Opportunities and Talent Diversity Policy

The Human Resources and Labor Relations Policy is complemented by the Equal Opportunities Policy and Talent Diversity Policy, which aim to foster a propitious inclusive and equity work environment by promoting gender equality. The core principles of this policy include promoting quality employment, ensuring equal opportunities and equity, and respecting diversity.

"Equal opportunities in talent attraction and retention: fostering a supportive labor relations framework built on non-discrimination, which values diversity in all its forms. The policy includes measures to integrate individuals with diverse abilities and supports work-life balance.

Equal opportunities, diversity and equity: The Company is committed to fostering an inclusive work environment that guarantees equal opportunities for all employees, regardless of gender, age, ethnicity, sexual orientation, religion, abilities, or other personal characteristics. This commitment is reflected in the implementation of active policies to prevent discrimination, ensure equity in recruitment, promotion, and compensation processes, and promote equal pay."

This policy is further supported by the equality plans in place in 2024, designed to ensure equal treatment and opportunities for women and men in access to employment, recruitment, promotion, training, and other working conditions.

These plans promote the presence of women within the organization, especially in executive roles, and support the integration of a gender perspective into the Company's management practices.

Work-life balance and right to connect measures

The Group is concerned with arranging employees' working time by implementing a range of measures that facilitate work-life balance and offering employees certain social benefits, regarding:

- **Flexible working hours**
  - Start time: from between 7:30 a.m. and 10:00 a.m.
  - Lunch time: between 2:00 p.m. and 4:00 p.m.
  - End time: from 5:00 p.m. for full-time employees (depending on their start and lunch times), ensuring a total of 8 hours and 30 minutes worked. On Fridays and during the summer schedule, employees may finish as of 2:30p.m. after completing a 7-hour workday.

- **Digital disconnection**
  - Digital disconnection is a crucial tool for achieving a good work-life balance. The objective is to ensure employees get adequate rest, without undermining the principle of flexibility promoted by the Company. In this regard, we implement awareness initiatives at all levels of the organization to promote the responsible use of technology.

- **Continuous working (summer schedule) and every Friday**

- **Physiotherapy service**

- **Medical service**

- **Healthy eating**
  - The Company's canteen offers a variety of daily menu options, including healthy choices and special alternatives for vegans, individuals with allergies, etc.

- **Mixed (in-person and remote) working model**
  - Teleworking two full days a week

- **Shuttle service**
  - Connection to offices from the city's main logistics points

- **Discounts on training and entertainment activities**

- **Sports activities and initiatives**

Set out below are maternity and paternity leave in 2024.

Maternity/paternity leave	2024	%
Women	84	37.7
Men	139	62.3
Total	223	100

The Group's objective is to support a healthy work-life balance by providing all reasonably available resources to our staff.

7.2 Workforce and remuneration

GRI 2-7; 405-1

7.2.1 Total number of employees and breakdown by gender, age, country and employee category

At year-end 2024, MasOrange had a total of 7,944 employees, including 4,159 and 3,785 women.

Number of employees by company (at year-end)	2024
Headquarters (HQ)	4,664
Call Centers (CC)	3,280
Total	7,944

7.2.1.1 Employees by gender

Number of employees by gender (at year-end)	2024	%
Women	3,785	47.6
Men	4,159	52.4
Total	7,944	100

7.2.1.2 Employees by age

Number of employees by age (at year-end)	2024	%
< 30	1,359	17.1
From 30 to 50	4,736	59.6
> 50	1,849	23.3
Total	7,944	100

7.2.1.3 Employees by employee category

Number of employees by employee category (at year-end)	Women	Men	2024	Women (%)	Men (%)	%
Management	47	141	188	25.00	75.00	2.37
Managerial positions	201	380	581	34.60	65.40	7.31
Responsible and specialized technicians	1,036	1,661	2,697	38.41	61.59	33.95
Technicians and administrative staff	2,501	1,977	4,478	55.85	44.15	56.37
Total	**3,785**	**4,159**	**7,944**	**47.65**	**52.35**	**100**

7.2.1.4 Employees by country

All of the Group's activities are carried out in Spain, with an additional work center located in Colombia

Number of employees by country (at year-end)	2024	%
Spain	6,565	82.64
Colombia	1,379	17.36
Total	**7,944**	**100**

7.2.2 Total number and breakdown of employment contracts by gender, age, and employee category

Number of employees by contract type	2024	%
Permanent contract	7,840	98.69
Temporary contract	104	1.31
Total	**7,944**	**100**

7.2.2.1 Employees with permanent contract by gender

Employees with permanent contract by gender (at year-end)	2024	
	Full-time	Part-time
Women	3,164	566
Men	3,820	290
Total	**6,984**	**856**
General total	**7,840**	

7.2.2.2 Employees with permanent contract by age

Employees with permanent contract by age (at year-end)	2024	
	Full-time	Part-time
< 30	1,144	161
From 30 to 50	4,144	546
> 50	1,696	149
Total	**6,984**	**856**
General total	**7,840**	

7.2.2.3 Employees with permanent contract by employee category

Employees with permanent contract by employee category (at year-end)	2024	
	Full-time	Part-time
Management	188	0
Managerial positions	581	0
Responsible and specialized technicians	2,697	0
Technicians and administrative staff	3,518	856
Total	**6,984**	**856**
General total	**7,840**	

7.2.2.4 Employees with temporary contract by gender

Employees with temporary contract by gender (at year-end)	2024	
	Full-time	Part-time
Women	7	48
Men	4	45
Total	**11**	**93**

7.2.2.5 Employees with temporary contract by age

Employees with temporary contract by age (at year-end)	2024	
	Full-time	Part-time
< 30	5	49
From 30 to 50	6	40
> 50	0	4
Total	**11**	**93**

7.2.2.6 Employees with temporary contract by employee category

Employees with temporary contract by employee category (at year-end)	2024	
	Full-time	Part-time
Management	0	0
Managerial positions	0	0
Responsible and specialized technicians	0	0
Technicians and administrative staff	11	93
Total	**11**	**93**

7.2.3 Average annual number of permanent, temporary, and part-time contracts by gender, age and employee category

7.2.3.1 Employees with permanent contract by gender

Employees with permanent contract by gender (average for the year)	2024	
	Full-time	Part-time
Women	3,309.5	551.4
Men	4,010.8	290.8
Total	**7,320.3**	**842.2**
General total	**8,162.5**	

7.2.3.2 Employees with permanent contract by age

Employees with permanent contract by age (average for the year)	2024	
	Full-time	Part-time
< 30	1,069.8	145.9
From 30 to 50	4,322.9	550.6
> 50	1,927.6	145.8
Total	**7,320.3**	**842.2**
General total	**8,162.5**	

7.2.3.3 Employees with permanent contract by employee category

Employees with permanent contract by employee category (average for the year)	2024	
	Full-time	Part-time
Management	202.8	0,0
Managerial positions	639.4	0,0
Responsible and specialized technicians	2,903.3	0,0
Technicians and administrative staff	3,574.8	842.2
Total	**7,320.3**	**842.2**
General total	**8,162.5**	

7.2.3.4 Employees with temporary contract by gender

Employees with temporary contract by gender (average for the year)	2024	
	Full-time	Part-time
Women	23.4	33.3
Men	15.9	34.3
Total	**39.3**	**67.7**

7.2.3.5 Employees with temporary contract by age

Employees with temporary contract by age (average for the year)	2024	
	Full-time	Part-time
< 30	14.1	31.8
From 30 to 50	24.1	31.7
> 50	2.0	4.8
Total	**39.3**	**67.7**

7.2.3.6 Employees with temporary contract by employee category

Employees with temporary contract by employee category (average for the year)	2024	
	Full-time	Part-time
Management	0	0
Managerial positions	0	0
Responsible and specialized technicians	1.3	0
Technicians and administrative staff	38.3	67.7
Total	**39.3**	**67.7**

7.2.4 Number of dismissals by gender, age and employee category

GRI 401-1

7.2.4.1 Number of dismissals by type

Number of dismissals by type	2024
Non-voluntary	263
Voluntary – (Voluntary resignations related to the collective dismissal)	410
Total	**673**

Note: More than 60% of the total corresponds to voluntary resignations related to the collective dismissal promoted by the MasOrange labor group. 19.9% corresponds to the Customer Service Center, including Spain and Colombia.

7.2.4.2 Number of dismissals by gender

Number of dismissals by gender	2024
Women	388
Men	285
Total	**673**

7.2.4.3 Number of dismissals by age

Number of dismissals by age	2024
< 30	87
From 30 to 50	278
> 50	308
Total	**673**

7.2.4.4 Number of dismissals by employee category

Number of dismissals by employee category	2024
Management	17
Managerial positions	71
Responsible and specialized technicians	301
Technicians and administrative staff	284
Total	**673**

7.2.5 Average pay and trend broken down by gender, age, and employee category

GRI 405-2

In line with the principles outlined in the Equal Opportunity Policy and the Diversity Plan, the Group recognizes equal pay as a fundamental right for all employees. Consequently, the Group is committed to ensuring equitable remuneration for both genders. Furthermore, factors such as length of service and the assumption of greater responsibilities throughout employees' careers are also remunerated.

7.2.5.1 Average remuneration by gender

Average remuneration by gender	2024
Women	53,639.85
Men	63,137.51
Total	**59,261.45**

* Includes fixed and variable remuneration,

7.2.5.2 Average remuneration by age

Average remuneration by age	2024
< 30	34,634.57
From 30 to 50	54,467.23
> 50	69,352.30
Total	**59,261.45**

* Includes fixed and variable remuneration,

7.2.5.3 Average remuneration by employee category

Average remuneration by employee category	2024
Management	164,073.34
Managerial positions	84,148.44
Responsible and specialized technicians	56,769.43
Technicians and administrative staff	39,274.08
Total	**59,261.45**

* Includes fixed and variable remuneration,

7.2.5.4 Ratios of standard entry level wage by gender compared to local minimum wage

GRI 202-1

Year	Minimum wage	Salary of men	Salary of women	Men ratio	Women ratio
2024	15,876.00	39,849.38	38,727.21	151.00%	143.94%

7.2.6 Pay gap broken down by gender and employee category, and remuneration for work of equal value or average at the company

GRI 405-2

As part of the Group's commitment to transparency, the pay gap for 2024 was calculated by dividing the difference between the average gross pay of men and women by the average gross pay of men, multiplied by 100. This resulted in a total pay gap of -15.04%.

Pay gap by employee category	2024		
	Men	Women	% pay gap
Management	171,119.54	143,084.67	-16.38%
Managerial positions	85,478.40	81,603.30	-4.53%
Responsible and specialized technicians	58,126.62	54,528.86	-6.19%
Technicians and administrative staff	39,849.38	38,727.21	-2.82%
General total	**63,137.51**	**53,639.85**	**-15.04%**

(*) Calculation method: average remuneration of men - average remuneration of women/average remuneration of men * 100. Disclosures on director remuneration are provided in note 11 to the annual financial statements.

Total remuneration includes fixed and variable remuneration assuming 100% achievement in 2024 for non-executives (management group). Fixed and variable wages are annualized and calculated on a full-time basis.

At the MasOrange Group, we are committed to setting medium- and long-term targets in 2025 for reducing the average pay and conducting a more in-depth analysis of categories showing the highest gap.

7.2.7 Average remuneration of directors, including variable remuneration, attendance fees, termination benefits and any other amounts received, broken down by gender

GRI 2-19

The members of the Board of Directors of MasOrange, S.L. do not receive any remuneration or allowances in their capacity as directors.

The Chief Executive Officer is a member of the Board of Directors of MasOrange and does not receive any compensation for this role, but rather as an executive of the Group.

7.2.8 Average remuneration of managers, including variable remuneration, attendance fees, termination benefits and any other amounts received, broken down by gender

GRI 2-19; 202-2

Directors include the Company's chief officers and executives. The MasOrange Group's remuneration policy is designed to enhance its business, value creation, and sustainability indicators. 100% of MasOrange's senior executives in significant locations of operation are hired locally. Senior executives are understood as members of the Executive Committee. 'Significant locations of operation' refer to individuals who are either born in or have the legal right to reside permanently in Spain, where the Company's significant operations are located.

MasOrange's remuneration scheme comprises the following items:

Basic salary	To attract and retain management talent in the market.	Salaries are reviewed annually based on internal and external recognition and equity criteria.
Short-term variable remuneration	To align staff with the Group's and MasOrange's priorities. To reward collective and individual performance.	The variable compensation is based on the strategic objectives of the business and is linked to financial and sustainability indicators of the MasOrange Group.

The following table sets out total average remuneration of MasOrange's directors, including all components:

Average remuneration of Management Committee members by gender	2024
Female managers	143,084.67
Male managers	171,119.54

* Includes variable remuneration, allowances, termination benefits, long-term pension schemes and any other amounts received.

7.2.9 Employees with disabilities

GRI 405-1

Employees with disabilities	2024
Total	82

The MasOrange Group is committed to integrating individuals with disabilities through direct hiring.

Currently, all MasOrange Group companies comply with Spain's General Law on Disability (LGD in Spanish) either through direct employment or by taking alternative measures authorized previously by the public administration under an exemption permit. We take alternative measures by engaging Special Employment Centers (primarily cleaning service companies for our corporate headquarters).

Our new corporate headquarters is compliant with current accessibility regulations for individuals with reduced mobility.

7.3 Employment relations

7.3.1 Percentage of employees covered by collective bargaining agreements

GRI 2-30

Percentage of employees covered by collective bargaining agreements	2024
Spain	100%
Colombia	100%
Total	100%

This percentage does not include Board members, the CEO, the General Manager, or executives.

At MasOrange, we have collective bargaining agreements signed with the unanimous consent of workers' legal representatives.

7.3.2 Social dialogue

GRI 407-1

Social partners play a key role in representing collective interests within our professional team. Currently, 79.10% of employees have workers' representatives. The Group is committed to maintaining fluid social dialogue, reflecting the organization's growth in recent years and cultivating a culture of social harmony.

Percentage of employees protected by workers' representatives	2024
Total	79.10%

Significant agreements over annual variable remuneration were reached with workers' legal representatives in 2024.

In addition, after months of negotiations, a workforce reduction plan was agreed. It affected up to 650 employees and resulted in the departure of 504 employees, the majority of which (82%) were voluntary.

Meanwhile, the collective teleworking agreements established with MasOrange Group companies, originally set to expire in December 2024, were successfully renewed and extended to most of the other Group companies.

As part of the ongoing social dialogue currently being negotiated with workers' representatives from MasOrange Group companies, a new Equality Plan is being developed for these entities, with negotiations already at an advanced stage.

It is an ambitious plan that reaffirms our commitment to professional and pay equity between men and women and our rejection of any form of workplace or sexual harassment. Under this plan, MasOrange will continue to spearhead initiatives to raise the percentage of women in positions of responsibility and technical roles, while fostering a flexible work environment that promotes shared responsibility. MasOrange's people are covered by the applicable labor frameworks and, where relevant, individual employment contracts, which govern working conditions in accordance with applicable legislation.

7.4 Talent attraction and development

GRI 404-2

The MasOrange Group's various policies and processes underscore its commitment to implementing a suitable talent attraction and selection program, ensuring that candidates are evaluated based on their academic, personal, and professional merits, as well as the Group's needs.

At MasOrange, we have focused on designing and developing models that will guide the management of key talent processes within +O. These models provide a theoretical framework, procedures, and management tools.

Leadership Model

One of our first initiatives at MasOrange was to create a single leadership model, serving as a cultural integration driver and establishing a consistent, people-centric management approach. Key objectives include:

- Inspiring employees and demonstrating behaviors aligned with +O's values
- Crafting a consistent, authentic, and recognizable leadership style throughout +O
- Positioning +O as a benchmark, where leadership is a key driver of employer brand
- Instilling a culture of growth and empowering people to reach their full potential
- Making leaders into ambassadors of +O's culture, both within the organization and externally

The 360 degree performance and potential appraisal model is the core process for talent management and career development at MasOrange. This model enables us to:

- Reinforce behaviors aligned with MasOrange
- Gain insight into each employee's impact and contribution to MasOrange
- Gear development toward people's strengths and growth
- Steer professional growth, remuneration, training, internal mobility, etc..

The employee's peers assess how often they witness key habits, based on the Group's values. A 360 degree report is generated, providing comparisons between appraisers and employees' self-assessment, highlighting strengths, and pinpointing areas for improvement to support self-awareness.

As an innovation in 2024, we introduced the Individual Action Plan (IAP), which incorporates development actions and tracks progress throughout the year following the appraisal and the 'red-forward' meeting. Our 'red-forward' and 'continue-start-stop' model provides a constructive and evolving view of performance.

Talent development

We are committed to unlocking the full potential of our people by providing them with the right tools, a stimulating environment, and a continuous growth mindset through a combination of different development initiatives designed to:

- Align development actions with MasOrange's strategy, focusing on strategic groups
- Foster a challenging development mindset using the 70-20-10 model
- Cultivate a culture of continuous self-development through various experiences, mentorships, and learning pathways

Learning model

Our ambition at MasOrange is for every employee to have the necessary capabilities (technical knowledge, languages, and skills) to perform their current job while at the same time preparing for future challenges. We firmly believe in the value of cultural, functional, age, and gender diversity, and we recognize professionals for their expertise and willingness to contribute, promoting equal opportunities for everyone.

To achieve this, we have developed a learning model that guarantees the best possible learning experience. Its objectives include:

- Providing employees with the necessary skills to meet all their current and future requirements.
- Accompanying leaders of disciplines, managers, and employees throughout their learning journey.
- Anticipating increasingly stringent requirements, preparing us for the skills of tomorrow.
- Reinforcing the culture of continuous learning.

Talent selection and attraction model

Below are the policies related to talent selection and attraction, aimed at ensuring we having the best talent, individuals who are committed to the Company, motivated, and aligned with the Group's transformative vision:

- **Attracting and selecting talent:** We have a dedicated internal recruitment team, ensuring diversity, transparency, and a friendly approach toward candidates throughout the process. This year, we launched two strategic plans designed to attract technological and business talent. In IT, we strengthened our technological capabilities by internalizing critical knowledge through hiring a large number of software and data engineers. In B2B, we supported growth of the business by bringing in commercial, marketing, pre-sales, and business development profiles to help us achieve the objectives of the Strategic Growth Plan.

The onboarding process includes being assigned a 'buddy' to guide new hires during the first six months, a welcome breakfast with the CEO, participation in a meeting with the HR team, membership of the Acércate Program, where they gain firsthand experience in areas like stores, call centers, and installations, etc., and an online pathway with comprehensive information about the Group.

- **All job vacancies posted internally:** The selection team interviews applicants and provides feedback, prioritizing internal mobility over external candidates. Moreover, where there are gaps, employees are supported to consolidate their positions. We also have another channel, *Conectamos Talento*, through which employees can voice their concerns and share their current situations, experiences, and knowledge, confidentially.

- **Recruiting young talent**: We regularly hire students and new graduates. Our university chairs (innovation and technology research projects) have a 100% post-internship hiring rate.

At MasOrange, we measure our employees' contributions on an ongoing basis through a structured process that includes:

- **Management by objectives**, evaluating team performance in direct alignment with the Company's overall objectives through OKRs and the QBR process.
- **360 degree feedback.** The employee's peers assess how often they witness key habits, based on the Group's values. A 360 degree report is generated, providing comparisons between appraisers and employees' self-assessment, highlighting strengths, and pinpointing areas for improvement to support self-awareness.
- **Identifying potential.** Career path and attributes that support it, distinguishing between specialization, versatility, or a balanced trajectory. This exercise ensures that we then develop initiatives designed to maximize each employee's potential.
- **Talent map.** Based on information from the evaluation, we conduct bottom-up talent committee meetings. At these, assessments are reviewed and an agreed-upon definitive talent snapshot is reached.
- **Development actions.** Considering the criticality of the position, gaps uncovered in the talent review process, and positioning within the talent map and the MAScarrera framework, we design actions. All development actions are supported by a self-reflection exercise to gain deeper insight into employees' strengths and areas for improvement. Personalized feedback is then provided, empowering individuals to take ownership of their development.
- **Contribution model.** Sharing and being transparent in how to take the organization forward, recognizing all employees' contributions to gain the loyalty of our talent. We foster internal mobility as a key driver of growth, along with formal recognition, thereby ensuring internal equity and external competitiveness in compensation.
- **MOVERS**. MOVERS is a voluntary initiative designed to spread best practices. We hold regular meetings at which employees present ideas and best practices applied in daily work with the aim of extending them across other areas. This initiative has a triple objective: providing a platform for employees interested in teaching or knowledge-sharing, raising productivity, and strengthening alignment and teamwork among areas.

7.4.1 Training

GRI 403-5; 404-1

The MasOrange Group both fosters and facilitates a self-managed and autonomous learning and knowledge-sharing ecosystem, advancing employees' personal and professional growth. To tackle this challenge, our training plans and initiatives are designed based on a needs assessment, directly gathering feedback from teams regarding their training interests. This needs assessment process is aligned with both Group- and area-specific strategic objectives. Once the needs are identified and prioritized, we develop an annual training plan and share it within the Group, which then serves as the training roadmap for the year.

Our training and development initiatives during the year aimed to:

- Equip employees with the personal and professional knowledge and skills to excel in their roles and contribute to the achievement of the new challenges and projects for 2024.
- Promote a culture of knowledge sharing among all Group employees.

We prefer a practical, continuous, and real-world development approach, combining on-the-job experiences, collaboration with colleagues, and impacts promoted by the Group.

Our training model is simple and structured, responding to both organizational and individual needs, and providing employees with access to training for the best learning and development opportunities at MasOrange:

- Mandatory corporate training.
- Cross-functional training for all Group employees.
- Discipline-specific training.
- Management training.

Additionally, we continued to deliver our language training programs. Our *Idiomas para todos* ('Languages for all') initiative provides online learning platforms with virtual group classes. We also offer specialized intensive and ongoing speaking courses tailored to specific teams and the Company's circumstances.

These latter courses features several key training programs for certain groups of key personnel and other across the organization:

- **+O Leadership**, helping people, sharing power and helping people maximize their potential through the service. Here, we launched tailored programs for different management levels: for Managers, on developing MasOrange's seven core leadership principles; for Heads of Departments, on tackling new challenges and managing teams in uncertain environments; and for the Management Commitment, training in impactful feedback and strategic change management.
- **MILP (MasOrange Innovation & Leadership Program)**, now in its third edition, enhancing knowledge of the business and reinforcing people management, values, and innovation culture. Designed and given exclusively for MasOrange, MILP takes a practical approach where participants, working in teams, develop real-world solutions and present them to a jury. Selected

initiatives are implemented, using this ecosystem as an incubator for intrapreneurship.

- **Women Leaders Program**, designed around four pillars: (1) driving development and personal branding; (2) raising visibility within the organization; (3) improving self-awareness to enhance leadership skills; and (4) creating a more diverse and aware management environment. The program combines workshops to challenge beliefs, drawing up an annual action plan with the Management Committee, and one-on-one coaching. It culminates in a women leaders' community that meets quarterly and serves as a driver of multiple talent, strategy, innovation, and technology initiatives.
- **Internal Mentoring Program**, a knowledge sharing/leadership behavior accelerator program that enables learning by establishing quality relationships and providing answers to mentees' pressing needs, preparing them for future success. Participants in the program include Management Committee members.

We also publish a Self-Development Guide containing practical scenarios and actionable steps to independently develop key career competencies, empowering employees to take ownership of their own careers.

Each year, we launch a training plan that responds to demands arising from the needs assessment. The plan includes specific and cross-functional training programs for the entire organization, language teaching (this year, we introduced group English classes for all employees), and e-learning platforms with unlimited learning content and experiences.

Our flagship learning initiatives include:

- **Data School:** Equipping users with the required knowledge to execute and generate reports, interpret data, and build dashboards to guide decision-making.
- **Commercial school:** Developing skills in personal effectiveness and commercial skills and strategy to contribute to the achievement of objectives of the various channels.
- **AI training**: A company-wide learning path to take a more in-depth look at (theoretical) AI fundamentals, with practical workshops focused on generating a competitive advance (increased productivity, practical use of tools, process optimization, and creation of business use cases).
- **Occupational health and safety training**: Providing all employees with training to ensure they have the basic knowledge to protect themselves from work-related hazards. Employees receive essential training on occupational risks, workplace ergonomics, fire safety, the use of defibrillators, and first aid. The program also provide training activities and sessions on health, including webinars, workshops, and informative newsletters.

Additionally, we provide technical learning platforms for software, data, cybersecurity, and digital marketing experts.

7.4.2 Platforms to promote training

We have an e-learning ecosystem, built up gradually by integrating different content platforms, which helps us promote self-learning and offers a more flexible training model. Formats range from in-person training, to online, streaming and virtual training.

- **+O Campus**: a platform that centralizes all the Group's training content, offering a range of learning methods supported by digital content and in-person training sessions.

7.4.3 Hours of training by gender and employee category

A total of 140,180 hours of training were provided in 2024.

Hours of training by gender	2024	%
Women	71,609	51.08
Men	68,571	48.92
Total	**140,180**	**100**

Hours of training by employee category	2024
Management	1,641
Managerial positions	14,276
Responsible and specialized technicians	40,976
Technicians and administrative staff	83,287
Total	**140,180**
Average	**35,045**

Average hours of training per employee	2024
Total	17.65

Average hours of training by gender	2024
Women	18,92
Men	16,49
Total	17,65

7.4.4 Performance assessments and career development

GRI 404-3

At MasOrange, we appraise our teams objectively, considering both individual and collective professional performance. In 2024, 100% of employees participated in performance appraisals, contributing to their professional growth. We aim to reach all employees during the first quarter of 2025.

7.5 Diversity management and equal opportunities

GRI 2-23; 405-1; 406-1

At MasOrange, Diversity, Equity, and Inclusion (DEI) is part of our unique and distinctive culture, helping us to create an environment where everyone can be their real self, feel respected and valued, and enjoy equal opportunities. Diversity of talent enriches our ability to innovate and collaborate, helping to drives business success. Ensuring an equitable space for personal growth and ensuring everyone's voice is heard and considered are key to fostering a culture of respect, well-being, and shared success.

Diversity and inclusion are at the core of MasOrange's strategy. We are committed to cultivating a workplace that guarantees equal opportunities and where everyone—regardless of gender, sexual orientation, age, religion, culture, nationality, disability, or other personal characteristics—feels valued, respected, and empowered. This commitment is not just part of our strategy, but it is also deeply aligned with our corporate values.

We at MasOrange believe that an inclusive and diverse environment is essential for our success. Our DEI commitment is reflected in everything we do: following a customer-centric approach, fostering a positive mindset, making pragmatic decisions, and promoting collaboration at all levels. These values guide our daily work to ensure equal opportunities and achieve our corporate objectives.

- **Diversity management at MasOrange**

As a show of our commitment to diversity, MasOrange has a dedicated HRBP, Culture, and Diversity area within the People division. It has a team of people focused exclusively on managing diversity at MasOrange.

Its responsibilities include:

- Developing and formalizing the Diversity Policy in alignment with MasOrange's vision and values.
- Drafting and updating an Annual Diversity Plan that translates the DEI Policy into oncrete and measurable objectives.
- Overseeing that the DEI measures and actions agreed in the Annual Diversity Plan are effectively implemented.
- Leading and coordinating the Diversity Committee's activities.
- Designing and delivering DEI awareness, training, and communication programs.
- Encouraging and promoting behaviors that contribute to an inclusive and respectful working environment.

Additionally, we have set up a Diversity Committee, which takes a cross-functional approach and is composed of professionals from various disciplines and departments. MasOrange's internal diversity is a reflection of its commitment to inclusion and a plurality of perspectives.

7.5.1 Diversity Plan

The MasOrange Group Diversity Plan aligns with our Strategic Plan and the Group's commitment to a sustainability model centered on people, the environment, and good corporate governance. It serves as a programmatic reflection of the commitment assumed by the Group's leaders to diversity, both within and beyond the organization.

Through this plan, the MasOrange Group aims to become an internal as well as an external benchmark in combating discrimination based on gender, functional diversity, age, religion, culture, ethnicity, identity, or place of origin. We are staunch believers that non-discrimination and shared responsibility for family and social obligations enable us to recognize and optimize the potential of all individuals that, in one way or another, have an impact on the MasOrange Group. This way, we can improve their quality of life and with it their satisfaction with the Group.

The Diversity Plan is designed to ensure equal opportunities and non-discrimination for all employees, foster a diverse workforce by identifying talent and eliminating existing barriers, and promote diversity beyond our organization, in line with our role as a social agent and in cooperation with suppliers and other public and private organizations.

The plan outlines general and operational objectives that will guide the MasOrange Group's Diversity Policy over the coming years through to 2027. To deliver these objectives, the MasOrange Group will develop and implement an annual Action Plan outlining specific actions to be carried out.

In 2024, we signed the Diversity Charter, an initiative led by the European Commission, which shows we commit to promoting the fundamental principles of diversity, equity and inclusion (DEI). We also strengthened our commitment to diversity and inclusion through membership of leading organizations in this space, including: Fundación Diversidad, REDI (Spain's inter-company network for diversity and inclusion of LGBTI employees), and INTRAMA (a network of companies committed to diversity and equality). This commitment is further reinforced by the participation of MasOrange’s CEO in the CEOs for Diversity Alliance.

7.5.2 Activities carried out in 2024

We support diversity and equality through training, awareness campaigns, and internal and external communications.

Actions carried out in 2024 included:

- Training on diversity, disability, and appropriate treatment, launched in recognition of the International Day of Persons with Disabilities. The online training, available on our learning platform, provides MasOrange employees with key insights into disability and how to foster an inclusive and respectful workplace environment.
- To raise awareness among all staff of about issues related to developing and maintaining an inclusive workplace environment, we sent out targeted communications on key **international diversity days**, such as International LGBTI Pride Day, International Day for the Elimination of Violence Against Women, International Day of Persons with Disabilities, International Women's Day, and International Girls in ICT Day.
- Talk with the Ana Bella Foundation for International Day for the Elimination of Violence Against Women in a hybrid format. The event taught those attending how to spot warning signs of abusive relationships and ways to offer support, along with the role we can play to create a safe and supportive professional setting.
- Talk with the Family and Women's Assistance Unit (UFAM) of Spain's National Police for International Day for the Elimination of Violence Against Women, also in a hybrid format. The discussion was on the National Police's role in preventing gender violence, protecting victims, and following protocols.
- Unconscious Bias Workshop for International LGBTI Pride Day. This hybrid session centered on how to identify and become aware of unconscious biases and how to manage them.

To ensure maximum visibility and dissemination among staff, all these initiatives are announced through our Nosotros intranet and various internal communication channels.

Finally, in 2024, MasOrange was recognized as a **Top Diversity Company** at the DEI Summit, the leading conference on Diversity, Equity, and Inclusion.

7.6 Occupational health and safety

GRI 3-3; 403-1; 403-2; 403-3; 403-4; 403-6; 403-7; 403-8; 403-9; 403-10

At MasOrange, protecting our employees' fundamental right to health is a strategic element and priority of the Group's sustainable development and social responsibility. It includes a commitment to promoting and enhancing the health of employees both personally, and within their families and communities.

In 2024, we set up the Joint Prevention Service, integrated within the Human Resources area. Our Occupational Health and Safety Management System is ISO 45001-compliant. All MasOrange employees are covered under our Health and Safety system.

MasOrange has a Workplace Safety, Health, and Well-being Policy aimed at achieving the highest standards of safety, health, and well-being in the organization in terms of diversity of our workforce, considering and managing psychosocial risk factors with special protection for particularly vulnerable employees, and extending health protection measures to employees of partner companies collaborating in our projects.

Our preventive model adapts to new ways of working, including on-site, remote, and hybrid models, to prevent emerging risks.

Moreover, guided by the principle of continuous improvement and commitment to occupational health and safety, we foster and enhance a work environment that is consistent with principles of dignity, mutual respect, confidentiality, cooperation, and trust in our safety, health and well-being management system.

The preventive model also encourages the engagement of employees and their representatives in OHS matters.

To achieve these objectives, we allocate the necessary resources, and carefully plan and monitor their use, thereby ensuring an effective and proactive approach to workplace safety, health and well-being.

7.6.1 Hours of absenteeism, number of work-related accidents, specifying their frequency and severity

The disclosures in the Non-financial Information Statement refer exclusively to internal employees hired by MasOrange.

	2024
Hours of absenteeism	523,652.24
Absentee rate (*)	2.96

(*) Expressed as the number of lost days taking the average number of employees (calendar days from first day off to the day of return, inclusive) per 100 workdays.

The absentee rate in 2024 was 2.96%.

Accidents by gender	**2024**
Women	11
Men	8
Total	**19**

Frequency rate by gender	**2024**
Women	1.696
Men	1.059
Total	**1.353**

Severity rate by gender	**2024**
Women	0.053
Men	0.023
Total	**0.037**

Cases of work-related ill health by gender	2024
Women	0
Men	0
Total	0

7.6.2 Work-related accidents resulting in fatality or permanent disability

No work-related accidents resulted in fatality or permanent disability of any Group company employee in 2024. There were also no fatal accidents involving workers of partner firms (contractors/subcontractors).

Work-related accidents resulting in fatality or permanent disability	2024
Total	0

7.6.3 Health care and promotion

GRI 403-6

The central headquarters has an on-site Medical Service for all Group's personnel. There is also an in-company physiotherapy service for headquarter staff.

In 2024, we launched BIENESTAR +O, our Healthy Company Plan, which takes a holistic approach to employee well-being through six key pillars: physical, emotional, social, financial, women's, and remote work.

The plan is led by a cross-functional team, incorporating all HR areas. The team discusses and plans the actions that will be implemented all across the Company.

Key initiatives already implemented during the brief period since the plan was launched include:

- Fruit in the office: distributing fresh fruit at all offices.
- Gym: a gym was built at the main headquarters, while employees also have access to GymPass and an online gym.

Dining: a restaurant was opened exclusively for Group employees, offering a nutritionist-approved menu with healthy meal options.

7.7 Call centers

Customer service is a core activity in our business model. These services are primarily provided from our centers in Guadalajara (Castilla la Mancha), Oviedo (Asturias) and Bogotá (Colombia).

7.7.1 Average remuneration by gender, age and employee category

GRI 405-2

Average remuneration by gender	2024
Women	12,976.04
Men	12,674.62
Total	**12,846.93**

* Includes fixed and variable remuneration,

Average remuneration by age	2024
< 30	8,846.27
From 30 to 50	14,508.58
> 50	17,161.43
Total	**12,846.93**

* Includes fixed and variable remuneration,

Average remuneration by employee category	2024
Managerial positions	77,762.51
Responsible and specialized technicians	14,002.62
Technicians and administrative staff	12,635.41
Total	**12,846.93**

* Includes fixed and variable remuneration,

7.7.2 Ratios of standard entry level wage by gender compared to local minimum wage

GRI 202-1

Year	Minimum wage	Salary of men	Salary of women	Men ratio	Women ratio
2024	293.80	5,764.24	5,619.85	1861.96%	1812.81%

7.7.3 Pay gap broken down by gender and employee category, and remuneration for work of equal value or average at the company

GRI 405-2

Pay gap by employee category	2024		
	Men	**Women**	**% pay gap**
Managerial positions	90,952.54	67,869.99	-25.38%
Responsible and specialized technicians	13,337.69	14,715.04	10.33%
Technicians and administrative staff	12,450.15	12,771.43	2.58%
General total	**12,674.62**	**12,976.04**	**2.38%**

8. Respect for human rights

GRI 2-23; 2-25; 2-26; 406-1

Given that MasOrange Group primarily operates in Spain, human rights issues are not considered a material topic. Within the European Union, the abolition of forced or child labor and respect for freedom of association are closely monitored and upheld. Therefore, MasOrange's approach to human rights matters focuses on ensuring proper personnel management and upholding employees' fundamental rights.

Key indicators

Certifications

- UNE 19601 Criminal Compliance Management System certification

Our guiding principles and conduct align with fundamental principles, including the Universal Declaration of Human Rights, the International Labor Organization's principles, particularly regarding the prohibition of child and forced labor, and the OECD's guidelines, especially those addressing anti-corruption. Additionally, as a signatory of the United Nations Global Compact, the MasOrange Group is committed to promoting the Sustainable Development Goals (SDGs) relevant to our business activities, especially in ESG matters.

Our commitment to respect guides our relationships with all stakeholders and is integral to our activities and business dealings. Recognizing individual differences is essential and must go beyond mere compliance with laws and regulations.

Respect is fundamental to human interaction—not only within the Group and with our customers and shareholders but also in our broader social environment.

We respect people and their right to privacy. We respect differences based on origin, ethnicity, gender, culture, age, family situation, religious beliefs, and support for political or union activities.

Every year, through the Ethics and Compliance Report, MasOrange's highest governance body in Spain is informed of significant developments in the Criminal Compliance Management System (CCMS), as well as any relevant concerns.

Group subsidiaries Orange Spain and MASMOVIL both hold UNE 19601 certifications for their Criminal Compliance Management Systems.

Active involvement of the management team is crucial to implementing and ensuring the effectiveness of all ethics-related measures within the Company. Management consistently demonstrates its commitment to fostering an ethical culture by regularly and actively reinforcing its message and commitment to cultivating an ethical culture.

8.1 Whistleblower protection

The Ethics Channel management procedure is an integral part of the Internal Reporting System Policy and governs the management of reports of breaches and consultations received by the Ethics Channel. MasOrange's Board of Directors has entrusted management of its Internal Reporting System to the Chief Compliance Officer (CCO), whose duties are performed in full compliance with laws and regulations. The CCO and Ethics Committee guarantee the protection offered by MasOrange to whistleblowers who use the Internal Reporting System.

MasOrange ensures that no direct or indirect discriminatory measures are taken against any whistleblower who, in good faith and without self-interest, reports violations of laws or internal procedures of which he or she has become aware.

MasOrange guarantees that the management procedure implemented protects the anonymity and/or confidentiality of the identity of the whistleblower, of the third parties mentioned in the report, as well as of any data provided, and may not disclose them without their express consent, with the exception of those cases in which, due to legal or judicial obligation, the identity of the whistleblower must be disclosed. Where this exception applies, whistleblowers shall be informed in advance of the need to disclose their identity, and the necessary measures shall be put in place to ensure their safety.

Any whistleblower acting in good faith shall be afforded due protection in accordance with the applicable law.

Anyone who becomes aware of a situation involving retaliation against a whistleblower must immediately report it to the CCO so that all necessary measures can be taken to protect the whistleblower.

However, abuse of the system exposes the perpetrator to disciplinary and/or legal proceedings.

8.2 Protection of workers' rights

Although its activities have little impact on human rights, the Group is aware of the importance of protecting its employees and of its social impact. Therefore, the ESG Policy, the latest version of which was approved by the Board of Directors in October 2024, expressly mentions the protection of workers' fundamental rights. This policy is reviewed on an ongoing basis by the Group's Compliance Officer.

MasOrange's employees, suppliers, and suppliers' employees may raise any ethical concern through the Ethics Channel: https://masorange.integrityline.com. The objective of this channel is to allow them to voice their concerns regarding ethics, compliance and corporate social responsibility, and to have Company experts address them. In 2024, the Ethics Channel received 255 communications, the majority of which were customer complaints unrelated to ethical issues. These led to 19 investigations being initiated.

The Chief Compliance Officer, with the support of the Assurance area and the Ethics and Compliance Committee, manages and processes alerts in the shortest possible time to ensure the achievement of the compliance function assigned to them.

Reports related to a possible situation of discrimination, moral harassment or sexual harassment, are forwarded to the People Area - Labor Relations - so that action can be taken as provided for in the Protocol on workplace, sexual and/or gender-based harassment.

Topics that can raise concerns include:

- Corruption, conflicts of interest, and fraud
- Ethics
- Accounting, internal control, and auditing
- Human rights and fundamental freedoms
- Health and safety of people
- Environment
- Other violations of laws and regulations

8.3 Commitment to human and labor rights

The MasOrange Group is committed to respecting the fundamental rights of its employees and eliminating any form of workplace discrimination. These commitments are upheld through various internal procedures and the Group's Code of Ethics, as well as the mandatory compliance required of suppliers under the Supplier Code of Conduct. We require respect for the human rights recognized in national legislation and compliance with international standards. At the MasOrange Group, we strive to promote an inclusive and respectful working environment. Over the past year, no evidence of inappropriate behavior or human rights violations was reported, except for one investigation initiated through the Ethics Channel. This alert signaled a potential incident of moral harassment. Following a thorough investigation, the appropriate disciplinary measures were taken. This incident highlights the effectiveness of our internal mechanisms and strengthens our resolve to continue improving human rights policies and training initiatives. Our overarching goal remains to foster a culture of mutual respect, equal opportunity, and diversity across the organization.

8.4 Social dialogue and freedom of association

Social partners play a key role as spokespersons for the collective needs of MasOrange's professionals. The Group is committed to maintaining fluid social dialogue, reflecting the growth experienced by the organization in recent years.

A key highlight of 2024 was the agreement reached with workers' representatives to unify the definition and development of the annual variable remuneration policy, applying consistent criteria across the organization.

In the context of social dialogue, the Group also negotiated and finalized a workforce reduction plan in the last quarter of the year, following months of talks with workers' representatives.

The plan affected up to 650 employees, with 504 terminations carried out in November and December 2024. Most of these terminations (82%) were voluntary redundancies.

Meanwhile, the collective teleworking agreements established with MasOrange Group companies, originally set to expire in December 2024, were successfully renewed and extended to most of the other Group companies.

8.5 Rejection of child and forced labor

GRI 407-1; 408-1; 409-1; 411-1

The MasOrange Group explicitly rejects child labor and forced labor and is committed to upholding the principles of freedom of association and collective bargaining. To reinforce this commitment, the Group has implemented a due diligence procedure, known as iDDfix.

The primary objective of this approach is to ensure that there is no risk of non-compliance in relationships with third parties. The Group carried out 1,002 compliance assessments during the year within its supplier risk assessment process.

In addition, our Group undertakes to safeguard respect for human and labor rights, as recognized in Spanish and international laws, throughout the value chain. Specifically, the Group closely monitors compliance with labor rights, particularly the prohibition of practices that degrade workers, including child labor, forced or compulsory labor, and violations of freedom of association and collective bargaining.

We also encourage our suppliers to obtain certification by EcoVadis, with which MasOrange has an agreement offering certified suppliers advantageous commercial terms. The sustainability criteria assessed for EcoVadis certification include: child labor, forced labor, human trafficking, diversity, discrimination, harassment, and human rights of third parties.

During the reporting period, no incidents of violations involving rights of indigenous peoples were detected.

9. Society

GRI 2-28; 201-1

As a trustworthy operator, MasOrange's purpose is to (re)connect people by putting technology to work to provide the best experience. Therefore, we are the operator in Spain with the broadest FTTH footprint and also have one of the best mobile (4G and 5G) coverages. Our mission is to humanize technology, making communication between people easier and bringing them closer together, accelerate access to innovative services, collaborate with the best companies in the world, and offer our customers an easy, simple, and hassle-free experience.

Our ambition is to be the operator with the most satisfied customers, consolidate our position as a driving force of talent, and lead the purpose economy in Spain, while respecting people and the planet. We work to make technology accessible for all and develop products and services to enhance the experience for everyone. To this end, MasOrange aims:

- To create the company with the most positive impact in Spain, thanks to its respect for people and the planet.
- To make technology accessible to everyone.
- To develop new services that are useful for our customers.
- To have the best talent: "good people".
- To contribute to society through technology and connectivity.

As a key player in digitalization and the leading telco in Spain by customer base, we are committed to democratizing access to connectivity and digital services, while upholding fundamental rights, the rule of law, democracy, inclusion, accessibility, equality, sustainability, resilience, and security. Our goal is to improve the quality of life for all people across every region of our country.

As an essential driver of digitalization, MasOrange contributes to building a dynamic, resource-efficient, and fair Spanish economy and society, while supporting the European principles of digital transformation:

- Putting people at the center of the digital transformation.
- Supporting solidarity and inclusion, through connectivity, digital education, training and digital skills, fair and just working conditions, as well as access to digital services.
- Fostering participation in the digital public space, regardless of age, ideology or gender.
- Increasing safety, security and empowerment in the digital environment, in particular for children and young people, while ensuring privacy and individual control over data.
- Promoting sustainability, through our commitments and actions, aligning the model with the organizational culture.
- Promoting equal opportunities for people with special conditions, e.g., intellectual or physical disabilities, through technology that provides tools that supports their integration and well-being.

We recognize that technology is a key factor for unlocking opportunities for socioeconomic development, quality education, cultural access, improved employability, and entrepreneurial growth. The groups now comprising MasOrange have been consistent contributors ensuring that these huge opportunities, enabled by the digital world, reach everyone.

Technological innovation is present in every corner of the planet today and has become the key to making progress and paving the way to equality. However, we are aware that the digital divide remains a significant challenge. Unequal access, use, and impact of Information and Communication Technologies (ICT) is shaped by various factors, such as economic status, geography, gender, age, and culture.

At MasOrange, we believe access to the digital society—what we call digital equality—should be a universal right. To demonstrate our commitment, we have launched several services and initiatives aimed at making technology and the digital world accessible to everyone, ensuring that an increasing number of individuals can benefit from the opportunities it offers.

Key indicators

Access to connectivity	• Complete 4G development in rural areas	96.10%
	• Provide high-speed internet (marketable households with fiber optics)	31 million
	• Lead 5G deployment in Spain	88.40%
Access to essential services	• Social products and services	76,100 people
Support the general use of digital technology	• Help seniors develop digital skills	
Support of digital projects	• Support entrepreneurship with positive impact	
+O volunteering	• Employees participating in corporate volunteering for social projects	2,625 employees

MasOrange has a core social objective: to make a positive impact on society and contribute to the well-being of the communities where we operate. In line with this commitment, we engage with national and international associations, initiatives and organizations that help us drive the digital transformation, foster innovation, enhance competitiveness, and promote fair and inclusive development of society. In 2024, our collaborations included:

- Asociación Cultural Avanza ONG
- ATA
- B Corp
- French Chamber of Commerce (CCF)
- CEOE
- Cepyme
- Circulo de Impacto Unlimited
- Comité de Emergencia
- Red Cross
- ANAR Foundation
- Euskaltel Foundation

- FDI Foundation
- Orange Foundation
- SERES Foundation
- United Nations Global Compact
- Red Innicia
- Save The Children
- Voluntare

In 2024, as in the previous year, MasOrange reaffirmed its commitment to tennis by collaborating with prestigious tournaments such as the Mutua Madrid Open and the Barcelona Open Banc Sabadell Trofeo Conde de Godó. Additionally, we renewed our sponsorship agreement with the Royal Spanish Tennis Federation (RFET), actively supporting RFET-organized tournaments.

In the realm of music, we continued our support for the Mad Cool festival, one of Spain's most renowned music events, and the Universal Music Week festival in Seville.

In sports, the MasOrange Group offered the best connectivity at the 25th edition of the Laureus World Sports Awards. 'The Laureus' is recognized as the "Ultimate Global Athletes Award" and remains the gold standard for the stars of world sport, who each year hope to see their names added to a list of winners that includes all-time greats.

Furthermore, Real Madrid CF selected Orange as its official telecommunications partner in Spain for both its men's and women's football teams.

The Euskaltel brand had a team of outstanding professionals, the most technologically advanced equipment, and a first class technical staff. It made up the "orange wave" in Spain's La Vuelta 2024 bicycle race.

These sponsorships are a natural extension of MasOrange's identity, reflecting our commitment to providing unparalleled experiences for our customers. We do this by offering quality connectivity through our latest-generation networks, while introducing innovative initiatives that offer those attending these events unique and exclusive experiences.

Donations to and sponsorships of foundations and non-profit organizations	**2024**
Donations and sponsorships	320,000
Contributions to foundations and non-profit entities	
Donations to the Euskaltel Foundation and the Orange Foundation	2,975,000
Total	**3,295,000**

Focusing more closely on our social impact, the Orange and Euskaltel foundations spearhead a variety of initiatives, allowing us to amplify our contribution to Spain's growth and sustainable development.

9.1 Quality connectivity and rural development

GRI 203-1; 203-2; 413-1

FTTH customers **Mobile customers**

Infrastructures	**2024**
Investments to develop communications infrastructure (€ million)	482.4
Total accessible business units (BUs) of FTTH (million)	31
Coverage and service quality	**2024**
4G coverage of the Spanish population (%)	99.20%
Municipalities with 4G mobile access	7,691
5G coverage (no. of municipalities)	3,654
Deployment in rural areas (population of <5,000)	**2024**
Municipalities with 4G mobile access	6,376
% 4G coverage (population)	96.10%
Municipalities with FTTH	1,439
Customers	**2024**
Total number of fixed, mobile and M2M customers ('000)	38,956
Of which: 4G customers ('000)	20,540
Of which: 5G customers ('000)	5,261
Of which: broadband customers ('000)	7,124
Of which: fiber accesses ('000)	31,000

MasOrange is committed to advancing Spain's leadership in connectivity and digitalization through its next-generation deployment plans, ensuring internet access for all Spaniards, no matter where they live.

In mobile connectivity, MasOrange plans to expand its 5G network further in 2025. The goal is for this fifth-generation infrastructure to reach nearly 100% of Spanish municipalities with populations over 10,000—approximately 750 towns—where 80% of the country's population resides, according to Spain's National Statistics Institute.

MasOrange's plans are for its 5G network to reach more than 3,000 municipalities with fewer than 5,000 inhabitants by the end of this year, of which more than half have populations of less than 1,000 inhabitants. In this way, nearly 50% of the Spanish population will be able to enjoy the enormous advantages provided by the most advanced mobile connectivity thanks to MasOrange. Currently, MasOrange covers almost 90% of the Spanish population with its 5G network.

Leader in the 700 MHz band, which is crucial for bridging the digital divide in Spain

With a network of nearly 11,055 sites, MasOrange is currently the leader in the deployment of 700 MHz nodes. This band is crucial for bridging Spain's territorial digital divide, thereby helping to revitalize the so-called 'Empty Spain' and bridge the digital divide.

Currently, nearly 5,500 of MasOrange's 700 MHz nodes are distributed across 2,500 municipalities with populations under 50,000. Additionally, around 600 small towns and villages with fewer than 1,000 residents are already benefiting from this mobile network.

First operator to offer 5G SA

MasOrange was the first operator in Spain and one of the first in Europe to launch commercial 5G Standalone (5G SA) technology.

This milestone makes MasOrange the only provider in Spain capable of delivering 5G SA services to businesses, ensures unmatched quality and security, for example, through private 5G networks. MasOrange already offers this to the Port of Barcelona and Basque CCAM.

Advantages of the 700 MHz band:

- Better indoor coverage.
- Extended range (making it ideal for large, sparsely populated rural areas).
- Complementary to the 3.5GHz band, whose deployment MasOrange co-leads in populations of over 500,000.

MasOrange has the right technology and resources to strengthen its commitment to rural areas and drive their socioeconomic and technological development. It is carrying out double rural 5G deployment thanks, e.g., to the recent award of the **Spanish Government's** *Único Redes Activas* (single active networks) program**, through which it allocated €508 million to bring 5G technology to 1.8 million residents in small municipalities.**

This commitment is evidenced by the over €2.3 billion invested collectively by Orange, MASMOVIL and its R subsidiary in Galicia.

The digitalization of households and businesses, along with sustained investment in Galicia, remain key pillars for Galician company R and the MasOrange Group. These efforts aim to elevate the region to the level of the most advanced in the world, according to the president of the regional government. To achieve this goal, MasOrange/R has committed to investing over €200 million in Galicia over the next three years, further driving the region's economic and technological development.

In **Murcia**, MasOrange has made a cumulative investment of over €903 million, providing the region with the best mobile coverage—including 5G technology—to nearly 97% of the population. Additionally, the Company offers fiber coverage to almost 900,000 households and businesses.

Through its various brands, MasOrange serves 875,000 mobile and broadband lines for satisfied customers in Murcia. Prominent public administrations, such as the Murcia City Council, and leading regional companies, including the Federación Regional de Organizaciones y Empresas de Transporte de Murcia (Murcia Regional Federation of Transport Organizations and Companies), Grupo Orenes, AMC Global, and Zamora Company, rely on MasOrange for their communication needs.

MasOrange has also stepped up its commitment to positioning **Asturias** as one of the most advanced regions in the world. Household and business digitalization, along with sustained investment in the region, are Telecable's and MasOrange's primary objectives for Asturias.

Their commitment is demonstrated by the more than €1.4 billion in cumulative investment to date and the additional €100 million planned over the next three years to further drive the region's development.

Telecable and MasOrange's brands in Asturias are the top choice for Asturian customers, with a market share of over 50%. Telecable/MasOrange offers the widest broadband coverage in Asturias, guaranteeing service excellence.

MasOrange has also demonstrated a strong commitment to **Andalusia**, recognizing it as a strategic community for growth and development in the coming years. As a testament to its commitment to Andalusia, MasOrange is playing a key role in the region's digital transformation, driving progress and job creation by providing citizens and businesses with the best fiber and mobile telecommunications networks. MasOrange's commitment to Andalusia has already resulted in cumulative investment of over €5.5 billion to date by Orange and MASMOVIL in this region, primarily to develop the best fiber and mobile telecommunications infrastructures. Thanks to this, the Company has hooked up nearly 5.2 million households and businesses in the region to fiber, implying practically 100% coverage of total buildings. Of these, more than 1 million are towns with fewer than 10,000 inhabitants.

In the **Basque Country**, the over €3.7 billion invested to date collectively by Orange, MASMOVIL and its leading brand there, Euskaltel, reflect this commitment.

The digitalization of households and businesses, along with sustained investment in the Basque Country, remain key pillars for Euskaltel and MasOrange to make the Basque Country one of the world's most advanced regions. To achieve this goal, Euskaltel/MasOrange has earmarked over €200 million for investment in the region over the next three years, further driving the region's economic and technological development.

9.2 Inclusive offers, opportunities for everyone

GRI 411-1; 413-1

Being connected is the first step to joining the digital world. To make this possible, in 2020, Orange Spain became the first telecommunications company to offer a social tariff, specifically designed to meet the needs and financial capabilities of households with limited resources.

Since then, we have continually enhanced this initiative to extend our reach to more individuals, with the goal of further supporting digital inclusion for the most vulnerable. Our commitment is to ensure that access to communications does not become an additional barrier to their social and economic development.

Orange Spain's social tariff includes symmetrical fiber access with speeds of 500 Mbps (both upload and download); a fixed line with unlimited local and domestic long-distance calls; a mobile line with unlimited calls to domestic fixed and mobile lines; and 3GB of bonus data for surfing at maximum speed. All this without being locked into a contract.

Families benefiting from the minimum basic income (MBI) or minimum insertion income (MII) provided by regional governments are eligible for this tariff. Subscribers can switch to the social tariff at any time, as well as change to any other plan in Orange's catalog.

Another initiative the Company has consolidated in recent years is *Gigas Solidarios* (Solidarity Gigabytes), aimed at households facing economic difficulties and unable to afford even basic connectivity. Since 2022, we have been supporting Ukrainian refugee families in Spain, offering 200 free lines and donating 200 MIFI-enabled devices to the Spanish Red Cross. In addition, we continue to provide free internet access to families experiencing digital exclusion, in collaboration with Cáritas Madrid, and distribute computer equipment to NGOs.

Recognizing the vital role of communication in humanitarian crisis situations, Orange Spain took action to help people stay connected during the most critical moments. In response to the earthquakes in Morocco, we offered free international calls, SMS, and data between Spain and Morocco. In this way, our Company demonstrated its solidarity with the Moroccan people during these painful moments. We also helped facilitate communication for Orange customers who were in Morocco during the earthquake or who had traveled to the country to support emergency efforts and reconstruction in the devastated areas. We also ensured communication for those residing in Spain who needed to stay in touch with their families during such a challenging time.

Additionally, Orange Spain provides its customers with a wide range of devices at highly affordable prices, thanks to subsidies on the manufacturer's price and flexible installment payment options. This ensures that customers who need it most can access both the latest terminals and stay connected.

All of our devices are available for purchase through installment plans, making it easier to acquire them.

Customers can also elect to purchase refurbished equipment, which maintains the same quality as new devices but at a more affordable price.

Additionally, Orange Spain's catalog includes "feature phones" specifically designed for the elderly. These phones feature an SOS button, larger buttons and screens, and a more user-friendly charger, making them easier to use for this demographic. Moreover, all smartphones in the Orange Spain catalog come with accessible settings for individuals with visual and hearing impairments.

Thanks to these initiatives, Orange Spain is fulfilling its commitment to ensuring that technology serves as a tool for social inclusion for all individuals, rather than becoming an additional barrier to the integration of the most vulnerable or those facing greater communication challenges.

9.3 Seniors connected

GRI 203-1; 203-2; 413-1

According to the report *Impacto de la transformación digital en España: 1998-2023* (Impact of Digital Transformation on Spain: 1998-2023), prepared by consulting firm Nae in conjunction with the Orange Foundation, the digital divide across age groups has significantly narrowed in recent years. Nevertheless, the gap in internet access among those over 74 is still wide, at 58 points in 2022.

This highlights the importance of initiatives like *Mayores Conectados*, which helps drive the digital integration of this group and serves as a reminder of the need to make digital technology accessible and empowering for this demographic, ensuring that it becomes a tool for inclusion rather than an additional barrier in their daily lives.

With this objective in mind, MasOrange developed the *Mayores Conectados* program, which offers training workshops designed to enhance the digital skills of people over 65. This program has already benefited nearly 10,000 seniors, who have attended courses held at over 100 Orange stores across Spain, as well as at the Orange Digital Center (ODC) in Madrid. All the participants were provided the opportunity to engage with the digital world through the more than 2,300 face-to-face training sessions MasOrange has conducted to date.

Regarding their profile, nearly 68% were women, with an average age of around 72. It is also worth noting that these workshops have been very well received by participants. This is supported by the positive feedback from participants, who gave the workshops an average score of 9.8 out of 10, reflecting an improvement of one-tenth of a point from the year before.

These free workshops, available to both MasOrange customers and non-customers, are designed to introduce seniors to the new digital society, its tools, and services. The sessions are always engaging, enjoyable, and, most importantly, hands-on. In this way, participants gradually overcome the challenges and fears they may face when using digital tools and devices, fostering their digital independence, and enhancing their overall quality of life.

The skills they acquire range from mastering basic functionalities on their smart devices—such as accessing the contact list, making calls, sending messages and emails, using WhatsApp and video calls, taking and sharing photos and videos, and browsing the Internet—to more advanced and sophisticated operations—such as downloading and installing apps useful for daily activities, navigating social media, making secure payments, purchasing tickets for events, conducting online transactions with medical services or public administrations, and even interacting with a digital intelligence assistant.

For the first time this year, MasOrange collaborated with Meta on a groundbreaking initiative in various provinces to introduce virtual reality technology to the senior community. Through 12 targeted workshops, nearly 80 seniors had the opportunity to embark on an immersive virtual journey to one of the world's most iconic architectural treasures: the Notre Dame Cathedral in Paris.

Participants rated the initiative 9.8 out of 10, highlighting the value and practicality of these workshops in enhancing their daily lives.

A step further in our commitment to senior training

MasOrange was awarded the tender for the **Generation D** program, an initiative designed to develop digital skills for people aged 60 and over. The objectives of this program are to:

Promote digital inclusion: providing seniors with access to digital technology while encouraging active participation in the digital society.

Develop basic digital skills: teaching seniors how to use essential digital tools such as computers, smartphones, tablets, and of internet and e-mail.

Foster independence: equipping seniors with the knowledge to independently perform everyday online tasks, such as shopping, paying bills, and connecting with loved ones via social media and email.

Promote social and emotional well-being: leveraging digital technology as a means to foster social contact and interaction, thereby reducing social isolation and improving seniors' emotional well-being.

Facilitate access to information and services: teaching seniors to find relevant online information, access public and health services, and explore educational and entertainment resources on the web.

Improve online security: educating seniors on the risks associated with online activity, while providing them with strategies and techniques to protect their privacy, avoid scams, and surf the internet safely.

To execute the program, MasOrange is leveraging its commercial network, which includes 25 company-owned stores and over 100 franchise outlets across Spain. Additionally, we are collaborating with partners such as city councils, regional councils, and private companies, utilizing their spaces for the program.

We have developed comprehensive application for managing the training process and delivering the courses. The platform includes various user profiles—administrator, coordinator, and trainer—providing a full suite of features designed meet users' specific needs.

These actions are part of the Generation D initiative promoted by Red.es, an institution attached to the Spanish Ministry for Digital Transformation and the Civil Service through the Secretary of State for Digitalization and Artificial Intelligence. With a total budget of €45 million for training of seniors, persons with disabilities, vulnerable persons, and people lacking basic digital skills, the initiative is financed by the Recovery, Transformation and Resilience Plan through the European Union's Next Generation funds under Investment 1 of Component 19 National Digital Skills Plan.

9.4 Supporting the digitalization of the self-employed, SMEs and entrepreneurs

MasOrange wants to remain the go-to partner for the self-employed and SMEs, helping them navigate the necessary digitalization of their processes and activities to thrive in an increasingly globalized economy. To support entrepreneurs who lack the necessary tools for digital transformation, Orange Spain has introduced a new portfolio of digital services designed to help businesses take the step toward digitalization. These services provide tailored solutions that align with the unique objectives and needs of each business.

The newly launched services include Hospitality Management and Retail Management solutions, designed to optimize the day-to-day operations of bars, restaurants, and other businesses, offering a wide range of features:

• Hospitality Management includes table management and control, dish and order tracking, and integrates a POS system that enables mobile order-taking, a digital menu with a QR code functionality, customer billing, as well as warehouse stock control.

• Retail Management focuses on inventory management and control, sales and order tracking, customer and supplier management, cash and ticket management, and simplified invoicing.

Both solutions are key tools for the digitalization and professionalization of the hospitality and retail sectors. They are accessible from any mobile device and can be customized to meet the specific needs of each business, offering a high degree of personalization.

In a landscape where more than 70% of companies report having experienced cybersecurity incidents at some point, this new portfolio also prioritizes addressing the growing need for cyber protection. Additionally, it includes services such as cloud availability and the integration of Artificial Intelligence (AI). MasOrange's new *Love Empresa* portfolio offers a range of cutting-edge services:

• Advanced cybersecurity services: to safeguard businesses, preventing threats to devices and offering secure internet browsing. This service includes 24/7 IT support to respond to any incidents and ensure business continuity.

• Unlimited cloud storage: self-employed professionals and SMEs can store files, documents, photos, and videos in the cloud, accessible anytime, anywhere, securely.

This service not only saves storage space on devices but also enhances collaboration with the digital ecosystem.

• The *Presencia Digital* service, which now integrates Artificial Intelligence (AI) as a benefit in the *Love Empresa* tariff. This empowers businesses to boost their online visibility and also upload AI-generated posts for social media, enabling them to attract customers more effectively.

Recent studies indicate that digitalization enhances internal efficiency. More importantly, it provides additional growth opportunities, enhancing adaptability in an increasingly dynamic and competitive marketplace. Specifically, according to the Hiscox report conducted by KPMG on SMEs and the self-employed in Spain, the implementation of digital solutions produces efficiency gains (52.5%) and cost savings (43.5%).

The new catalog of digital services fosters the growth of all types of businesses by increasing their customer base and revenue, streamlining operations, reducing costs, and improving efficiency and competitiveness. These solutions include digital marketing, customer management, and e-invoicing products.

Despite the benefits, 40% of SMEs and self-employed professionals in Spain are not yet digitalized, primarily due to a lack of technical knowledge about how to carry out the process. MasOrange provides tailored advice to businesses regarding the needs to implement digital tools in their operations and helps them monitor and complete the process. This provides an additional benefit of being a single-contact point for all services, including telecommunications, along with the convenience of receiving a single invoice.

MasOrange has entered into a partnership agreement with ATA (the Spanish association of self-employed professionals) to foster collaboration on activities of mutual interest for +O and ATA, support the promotion of ATA's activities, and train the member self-employed professionals on +O services, as well as providing digital training of those lacking these skills.

We actively collaborate with Cepyme (the Spanish Confederation of Small and Medium-Sized Enterprises), helping with key business events and the celebration of Cepyme's Annual Assembly.

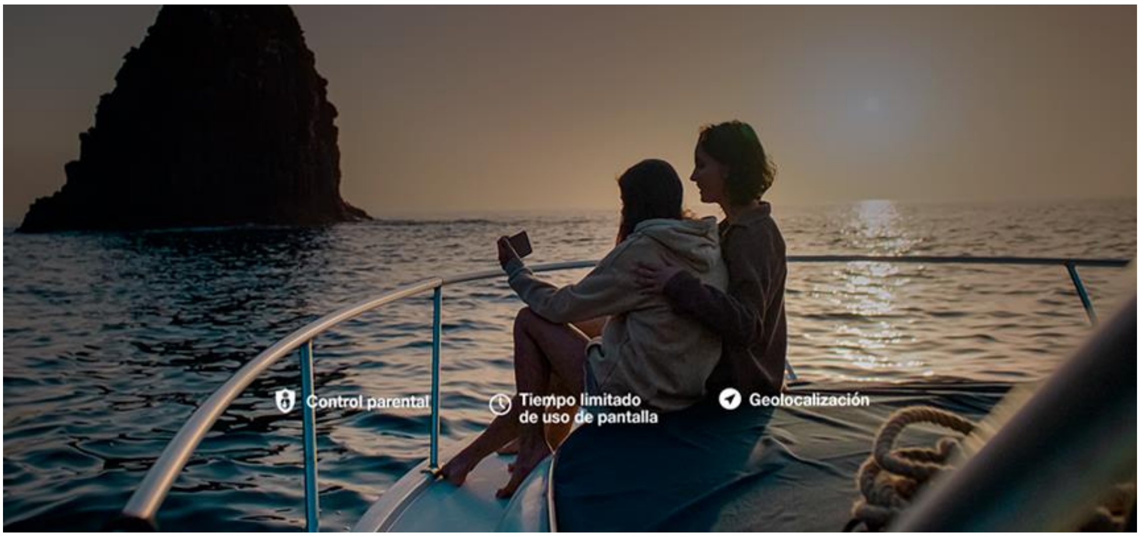
Additionally, +O is a member of CEOE (the Spanish Confederation of Business Organizations), where we work together on digital transformation initiatives of interest to both.

9.5 Responsible use of technology

GRI 413-2

For years now, MasOrange has been promoting a host of initiatives through its brands to ensure the safe and responsible use of technology, particularly by young people. According to data from UNICEF Spain's report *Impact of technology on adolescence, relationships, risks and opportunities*, the average age of access to the first mobile device for personal use in Spain is before the age of 11. Children and adolescents are increasingly immersed in the digital world at a very young age. While they are skilled in navigating applications, downloading content, searching for videos, and browsing, these activities are often conducted without fully understanding the potential risks they may face, such as cyberbullying, addiction to smartphones and social networks, and mental health challenges like anxiety and depression. Given these concerns, planning is required before providing children with mobile devices and support is needed after. In response to these issues, MasOrange has introduced the first mobile phone specifically designed to accompany young people through their digitalization journey.

Launch of TúYo: the first comprehensive solution to protect children in the use of their first mobile phone.



To address society's needs and reinforce our commitment to the responsible use of technology, Orange launched TúYo, the first comprehensive solution to protect children in the use of their first mobile phone. This solution directly addresses parents' main concerns: limiting screen time, blocking inappropriate content, and tracking the child's location. TúYo is user-friendly as its core features are pre-configured. This makes it easier for parents, who can choose from three usage modes, depending on what they consider most appropriate for their child's needs.

It is the first comprehensive solution for families seeking a safe, simple, and responsible way to introduce their children to their mobile phone. It allows parents to limit daily screen time and block access to inappropriate content.

Aligned with the Company's commitment to responsible digital inclusion for all, TúYo was developed in collaboration with parents and experts from Empantallados, a platform composed of education and technology specialists that helps families establish a healthy relationship with the digital world. It enables parents to block inappropriate content, limit screen time, and track location, ensuring children are safe at all times. Orange's new service responds to parent's main concerns when giving their children their first mobile phone: ensuring they do not access inappropriate content, limiting their time in front of the screen, and knowing where their children are to ensure they are in a safe place.

In addition to its comprehensive mobile features—including unlimited calls, SMS, and 5G data—the service offers the following unique elements:

• A parental control application, so all family members are fully aware from the start how children will use their mobile phones.

• Through the app, parents can configure: o Screen time limits and digital breaks for the children, restricting hours and blocking nighttime browsing. o Web content management and control: restricting harmful applications and content. o Geolocation with defined safe zones (geofencing) to know that their children are safe, detecting evasion, blocking (by removing the SMI card or app), and monitoring battery charge. o A panic button for alerts in case of an emergency.

• It also includes an agreement between parents and children. This involves a symbolic signature establishing a relationship of mutual support in the use of the technology: for adults, to set a positive example by demonstrating appropriate digital behavior and offering guidance and trust to their children; and for children, agreeing to use their first mobile phone with the established guidelines, which also including limiting mobile use during rest hours.

First Childhood and Adolescence in Digital Environments report

Access by children and adolescents to new technologies is a significant concern, both in Spain and globally. This *Childhood and Adolescence in Digital Environments* report, prepared by the Orange Foundation, GAD3, and Save the Children, is based on interviews with more than 2,500 people and the participation of 17 experts in the field.

Access to new technologies for minors and adolescents has become a widely discussed topic, both domestically and internationally. This is the first generation to experience this reality as an integral part of daily life. At MasOrange, we believe it is essential to play our part in shedding light on the current situation—not only for children and adolescents but also for parents, who often face these challenges without knowing how to address them effectively.

As a technology company, we view technology as the key enabler of today's way of life. Technology enables us to stay connected with loved ones anywhere in the world, pursue education in any discipline, find the best route home each day, work remotely, shop online, and do banking transactions instantly.

This report explores the key concerns and potential solutions that can be proposed to address and improve this situation. The insights from this report will guide the development of a medium- to long-term plan aimed at creating a positive impact by addressing the specific needs of children.

A variety of social research tools were used to prepare the study, enabling us to gather insights from a range of perspectives from different targets (e.g., the general population, parents, adolescents, teachers, and experts across different sectors). This approach also allowed us to assess the current situation, identifying the risks, opportunities, and challenges that children and adolescents face in the digital environment.

Objectives of the study:

Assess the vulnerability of children and adolescents in the digital environment, with a specific focus on internet privacy.

Discover the emotions experienced by children and their families in the digital environment.

Explore the benefits and risks associated with mobile devices and the digital landscape.

Understand how children and their families perceive digital privacy.

Create intergenerational dialogue about digital privacy and the use of technology.

Analyze awareness and opinions of initiatives designed to protect minors in the digital environment.

Key findings:

Screen time: 93% of teenagers believe they should change their current technology usage habits. 14% say that their parents use their cell phones more than they do.

Digital risks: 81% of adolescents and 89% of the general population are aware of the risks related to the digital environment. 62% of minors know fully what type of information they share on digital platforms.

Parental control: 61% of parents say they use some tool to see or limit what their children do on the internet. 68% of parents believe their right to monitor their children's devices outweighs minors' rights to privacy.

Artificial Intelligence: Artificial Intelligence (AI) holds immense potential in education, but its effective and ethical use requires careful oversight and monitoring.

Recommendations:

Browsing together: Parents should actively guide and be roles models for responsible technology usage.

Intergenerational dialogue: Encourage open, intergenerational conversations about internet and social media usage within families.

Teachers in the digital era: Teachers should receive specialized training on the digital environment.

Safeguards: Implement age-verification systems and content-access segmentation systems.

Right to disconnect: Encourage healthy, balanced habits in the use of technology.

Digital awareness: Promote safe and responsible habits in social media usage and the use of other digital services.

Creating safe environments: safeguarding digital rights

In today's digital age, where technology and mobile devices play a central role in nearly every aspect of our lives, it is crucial to pay close attention to the digital rights of children and adolescents because parents, often without realizing it, may unintentionally infringe upon their children's rights by sharing personal photos and details of their lives on social media platforms.

Technology and the future: the role of AI

AI holds immense potential and has made a significant impact across various fields, with its presence in the educational sector being particularly noteworthy. At the same time, the use of AI evokes mixed emotions, with both its potential benefits and inherent risks.

As an educational tool, AI is incredibly powerful; however, parents and teachers must remain vigilant and well-supported to ensure its use is effective, ethical, and conducive to the healthy cultural and intellectual development of children and adolescents.

We must ensure that the use of these tools in education enhances rather than detracts from learning, preserving the value of face-to-face instruction. Their application should be progressive, tailored to the educational stage, and focused on specific tasks. Teachers, equipped with the proper training, must guide their use to maximize learning benefits while ensuring appropriate safeguards are in place.

AI should be seen as a supportive tool—complementing, not replacing, traditional learning.

As part of this commitment, we must cultivate critical and ethical thinking in young people, encouraging them to question the sources of information used in school assignments, recognize potential biases in AI, and verify data carefully; we cannot assume that all information provided by AI is accurate.

In general, it is important to acknowledge that there are still unresolved issues regarding the use of AI, particularly related to information biases. This can be because the data used by these systems reflect societal prejudices, potentially influencing the development and makeup of children's and adolescents' personalities.

Digital literacy must also be strengthened to help users identify risks, such as deepfakes. With these strategies in place, AI can become a valuable ally while preserving fundamental values like independence.

We must demand that companies developing AI tools integrate child and adolescent protection measures into the design of their systems, including safeguards for the use of minors' images and access restrictions.

In 2024, MasOrange reinforced its commitment to leveraging AI and data management to optimize its processes, launching several initiatives that have driven significant progress in these areas. The year was pivotal implementing Generative AI use cases in the Company's strategic areas.

One of the primary focuses was customer portfolio management, where we leveraged extensive text analysis from user touchpoints. This allowed us to identify new needs, offer customized products, and improve the overall customer experience.

On the operational side, we integrated AI into call center processes, rolling out solutions that support agents and streamlining critical tasks, such as call audits. These improvements not only enhance efficiency but also shorten operating times and improve service quality.

Meanwhile, internal training for employees remains a top priority to accelerate the adoption of Generative AI tools, such as Copilots, which are transforming productivity and innovation within the organization.

We also made strides during the year in unifying teams and processes, with data usage serving as a key pillar of our strategy. We consolidated a widespread and democratic approach to data utilization, enhancing our processes and customer service by leveraging cloud environments and open-source tools that enable us to adapt quickly to the needs of the various business units.

Regarding new business and B2B, our extensive experience in managing customer portfolios leaves us well-positioned as a key partner to collaborate with other companies, helping them drive their business through the adoption of new technologies. Beyond the telco sector, we made progress in strategic areas, such as energy, insurance, and alarm systems, where our technological capabilities combined with AI place us at the forefront.

Cost and tool optimization were another key focus, as we adopted cutting-edge solutions and explored new possibilities with multimodal tools that provide competitive advantages.

Additionally, we made significant strides in cross-departmental collaboration, partnering with teams such as DPO, Cybersecurity, and Legal to ensure our AI practices align with regulatory and ethical standards. We made progress in implementing AI governance processes and are currently adopting specialized tools and establishing clear policies for their responsible use.

Finally, we continued to evolve and implement a comprehensive, organization-wide strategy to develop AI in alignment with the Company's strategic objectives. This strategy encompasses the tools, teams, and priorities necessary to maximize the value of AI across the organization.

9.6 AI and 5G as drivers of sustainability

AI, along with advancements in connectivity technologies, is transforming businesses by improving processes and creating new opportunities. Disruptive technologies tangibly unlock a wide range of possibilities for social, economic, technical, and scientific advancement.

At MasOrange, we are using 5G SA technology and Mobile IoT networks (LTE-M and NB-IoT) to develop multiple projects in key areas, such as transportation, logistics, smart cities, telecare, telemedicine, pollution control, and energy.

Recognizing that the future must be driven by innovation for the benefit of society and the planet, we remain committed to developing more sustainable technologies, such as 5G. In this regard, the 5G infrastructure consumes half the energy of the 4G network per gigabyte transmitted, while simultaneously reducing transportation needs, enhancing predictive maintenance, and optimizing production processes—advancing our goal of protecting the planet.

Meanwhile, 5G SA technology will enable the full development of concepts like IoT (Internet of Things) integrated with AI solutions. Through a distributed architecture (Edge), this will pave the way for new paradigms and use cases that contribute to environmental conservation and protection. Examples of these initiatives include real-time tracking by customers of the carbon footprint generated by the use of our technologies, and solutions for measuring pollution, regulating traffic, and monitoring fires with drones using the orchestration of 5G SA, AI, IoT, and Edge Computing.

We would also highlight that telecommunications companies play a crucial role in reducing emissions across other industrial sectors. The digital solutions we are developing will support the green transition in industries such as agriculture, health care, and urban planning.

As a hub for sustainable technology innovation, MasOrange is developing several use cases that showcase the potential of 5G SA to deliver sustainable goals.

Below, we look at some of the most relevant initiatives we are promoting, each with clear potential in terms of resource efficiency, infrastructure innovation, and environmental protection. These initiatives have been funded through public aid from the Ministry for Digital Transformation and the Civil Service, under the UNICO 5G SECTORIAL 2022 and 2023 Programs under the Recovery, Transformation, and Resilience Plan, co-financed by European funds from the Recovery and Resilience Mechanism (RRM) and the European Union's NextGenerationEU:

Creta: an innovative project to promote sustainable mobility and reduce traffic emissions

The objective of the consortium of companies made up of MASMOVIL, ABERTIS, OPUS RE, CELLNEX, INDRA, VINCES and ALPHA SYLTEC INGENIERIA is to create a new global traffic monitoring and intelligent management system through different technologies to promote sustainable and efficient mobility.

The objective of this initiative is to create and implement an active and dynamic management solution for transport and mobility based on the control of the real emissions of each vehicle and the optimization of traffic flow through different disruptive technologies that reduces transport emissions and protects the environment.

The CRETA project is based on the integration of three different technologies; 5G, technology for remote measurement of traffic emissions, and advanced analytics and Artificial Intelligence, for optimal management of traffic mobility and air quality.

To achieve this goal, CRETA is based on the following pillars:

1. Communications: creation of a 5G system capable of interconnecting data between different sensors, infrastructures, and vehicles in real time.
2. Mobility: creation of a variable pricing system depending on the use and external environmental consequences produced by each vehicle, and even according to the rate of emissions per passenger.
3. Environmental: monitoring the gradual reduction of the source of emissions (road traffic) with autonomous remote sensing systems and connected to the 5G network.

5G CityBrain: real-time urban management in Granada

Funded by the EU and spearheaded by INNOVASUR, the project includes two strategic partners, MasOrange and Opus RSE, working together to create integrated solutions for the dynamic and efficient management of smart services in the areas of environment, communications, mobility, and transportation.

New features include: real-time detection and analysis of vehicle emissions, enhanced security measures to anonymize data collected by smart cameras, and a strategic camera network to monitor tourist flows at key locations throughout the city.

Telemedicine and telecare (Mas4Care)

Mas4Care is a cross-cutting, integrated solution (IoT-FarEdge-Edge-Cloud) that can be orchestrated with 5G capabilities for real-time management of sensors and medical devices. The metrics extracted from these devices are processed and monitored at the edge, as close to the patient as possible. This enables the digital medical platform to efficiently conduct teleconsultations and provide rapid, remote responses to health emergencies. At the same time, the solution ensures high availability of medical services, reducing transportation costs and optimizing the efficiency of available medical resources.

Real-time, autonomous prevention, detection, and management of fire risks in industrial environments

This is an innovative industrial solution that leverages cameras with thermal sensors, drones, and robots to prevent and reduce fire risks. By integrating 5G connectivity and edge processing, this solution enables real-time action for fire prevention.

Ferrol cybersecurity operations center

In the next few months, the Ferrol City Council will have a Cybersecurity Operations Center (COC) to enhance the protection of its infrastructure, digital systems, and communication with local citizens. The launch and management of this new facility—scheduled to become operational this fall—has been entrusted to a joint venture led by the Galician operator R, in partnership with its technology partner INNOVASUR. The project is funded by the EU's Next Generation funds as part of the Spanish Government's Recovery, Transformation, and Resilience Plan.

5G lab at the Asturias science and technology park

This laboratory aims to accelerate the digital transformation of companies in the region. Any Asturian business can access these facilities, which have been operational for several months, to test their ideas and develop prototypes before bringing them to market.

Multiple use cases for 5G networks can be developed across the most important productive sectors.

This lab, along with the Serida lab in Villaviciosa, serves as an innovation hub and key attraction for Asturian research groups.

iQuantum center: Spain's first urban AI demo center

Included in the Granada City Council's Artificial Intelligence Strategic Plan, this center was launched with the aim of positioning it as Spain's first urban AI demonstration center, starting in January 2025.

Under the public-private agreement, Orange will work in tandem with the Human Resources, Organization, Smart City, Digitalization and Innovation councils to create a research and exhibition space. The objective of this pioneering center is to develop different research projects, as well as technological products and associated solutions, with a view to improving the efficiency of organizations and public administrations.

Additional collaborators include local companies and universities, the Granada Chamber of Commerce, business associations, the Innovation Cluster, the Provincial Council of Granada and the Regional Government of Andalusia.

The iQuantum center will also offer training and capacity building sessions in AI for citizens, as well as thematic sessions for companies, to demonstrate how this innovative technology can be applied in real environments.

Business growth alliance

MasOrange, Telefónica, Vodafone Group, and the i2CAT research center have teamed up to launch the first multi-operator Open Gateway API lab in Europe, a developer-ready environment that will allow companies and creators to explore and leverage telco capabilities through standardized APIs.

The lab aims to accelerate the adoption of interoperable APIs, creating joint use cases and unifying performance in an accessible and collaborative environment.

The working group will set up tests and testbeds to reach consensus on the deployment of APIs, both existing and newly created, as well as to foster an open discussion environment based on technological and business innovation criteria.

This lab is part of Open Gateway, a global telco initiative led by the GSMA that aims to transform telecommunications networks into programmable platforms to bring network capabilities to everyone.

1st edition of MEET AI: Artificial intelligence, the future

The meeting, organized by the Círculo de Empresarios de Galicia in collaboration with R and ABANCA, aims to provide a comprehensive overview of AI and its practical applications for businesses. Technology experts and business leaders from various sectors will share case studies on how they are integrating AI into their companies.

OPEN RAN next-generation network

Ericsson (NASDAQ: ERIC) and MasOrange are partnering to build Europe's most modern, fastest, and technologically advanced 5G mobile network.

The collaboration translates into open, programmable, and Open RAN (Open Radio Access Network)-ready infrastructure. It will be the first 5G mobile network with this technology in Europe, leveraging Ericsson's state-of-the-art product portfolio.

MasOrange will serve as Ericsson's reference case in Europe, positioning itself at the forefront in commercial-scale deployment of Open RAN, on par with a similar pioneering experience in the U.S.

The deployment of Open RAN on MasOrange's network marks a significant step forward in the 5G innovation cycle. Ericsson's open architecture, deployed across MasOrange's entire network, will set a technological benchmark, serving as a platform for building an ecosystem of developers that will drive innovation through open and programmable networks.

MasOrange prepares for the arrival of 6G

MasOrange has successfully completed the first 1.2Tbps data transfer over a longer distance commercial optical transmission network, using a single wavelength or channel over terrestrial cable. The transmission network is the fundamental infrastructure that enables data communication between different points of a telecommunications network.

These are the digital highways that connect network nodes between different cities allowing information to flow quickly and efficiently. It is the pillar on which all other layers of the network are built and operate.

This milestone, developed between Granada and Cordoba, has shown that it is possible, thanks to a solution developed by Huawei, to reach more than 310 km with 1.2 Tbps transmission over a single wavelength, without regenerating the signal. This prepares MasOrange for the arrival of 6G technology.

Mobilities for EU

Additionally, the Mobilities for EU project is being developed as part of the projects funded through the EU's Horizon Europe program—the EU's key funding program for research and innovation aimed at tackling climate change and achieving the UN's Sustainable Development Goals.

This European program, implemented by the Madrid City Council (MercaMadrid), aims to demonstrate that innovative passenger mobility and freight transport concepts are cost-effective and feasible solutions to contribute significantly to the cities' transformation toward climate-neutrality, speeding up the process to achieve the reduction in emissions by 2030.

9.7 +O volunteering

GRI 2-23; 2-29

***DANA* action**

MasOrange swiftly mobilized all necessary human and technical resources to restore communications for those affected by the flash floods caused by the 'DANA' (Spanish for high-altitude cut-off low-pressure system and also known as a cut-off low) in Spain and mitigate the severe consequences of the emergency. To ensure reliable communication and provide backup support, MasOrange enhanced its mobile network by deploying portable mobile stations equipped with extended Wi-Fi and satellite connectivity. The Company restored services just a few days after the disaster.

In addition, MasOrange professionals made direct donations to organizations such as the Red Cross and Caritas, leveraging internal mechanisms set up in the Company for this purpose to contribute items such as sweatshirts, blankets, and tents. To further aid in the clean-up and recovery of homes and streets, the Orange Foundation collected support materials for volunteers and affected individuals, including shovels, masks, gloves, and water boots.

Free online medical and psychological assistance services were made available to those affected, along with advice on insurance coverage to help individuals cope with the losses and damages caused by the floods. To address medical needs during this challenging time, MasOrange extended access to the *Orange Salud* digital service in partnership with MAPFRE to all those affected by the emergency—whether or not they were customers. This service, available to individuals, self-employed professionals, and SMEs, included unlimited medical consultations via chat and psychological care through both chat and video call.

MasOrange also supported the Orange, Jazztel, MASMOVIL, and Yoigo brand customers in the affected areas by offering free replacements of SIM and eSIM cards upon request, while it suspended charges for fixed services and extended mobile data bonuses across all the Group's brands from the onset of the emergency.

Seventy MasOrange employees were deployed to one of the most severely affected areas to provide hands-on support to emergency services and local residents. Their efforts focused on cleanup operations, including the removal of mud and debris, to help families return to their homes as quickly as possible. They also worked on restoring affected spaces.

Toy drive

The toy drive organized for children in vulnerable situations exceeded the Company's expectations. In 2024, MasOrange employees stepped into the role of corporate Magi, answering nearly 240 letters from children supported by the Pato Amarillo (Yellow Duck) Association.

Additionally, as part of the *Yo te ayudo Rudolph* (I'll Help You, Rudolph) campaign, Christmas corners were set up in 100 stores to collect toy donations for beneficiaries of the Soñar Despierto foundation.

+O volunteering week

MasOrange's dedicated volunteers embody the Company's commitment to corporate responsibility and play a pivotal role in achieving our goals for positive social impact.

Two weeks were set aside in 2024 to showcase the volunteers' efforts, conduct awareness-raising activities and support initiatives, and host charity markets.

Initiatives carried out included:

- An on-site and online charity market, offering electronic devices at affordable prices, along with a range of products from charitable associations and foundations.
- A cycling challenge in which each kilometer rode translated into a €1 donation, delivery of devices for a second life, activities at the CEIC recycling center, and informative talks on the toxic emissions from our vehicles, among other initiatives.
- Christmas race in support of Aldeas Infantiles, volunteering at soup kitchens, preparing solidarity Christmas baskets, and organizing solidarity breakfasts.

Nearly €200,000 was raised during the solidarity weeks and donated to social projects recognized through the volunteering awards, as well as to initiatives supporting the recovery of technological devices in areas affected by DANA flash floods through the Spanish Red Cross.

In 2024, more than half of MasOrange's employees actively participated in some way to volunteering activities.

13th Annual +O Volunteering Awards

With the +O Volunteering Awards, MasOrange recognizes the exceptional efforts of companies, non-profit organizations, foundations, and associations that are making a meaningful difference in the world through projects focused on environmental conservation, digital literacy and inclusion, the application of technology for community benefit, and the responsible use of digital tools and devices.

The total prize money is €120,000, with the funds largely raised through contributions of MasOrange employees via various initiatives, including markets, auctions, and other solidarity actions.

Bridging the digital divide, focused on projects that promote digital technology as a means of reducing all forms of inequality (e.g., socioeconomic, educational, territorial) and making technological solutions valuable tools for integrating the most vulnerable populations.
2024 award winner: Fundación del Lesionado Medular

Responsible use of technology, which recognizes initiatives that promote the proper use of tools and devices in the new digital society, or that educate and raise awareness among both children and adults about the opportunities and risks involved. Projects eligible to be submitted in this category relate to issues such as child protection, cybersecurity, digital identity and privacy, or responsible screen usage.
2024 award winner: Fundación Inclusión y Apoyo APROCOR

Environmental commitment, which recognizes innovative solutions that leverage technology in areas such as energy efficiency, decarbonization, and the circular economy, aimed at protecting the natural environment and combating climate change.
2024 award winner: Asociación Cultural La Kalle

Technology solutions with a positive impact, which recognizes projects including a wide range of applications and technology-based business initiatives that harness new technologies, such as 5G, Big Data, or AI, to create social benefits for communities and individuals.
2024 award winner: POCTEAI Project of ADANSI (Association of Autistic People).

Special donation for DANA victims

A total donation of €200,000 was made to the Spanish Red Cross through funds raised by MasOrange employees and staff through their volunteering activities and charity market, along with a special donation from Orange Group and +O's Board of Directors. These proceeds went to provide technological products (e.g., tablets, smartphones, computers, and internet connections) to learning centers in DANA-affected areas so vulnerable groups could continue their education.

9.8 Impact entrepreneurship and sustainability outreach

2024 Rural Emprende awards

In 2024, Embou and the Caja Rural de Aragón Foundation held the third annual Rural Emprende awards for rural entrepreneurship. Through this initiative, the MasOrange Group's and MasOrange Foundation's operator in Aragon recognizes the hard work, dedication, and talent of individuals who choose to launch new projects in the region's rural areas.

First prize went to the *Pastores de Emergencia* project, led by Zacarías Fievet from Valle de Chistau (Huesca). The project received €6,000, a year of free internet, AI mentoring with Embou, and financial mentoring from Caja Rural de Aragón. Powered by an online platform, this initiative addresses the needs of farmers and shepherds by ensuring uninterrupted operations during vacation periods or unexpected absences.

Journalism and Communication Awards

MasOrange hosted the fourth edition of the *Premios de Periodismo y Comunicación en Sostenibilidad* sustainability journalism and communication awards. These awards recognize the work of journalists, communicators, and media professionals who spotlight the role of technology in environmental care and sustainability. The 2024 edition attracted around 160 journalistic and news entries. Through these awards, MasOrange not only recognizes the work of information and communication professionals in addressing these issues but also emphasizes the importance of sustainable development in protecting the environment and driving socioeconomic progress. Sustainable development also serves as a tool for inclusion, improving both people's lives and their environments. All of this is made possible through the contribution of innovation and technology, which serve as catalysts for progress and development.

¡Qué Vivan Los Pueblos!

Connectivity is crucial to development. And as a telecommunications company, MasOrange is committed to bridging the digital divide in rural Spain. The goal is to connect everyone, no matter where they live.

For years, the Company has been expanding its network across the national territory, but now it wants to do more by supporting people committed to shaping the future of rural communities, fostering hope, and improving the destiny of rural Spain.

This is how Yoigo's *¡Que Vivan Los Pueblos!* (Long Live our Villages) project—an acceleration program designed for startups with a positive impact on rural Spain— was born.

The first edition was held in 2024 in collaboration with Fundación UnLimited, an expert in accelerating startups with a positive impact. Over the course of six months, 10 startups received mentorship from 10 Yoigo/MasOrange Group professionals.

The initiative provides top-tier tools and resources, including a network of over 30 Group experts offering advice on specific topics, learning opportunities on impact measurement, and networking opportunities. Additionally, participants benefit from increased media visibility and event exposure through a collaboration with Grupo A3Media.

The second edition kicked off in 2024 with 105 new startups registering. In January 2025, the six-month acceleration program will begin for the 10 selected startups and their respective mentors.

Pienso Luego Actúo

Yoigo continues its social commitment through the *Pienso Luego Actúo* (I Think, Therefore I Act) project. This initiative features branded content aimed at promoting social initiatives that are changing the status quo and making the world a better place.

In 2024, the brand remained dedicated to its podcast format, hosted by two women who offer the perfect counterbalance: Mónica Carrillo, embodying rigor and information; and Andrea Compton, bringing humor and relatability.

The podcast combines entertainment with reflections on global issues. The 3rd and 4th seasons, each consisting of seven episodes, aired during the year. Topics ranged from women in science, to digital-era scams, motherhood, and rare diseases, among others. Notable guests featured on the podcast included: Iñaki Gabilondo, Carolina Iglesias, Carles Tamayo and Nuria Jordá.

Aired on platforms such as YouTube, Spotify, and TikTok, the podcast garnered more than 69 million plays in 2024, 249,000 quality interactions (likes, comments, shares, and saves) and registered a 76% increase in its community in just over a year. Better yet, all related initiatives enjoyed a 90% increase in visibility, while interest and donations were up 70%. Efforts paid off with a Bronze Award in the Best Branded Content category at the latest *Premios Eficacia de Publicidad* advertising effectiveness awards.

Moreover, this project serves as a powerful amplifier during times of need, as witnessed during the DANA emergency. For several weeks, Yoigo promoted initiatives to address a range of community needs, donating 2.5 tons of fruit and vegetables in collaboration with Talkual, one of the startups accelerated through the brand's *¡Que Vivan Los Pueblos!* project.

Addressing the shortage of drinking water in the town of Alafiarou, Benín

Through Xfera Móviles, MasOrange—in collaboration with AUARA and the Alaine Foundation—helped address health and quality-of-life issues facing the community in Alafiarou caused by the lack of access to clean water. The project includes drilling a 45-meter deep well, installing a manual pump, and building a cement superstructure. The Alaine Foundation is funding the project and overseeing its maintenance with the Nikki Capuchin Sisters and a local water management committee. The social impact of the project is measured by the time saved and reduction in illness, generating a sizable return on investment over five years. By 2024, the initiative has already benefited 400 individuals, saving more than 28,000 hours in long treks to access drinking water.

9.9 Orange Foundation and Euskaltel Foundation

The Orange Foundation and the Euskaltel Foundation, both affiliated with MasOrange, share a common mission: to build a more human, inclusive, and sustainable digital society. They both strive to spread the benefits of digitalization, prioritizing underprivileged groups. The Orange Foundation works to foster digital inclusivity cross Spain, while the Euskaltel Foundation's efforts focus on technological development and information access, primarily in the Basque Country.

The foundations' common strategy, coupled with their distinct approaches, enable them to maximize their social impact and still preserve their unique identities. With this coordinated yet autonomous approach, they can leverage synergies to continue making a significant contribution to the creation of a more inclusive and sustainable digital society.

9.9.1 Orange Foundation

The Orange Foundation celebrated its 25th anniversary in 2023, reaffirming its status as a key agent of inclusive digital transformation in Spain. Since its creation in 1998, the foundation has impacted over seven million people, focusing on youth at risk of exclusion, vulnerable women, and individuals with Autism Spectrum Disorder (ASD), using technology as a driver of social change.

The anniversary provided an opportunity to reflect on the achievements made as well as the challenges that lie ahead. In 2023, the foundation released its *Impact of Digital Transformation in Spain: 1998-2023* report, and opened the Orange Digital Center, a space dedicated to digital inclusion and entrepreneurship. With 25 years of experience, the Orange Foundation is still firmly committed to an inclusive digital society, focusing on bridging digital divides and enhancing technological skills across Spain.

Impactful youth

- GarageLABs

The Orange Foundation's GarageLAB program teaches digital skills and increases the employability of young people at risk of exclusion through digital manufacturing labs. The number of centers increased from 35 to 40 in 2024, benefiting 8,506 young people, compared to 7,800 the year before. This program helps reduce school dropout rates in vocational training institutes and Second Chance schools by fostering creativity through digital and analog tools.

A key achievement was the collaboration with La Fábrica de las Palabras and Mantis Group at the University of Castilla-La Mancha on the Playing is Mandatory project. Through this project, students built toy adapters for children with disabilities to illustrate technology's inclusive potential.

- FTTH training

Since 2018, the Orange Foundation has been offering courses to train fiber optic (FTTH) installers, improving their employability in telecommunications. A total of 229 students received over 4,500 hours of FTTH training in 2024, an increase of 14.5% from 2023. The program's reach expanded thanks to partnerships, notably with the Employment Agency of the City of Madrid, Cáritas, and Fundación Secretariado Gitano (a foundation that works for the Roma community).

Women and Technology

- EDYTA Program

The EDYTA program drives the digital transformation of women in vulnerable situations by promoting digital skills as a tool for empowerment. In addition to providing technical training, the program boosts self-esteem, teamwork, and independence, thereby improving participants' quality of life.

In 2024, EDYTA supported 845 women (up 12.7% from 2023) and increased the number of classrooms from 20 to 22, training 110 educators (+15.8%). Geographic expansion took the program to new regions. Partnerships with local institutions and non-profit organizations were reinforced to extend its reach. Going forward, plans are for the program to maximize its impact by integrating new technologies and providing continuous support to graduates.

- Women and Technology Award

The Women and Technology Award recognizes outstanding women in technology and social innovation. The 2024 winner was Loreto Gutiérrez Hurtado, Director of the National Security Department and the first female Brigadier General in the Spanish Air Force. The award is inspiring an increasing number of women to pursue STEM careers and leadership roles, reinforcing its status as a benchmark in Spain's technology sector.

Supporting individuals with Autism

- Commitment to digital inclusion

The Orange Foundation promotes the digital inclusion of individuals with Autism Spectrum Disorder (ASD) through technological solutions, ICT-ASD classrooms, Visual Schools, and awareness initiatives. With over 30 free digital tools, the #JuntoalAutismo (supporting individuals with Autism) transforms accessibility and drives social integration.

- Digital solutions

With apps like *Dictapicto* and *Sígueme* and the new *Infinite Stories* (2024), the program improves communications and learning for individuals with ASD. Noteworthy initiatives include *Playing is Mandatory* and *We also Play at the Hospital*. In partnership with hospitals, these initiatives entail adapting toys to promote inclusive and therapeutic play.

- ICT-ASD classrooms and Visual Schools

There were 36 ICT-ASD classrooms in 2024, enhancing digital skills and driving social inclusion. Meanwhile, the Visual Schools train teachers in visual communication, benefiting more than 82,000 children in 165 schools. In 2024, further efforts went to workshops, visual resources, and alternative communication systems entailing expansion plans and online monitoring.

- Hospital signage

This initiative includes putting up pictograms in hospitals to assist individuals with ASD in finding their way around. In 2024, the initiative was rolled out in 131 hospitals across Madrid and Valencia, raising awareness among medical staff and enhancing inclusive care.

Through these initiatives, the Orange Foundation fosters a more accessible and inclusive society for individuals with ASD through technology and awareness-raising.

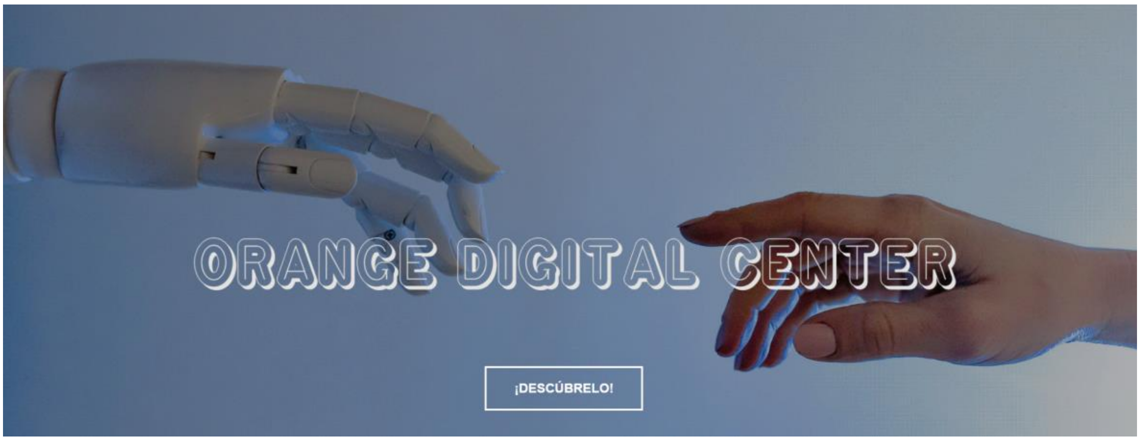
Orange Digital Center and digital skills training

- The Orange Digital Center building

Inaugurated in 2023, this $340m^2$ facility in Madrid promotes digital inclusion and training. It hosts workshops, conferences, and programs like the Code School and Digital Manufacturing Workshops.

In 2024, it reached 3,500 direct beneficiaries, had 7,300 visitors, and held 593 training sessions.

Key projects focused on digital inclusion, entrepreneurship, climate change, and responsible ICT usage. The Foundation's future plans include expanding the training offering, integrating adaptive technologies, and carrying out mentorship programs to cement the center's status as a benchmark in digital training.



- Online training

The Orange Digital Center Online platform offers over 50 free courses on digital inclusion, technology, and entrepreneurship. With roughly 30,000 users, it caters to all levels of learning. The foundation rounds off this training with specialized courses, including the use of technologies for individuals with ASD, the creation of virtual classrooms, and workplace communication for individuals with ASD.

Major step forward in its digital inclusion mission

In 2024, the Orange Foundation made enormous inroads in digital inclusion with the award of two large public grants:

- Red.es: Basic digital skills training for 13,500 people in 52 provinces through 2026.
- Rural Digital Challenge: Training for over 7,300 residents in rural municipalities with population under 5,000.

The foundation also expanded its social impact through solidarity initiatives, including donations of technological material after DANA flash floods in Valencia, and support of educational and cultural initiatives, including the "What is a King to You?" contest and the Albéniz Foundation scholarships.

11.9.2 Euskaltel Foundation: Weaving the Basque Country's digital future

The Euskaltel Foundation is committed to developing technology advancement and providing access to the information society. It carried out several innovative initiatives in 2024. Actions ranged from training young talent to staging technology events, underscoring its commitment to progress and expansion of the digital culture in the Basque Country.

Promoting STEAM Careers

- HETEL: Building tomorrow's professionals.

The Euskaltel Foundation, in conjunction with HETEL, organized a challenge for 59 students of an advanced training cycle in telecommunication and computer systems. They had to devise a corporate network for a fictitious company using advanced tools, such as e-mail, VoIP and cloud computing. The practical approach allowed them to become familiar with key technologies and develop technical skills and cross-cutting competencies for their future careers.

- EYPE: The voice of Europe's youth

In 2024, the European Youth Parliament Spain (EYPE) held events in Donostia-San Sebastián, Bilbao and Pamplona. The encounters brought together young people from all over Europe to discuss the continent's current challenges, promoting the exchange of ideas and technological training to prepare new generations to be active citizens in an interconnected Europe.

- Teleko Gaua: The night that lights up telecommunications

Teleko Gaua, the annual telecom sector event that brings together professionals and institutions, was held on March 14, 2024. During the ceremony, awards were presented in several categories, e.g., Social Innovation and Digital Transformation, recognizing excellence in the sector and promoting networking and cooperation among associations and companies.

- Inspiring Women Leaders: Empowering female leadership in the digital era

In February, the University of Deusto hosted the 8th Inspiring Women Leaders in the Digital Era Congress. The event brought together leaders from the institutional and business world with the aim of raising the visibility of disruptive women and promoting entrepreneurship. Teresa Alarcos, the founder of the congress, highlighted the importance of the event as a platform for supporting female entrepreneurship.

Euskal Encounter and other technological innovation projects

- Euskal Encounter 32: The technology party

Euskal Encounter, a key technology event for Spain and Europe, held its 32nd edition at the Bilbao Exhibition Center. There were 5,000 participants daily, with 10,000 visitors. Activities focused on AI, 5G and talent management. There were digital art competitions, video games, and free software, along with discussions on emerging technology. The Opengune area provided a forum for the general public to explore new technologies, making this a must-visit event for the technology ecosystem.

- EuskalHack: At the cybersecurity forefront

Organized by the first association of Ethical Hacking in the Basque Country, the EuskalHack Security Congress was a meeting place for cybersecurity experts. The event underscored the Basque Country's importance in computer security research as a cybersecurity leader.

- BAIC (Basque Artificial Intelligence Center): Basque artificial intelligence in action

On May 15, the Basque ApplAI Congress, sponsored by the Euskaltel Foundation, was held at the Bizkaia Technology Park. The event highlighted innovations in AI, contributing the knowledge in this crucial area for the Basque Country's technological future.

- Innobasque - Global Innovation Day: AI at the heart of debate

The key topic at Global Innovation Day, organized by Innobasque, was AI. Ikerbasque lecturers led a roundtable discussion on AI and its impact on society, showing how Basque organizations apply this technology to tackle complex challenges.

- Gamegune 2024: eSports take over Álava

The Gamegune 2024 eSports competition, organized by the Euskaltel Foundation, was held at the Alava Technology Park. Comprising video game tournaments among national and international players, the event highlights the growing interest in the Basque Country in eSports.

Through these projects, the Euskaltel Foundation continues to forge the Basque Country's digital future, promoting innovation, technological development, and digital inclusion throughout Basque society.

10. Customers

GRI 2-6; 3-3

MasOrange's mission entails providing the keys for a responsible digital world through the increasing use of technology. We believe technology should serve people, helping to achieve sustainable development goals and transforming digital innovation into prosperity for all. To overcome future challenges, enhancing customer excellence is a key pillar of our strategic plan. Our operations, networks, multi-brand strategy, and services are what make us stand out and what generate value, enabling us to grow while strengthening customer trust.

Key indicators

Customer experience

- Reduction in the number of customer incidents ('strikes') in the CX Cockpit model, integrating analytical power to ensure customers' E2E experience.

Data privacy

- Implementation of an ISO 27701-certified privacy information management system.
- Adoption of codes of conduct for resolving disputes over data protection.

Cybersecurity

- MasOrange Security solutions that ensure 360 total security and a safer digital transformation.
- National Security Framework (ENS) certification in HIGH category for mobile and fixed network services, unified communications, and other services.
- ISO 27001-certified private information management system.
- Renewal and expansion of ISO 22301 certification for Orange and MASMOVIL

Pillars of our strategy:

'The customer first' is one of MasOrange's values and in this regard customer satisfaction a strategic priority for the Group, achieved by:

- ✓ Enhancing our service offering and introducing new solutions.
- ✓ Continuously monitoring customer satisfaction through various formats, including general, episodic, and transactional feedback.
- ✓ Addressing customer concerns, both reactively (claims) and proactively (using a range of detection and correction mechanisms).
- ✓ Maintaining a quality management system with ISO 9001 certification.
- ✓ Deploying new technologies, such as AI, to enhance service quality.

In a highly competitive market, MasOrange remains committed to its customer-centric approach, offering a broad and comprehensive range of telecommunications products and services. Our propositions are tailored to all market segments, from those seeking premium solutions to price-sensitive customers, including households with limited resources that need reliable, affordable connectivity. The satisfaction and trust of our customers is our top strategic priority for achieving a sustainable competitive advantage.

MasOrange's brand portfolio comprises the following:

- **Orange**, a compassionate and committed brand that adds value to customers by meeting their needs and bringing them closer to what they care about most. Offering services to both individuals and businesses, Orange targets the premium market segment with top-tier fiber optic connectivity—Orange Infinity (XGSPON fiber, with speeds up to 10 Gbps—the best 5G and 5G+ connectivity, a broad catalog of devices, a comprehensive and varied entertainment offering (all European football and other sports, premium content, and music and gaming experiences), a premium experience, and value-added services (e.g., home, business, and health insurance).

- **Yoigo**, a telecommunications provider offering mobile, internet, and TV services. This brand is known for its competitive pricing and focus on simple, transparent offers. Yoigo currently offers customers home insurance with extensive coverage supported by MAPFRE insurance, ADT security alarm services, and a carbon-neutral natural gas plan that offsets customer emissions through their gas consumption by reforesting a fire-damaged area near Torimbia Beach in Llanes (Asturias).

- **Jazztel**, a well-known brand positioned as a "value-for-money" choice for customers seeking high-quality telecommunications services—fiber, 5G and Jazztel TV—at a fair price through an offer that combines simplicity with the brand's hallmark characteristics: quality connectivity and superior customer service.

- **MASMOVIL**, a telecommunications provider offering mobile, internet, and TV services. Known for its competitive rates and commitment to customer satisfaction. Last year, MASMOVIL introduced a gas plan to expand its energy service offerings. Customers receive permanent discounts on their monthly phone bills for each electricity and gas contract they sign, with additional savings for second homes. MASMOVIL also partners with CASER Seguros to offer a payment protection insurance plan with exclusive advantages, e.g., competitive pricing, comprehensive coverage, and a user-friendly claims process.

- **Pepephone**, a telecommunications provider offering mobile, internet, TV and, in certain cases, energy services. It is distinguished by its transparency, simplicity, and customer service. Pepephone offers competitive tariffs and does not require a contract. Its customers can switch plans or provider without any penalty. Since 2023, it also offers MultiSIM, as well as a gas service with fixed pricing throughout the day for its electricity customers.

- **Simyo**, a telecommunications provider offering mobile telephony and internet services. It is known for its focus on flexibility and customization, allowing customers to design their own plans based on their specific needs. Simyo is also known for its competitive pricing and no-contract policies, enabling users to switch plans or providers without any penalty.

- **Lebara**, a telecommunications company offering mobile telephony services, recognized especially for its low international calling rate. This company focuses on providing affordable communication solutions for immigrants and ex-pats, helping them stay connected with their families and friends abroad. Lebara also offers prepaid and no-contract plans, enabling users to control what they spend and to switch plans easily.

- **Lycamobile**, a telecommunications company offering mobile telephony services, focusing particularly on low-cost international long-distance calls. Operating in several countries around the world, Lycamobile serves primarily immigrants and ex-pats who need frequent communication with their home countries. It offers prepaid and no-contract plans, enabling users to control what they spend and to switch plans in accordance with their needs. Lycamobile is known for its competitive rates and broad international coverage.

- **Euskatel**, a telecommunications provider offering fixed and mobile telephony, internet, and TV services. It is the leading telecommunications operator in the Basque Country and also services other regions in northern Spain, such as Galicia and Asturias, through its R and Telecable brands, respectively. The company is recognized for its strong regional presence and commitment to quality customer service.

- **R**, a telecommunications provider offering fixed and mobile telephony, internet, and TV services, primarily in Galicia. It stands out for its strong regional presence and commitment to quality customer service. The company has an extensive service portfolio, serving both residential and business customers, and has a good reputation for its fiber-optic network infrastructure.

- **Telecable**, a telecommunications provider offering fixed and mobile telephony, internet, and TV services, primarily in Asturias. It has established itself as the primary telecommunications provider in Asturias, noted for its strong regional approach and commitment to providing quality customer service. The company has an extensive service portfolio, serving both residential and business customers, and has a good reputation for its fiber-optic network infrastructure.

- **Guuk**, a telecommunications provider offering mobile, internet, and TV services. Operating primarily in the Basque Country, it stands out for its focus on simplicity, transparency, and customer service. Guuk strives to offer competitive pricing and high-quality services, tailored to the specific needs of customers in these regions.

In June 2024, we launched a series of integration projects across processes, networks, and systems, along with the unified Customer Experience Cockpit model. The objective was to implement best practices in customer experience across all the Group's brands. We standardized key metrics for measuring customer experience in all areas and brands and made comparisons to gear efforts toward maximizing consistency in customer experience, while preserving the unique values and characteristics of each brand.

Looking ahead to 2025, we have strengthened this new model to enhance customer experience across all brands by reducing the number of customer issues in the various services we provide, use of the fixed, mobile and TV networks by minimizing incidents and shortening resolution times, and in several technical KPIs, which measure service behavior and quality, and ease of access, including international roaming.

We also reduced the number of Wi-Fi issues by upgrading equipment with improved features and additional signal boosters where necessary. In addition, we managed to minimize billing complaints, resolution times, and the potential for recurring issues.

Elsewhere, we limited potential problems for customers who need to settle previously unpaid invoices and improved logistics for deliveries. We limited customer problems when calling our generalist or technical support call centers by focusing more on first call resolution and faster access to our service. Our overarching objective with these efforts it to reduce the number of detractors and increase the number of promoters of our brands by delivering an outstanding customer experience.

In parallel, we spent 2024—and intend to continue doing so in 2025—improving customer journeys by identifying pain points and making considerable enhancements to processes, e.g., ensuring appropriate and proactive communication with our customers.

We continued to improve overall experience in the use of the Group's main products and services in 2024, boosting the satisfaction of our customers, who recognize that they are receiving better, faster, and more efficient service.

For example, our customers now benefit from one of the fastest 5G networks in the market, with speeds of up to 1.6 Gbps. Our 5G network enables seamless access by customers to high-quality content, online gaming, virtual reality, and other cutting-edge applications. We aim to provide the best experience to our customers, who are at the center of our strategy. To do so, we continue to invest in improving our networks and systems.

MasOrange strives to be considered the go-to partner for the self-employed and SMEs, helping them navigate the necessary digitalization of their processes and activities to thrive in an increasingly globalized economy. To support entrepreneurs who lack the necessary tools for digital transformation, we introduced a new portfolio of digital services designed to help businesses take the step toward digitalization. These services provide tailored solutions that align with the unique objectives and needs of each business, including digital marketing, customer management, and e-invoicing products.

These solutions can help grow the customer base and revenue, while at the same time streamline their operations, reduce costs, and improve efficiency and competitiveness.

We also continue to enhance household capabilities by improving both speed and equipment. Nearly all of our fixed connections now operate at high speeds (300-600 Mbps), with over 10% benefiting from 1 Gbps. In line with these efforts, our routers have also advanced, transforming the household experience, with 35% of our customers now enjoying Wi-Fi 6 equipment. In parallel with rollout of this new technology in our portion, we also launched the first Wi-Fi 7 home connectivity.

Another highlight included improvement in the TV service in 2024. The success of the initiatives implemented to enhance the customer experience positioned Orange TV among the market leaders. We launched an updated TV app, with an 80% improvement in responsiveness and a 15% increase in system robustness. This resulted in the highest-quality image and sound, along with an expanded and more attractive content catalog that has been well received by our customers.

All these advancements in customer experience are also reflected in annual reports from SETID (the Spanish State Secretariat for Telecommunications and Digital Infrastructure), where the MasOrange Group's brands boast the best complaint and claim resolution rates across both convergent and mobile-only services.

We are aware of customers' recognition of the improvement we have made by our brands' Net Promoter Score (NPS), which remain the sector leader.

We developed and consolidated a comprehensive customer satisfaction feedback system that includes user-friendly and non-intrusive surveys at different key touchpoints. We assess customer calls on an ongoing basis using a cutting-edge AI-driven digital tool which processes and uses feedback to design and implement initiatives to increase satisfaction and raise NPS.

For instance, the MasOrange Group's Quality Management System is ISO 9001 certified.

10.1 Privacy and personal data protection

Information and personal data protection, i.e., ensuring the privacy of our customers, is one of the Group's top priorities. Accordingly, we have developed the following Group-wide and internal policies regarding customer security and privacy:

- Global Security Policy, approved by CEO Meinrad Spenger on July 19, 2024. This policy sets out the principles, objectives, and governance framework for security at MasOrange. It constitutes the security reference framework for all MasOrange companies and applies to all of them.

The policy promotes good security governance, risk management, personal safety, asset protection, and compliance with applicable laws and regulations. It also fosters a culture of security in line with the Company's values and ethical approach to support the achievement of business objectives.

- Data Privacy Policy approved by the Board of Directors on June 27, 2024, establishing the principles and guidelines that must be developed to ensure that all processing of personal data complies with current legislation. Developed in accordance with the recommendations of the international standard ISO/IEC 27701, this policy requires all departments, teams, and personnel across all Group entities, as well as third-party collaborators, to respect and comply with basic personal data processing principles.

- Information Security Policy, approved by the Board of Directors on October 18, 2024. This policy is based n the recommendations of the international standard ISO/IEC 27001 and the good practices established by the UNE-ISO/IEC 27001 standard, as well as on the commitment to comply with the basic principles and minimum requirements of the Royal Decree that regulates the National Security Scheme (ENS). The objective is to maintain the security and integrity of information, establishing at each point the appropriate controls and measures to preserve confidentiality, integrity, availability, authenticity, and traceability.

- Internal Reporting System Policy – Ethics Channel, approved by the Board of Directors on June 27, 2024, which states that the Board is responsible for the making available to all employees and other stakeholders an Ethics Channel where they can raise alerts about offenses, as well as ask general or specific questions to MasOrange experts on issues related to ethics, compliance, and corporate social responsibility.

In this regard, the privacy principles by design and by default in Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (General Data Protection Regulation or "GDPR") are adhered to in both daily operations and in the development of new services.

In the MasOrange Group, we are committed to minimizing the number of incidents related to our customers' private data, ethical content, and advertising.

Data protection governance

To ensure rigorous compliance by all companies that make up the commercial Group with their obligations in terms of data protection, the Group is equipped with a specific organization in Data Protection.

This organization, along with the functions and obligations assigned to each subject within it, must be recorded and developed, which includes the following figures or positions related to the daily management of everything related to the processing of personal data:

The Group has decided to appoint a Group **Data Protection Officer (DPO)**, who has the legally established attributions and can be contacted via email at dpo@masorange.es. Tasks of the DPO:

- To provide guidance and advice organically on the design of initiatives implemented within the MasOrange Group.
- To monitor, on-site, compliance with the GDPR.
- To manage data protection risks.

- To control organizational functions, such as creating a record of processing activities, reviewing data processing operations, and conducting impact assessments.
- To draft and periodically updating data protection policies.
- To conduct investigations.
- To have access to the entire organization for advisory purposes.
- To coordinate and oversee awareness-raising and training programs of staff involved in processing operations, and the relevant audits.
- To cooperate with the supervisory authority and act as the main contact point on issues relating to processing of personal data.

The current DPO was appointed in a communication sent to the Spanish Data Protection Agency (AEPD) on September 30, 2024, for all MasOrange Group companies to ensure uniformity in policies, procedures, and criteria. In compliance with Article 39 of GDPR, the DPO shall have the duties assigned in the GDPR and applicable regulations, as well as any additional internal tasks assigned. These tasks were approved by the Group's internal bodies and disclosed to the Board of Directors, to which the DPO regularly reports.

Additionally, the Privacy Office was established and provided an organizational structure capable of dealing with the Group's growing data protection needs.

Privacy Office

The DPO has a support office to assist in performing its tasks. The primary mission of this office includes advising and reporting to Group companies, in conjunction with the DPO, on matters of data protection, ensuring effective compliance with data protection regulations.

Privacy Committee

The Privacy Committee, integrated into the Global Security Committee, is the body responsible for making decisions with an impact on data protection, as well as monitoring compliance with the legislation in this area by the Group.

Over the course of 2024, the Privacy Committee continued to hold its regular meetings, addressing several issues, such as enhancing processes for data blocking and deletion, implementing Article 66 of the General Telecommunications Law, and identifying areas of improvement in privacy in several processes.

Area Data Protection Officer

The Area Data Protection Officer acts as the contact point of the assigned area with the Privacy Office and has responsibility for certain tasks that the legislation assigns to the Data Controller that it can delegate, although it remains accountable for them.

Resource Manager

The Resource Manager is the contact point with the Privacy Office regarding technical issues of the systems that support data processing: functionalities, access, segregation of functions, authorizations, and other security measures.

Personal data governance tool

In 2024, MasOrange successfully consolidated the implementation of OneTrust as its data governance management tool across the entire MasOrange Group. A customized privacy management system using this tool was successfully implemented with the Data Protection Office's own resources.

Adherence to codes of conduct

In 2024, MasOrange Group companies adopted a new Code of Conduct in accordance with Article 40 of the GDPR. The purpose of this code is to resolve disputes over data protection in the electronic communications sector.

Adherence follows the adoption in 2023 of Autocontrol's Code of conduct - Data Processing in Advertising Activities.

Artificial Intelligence

2024 saw a major boom in the use of artificial intelligence (AI) in all areas, significantly impacting personal data protection, particularly when AI models are trained on user data or applied to individuals.

The Privacy Office is integrated into the MasOrange Group's AI governance framework, which was established in 2024 to ensure protection, by design and by default, of individuals' rights and freedoms in the development, use and marketing of AI tools.

10.2 New services

GRI 3-3

The MasOrange Group stands out for its unwavering commitment to continuous improvement and innovation in its bid to remain a leading operator in Spain and globally. Each year, we expand our range of services and products to meet our customers' needs and provide quality, useful, and differentiated solutions. Examples include mobile insurance for peace of mind, bill protection insurance, home alarm service, and self-consumption solar panels.

In 2024, the Group focused on new value-added services that improve its customers' daily lives. Key launches during the year included:

Electricity and gas services with discounts on phone bill for Orange and R customers

MasOrange—the product of the merger between Orange Spain and the MÁSMÓVIL Group—introduced a new electricity and gas service product under the Orange and R brands. The initiative provides customers with discounts on their telecom bills, of €6 off per month for signing up for electricity and an additional €3 for adding gas. Electricity rates entail a fixed price of €0.11 per kilowatt-hour, while gas prices are updated on a half-yearly basis, in a no-contract plan. In addition, customers can track usage through an AI-powered mobile app enabling them to optimize their utility bills.

With this proposition, MasOrange aims to shore up its place in the energy market, targeting over 600,000 customers and positioning itself as the leading independent supplier after Repsol. This expansion aligns with the Company's diversification strategy, as MasOrange already offers utility services under other brands, e.g., Euskaltel, Yoigo, MÁSMÓVIL, Pepephone, and Lucera.

Yoigo, MÁSMÓVIL, and Euskaltel launch home insurance in partnership with Mapfre, offering discounts on phone bills for policyholders.

MasOrange Group brands have broadened their service portfolios by introducing a home insurance plan in partnership with Mapfre. Available for both tenants and homeowners, the product offers flexible payment options, guaranteed emergency assistance, and better renewal benefits for customers who do not file any claims. Telecom customers are eligible for an extra monthly discount of €3 (€36 per year) on their phone bill, which can be combined with other discounts in electricity and gas contracts, for a total discount of up to €12 per month (€144 per year).

There are two types of coverage: standard, which includes normal home insurance protection, and comprehensive, which is full range and covers accidental damage of furniture and electronic devices. Additional coverage options from Mapfre's catalog (e.g., travel assistance or protection for pets) can be included for customers with specific needs.

MasOrange, in partnership with Telefónica and Vodafone, launch anti-fraud services in Spain.

In February 2024, MasOrange, alongside Telefónica and Vodafone, launched two network services in Spain: Number Verification and SIM Swap. These solutions, developed as part of the GSMA Open Gateway initiative, are designed to verify a user's identity and detect recently changed SIM cards, respectively, increasing protection against online fraud and protecting the digital identifies of mobile customers.

Implementation of these Application Programmable Interfaces (APIs) will allow developer teams and partners to create new layers of customer authentication and security within mobile phone networks. This will help businesses, such as financial institutions and online retailers, tackle identity fraud by enhancing user authentication and improving transaction security.

10.3 Customer satisfaction

Knowing the level of customer satisfaction is crucial for the MasOrange Group. The Company conducts general, episodic, and transactional studies for each of its brands to assess overall satisfaction, as well as satisfaction with specific aspects and at different touchpoints, and to identify areas for improvement. The studies are conducted quarterly, analyzing customer feedback from the various brands: Orange, Yoigo, Jazztel, MÁSMÓVIL, Pepephone, Virgin telco, Euskaltel, R, Telecable, Embou, Lucera, and Guuk.

In the 2024 studies, all the Group's legacy brands remained leaders in customer satisfaction in their segment, sustaining or improving on the high satisfaction levels achieved in previous years in the main brands in both segments.

Assessment of customer satisfaction

The following table sets out the assessment of satisfaction with the Group's legacy brands in 2024 (based on data published by consulting firm GFK in its Telecommunications Customer Satisfaction Study report):

Services	Brands	2024	
		Satisfaction (*)	NPS (*)
Convergence	Orange	7.8	15
	Yoigo	8.2	27
	Jazztel	8.2	28
	MÁSMÓVIL	8.2	22
	Pepephone	9.1	63
	Simyo	8.6	31
	Virgin telco	-	-
Mobile only	Orange	7.9	17
	Yoigo	8.6	36
	Jazztel	-	-
	MÁSMÓVIL	8.8	41
	Pepephone	9.2	67
	Simyo	8.7	54
Regional brands	Euskaltel	7.6	0
	R	8	19
	Telecable	7.9	15
	Guuk	8.5	36

Scale from 0 to 10 (0 = Very unsatisfied, 10 = Very satisfied)

* Figures to September 30.

The Group is still the leader in customer satisfaction, maintaining its strong performance and distance over its rivals.

In the business segment, the Group employs a different customer satisfaction measurement process entailing an automated survey. At the end of each call, customers rate both the quality of service received and the degree of resolution.

10.4 Customer service

All the Group's brands offer customers agent-assisted support, as well as digital channels where they can find answers to questions and perform certain self-service functions. These include the web channel, App, chat, and interactive voice response (IVR). All were developed by the Group's main brands with AI and open-ended questions using natural language processing (NLP) for better understanding of customer intent and needs. Customer service is free for all our brands, with no access fee or service charge.

Given the growing importance of digital channels and an increasingly digital society, the Group's brands are advancing with new technologies that encourage omnichannel strategies so customers can enjoy a similar and equally rewarding experience regardless of the channel they choose. Given how important the services offered by the Group is for our customers' daily lives, extended customer service hours are provided, including 24/7 availability for the Group's key brands.

In 2024, the Group continued with its deployment of digital channels (WhatsApp), with strict customer experience requirements regarding follow-up contact and satisfaction levels. Efforts during the year focused on streamlining operations, optimizing procedures, and reserving these channels for situations that are actually "critical" for customers.

During the second half of the year, we worked on developing new sales and commercial management capabilities following a service interaction, achieving notable success. We also worked on applying each individual brand's best-in-class processes across the Group.

To support the Company's CRM technology stack migration, we worked on mitigation scenarios and, ultimately, efficiency gains from a multi-brand stack. Looking ahead to 2025, we have drawn up several projects for customer response automation and enhancing agent capabilities through generative AI.

To better understand the reasons behind customer churn and dissatisfaction, the Group has dedicated platforms to resolve potential pain points and maximize the retention of these customers.

Business customers also benefit from free telephone and email support. Specifically for cable operators, there is a dedicated self-service website.

10.5 Complaints

GRI 3-3; 2-25; 418-1

The Group has a customer satisfaction survey system operated by a third party. Surveys are conducted quarterly, allowing customers to evaluate the service they receive across all channels.

All Group customers have access to the complaints system through multiple channels: the website, chat, in-person at Group stores, or agent support via phone. Customers can also report incidents or submit complaints about services contract through official organizations, such as consumer affairs offices, arbitration boards, or the Secretary of State for Digital Advancement.

Each brand's customer service complaints receives all incidents and/or complaints and records all complaints in the Group's internal system. This system enables the Group to have control over the entry, resolution time, and proposed solution for each complaint registered.

The Group undergoes quarterly audits to assess standard volume and service level compliance in complaint resolution. In 2024, despite the larger customer base, the total number of complaints received decreased by more than 5%.

Over the course of the year, the Group consolidated its incident management systems into a single platform, enabling us to trace all customer interactions within a single case file. This resulted in improvement in the continuity of communication with our customers and their experience with us.

We ensure effective claims and complaints management ensured through a secure, omnichannel, and agile process:

- Depending on the channel chosen by the customer, appropriate security policies are applied, then the claim or complaint is logged in the subscriber management system, the "CRM", or alternatively in the ticketing tool. The customer must be verified as an authorized party to handle the claim or complaint.
- All relevant information is gathered to determine the cause of the complaint. Based on predefined procedures, a resolution path is then selected (e.g., mass service incident management or technical issue resolution).
- If the issue can be handled online, the defined procedures are implemented in accordance with the type of incident identified. If applicable, adjustments or compensation are made in accordance with the predefined policies for each case, unless escalation to a second level is required. Finally, customers are notified via SMS or phone of the actions taken.
- If the issue cannot be handled online, it is escalated to a second level through the CRM or ticketing tool, where all the information is coded. That team, based on its competencies, processes and resolves the corrects the situation (applying an adjustment or compensation where warranted, in line with the defined policies for each situation), and notifies the customer. The second level directly handles all complaints received through offline channels, following the same policies and processes.
- If the second-level team lacks the necessary resources to resolve the issue, the case is escalated to a third level for further processing and follow-up until confirmation that it has been finalized (applying an adjustment or compensation where warranted, in line with the defined policies for each situation). As soon as the case is closed, all actions taken are recorded in the CRM or ticketing tool and the customer is informed.

In compliance with its service quality obligations, MasOrange publishes the billing correction claims indicator on a quarterly basis, subject to an annual audit. This audit verifies compliance with the General Telecommunications Law and ensures that MasOrange has a system for measuring and assuring service quality. Audited data are sent to the Secretary of State for Telecommunications and published on the website: Ministry for the Digital Transformation and Civil Service - Monitoring reports (mineco.gob.es). Quarterly reports indicate considerable improvement in this indicator:

Type of service	**2024**								
	Orange	**Yoigo**	**Jazztel**	**MÁSMÓVIL**	**Pepephone**	**Simyo**	**T**	**K**	**R**
Fixed service (%)	0.13	0.1	0.28	0.07	0.08	0.08	0.16	0.1	0.18
Mobile service (%)	0.28	0.04	0.32	0.03	0.07	0.001	-	0.02	0.02

In addition to the information in the preceding table, the number of oral hearings in civil proceedings received decreased in 2024, as shown below (figures at year-end):

Number of proceedings	2024
In process	673
Closed	208
Total entries in the year	**153**

For a more detailed breakdown by number, type, and compliance levels of customer claims, the Group publishes a quarterly report audited by the Secretary of State:

- Orange: https://www.orange.es/acercadeorange/calidad https://www.orange.es/acercadeorange/calidad
- Yoigo: https://storage.googleapis.com/yoigo-statics/files/conditions/Calidad_de_Servicio_Yoigo.pdf
- Jazztel: https://www.jazztel.com/accesible/accesible-calidad
- MÁSMÓVIL: https://www.masmovil.es/static/pdf/calidad-servicio-mm.pdf
- Pepephone: https://www.pepephone.com/calidad-del-servicio
- Euskaltel: https://www.euskaltel.com/CanalOnline/microsites/calidad_servicio/index.jsp?idioma=esp
- R: https://mundo-r.com/quienes-somos/calidad-de-servicio
- Telecable: https://web.telecable.es/calidad-servicio

In 2024, MasOrange did not receive any complaints and/or sanctioning proceedings in relation to security incidents or violations of privacy. However, cyberattacks on organizations in critical sectors increased, followed by public administrations.

10.6 Responsible advertising and consumption

GRI 416-1; 416-2; 417-1; 417-2; 417-3

In line with its values and true to the principles outlined in its policies, the MasOrange Group ensures transparency in its products and services. It applies this same transparency principle in its responsible advertising through a control procedure called "copy advice," conducted by Autocontrol, which awarded us the annual Corporate Social Responsibility Certificate.

Additionally, carbon footprint measurement and offsetting measures have been incorporated into advertising shoots for Orange, Yoigo (including *Pienso, Luego Actúo*), and MÁSMÓVIL. This process is overseen by consulting firm Creast, with which we contributed on reforestation projects in the Amazon in partnership with Saving the Amazon.

To assess performance of both health and safety initiatives related to its products and services and devices it offers, MasOrange measures usage and application using qualitative and quantitative indicators based especially on take-up and feedback by end users. We guarantee that all equipment and devices we sell comply with current regulations regarding performance.

To do so, in 2023 and 2024, we evaluated and verified that 100% of fixed access equipment (routers and repeaters) installed those years met appropriate labeling and documentation requirements in accordance with European directives, ensuring they did not have any negative impacts on consumer health and safety.

Promoting responsible use of technology

In the same vein, all Group brands promote responsible use of technology through various communication channels with current and potential customers.

As described in Chapter 11, to address society's needs and reinforce our commitment to the responsible use of technology, Orange launched TúYo, the first comprehensive solution to protect children in the use of their first mobile phone. This solution directly addresses parents' main concerns: limiting screen time, blocking inappropriate content, and tracking the child's location.

The Group uses social media on a daily basis to illustrate and educate customers and followers about responsible app usage and its benefits for customers. We also help amplify campaigns from the AEPD, such as this organization's *Más que un móvil* (More than a mobile phone) with UNICEF. This initiative was disseminated through the MasOrange Group's own main communication channels, including social media, blogs, stores, websites, and internal and external communications to customers of the various brands.

Tips on the digital world and use of technologies

Through their social media accounts and blogs, the MasOrange Group's various brands offer tips on the digital world in a variety of consumable formats so that both its current and potential customers know the benefits and risks.

The aim is to inform them and teach them how to make good and safe use of technology. Additionally, Yoigo's monthly newsletter, *Aloha*, keeps customers informed about news on the brand, on key issues such as B Corp certification, on special initiatives such as *Más que un móvil*, and provides interesting tips (e.g., ideas on how to avoid food waste, reduce energy consumption) based on the *Pienso, Luego Actúo* social initiative in each issue of the newsletter. Framed by *Pienso, Luego Actúo*, topics covered last year included the correct use of new technologies and in this area how to prevent digital fraud and prevent fake news.

Tips on energy efficiency, self-consumption and sustainability

Meanwhile, EnergyGO's blog and social media accounts provide practical tips on energy efficiency, self-consumption, and sustainability, among others, to help both customers and non-customers become more efficient in their consumption and to consume energy in a more sustainable way.

The *Pienso, Luego Actúo* project promotes and gives space to initiatives related to sustainable tourism and the development of green cities.

Tips on health and well-being

Yoigo regularly sends customers emails from DoctorGO (its health services platform) with information about the online health app, covering 24/7 telemedicine, nutrition, fitness, telepharmacy services, and e-prescriptions. These emails also include health tips linking to the DoctorGO blog for more in-depth information.

With *Pienso, Luego Actúo* we promoted work of organizations on battling rare diseases, burnout, and addiction to pornography.

As part of our commitment to the good health and well-being of everyone, we continuously monitor the electromagnetic emissions that could be generated by our business to ensure strict compliance with permitted exposure limits. This includes:

- Conducting electromagnetic field measurements before building new stations
- Certifying all our stations with the Ministry to ensure compliance with applicable legislation
- Performing periodic and annual emissions measurements in compliance with current regulations
- Utilizing the most advanced and cutting-edge technology to reduce electromagnetic field emissions

Reports from the Scientific Advisory Committee on Radio Frequencies and Health (Comité Científico Asesor en Radiofrecuencias y Salud or CCARS) https://ccars.org.es/publicaciones/documentos-elaborados-por-el-ccars, confirm that: "New evidence published continues to indicate that no adverse effects on human health have been observed from exposure to radio frequencies from mobile phone antennas, radio and TV transmission, or wireless (Wi-Fi) systems used at work, school, or home. Levels of exposure shown in research published are still hundreds or thousands of times below limits considered safe by the ICNIRP, WHO, EU and Spanish Royal Decree (RD) 1066/2001".

Agreement over telemarketing code of conduct

The MasOrange Group, in conjunction with other major telecommunications players, agreed a new telemarketing code of conduct—applicable since 2021—to prevent abusive telemarketing practices.

Measures in the code include stricter oversight of actions by distributors and other telemarketing call platforms to prevent deceptive, fraudulent, or anti-competitive practices.

The inter-operator agreement also tightens control to prevent consumer data from being collected or encouraging replies from customers that can be misconstrued as forced acceptance of change in operator, to increase restrictions on marketing calls during rest hours, and to reinforce compliance with the obligation not to call users wishing to be included on the Robinson List "opt out" or "do not contact" list.

There have been no incidents of non-compliance with regulations or voluntary codes concerning marketing communications.

10.7 Tariff transparency

A priority of the Group is to ensure that its customers have predictability in their billing. To achieve this, it adheres to principles of clarity, transparency, and communication with customers.

Orange brand

Offering products and services to both individuals and businesses, Orange targets the premium market segment with a top-tier fiber network, with speeds up to 10 Gbps thanks to XGSPON technology, the best 5G and 5G+ connectivity, a broad catalog of devices, a comprehensive and varied entertainment offering (all European football and other sports, premium content, and music and gaming experiences), a premium experience, and value-added services (e.g., home insurance, energy, and health solutions). Customers can access all relevant information via the website and app.

Yoigo brand

All Yoigo's convergent and contract plans offer unlimited minutes, and mobile data speed automatically slows down when customers use up the data limits of their mobile rates. Before reaching those limits we send customers several usage alerts. In addition, customers can access all relevant information via the website and app. Over the past few years, a significant portion of contract customers were provided unlimited gigas on their mobile phones, further improving billing predictability and transparency as customers no longer need to monitor their giga consumption.

Jazztel brand

Jazztel offers high-quality telecommunications services—fiber, 5G and Jazztel TV—at a good price through an offer that combines simplicity with the brand's hallmark characteristics: quality connectivity, good price, and superior customer service. All information on services provided is available to customers on the website and app.

MÁSMÓVIL brand

MÁSMÓVIL also offers unlimited minutes and automatic speed reductions on all mobile contract plans, ensuring control over phone bills. The brand focuses primarily on ensuring customers save by contracting only what they need, without being forced to bundle with other unnecessary services. However, customers can take out other services, e.g., TV, alarms, energy for their homes, and are informed at all times the cost of each. Customers can consult services details on the website and app.

Pepephone brand

Longstanding Pepephone customers receive automatic plan upgrades, such as increased gigas or free SMS, with no impact on price. In 2019, Pepephone was the first operator in the market to cut the prices for convergent customers based on the number of years with the brand as a reward for their loyalty. It also pioneered proactive issue resolution of customer incidents. For example, if there is an incident in fiber service, Pepephone automatically credits gigas in the customer's phone so they can continue with their digital life—telework or e-learning—without any stress.

Euskaltel, R and Telecable brands

The Euskaltel, R, and Telecable brands all offer convergent and contract rates with unlimited minutes. When customers use up all their data, they have the option of receiving additional automatic data bonuses ('Más Megas' or more megas) or reducing their connection speed. Customers receive usage notifications at 50% and 80% of their data consumption. Additionally, when traveling outside the EU agreement zone, customers receive SMS notifications with roaming rate information. This information is also available on the website and app. Since 2021, an automatic gigabyte top-up scheme has been available for customers experiencing temporary broadband incidents, ensuring continuity of service.

Business and cable operator segment

With business customers, companies and cable operators both have dedicated account managers for any tariff-related questions.

Fraudulent telemarketing practices

The MASMOVIL Group is firmly committed to eradicating telephone fraud. To achieve this, the Group's national and local brands have developed a range of communication channels—emails, SMS, and push notifications—to educate customers in a clear, simple, and accessible manner about the various types of fraud they may encounter and how to avoid being scammed.

10.8 Security and cybersecurity

GRI 410-1

Security governance

The challenging geopolitical landscape at present, increasing risks associated with climate change and natural disasters, and heightened exposure to digital threats underscore the growing need for security resources to protect the processes and services MasOrange provides to its customers.

To address these challenges effectively, MasOrange has the right organizational structure, specialized team, and tools for centralized security management, aligned with the principles outlined in its Global Security Policy.

This policy takes a holistic approach to information security, occupational health and safety, physical security, environmental protection, and business continuity, defining key responsibilities, objectives, and governance and decision-making mechanisms.

At the same time, hierarchically it relates to the policies governing these four security dimensions within MasOrange.

Corporate security is overseen by the Global Security Committee, a collegiate body with the maximum responsibility for security.

To comply with management mandates regarding security, at MasOrange we developed and implemented a Security Regulatory Framework, which undergoes continuous maintenance and improvement.

This framework defines the primary security requirements that must be considered at the corporate level. It derives from the Global Security Policy, which defines the organization's key security principles, objectives, and responsibilities and was approved by senior management.

Corporate cybersecurity

Over the past few years, telecommunications operators have become targets for all kinds of external attackers. Their motivations range from fraud and data theft to reputational damage or simply to gain notoriety.

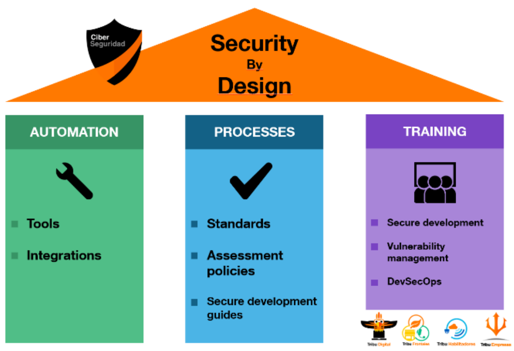
At MasOrange, our cybersecurity mission is to ensure the Company's daily operations remain intact through policies, standards, procedures, and tools, while at the same time protecting our assets and services by using appropriate security technologies and raising awareness among/training all MasOrange people. Our vision is to be our customer's trusted operator by providing secure and responsible services and technologies.

Cybersecurity services are organized around a control model centered on prevention, identification, and resolution of any threats adopting a Three Lines Model that implements, governs and audits cybersecurity management across the Company.

Information security management is overseen by the Cybersecurity Committee, a collegiate body with the maximum responsibility for cybersecurity.

Our organization has a Cybersecurity division, with precise functions and objectives that embed information security into services from the design phase.

Security implementation starts from design and is an ongoing process in response to the need to implement mechanisms, processes, and a culture that ensures security through the entire software life cycle. It focuses on the earliest phases to avoid cost over-runs and potential damages to the Company.



To sustain long-term system protection, we perform continuous vulnerability scanning. We base this on standards such as CVSS, and monitor third-party notifications to keep our systems updated against newly identified security threats.

So that our employees have the necessary knowledge about security to perform their roles securely, we have drawn up and executed an organization-wide awareness plan, designing awareness actions through phishing and social engineering simulations, as well as micro learning modules.

360 degree cybersecurity strategy

At MasOrange, we are well aware of the critical role cybersecurity plays in companies' digitalization process, regardless of their size. That is why we offer one of the most comprehensive and competitive cybersecurity service portfolios on the market. We guarantee 360 degree cybersecurity for companies and ensure greater security for each step in their digital transformation.

MasOrange relies on platforms that are directly integrated into our data network infrastructure for large enterprises. Our Orange Security Suite and AntiDDoS solutions provide perimeter security and protection against volumetric attacks, immediately protecting our customers. These services reinforce the work of our Customer SOC (Cybersecurity Operations Center), tasked with monitoring and protecting our business customers against emerging threats.

While among other things the digital transformation has spurred teleworking, it has also blurred traditional security perimeters in organizations and extended it to any devices connected to a network (e.g., laptops, smartphones, desktops) referred to as endpoints. Given how quickly this new scenario is unfolding, not to mention the emergence of new threats, at MasOrange we offer companies solutions such as Secure Endpoint, which guarantees protection of corporate devices regardless of their location.

Completing our portfolio of advanced user protection solutions, we offer Secure Apps security services, which protect access to cloud-based data and information, Secure Email, which protect corporate email accounts against specific attacks, such as phishing, malware, and so-called CEO fraud scams, and Secure Mobile, which provides comprehensive smartphone security against the next generation of attacks, for both Android and iOS devices.

One of our main achievements in 2024 was the launch of an advanced comprehensive and competitive portfolio of advanced cybersecurity solutions for SMEs, probably one of the most vulnerable segments to cyberattacks since they often lack robust defense systems, which make them more accessible prey for hackers. This vulnerability increases due to a lack of awareness about cybersecurity and the false perception that hackers will not find their data or activities sufficiently attractive. This false perception leaves them more exposed, as cyberattacks on small businesses can be just as devastating, compromising financial and personal data, as well as business continuity.

This catalog includes solutions that are easy to implement and manage for SMEs, tailored using other solutions we already offer to large enterprises, providing protection on two fronts:

- **Network protection.** Our perimeter security solutions analyze and filter a company's incoming and outgoing information to protect its network from potential external threats. These solutions require no software installation on devices.

- **User protection.** Users are the main entry point for cyberattacks, via email, internet browsing, or the device itself. Last year, more than 80% of all cyberattacks started with phishing emails, resulting in identity theft. **Email, PC, server, tablet, and smartphone protection**. This solution provides a much more advanced level of security than a traditional antivirus.

Physical security

We have a Physical Security team at MasOrange that is in charge of protecting the Company's physical assets and property, as well as the safety of its employees and customers, and fire protection measures.

Starting with centralized supervision from the National Security Control Center (CCNS), authorized by the Spanish General-Directorate of Police as a private alarm monitoring center, the physical security of the entire organization is coordinated and managed by measures such as:

- Surveillance service: Depending on the criticality of a site or location, a surveillance service is set up to oversee its security systems and procedures.

- Access control: Entry to our facilities, whether by employees, partners, customers, or visitors, requires prior authorization. Access must be approved first and requires presentation of a personal ID card. All entries are recorded.

- Video surveillance: Offices are equipped with a video surveillance system that monitors the perimeter as well as the interior of the building.

- Anti-intrusion system: MasOrange centers have an anti-intrusion system comprising volumetric sensors, magnetic contacts, and other security devices, tailored to the type of facility. This anti-intrusion system is strategically placed in the building so that it is activated in the event of unauthorized access and supervised by the on-site security service.

- Fire detection and protection: All MasOrange offices are equipped with a comprehensive fire protection system, which is inspected quarterly by an authorized company. Critical areas also have an automatic extinguishing or early fire detection system, which is evaluated using industry-standard fire risk analysis procedures (e.g., Gretener).

MasOrange's physical security team defines and implements the set of policies and procedures aimed at safeguarding the health and security of customers, employees, partners, and visitors.

The team is also responsible for protecting critical infrastructure supporting the organization's essential services. Based on the identified risks, the necessary security measures are applied.

Business continuity

To ensure seamless delivery of services to customers and guarantee maximum availability and quality, MasOrange has drawn up a series of plans, procedures, measures, and solutions aimed at boosting resilience and preventing disruptive events, while ensuring the ability to respond to incidents.

These measures, processes, and resources are organized within a Business Continuity Management System (BCMS). The BCMS is based on structured processes and procedures that enable MasOrange to prepare for, respond to, and recover from incidents that may interrupt its operations. The system's primary goal is to ensure continuity of critical activities, minimize the impact of interruptions, and identify potential threats that could jeopardize MasOrange's business continuity or trigger a crisis.

The BCMS is implemented with the aim of safeguarding the processes and services we provide to our customers, ensuring continuity of business activities in the event of major incidents or disasters.

Based on a risk assessment that evaluates potential impacts and probabilities of materialization of threats, recovery levels for critical activities in fixed, mobile, and television communication services are then defined. We also define all the necessary measures, plans, and controls to strengthen the Company's resistance and resilience.

These plans and measures undergo regular testing to ensures their validity and effectiveness. We also invest in training and informing all stakeholders involved in Business Continuity, from senior management to operational teams responsible for implementing and maintaining resilience.

The BCMS also aims to protect the interests of MasOrange customers, uphold the Company's reputation and brands, and maintain all our value-creation activities.

Or organization has the necessary mechanisms designed and in place to safeguard individuals at the Company facilities and ensure essential business processes are restored as quickly as possible and with minimal disruption in the event of a crisis or contingency. We have also drawn up an operational crisis management procedure that outlines responsibilities and the actions to take in case of a severe contingency.

Management of MasOrange spearheads and supports Orange's BCMS, helping set continuous improvement targets for it, and ensuring compliance with the policy across the organization, as well as the BCMS' efficient performance. The Crisis Committee is ultimately responsible for managing incidents of this type and is authorized to make any decisions it considers necessary to restore the Company's normal operations.

In fact, the Crisis Committee has a dual purpose:

- In "peace time", it reviews and continuously improves the BCMS.
- In "crisis time", it leads decision-making and recovery initiatives to return to normal, reporting to the Executive Crisis Committee

MasOrange has two ISO 22301-certified business continuity management systems, one for the services of the former Orange group, and one for the services of the former MÁSMÓVIL group. This certification recognizes adherence to the highest business continuity standards available in the market.

First 5G network for emergencies in Spain

The Group, through its Orange brand, launched a pioneering project to develop Spain's first 5G emergency network for the Madrid City Council. The operator contributed its extensive experience in previous network slicing projects to this new project. The objective is to enhance connectivity and coordination among municipal emergency service teams during critical situations, thereby optimizing early response to citizens.

First private **5G SA** network for emergencies in Spain for the Madrid City Council

11. Suppliers

GRI 2-6; 3-3

The daily operation of organizations considered "purpose-driven" entities is not an individual task. A connection with the business value chain must be maintained to internally adopt certain responsible social and environmental practices. For a company today, it is crucial that it demonstrate to its customers and society in general that all its partners, whether producers, suppliers, distributors, or contractors, share the same commitments to ethical values and social and environmental responsibility as the organization itself. When choosing a brand or product, customers increasingly value not only whether the company selling it acts responsibly, but also the responsibility of entities with which that company interacts. Moreover, customers expect that company to break ties with those that, to some extent, act in way that goes against the mission of building a more just and sustainable society.

Key indicators

Procurement

- Partnership with EcoVadis to advance the sustainable procurement process and encourage supplier assessments in line with CSRD.
- 100% of the Procurement team trained and certified in Corporate Social Responsibility in Procurement.
- ESG risk categorization defined for each procurement category, enabling expenditure monitoring based on the ESG risk index for Orange's procurement and launch of standardization process for all other MasOrange Group companies.

11.1 Responsible supply chain and Procurement Policy

GRI 3-3 308-1; 414-1

MasOrange is committed to having a sustainable procurement process. The Procurement Policy aims to reinforce our commitment to protecting the environment and public health, conserving natural resources, minimizing the environmental impact of hazardous materials, and reducing CO_2 emissions. The purpose of the policy is to establish a global framework for the control and management of the risks resulting from the activities of the procurement of goods, equipment and materials and contracting works and services across the Group.

As stipulated in this policy, the Procurement Department is responsible for maintaining an active relationship with suppliers and ensuring control of the associated risks, while the area requesting a product or service is responsible for monitoring compliance with contractual terms and conditions and, where applicable, service level agreements. Following are the core elements of this model:

- All MasOrange Group suppliers must sign the Supplier Code of Conduct and the Compliance Clause.
- Business relationships are only maintained with suppliers that adhere to good labor practices and comply strictly with national and international regulations on human and labor rights, child protection, hygiene, and safety (the Procurement department is responsible for conducting due diligence to ensure compliance with these practices).

- Additionally, as a prerequisite for supplier certification, consideration will be given, both in the certification process and subsequent award of contracts, to ISO 14001 or equivalent environmental compliance certification, as well as to any other type of accredited social and/or corporate governance certification.

In their contracts with the MasOrange Group, all our suppliers must accept the inclusion of the requirements outlined in the Supplier Code of Conduct and the environmental requirements established as best practices.

Suppliers who do not subscribe to the MasOrange Group's Code of Conduct must guarantee that their own code of conduct is equivalent and subscribes to the same principles.

11.2 Supplier Code of Conduct

Our suppliers must commit to upholding the principles and values outlined in the MasOrange Code of Ethics and adhering to the Supplier Code of Conduct, which sets forth various criteria they must comply with, including:

- Human rights: suppliers must respect internationally proclaimed human rights (ILO), reject all forms of forced and child labor, promote non-discrimination, inclusion, and equal opportunities, and respect freedom of expression and collective bargaining rights at all times.
- Labor rights: the employment contracts of all workers hired by a supplier or subcontractor must comply with applicable labor laws, while suppliers must not engage in any practice that violates legal and regulatory compliance. They must adhere to the ILO's C131 Minimum Wage Fixing Convention and respect labor hour regulations in accordance with applicable labor laws.
- Health and Safety: suppliers must ensure the protection of their employees by providing adequate health and safety information and training, including emergency situations and first aid, offering the appropriate protective equipment, and maintaining a safe and healthy work environment.
- Anti-corruption and bribery compliance: suppliers must refrain from all forms of corruption and influence peddling, as well as prevent money laundering within their sphere of influence, by complying with the Group's Crime Prevention Policy, Anti-Fraud Policy, and Anti-Corruption Policy. They must also avoid providing financial benefits to political parties and comply with rules of free and fair competition in all their business relationships.
- Environmental and sustainability aspects: suppliers must have an environmental management system that considers objectives and measurement metrics (as required in ISO 14001 or an equivalent standard). They must also assume responsibility for reducing the negative impact of their operations on the environment and endeavor to monitor their Scope 1 and 2 greenhouse gas emissions, preserving and increasing biodiversity, as well as limiting the consumption and use of raw materials, energy, and water, especially in areas where resources are scarce, and minimizing the amount of waste they generate in order to reduce environmental impact.

As stipulated in the Supplier Code of Conduct, any clear violation of the principles established therein entitles our Group to immediately terminate any and all agreements with the supplier or not entering into any new agreements with that supplier.

During the year, one supplier failed to meet the required criteria. Additionally, suppliers must immediately notify MasOrange of any violation by the supplier itself or one of its subcontractors, and of the corrective measures taken to guarantee compliance with the code's principles.

11.3 Supplier risk assessment

GRI 308-1; 308-2; 414-1; 414-2

In addition to the price and market analyses carried out by the Procurement department, at MasOrange we have implemented a risk prevention and management procedure for sustainability in the supply chain.

All suppliers that may supply products or services within MasOrange's procurement scope must first register on the MyProc supplier portal before being invited to participate in negotiation processes. Suppliers must accept general procurement terms before they are given access to the platform. These include:

- Social responsibility practices regarding freedom of association and the right to collective bargaining, diversity and non-discrimination, remuneration in accordance with national legislation, working hours in accordance with local laws, and health and safety principles.
- Environmental responsibility practices regarding environmental protection, the protection of natural resources, and waste management.
- Business practices related to anti-corruption, anti-trust, sponsorship, political contributions, anti-money laundering, security, and data protection.
- Zero tolerance for forced labor, child labor, or any form of slavery in any of our own operations or in the supply chain. Worth recalling is that MasOrange annually signs the Modern Slavery Act declaration, aimed at eradicating all forms of human trafficking, and forced or child labor. This applies to the Company itself and those with which it words.

A supplier risk assessment is conducted when annual recurring expenditure surpasses a specified threshold. This assessment includes financial, ethical, anti-corruption, and ESG criteria. Where annual expenditure surpasses €300 thousand, the assessment is not only performed during onboarding, but also every two years. Where annual expenditure surpasses €1 million, the assessment is not only performed during onboarding, but also annually. The risk assessment covers aspects such as:

- Environment
- Labor practices
- Human rights
- Ethics and supply chain
- Corporate ethics
- Social responsibility
- Energy
- Quality

The Procurement department conducts compliance and fraud due diligence (iDDfix). Between this and the due diligence conducted by the Compliance department, 1,002 suppliers were assessed in 2024, with 34 applications rejected.

During the year, we continued to monitor the Corporate Social Responsibility (CSR) risk index implemented in 2023, linking each procurement category to an indicator. This allowed us to track both spending and the related suppliers.

Meanwhile, we participated in the JAC alliance and operated with the EcoVadis platform to assess our suppliers' sustainability systems:

- JAC: a joint alliance of operators through which we share resources and best practice to implement responsibility and sustainability principles in the various layers of the international ICT supply chain.
- EcoVadis: All Orange suppliers that exceed a certain business volume are asked to become EcoVadis-certified. Through this online platform, which rates companies' sustainability levels, we launched a sustainable procurement initiative to monitor and oversee our suppliers' social and environmental performances. It also enables us to prioritize procurements in ESG-based risk categories.

The EcoVadis scoring process rates the quality of the supplier's sustainability management system, considering performance in four themes: environment, labor and human rights, ethics, and sustainable procurement.

The scope of the assessment can refer to an individual company or Group, including its subsidiaries, business units, production sites, and other entities located in different countries or regions. It depends on the entity or entities, as well as the size and location of the company or industry.

Thanks to the agreement with EcoVadis, our suppliers can be eligible for advantageous business terms and conditions for completing the assessment. The assessment is not only useful for their business relationship with Orange but also for any other customer, while serving as support for compliance with the new CSRD regulation.

Notably, the entire Procurement team is subject to internal ESG certification, which must be renewed every two years.

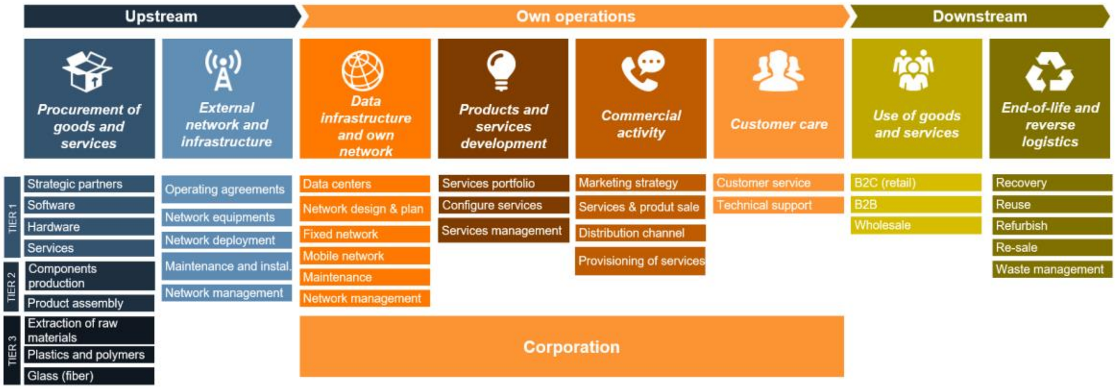
In 2024, 98% of total spending was subject to a recurring supplier assessment process, which includes social, environmental, compliance, and financial risk criteria.

Number of suppliers assessed based on social, environmental, compliance, and financial risk criteria	2024
Total	346

11.4 Impacts of the value chain

GRI 204-1

In 2024, the value chain of the newly formed MasOrange Group was assessed.



Additionally, a phased assessment of the supplier map across the various MasMovil Group companies was conducted to verify the percentage of actual expenditure that underwent the iDDfix and EcoVadis process and the proportion of expenditure with Spanish suppliers and those with a European taxpayer identification number (TIN) to generate regional economic.

Percentage of suppliers with Spanish TIN	2024
Total	85%

Percentage of suppliers with European TIN	2024
Total	93%

12. Additional information

12.1 About this report

GRI-1; 2-1; 2-2; 2-3

This report highlights the key results in 2024 of the initiatives carried out by the MasOrange Group, which encompasses MasOrange, S.L.U. and its subsidiaries ("**the Group**", "**the MasOrange Group**" or "**MasOrange**"). It is issued annually and covers the same period as the financial statements (i.e., from April 1 to December 31.

MasOrange operates in Spain and has a work center in Colombia. Its registered office is at Parque Empresarial La Finca, Paseo del Club Deportivo, 1, Edificio 8, 28223 Pozuelo de Alarcón, Madrid, Spain.

The scope of the report includes disclosures of MasOrange, S.L.U. and the subsidiaries described in Chapter 3.2 *Organization and structure*.

This report outlines the Group's business model, stakeholder relationships, and approach to risk management, and analyzes the positive and negative economic, social, and environmental (ESG) impacts generated by our activities. It has been prepared using the Group's financial and non-financial reporting systems, considering initiatives implemented in the regions where we operate.

In preparing this report, all the Company's teams comprising the ESG Community worked together, making this an enriching experience for all the parties. This approach fostered active listening with stakeholders and enhanced our commitment to responsible practices. As a result, we were able to provide comprehensive reporting on our six material topics:

- Climate change
- Resource use and circular economy
- Own workforce
- Workers in the value chain
- Consumers and end-users
- Business conduct

Basis of preparation

GRI 2-4; 2-5

To ensure content quality in accordance with GRI standards, we prepared this report based on the following principles:

Stakeholder inclusiveness: at MasOrange, maintaining open and meaningful communication with our stakeholders is a priority to help us make the best decisions, as described in Chapter *5.3 Stakeholder engagement*. By fostering fluid dialogue among the various actors and including stakeholders in the double materiality assessment, we were able to identify requirements, needs, and expectations early on. This approach allowed us to develop policies and practices that address our stakeholders' concerns, enhancing our performance while minimizing risks with a potential impact on the business, people, and the planet.

Sustainability context: sustainability has been a cornerstone of MasOrange's strategy since its inception. Throughout this report, we highlight the Group's performance in managing economic, social, and environmental responsibilities effectively.

Materiality: MasOrange has voluntarily updated its materiality assessment, identifying key emerging topics, applying the new double materiality approach, and integrating the Group's methodology and guidelines. Chapter *5.5 Double materiality assessment* outlines the key material impacts, risks and opportunities identified as required by our stakeholders.

Completeness: this report ensures completeness by considering of a comprehensive list of material topics to assess the Company's performance in addressing key stakeholder concerns and sufficient to identify the economic, social and environmental impacts of our activities.

Accuracy: this report provides detailed quantitative disclosures on MasOrange's performance, ensuring that the qualitative insights provided for each material topic are sufficiently supported by relevant methodological explanations. The key reporting references used were:

- Law 11/2018 of December 28 on non-financial and diversity information amending the Spanish Code of Commerce, the consolidated text of the Corporate Enterprises Act approved by Legislative Royal Decree 1/2010 of July 2, and Law 22/2015 of July 20 (Spain's Audit Act), with regard to non-financial and diversity information. The content index required by law specifies the content that responds to those requirements.
- The Global Reporting Initiative (GRI) standards and the recommendations of the International Integrated Reporting Council (IIRC).

Balance: the report content presents both positive and negative aspects regarding the various economic, social, and environmental matters addressed, allowing us to assess trends.

Clarity: the report follows a structure to enhance reader understanding of all the topics addressed. It avoids excessive technical detail and uses clear language and content to ensure all stakeholders can easily comprehend the content.

Reliability: all the information in this report is sourced through a traceable data collection process. Additionally, MasOrange submits its sustainability report for independent assurance with limited scope, in compliance with the GRI standards and applicable legislation.

Timeliness: the report covers our activities in 2024, determined as the calendar year (April 1 to December 31). MasOrange is committed to providing all stakeholders with precise, relevant, concise, and comparable information on its performance, business model, value drivers, and strategic plan for the future.

In addition, in keeping with leading industry practice, the Group has embarked on an assessment of compliance with European sustainability reporting standards, as well as other globally recognized reporting standards and systems. These include the Task Force on Climate-related Financial Disclosures (TCFD), which address the financial risks associated with climate change, and the standards of the Sustainability Accounting Standards Board (SASB), which are sector-specific standards that help identify, manage, and communicate to investors relevant sustainability information. We also began using the reference of the SBTi's Corporate Net-Zero Standard (science-based net-zero targets) to make our decarbonization pledge and plans more robust.

The report content—designed to highlight the main economic, social, and environmental impacts of our activities—draws on the recommendations, standards, agreements, and guiding principles of the following international organizations committed to sustainable economic activity:

Standards
The Global Reporting Initiative's GRI 2016 and 2021 standards
The 10 principles of the United Nations Global Compact, of which the Orange Group is a signatory since 2000
The principles of the Organisation for Economic Co-operation and Development (OECD)
The United Nations Sustainable Development Goals (SDGs)
The Corporate Net-Zero Standard of the Science Based Targets initiative (SBTi)
ISO standards of the International Organization for Standardization
ISO 9001 – Quality Management System ISO 14001 – Environmental Management Systems ISO 14064 – Greenhouse Gases Certification UNE 19601 – Management System for Criminal Compliance ISO 22301 – Business Continuity Management Systems ISO 27001 – Information Security Management Systems ISO 45001 – Occupational Health & Safety Management Systems ISO 45003 – Psychological Risk Management ISO 50001 – Energy Management Systems
B Corp's B Impact Assessment

This report is part of the management report of the Group comprising MasOrange, S.L.U. and its subsidiaries. Therefore, it is subject to the same approval, registration, and publication criteria for compliance with Law 11/2018.

CSRD (Corporate Sustainability Reporting Directive)

The European Union's Sustainable Finance Action Plan, adopted in March 2018, sets out the strategy for a financial system that supports the EU's climate and sustainable development agenda. This plan is one of the key steps taken by the European Commission toward implementing the Paris Agreement and achieving the EU's sustainable development goals.

The CSRD is one of the legislative pieces included in the European Green Deal, through which the EU aims to help channel capital toward sustainable activities.

One of the key ambitions of the CSRD is to bridge the gap between financial and sustainability reporting, particularly on issues such as remuneration, financial performance, risks, targets, or materiality, where financial reporting has much higher levels of maturity.

The CSRD replaces the NFDR (Non-Financial Disclosure Regulation) and sets out a new, consistent sustainability reporting framework for European companies or undertakings with significant operations in Europe.

The main **implications** and **requirements** of implementing the CSRD are as follows:

- **Double materiality:**
    - ✓ Impact materiality ("inside-out" impact): the (positive and negative) impacts of the Company's activities on the environment.
    - ✓ Financial materiality ("outside-in" impacts): impact of external factors on the Company's financial performance (risks and opportunities).
- **Standards:**
    - ✓ Obligation to apply the European Sustainability Reporting Standards (ESRS) to ensure that the information is comparable and that all relevant information is disclosed.
- **Content requirements:**
    - ✓ Comprehensive information to understand the impact of sustainability matters and how they affect the undertaking's development, performance and position regarding ESG.
    - ✓ Information on an undertaking's full value chain, identifying and reporting ESG risks throughout the value chain and disclosing ESG information throughout the chain.
- **Preparation and publication:**
    - ✓ In a dedicated section of the management report, identified as sustainability disclosures, prepared in electronic format (ESEF) and uploaded to the future Single European Access Point (ESAP).

As part of its sustainability commitment, the MasOrange Group conducted a double materiality assessment (see Chapter 5.5) ahead of the new requirements, which become effective next year. The Group also identified some 'quick wins' regarding certain ESRS data and included them throughout this report.

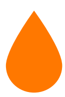
EU Taxonomy

The environmental objectives targeted by the EU's climate strategy are reflected in the European Green Deal approved in 2020 and designed to make the European Union climate-neutral by 2050.

The EU Taxonomy is part of the Green Deal and establishes a common language and a clear definition of what is 'sustainable'. It provides businesses, investors and society with consistent information on activities that help achieve common environmental and social objectives. So far, the environmental dimension of the Taxonomy has been developed.

Climate change mitigation

Climate change adaptation



Sustainable use of water and marine resources

Circular economy | **Pollution prevention** | **Biodiversity and ecosystems**

Sustainable economic activities in the EU Taxonomy are classified as follows:

- **Eligible:** an eligible activity is an economy activity that is described in the related Delegated Regulation.
- **Aligned:** a Taxonomy-aligned activity is an eligible activity that complies with the specific technical screening criteria (related to substantial contribution to one of the environmental objectives and not for doing significant harm) for each activity and with the minimum safeguards.

The ICT sector is one of the six sectors identified for substantial contribution to climate change mitigation and adaptation for its recognition as an enabler of decarbonization of other industries. Therefore, telecommunications is a sector that must be transformed to achieve a more sustainable and fair system.

Telecommunication networks are the foundation of all sectors of the economy, connecting people and businesses across the European Union (EU) and beyond. The deployment of modern, state-of-the-art telecommunications networks is essential for the EU to strengthen its competitiveness, advance the European Industrial Strategy, and contribute to its goals of climate neutrality and digital leadership.

Building modern telecommunication network infrastructure is capital intensive. According to the GSMA's *Mobile Net Zero 2024* report, the European Commission estimates investment needs of over €174 billion in Europe's telecom infrastructure to achieve the EU's 2030 connectivity targets. To support the EU's twin transition objectives, these critical and necessary investments in telecommunication network infrastructure should also align with EU sustainability standards.

The EU Taxonomy framework can play an important role in helping to achieve the EU's Digital Decade targets. Based on robust and science-based criteria, the Taxonomy can become a key tool to help guide investment activities by the telecommunication sector and Member States to align with the EU's climate targets.

- **The MasOrange Group will assess the alignment of its activities with the EU Taxonomy**

The MasOrange Group is committed to transitioning toward a more sustainable economic and social model. Therefore, over the next year it will perform an in-depth analysis regarding the alignment of its activities with the EU Taxonomy.

In accordance with prevailing legislation, the Group undertakes to disclose the results of its assessment of the proportion of Taxonomy-eligible and Taxonomy non-eligible economic activities in its total turnover, and its capital and operating expenditure. It will also assess the alignment of its Taxonomy-eligible activities.

12.2 Events after the reporting period

FibreCo Project

On January 2, 2025, the Group, along with another Spanish telecommunications operator (the "Strategic Partners"), signed a binding agreement to create, together with a yet-to-be-determined financial investor, a non-full function joint venture to combine and manage part of the fixed network operations of both Strategic Partners (FibreCo Project).

The joint venture will provide access services (bitstream) exclusively to the Strategic Partners, who, in turn, will be able to freely market to their retail and wholesale customers.

The FibreCo Project involves the Strategic Partners contributing part of their businesses and infrastructure assets to a new entity (FibreCo) over which the Group, along with the other Spanish telecommunications operator and the financial investors, will have joint control. MasOrange's contribution will mainly consist of a significant part of the FTTH network, including the corresponding assets, contracts, liabilities, and employees, as well as certain usage rights over the HFC network (the "MasOrange perimeter businesses"). The contribution will be made through the transfer of shares, as a "contribution in kind from partners," to FibreCo, Bidasoa Topco, and those companies resulting from the total spin-off of MásMóvil Broadband, S.A.U. (MMBB) and Orange España Comunicaciones Fijas, S.L.U. (OSFI), to separate the businesses contributed to the FibreCo Project from those remaining within the MasOrange Group.

Simultaneously with the contribution, a series of agreements will be signed between MasOrange and FibreCo for the provision of bitstream services, operation and maintenance (O&M) services for infrastructure, as well as certain usage rights over the broadband network and civil infrastructure. This operation is expected to be completed during the first half of 2025. As mentioned earlier, as of the date of approval of these consolidated annual accounts, both Strategic Partners are in the process of selecting and determining the financial investor to be incorporated into the FibreCo Project. Additionally, as of December 31, 2024, the relevant approvals from various authorities were still pending. Considering the state of the project, the progress of the approval process, and the existing uncertainties as of the closing date, the Group has concluded that as of December 31, 2024, the relevant requirements to classify and value the operations as a group of assets held for sale were not met.

Acquisition of Control of Bidasoa TopCo

On January 2, 2025, the Group, through its subsidiary Euskaltel, signed an agreement to acquire the remaining 51% of the share capital of Bidasoa TopCo. The execution of the agreement is subject to certain conditions precedent, such as regulatory approvals (foreign direct investment - FDI - approval by the Council of Ministers of Spain) and the completion of the FibreCo Project. Since as of December 31, 2024, the aforementioned conditions precedent and regulatory approvals were still pending, the Group has concluded that the necessary requirements to control Bidasoa TopCo are not met and, therefore, cannot integrate the investment using the global consolidation method. Furthermore, the investment cannot be classified or valued as an asset held for sale.

Grants

During January 2025, the Group received non-repayable public grants amounting to €59,060 million under the "UNICO Active Networks" program (Recovery, Transformation, and Resilience Plan). This program aims to support the development of rural 5G infrastructures in Spain.

Debt Renegotiation

During March 2025, the long-term bullet debt (TLB) was renegotiated, reducing the spread from 3.50% to 2.75%. As a result, TLB2, TLB3, and TLB4 have been redesignated as TLB5 for a total amount of €4.3 billion maturing in March 2031. As part of this redesignation, the currency swap has been canceled.

Promissory Notes

Within the promissory note program, through the subsidiary MásMóvil Ibercom, S.A.U., the Group has registered in the Alternative Fixed Income Market (MARF) the renewal of €152,000 million maturing between January and March 15, 2025, and has canceled promissory notes amounting to €155,600 million.

On the other hand, within the promissory note program through the subsidiary Euskaltel, S.A.U., the Group has registered in the MARF the renewal of €79,100 million maturing between January and March 15, 2025, and has canceled promissory notes amounting to €105,500 million. Additionally, in March 2025, the promissory note program of Euskaltel S.A. has been renewed.

Sale of Associate - Xfera Consumer Finance

On March 6, 2025, the Group, through its subsidiary Xfera Móviles, S.A.U., signed an agreement with a third party for the sale of the shares related to its 49% investment in Xfera Consumer Finance, Establecimiento Financiero de Crédito, S.A. for €10 million. Additionally, on the same date, the Group signed an amendment with the same third party to increase the accounts receivable sale agreement to all brands of the Group.

12.3 Content index

MasOrange, S.L.U. has prepared its Non-financial Information Statement (NFIS) in accordance with Spanish Law 11/2018 of December 28 amending the Spanish Code of Commerce, the consolidated text of the Spanish Corporate Enterprises Act, enacted by Royal Legislative Decree 1/2010 of July 2, and Law 22/2015 of July 20 (Spain's Audit Act) regarding non-financial and diversity information.

It also used the GRI (Global Reporting Initiative) Standards.

12.3.1 Content index in compliance with Law 11/2018

Content	Response to the indicator/Chapter	GRI	Page number
Business model			
Business model, organization, structure and environment	3. About us	GRI 2-1 GRI 2-6 GRI 2-9 GRI 2-10 GRI 2-11	24 to 32
Markets served by the organization	3. About us	GRI 2-1 GRI 2-6	24 to 32
The organization's objectives and strategies	3. About us 5. Sustainability strategy	GRI 2-1 GRI 2-22 GRI 2-23	24 to 32; 49 to 70

		GRI 2-24	
Main factors and trends affecting the organization's future performance	3.4 Economic backdrop and strategy	GRI 3-3 GRI 2-12 GRI 2-13 GRI 2-14 GRI 2-22 GRI 2-26	29
General disclosures			
Reporting framework	12.1 About this report	GRI 1	180 to 202
Materiality principle	5.5 Double materiality assessment	GRI 2-29 GRI 3-1 GRI 3-2	54 to 59
Management approach			
Description of the policies pursued by the undertaking in relation to those matters, including due diligence processes to identify, assess, prevent and mitigate significant risks and impacts, and account for their control, including what measures have been adopted.	4.1 Corporate governance model	GRI 2-9 GRI 2-10 GRI 2-11 GRI 2-12 GRI 2-17 GRI 2-23 GRI 2-24	33 to 39
The outcome of those policies, which should include relevant non-financial KPIs for monitoring and assessing progress and supporting comparability across companies and sectors in relation to the national, European or international frameworks relied upon.			
The principal risks related to those matters linked to the group's activities,	4.2 Internal control and risk management systems 4.3 Business ethics	GRI 2-12 GRI 2-13 GRI 2-14 GRI 2-26	39 to 48

including, where relevant and proportionate, its business relationships, products or services which are likely to cause adverse impacts in those areas.			
Environmental disclosures			
Management approach: description and outcomes of policies related to these matters, and the principal risks related to those matters linked to the group's operations	6.1 Environment and Energy Policy	GRI 3-3	71
General disclosures			
Impacts of the company's activities on the environment and on health and safety	6.1 Environment and energy policy 6.2 Environmental risk management system	GRI 3-3	72 to 74
Environmental assessment or certification procedures	6.2.1. Environmental and energy management certifications: ISO 14001, ISO 50001 and ISO 14064	GRI 3-3	73
Precautionary principle	6.2 Environmental risk management system	GRI 2-23 GRI 3-3	72 to 74
Resources dedicated to the prevention of environmental risks			
Provisions and guarantees for environmental risks			
Pollution			
Measures to prevent, reduce or repair carbon emissions that seriously affect the environment	6.4.8 Pollution	GRI 3-3 GRI 305-5 GRI 305-7	92
Measures related to light, noise and other pollution	Given the nature of MasOrange Group's operations, there are no material impacts on light or noise pollution.	GRI 3-1	

Circular economy and waste prevention and management			
Waste prevention, recycling and reuse measures and other forms of waste recovery and disposal	6.4 Circular economy and resource management	GRI 3-3 GRI 306-1 GRI 306-2 GRI 306-3	88 to 90
Actions to combat food waste	Given the nature of MasOrange Group's operations, we do not consider food waste to be a material topic. Therefore, we do not implement any corrective measures in this area.	GRI 3-1	
Sustainable use of resources			
Water: consumption and supply	6.4.7 Water consumption	GRI 3-3 GRI 303-5	91 to 92
Raw materials: consumption and reduction measures	6.4.6 Raw materials: consumption and reduction measures	GRI 301-1 GRI 301-3	90 to 91
Energy: consumption, energy efficiency measures and use of renewable energy	6.3.1 Total energy consumption	GRI 3-3 GRI 302-1 GRI 302-2 GRI 302-3 GRI 302-4 GRI 302-5	74 to 81
Climate change			
Greenhouse gas emissions	6.3.2 Emissions	GRI 305-1 GRI 305-2 GRI 305-3	81 to 84
Climate change adaptation measures	6.3.3 Climate change mitigation and adaptation	GRI 3-3	84 to 88
Emission reduction targets	6.3.2.3 Decarbonization plan and commitment to alignment with the SBTi	GRI 3-3 GRI 305-5	84
Biodiversity			
Preservation measures	6.3.3 Climate change mitigation and adaptation	GRI 2-23 GRI 3-3 GRI 304-1 GRI 304-2 GRI 304-3	84 to 88
Impacts caused on protected areas			
Social and employee-related disclosures			
Management approach: description and outcomes of policies related to these matters, and	7.1 People management	GRI 3-3 GRI 2-23 GRI 405-1 GRI 408-1 GRI 409-1	94 to 96

the principal risks related to those matters linked to the group's operations			
Employment			
Total number and breakdown of employees by gender, age, country and employee category	7.2.1 Total number of employees and breakdown by gender, age, country and employee category	GRI 2-7 GRI 405-1	96 and 97
Total number and breakdown of types of employment contract	7.2.2 Total number and breakdown of employment contracts by gender, age, and employee category:	GRI 2-7	97 and 98
Average annual number of permanent, temporary and part-time contracts by gender, age and employee category	7.2.3 Average annual number of permanent, temporary, and part-time contracts by gender, age and employee category	GRI 2-7	99 and 100
Number and breakdown of dismissals by gender, age, and employee category	7.2.4 Number of dismissals by gender, age and employee category	GRI 401-1	100 and 101
Average pay and trend broken down by gender, age, employee category or equivalent metric	7.2.5 Average pay and trend broken down by gender, age, and employee category 7.7.1 Average remuneration by gender, age and employee category	GRI 202-1 GRI 405-2	101 and 102, 116
Gender pay gap, remuneration for the same work or work of equal value at the company	7.2.6 Pay gap broken down by gender, age, and employee category, and remuneration for the same work or work of equal value at the company 7.7.3 Pay gap broken down by gender and employee category, and remuneration for work of equal value or average at the company	GRI 405-2	102 and 103; 117
Average remuneration of directors and executives	7.2.7 Average remuneration of directors, including variable remuneration, attendance fees, termination benefits and any other amounts received, broken down by gender 7.2.8 Average remuneration of managers, including variable remuneration, attendance fees, termination benefits and any other amounts received, broken down by gender	GRI 2-19 GRI 202-2	103 and 104
Right to disconnect policies	7.1 People management	GRI 2-23 GRI 405-1	95
Employees with disabilities	7.2.9 Employees with disabilities	GRI 405-1	104
Organization of working time			
Organization of work	7.1 People management	GRI 2-23 GRI 401-2	94 to 96

		GRI 401-3	
Number of hours of absenteeism	7.6.1 Hours of absenteeism, number of work-related accidents, specifying their frequency and severity	GRI 403-9	114 and 115
Work-life balance measures	7.1 People management	GRI 2-23 GRI 401-2 GRI 401-3	95
Occupational health and safety			
Health and safety conditions in the workplace	7.6 Occupational health and safety	GRI 3-3 GRI 403-1 GRI 403-2 GRI 403-3 GRI 403-4 GRI 403-5 GRI 403-6 GRI 403-7 GRI 403-8	113 to 115
Workplace accidents, in particular their frequency and severity, and occupational diseases, broken down by gender	7.6.1 Hours of absenteeism, number of work-related accidents, specifying their frequency and severity 7.6.2 Work-related accidents resulting in fatality or permanent disability	GRI 403-9 GRI 403-10	114 and 115
Labor relations			
Organization of social dialogue	7.3.2 Social dialogue	GRI 407-1	105
Percentage of employees covered by collective bargaining agreements by country	7.3.1 Percentage of employees covered by collective bargaining agreements	GRI 2-30	104
Description of collective bargaining agreements on occupational health and safety	7.6 Occupational health and safety	GRI 403-4 GRI 403-6 GRI 404-1	114
Mechanisms and procedures implemented by the company to promote worker involvement in the group's management in terms of information, consultation and engagement	7.3.2 Social dialogue	GRI 407-1	113 to 115
Training and career development			
Policies in place in relation to training	7.4 Talent attraction and development	GRI 404-2 GRI 404-3	105 to 110

Total number of hours of training by employee category	7.4.3 Hours of training by gender and employee category	GRI 404-1	110 and 111
Universal accessibility			
Universal accessibility for persons with disabilities	7.2.9 Employees with disabilities	GRI 405-1 GRI 406-1	104
Equal opportunities			
Measures taken to foster equal treatment of and opportunities for men and women	7.5 Diversity management and equal opportunities	GRI 2-23 GRI 405-1 GRI 406-1	111 to 113
Respect for human rights			
Management approach: description and outcomes of policies related to these matters, and the principal risks related to those matters linked to the group's operations	8 Respect for human rights	GRI 3-3 GRI 2-23 GRI 2-25 GRI 2-26 GRI 406-1 GRI 407-1 GRI 408-1 GRI 409-1 GRI 411-1	118 to 121
Implementation of due diligence processes			
Due diligence processes in relation to human rights and, as applicable, mitigation, management and remediation measures	8. Respect for human rights	GRI 2-23 GRI 2-26	118
Reports of human rights abuses	8.3 Commitment to human and labor rights	GRI 3-3 GRI 406-1 GRI 411-1	119 and 120
Promotion of and compliance with ILO conventions on the freedom of association and collective bargaining	8. Respect for human rights 11.2 Supplier Code of Conduct	GRI 3-3 GRI 2-23 GRI 407-1	120
Elimination of job and workplace discrimination, forced or compulsory labor, and child labor.	8.5 Rejection of child and forced labor	GRI 3-3 GRI 406-1 GRI 407-1 GRI 408-1 GRI 409-1	121
Anti-corruption and bribery			
Management approach: description and	4.3 Business ethics	GRI 3-3 GRI 2-16	48 to 51

outcomes of policies related to these matters, and the principal risks related to those matters linked to the group's operations			
Anti-bribery and corruption measures implemented	4.3 Business ethics	GRI 3-3 GRI 2-23 GRI 2-26 GRI 205-3 GRI 206-1 GRI 415-1	46 to 48
Anti-money laundering measures implemented	4.3 Business ethics	GRI 3-3 GRI 2-23 GRI 2-26 GRI 205-3	46 to 48
Contributions to foundations and non-profit organizations	9. Society	GRI 2-28 GRI 201-1	125
Society			
Management approach: description and outcomes of policies related to these matters, and the principal risks related to those matters linked to the group's operations	9. Society	GRI 2-23 GRI 2-28 GRI 2-29 GRI 201-1 GRI 413-1	122 to 151
Local communities			
Impact of the company's operations: employment, local development, populations and territories	9. Society	GRI 203-1 GRI 203-2 GRI 411-1 GRI 413-1 GRI 413-2	122 to 151
Dialogue with local communities	9. Society	GRI 2-29 GRI 411-1 GRI 413-1 GRI 413-2	122 to 125
Association or sponsorship actions	9. Society	GRI 2-28 GRI 201-1	124 and 125
Supply chain			
Inclusion of social, gender equality, and environmental matters in the procurement policy	11.1 Responsible supply chain and Procurement Policy 11.2 Supplier Code of Conduct	GRI 3-3 GRI 308-1 GRI 414-1	175 and 176
Consideration of social and environmental responsibility concerns in	11.1 Responsible supply chain and Procurement Policy 11.2 Supplier Code of Conduct	GRI 2-6 GRI 308-1 GRI 308-2 GRI 414-1 GRI 414-2	175 and 176

relations with suppliers and subcontractors			
Supervision and audit systems and their outcomes	11.3 Supplier risk assessment	GRI 2-6 GRI 204-1 GRI 308-1 GRI 308-2 GRI 414-1 GRI 414-2	176 to 178
Consumers			
Consumer health and safety measures	10.6 Responsible advertising and consumption	GRI 410-1 GRI 416-1 GRI 416-2 GRI 417-1 GRI 417-2 GRI 417-3	164 to 167
Complaints mechanisms, complaints received and their resolution.	10.5 Complaints	GRI 3-3 GRI 2-25 GRI 418-1	162 to 164
Tax			
Country-by-country profit before tax	2.6 Economic value generated, distributed and retained in 2024	GRI 3-3 GRI 201-1 GRI 207-1 GRI 207-2 GRI 207-3	19
Income tax paid	2.6 Economic value generated, distributed and retained in 2024	GRI 3-3 GRI 201-1 GRI 207-1 GRI 207-2 GRI 207-3	19
Government grants and assistance received	2.6 Economic value generated, distributed and retained in 2024	GRI 3-3 GRI 201-4	19

12.3.2 GRI content index

GRI 1

GRI | CONTENT INDEX ESSENTIALS SERVICE
WITH REFERENCE OPTION
2025

MasOrange has presented the information cited in this GRI content index for the period from April 1, 2024, to December 31, 2024, using the GRI Standards as a reference

For the Content Index – Essentials With Reference option Service, GRI Services reviewed that the GRI content index has been presented in accordance with the requirements for reporting with reference to the GRI Standards, and that the information in the index is clearly presented and accessible to stakeholders.

GRI 1: Foundation 2021	
GRI 2: General disclosures 2021	180-202

Business model		
2-1 Organizational details	12.1 About this report	180
2-2 Entities included in the organization's sustainability reporting	12.1 About this report	180
2-3 Reporting period, frequency and contact point	12.1 About this report	180
2- 4 Restatements of information	12.1 About this report	180-182
2-5 External assurance	12.1 About this report	182
Activities and workers		
2-6 Activities, value chain and other business relationships	2.1 Description of the MasOrange Group 3.1 Who we are 3.3 What we do 10. Customers 11. Suppliers	8-11; 28-29; 153-157; 175-179
2-7 Employees	7.2 Workforce and remuneration	96-104
Governance body		
GRI 2: General disclosures 2021		
2-8 Workers who are not employees	Information not available/incomplete*	N/A
2-9 Governance structure and composition	4.1.2 Governance bodies: General Shareholders' Meeting and Board of Directors 4.1.3 Board committees	36-39
2-10 Nominating and selecting the highest governance body	4.1.2 Governance bodies: General Shareholders' Meeting and Board of Directors 4.1.3 Board committees	36-39
2-11 Chair of the highest governance body	4.1.2 Governance bodies: General Shareholders' Meeting and Board of Directors 4.1.3 Board committees	36-39
2-12 Role of the highest governance body in overseeing the management of impacts	4.1.2 Governance bodies: General Shareholders' Meeting and Board of Directors 4.1.3 Board committees	36-39
2-13 Delegation of responsibility for managing impacts	4.1.2 Governance bodies: General Shareholders' Meeting and Board of Directors 4.1.3 Board committees	36-39
2-14 Role of the highest governance body in sustainability reporting	4.1.2 Governance bodies: General Shareholders' Meeting and Board of Directors 4.1.3 Board committees	36-39
2-15 Conflicts of interest	Information not available/incomplete*	N/A
2-16 Communication of critical concerns	4.3.1 Criminal risk and anti-bribery management model	46-48

2-17 Collective knowledge of the highest governance body	4.1.2 Governance bodies: General Shareholders' Meeting and Board of Directors	36-38
2-18 Evaluation of the performance of the highest governance body	Information not available/incomplete*	N/A
2-19 Remuneration policies	4.1.2 Governance bodies: General Shareholders' Meeting and Board of Directors 7.2.7 Average remuneration of directors, including variable remuneration, attendance fees, termination benefits and any other amounts received, broken down by gender 7.2.8 Average remuneration of managers, including variable remuneration, attendance fees, termination benefits and any other amounts received, broken down by gender	36-38; 103-104
2-20 Process to determine remuneration	4.1.2 Governance bodies: General Shareholders' Meeting and Board of Directors	36-38
2-21 Annual total compensation ratio	Information not available/incomplete*	N/A
Strategy, policies and practices		
GRI 2: General disclosures 2021		
2-22 Statement on sustainable development strategy	1. Letter from the CEO 5. Sustainability strategy	5-7; 49-70
2-23 Policy commitments	4.1.1 Corporate policies 7.1 People management 7.5 Diversity management and equal opportunities 8. Respect for human rights 9.7 +O volunteering	33-35; 94-96; 111-113; 118-121; 143-145
2-24 Embedding policy commitments	4.1.2 Governance bodies: General Shareholders' Meeting and Board of Directors	36-38
2-25 Processes to remediate negative impacts	8. Respect for human rights 10.5 Complaints	118-121; 163-165
2-26 Mechanisms for seeking advice and raising concerns	4.3.1 Criminal risk and anti-bribery management model 8. Respect for human rights	46-48; 118-121
2-27 Compliance with laws and regulations	6.2 Environmental risk management system	72-74
2-28 Membership associations	9. Society	122-125
Stakeholder engagement		
GRI 2: General disclosures 2021		

2-29 Approach to stakeholder engagement	5.4 Stakeholder engagement 9.7 +O volunteering	53-54; 143-145
2-30 Collective bargaining agreements	7.3.1 Percentage of employees covered by collective bargaining agreements	104
Disclosures on material topics		
GRI 3: Material topics 2021		
3-1 Process to determine material topics	5.5 Double materiality assessment	54-59
3-2 List of material topics		
3-3 Management of material topics	1. Letter from the CEO	5-7
	2.7 Key performance indicators	20-21
	6.3 Energy and climate change	74-89
	6.4 Circular economy and resource management	89-90
	7. People	93-117
	10. Customers	153-174
	11. Suppliers	175-179
GRI 201: Economic performance 2016		
201-1 Direct economic value generated and distributed	2.6 Economic value generated, distributed and retained in 2024 9. Society	20 and 21; 132-135
201-2 Financial implications and other risks and opportunities due to climate change	Information not available/incomplete*	N/A
201-3 Defined benefit plan obligations and other retirement plans	Information not available/incomplete*	N/A
201-4 Financial assistance received from government	2.6 Economic value generated, distributed and retained in 2024	19
Market presence		
GRI 202: Market presence 2016		
202-1 Ratios of standard entry level wage by gender compared to local minimum wage	7.2.5.4 Ratios of standard entry level wage by gender compared to local minimum wage	102; 116
202-2 Proportion of senior management hired from the local community	7.2.8 Average remuneration of managers, including variable remuneration, attendance fees, termination benefits and any other amounts received, broken down by gender	103-104
Indirect economic impacts		
GRI 203: Indirect economic impacts 2016		
203-1 Infrastructure investments and services supported	9.1 Quality connectivity and rural development 9.3 Seniors connected	126-128
203-2 Significant indirect economic impacts		129-132
Procurement practices		
GRI 204: Procurement practices 2016		

204-1 Proportion of spending on local suppliers	11.4 Impacts of the value chain	17989
Anti-corruption		
GRI 205: Anti-corruption 2016		
205-1 Operations assessed for risks related to corruption	Information not available/incomplete*	N/A
205-2 Communication and training about anti-corruption policies and procedures	Information not available/incomplete*	N/A
205-3 Confirmed incidents of corruption and actions taken	4.3.1 Criminal risk and anti-bribery management model	46-48
Anti-competitive behavior		
GRI 206: Anti-competitive behavior 2016		
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	4.3.1 Criminal risk and anti-bribery management model	46-48
Tax		
GRI 207: Tax 2019		
207-1 Approach to tax	2.6 Economic value generated, distributed and retained in 2024	19
207-2 Tax governance, control, and risk management		19
207-3 Stakeholder engagement and management of concerns related to tax		19
207-4 Country-by-country reporting	Information not available/incomplete*	N/A
GRI 301: Materials 2016		
301-1 Materials used by weight or volume	2.7 Key performance indicators 6.4.6 Raw materials: consumption and reduction measures	20-21; 90-91
301-2 Recycled input materials used	6.3.3 Climate change mitigation and adaptation	84-88
301-3 Reclaimed products and their packaging materials	6.4.6 Raw materials: consumption and reduction measures	90-91
GRI 302: Energy 2016		
302-1 Energy consumption within the organization	2.7 Key performance indicators 6.3.1 Total energy consumption	20-21
302-2 Energy consumption outside the organization		75-77
302-3 Energy intensity	6.3.1 Total energy consumption	75-77
302-4 Reduction of energy consumption	6.3.1 Total energy consumption	77-78
302-5 Reductions in energy requirements of products and services	Information not available/incomplete*	N/A
Water and effluents		

<table>
<tr><td colspan="2">GRI 303: Water and effluents 2018</td><td></td></tr>
<tr><td>303-1 Interactions with water as a shared resource</td><td rowspan="4">Reason for omission: water is not a material topic for MasOrange given the nature of its activity.</td><td>N/A</td></tr>
<tr><td>303-2 Management of water discharge-related impacts</td><td>N/A</td></tr>
<tr><td>303-3 Water withdrawal</td><td>N/A</td></tr>
<tr><td>303-4 Water discharge</td><td>N/A</td></tr>
<tr><td>303-5 Water consumption</td><td>2.7 Key performance indicators (KPIs)
6.4.7 Water consumption</td><td>20-21;
92-93</td></tr>
<tr><td colspan="2">Biodiversity</td><td></td></tr>
<tr><td colspan="2">GRI 304: Biodiversity 2016</td><td></td></tr>
<tr><td>304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas</td><td>Reason for omission: biodiversity is not a material topic for MasOrange.</td><td>N/A</td></tr>
<tr><td>304-2 Significant impacts of activities, products, and services on biodiversity</td><td rowspan="2">6.3.3.2 Carbon sequestration projects</td><td rowspan="2">86-89</td></tr>
<tr><td>304-3 Habitats protected or restored</td></tr>
<tr><td>304-4 UICN Red List species and national conservation list species with habitats in areas affected by operations</td><td>Reason for omission: biodiversity is not a material topic for MasOrange.</td><td>N/A</td></tr>
<tr><td colspan="2">GRI 305: Emissions 2016</td><td></td></tr>
<tr><td>305-1 Direct (Scope 1) GHG emissions</td><td rowspan="2">2.7 Key performance indicators (KPIs)
6.3.2.1 Summary of MasOrange Group's Scope 1 and 2 emissions</td><td>20-21;
83</td></tr>
<tr><td>305-2 Energy indirect (Scope 2) GHG emissions</td><td>84</td></tr>
<tr><td>305-3 Other indirect (Scope 3) GHG emissions</td><td>2.7 Key performance indicators (KPIs)
6.3.2.2 Analysis of Scope 3 emissions</td><td>83-84</td></tr>
<tr><td>305-4 GHG emissions intensity</td><td>6.3.2 Emissions</td><td>84</td></tr>
<tr><td>305-5 Reduction of GHG emissions</td><td>Reason for omission: 2024 was the first year of operations of MasOrange as a group.</td><td>N/A</td></tr>
<tr><td>305-6 Emissions of ozone-depleting substances (ODS)</td><td>Information not available/incomplete*</td><td>N/A</td></tr>
<tr><td>305-7 Nitrogen oxides (NO_x), sulfur oxides (SO_x) other significant air emissions</td><td>Reason for omission: N/A. This indicator is not considered relevant since emissions of this type of pollutants from our activity are not material.</td><td>N/A</td></tr>
<tr><td colspan="2">GRI 306: Waste 2020</td><td></td></tr>
<tr><td>306-1 Waste generation and significant waste-related impacts</td><td>6.4 Circular economy and resource management</td><td>89-91</td></tr>
</table>

306-2 Management of significant waste-related impacts		
306-3 Waste generated	6.4.2 Waste generation	20-21; 89-91
306-4 Waste not destined for disposal	Information not available/incomplete*	N/A
306-5 Waste destined for disposal	Information not available/incomplete*	N/A
GRI 308: Supplier environmental assessment 2016		
308-1 New suppliers that were screened using environmental criteria	11.3 Supplier risk assessment	179-181
308-2 Negative environmental impacts in the supply chain and actions taken	11.3 Supplier risk assessment	179-181
Employment		
GRI 401: Employment		
401-1 New employees hires and employee turnover	7.2.4 Number of dismissals by gender, age and employee category	109 and 110
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	7.1 People management	103-105
401-3 Parental leave		
Labor/management relations		
GRI 402: Labor/management relations 2016		
402-1 Minimum notice periods regarding operational changes	Information not available/incomplete*	N/A
Occupational health and safety		
GRI 403: Occupational health and safety 2018		
403-1 Occupational health and safety management system	7.6 Occupational health and safety	124 and 125
403-2 Hazard identification, risk assessment, and incident investigation		124 and 125
403-3 Occupational health services		124 and 125
403-4 Worker participation, consultation, and communication on occupational health and safety		124 and 125
403-5 Worker training on occupational health and safety	7.4.1 Training	118-120
403-6 Promotion of worker health	7.6 Occupational health and safety 7.6.3 Health care and promotion	124

403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	7.6 Occupational health and safety	124
403-8 Workers covered by an occupational health and safety management system		124
403-9 Work-related injuries		124
403-10 Work-related ill health		124
Training and education		
GRI 404: Training and education 2016		
404-1 Average hours of training per year per employee	7.4.1 Training	124
GRI 404-2 Programs for upgrading employee skills and transition assistance programs	7.4 Talent attraction and development	115-118
404-3 Percentage of employees receiving regular performance and career development reviews	7.4.4 Performance assessments and career development	111
Diversity and equal opportunity		
GRI 405: Diversity and equal opportunity 2016		
405-1 Diversity of governance bodies and employees	7.1 People management 7.2 Workforce and remuneration 7.2.9 Employees with disabilities 7.5 Diversity management and equal opportunities	111 and 112
GRI 405-2 Ratio of basic salary and remuneration of women to men	7.2.5 Average pay and trend broken down by gender, age, and employee category 7.2.6 Pay gap broken down by gender, age, and employee category, and remuneration for the same work or work of equal value at the company	100 and 101
Non-discrimination		
GRI 406: Non-discrimination 2016		
406-1 Incidents of discrimination and corrective actions taken	7.5 Diversity management and equal opportunities 8. Respect for human rights	111 and 112
Freedom of association and collective bargaining		
GRI 407: Freedom of association and collective bargaining 2016		
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	7.3.2 Social dialogue 7.4 Social dialogue and freedom of association 8.5 Rejection of child and forced labor	104 and 121
Child labor		
GRI 408: Child labor 2016		

408-1 Operations and suppliers at significant risk for incidents of child labor	7.1 People management 8.5 Rejection of child and forced labor	121
Forced or compulsory labor		
GRI 409: Forced or compulsory labor 2016		
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	7.1 People management 8.5 Rejection of child and forced labor	93 and 121
Security practices		
GRI 410: Security practices 2016		
410-1 Security personnel trained in human rights policies or procedures	10.8 Security and cybersecurity	169-174
Rights of indigenous peoples		
411-1 Incidents of violations involving rights of indigenous peoples	8.5 Rejection of child and forced labor 9. Society	121
Local communities		
GRI 413: Local communities		
413-1 Operations with local community engagement, impact assessments, and development programs	9.1 Quality connectivity and rural development 9.2 Inclusive offers, opportunities for everyone 9.3 Seniors connected	125-128
413-2 Operations with significant actual and potential negative impacts on local communities	9.5 Responsible use of technology	133-138
GRI 414: Supplier social assessment 2016		
414-1 New suppliers that were screened using social criteria	11.3 Supplier risk assessment	177 and 178
414-2 Negative social impacts in the supply chain and actions taken	11.3 Supplier risk assessment	177-179
Public policy		
GRI 415: Public policy 2016		
415-1 Political contributions	4.3.1 Criminal risk and anti-bribery management model	46-48
Customer health and safety		
GRI 416: Customer health and safety 2016		
GRI 416-1 Assessment of the health and safety impacts of product and service categories	10.6 Responsible advertising and consumption	164-167
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	10.6 Responsible advertising and consumption	164-167
Marketing and labeling		

GRI 417: Marketing and labeling 2016		
417-1 Requirements for product and service information and labeling	10.6 Responsible advertising and consumption	164-167
417-2 Incidents of non-compliance concerning product and service information and labeling		164-167
417-3 Incidents of non-compliance concerning marketing communications		164-167
Customer privacy		
GRI 418: Customer privacy 2016		
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	10.5 Complaints	162-164

MasOrange, S.L. and Subsidiaries

Independent Assurance Report on the Consolidated Non-Financial Information Statement (NFIS)

31 December 2024

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

KPMG Auditores, S.L.
Pº. de la Castellana, 259 C
28046 Madrid

Independent Assurance Report on the Consolidated Non-Financial Information Statement of MasOrange, S.L. and subsidiaries for 2024

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To the Shareholders of MasOrange, S.L.:

Pursuant to article 49 of the Spanish Code of Commerce, we have performed a limited assurance review of the accompanying consolidated Non-Financial Information Statement (hereinafter NFIS) of MasOrange, S.L. (hereinafter the Parent) and subsidiaries (hereinafter the Group) for the year ended 31 December 2024, which forms part of the consolidated Directors' Report of the Group for 2024.

The NFIS includes additional information to that required by prevailing mercantile legislation concerning non-financial information, which has not been the subject of our assurance work. Our work was limited exclusively to providing assurance on the information identified in table 12.3.1. "Table of Contents in compliance with Law 11/2018" included in the NFIS attached hereto.

Directors' Responsibility

The Directors of the Parent are responsible for the content and authorisation for issue of the NFIS included in the Group's consolidated Directors' Report. The NFIS has been prepared in accordance with prevailing mercantile legislation and selected Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards) based on each subject area in table 12.3.1. "Table of Contents in compliance with Law 11/2018" of the aforementioned NFIS.

This responsibility also encompasses the design, implementation and maintenance of internal control deemed necessary to ensure that the NFIS is free from material misstatement, whether due to fraud or error.

The Directors of the Parent are also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the NFIS was obtained.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including international independence standards) of the International Ethics Standards Board for Accountants (IESBA Code of Ethics), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management 1 (ISQM 1), which requires the firm to design, implement and operate a quality management system that includes policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reg. Mer Madrid, T. 11.961, F. 90, Sec. 8, H. M -188.007, Inscrip. 9
N.I.F. B-78510153

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

The engagement team was comprised of professionals specialised in reviews of non-financial information and, specifically, in information on economic, social and environmental performance.

Our Responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed, which refers exclusively to 2024. The data for previous years were not subject to assurance according to the commercial legislation in force. We conducted our engagement in accordance with the requirements of the Revised International Standard on Assurance Engagements 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" (ISAE 3000 (Revised)), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the guidelines for assurance engagements on the Non-Financial Information Statement issued by the Spanish Institute of Registered Auditors (ICJCE).

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement, and consequently, the level of assurance provided is also lower.

Our work consisted of making inquiries of management and of the different units and areas of the Group that participated in the preparation of the NFIS, reviewing the processes for compiling and validating the information presented in the NFIS and applying certain analytical procedures and sample review tests, which are described below:

– Meetings with the Group's personnel to gain an understanding of the business model, policies and management approaches applied, the principal risks related to these matters and to obtain the information necessary for the external review.

– Analysis of the scope, relevance and completeness of the content of the NFIS for 2024 based on the materiality analysis performed by the Group and described in section 5.5. "Double materiality analysis", considering the content required by prevailing mercantile legislation.

– Analysis of the processes for compiling and validating the data presented in the NFIS for 2024.

– Review of the information relative to the risks, policies and management approaches applied in relation to the material aspects presented in the NFIS for 2024.

– Corroboration, through sample testing, of the information related to the content of the consolidated NFIS for 2024 and whether it has been adequately compiled based on data provided by the information sources.

– Procurement of a representation letter from the Directors and management.

Conclusion

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the NFIS of MasOrange, S.L. and subsidiaries for the year ended 31 December 2024 has not been prepared, in all material aspects, in accordance with prevailing mercantile legislation and the selected GRI Standards based on each subject area in table 12.3.1. "Table of Contents in compliance with Law 11/2018" of the aforementioned NFIS.

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

Use and Distribution

This report has been prepared in response to the requirement established in current commercial legislation in Spain, and thus may not be suitable for other purposes and jurisdictions.

KPMG Auditores, S.L.

28 March 2025

Preparation of the consolidated financial statements and consolidated management report for the fiscal year 2024

The Directors of Masorange, S.L., meeting on 28 March 2025, and in compliance with the requirements established in Article 253.2 of the Revised Capital Companies Law and Article 37 of the Commercial Code, hereby present the consolidated financial statements and the consolidated management report for the fiscal year from 1 January 2024 to 31 December 2024, which consist of the documents attached to this writing.

The undersigned:

Jean François Fallacher (President)	Meinrad Spenger (Chief Executive Officer)
Mari-Noëlle Jégo Laveissière	Miguel Juan Segura Martín
Laurent Vincent Joseph Martinez	Ignacio Cobo Bachiller
Ignacio de Orúe Sabau	Robert Sudo