

Nevertheless, a final judgment for the payment of money rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon the U.S. federal securities laws, would be recognized and enforced in France provided that a French judge considers that this judgment meets the French legal requirement concerning the recognition and the enforcement of foreign judgments and is capable of being immediately enforced in the United States. A French court is therefore likely to grant the enforcement of a foreign judgment without a review of the merits of the underlying claim, only if (1) that judgment resulted from legal proceedings compatible with French standards of due process, (2) the judgment does not contravene international public order and public policy of France and (3) the jurisdiction of the U.S. federal or state court has been based on principles of French private international law. The French court would also require that the U.S. judgment is not tainted with fraud and is not incompatible with a judgment rendered by a French court in the same matter, or with an earlier judgment rendered by a foreign court in the same matter.

In addition, French law guarantees full compensation for the harm suffered but is limited to the actual damages, so the victim does not suffer or benefit from the situation. Such system excludes damages such as, but not limited to, punitive and exemplary damages.

As a result, the enforcement, by U.S. investors, of any judgments obtained in U.S. courts in civil and commercial matters, including judgments under the U.S. federal securities law against the Company or members of its Board of Directors, officers or certain experts named herein who are residents of France or countries other than the United States would be subject to the above conditions.

Finally, there may be doubt as to whether a French court would impose civil liability on the Company, the members of its Board of Directors, its officers or certain experts named herein in an original action predicated solely upon the U.S. federal securities laws brought in a court of competent jurisdiction in France against the Company or such members, officers or experts, respectively.

Provisions having the effect of delaying, deferring or preventing a change of control of the Company

None.

10.C MATERIAL CONTRACTS

See Note 4.2 *Main changes in the scope of consolidation* and Note 14.3 *Liquidity risk management* to the consolidated financial statements included in Item 18.

10.D EXCHANGE CONTROLS

Under current French exchange control regulations, there are no limitations on the amount of payments that may be remitted by Orange to non-residents of France. Laws and regulations concerning foreign exchange controls do require, however, that all payments or transfers of funds made by a French resident to a non-resident, such as dividends payments, be handled by an authorized intermediary. In France, all registered banks and substantially all credit establishments are accredited intermediaries.

10.E TAXATION

The discussions set forth in this section are based on French tax law and U.S. federal income tax law, including applicable treaties and conventions, as in effect on the date of this Annual Report on Form 20-F. These tax laws, and related interpretations, are subject to change, possibly with retroactive effect. This section is further based in part on representations of the depository and assumes that each obligation in the deposit agreement and any related agreement will be performed in accordance with its terms.

10.E.1 French Taxation

The following is a general summary of the material French tax consequences of owning and disposing of the Shares or ADSs of Orange. This summary may only be relevant to you if you are not a resident of France (as defined in Article 4 B of the French General Tax Code), no double tax treaty between France and your country contains a provision under which dividends or capital gains are expressly liable to French tax (see Article 4 bis of the French General Tax Code) and you do not hold your Shares or ADSs in connection with a permanent establishment or a fixed base in France through which you carry on a business or perform personal services.

This discussion is intended only as a descriptive summary. It does not address all aspects of French tax laws that may be relevant to you in light of your particular circumstances.

If you are considering buying Shares or ADSs of Orange, you should consult your own tax advisor about the potential tax effects of owning or disposing of Shares or ADSs in your particular situation.

A comprehensive set of tax rules is specifically applicable to French assets (such as the Shares/ADSs) that are held by or in foreign trusts. These rules provide notably for the inclusion of trust real estate assets in the settlor's net assets for purpose of applying the French real estate wealth tax or trust assets in general for the application of French gift and death duties to French assets held in trust, for a specific tax on capital on the French assets of foreign trusts not already subject to the French real estate wealth tax and for a number of French tax reporting and disclosure obligations. The following discussion does not address the French tax consequences applicable to Shares and ADSs held in trusts. If the Shares or ADSs are held in trust, the grantor, trustee and beneficiary are urged to consult their own tax adviser regarding the specific tax consequences of acquiring, owning and disposing of the Shares or ADSs.

Taxation on sale or disposal of Shares and ADSs

Generally, you will not be subject to any French income tax or capital gains tax when you sell or dispose of Shares or ADSs of Orange if all of the following apply to you:

- you are not a French resident for French tax purposes; and

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- you have not held more than 25% of Orange's dividend rights, known as "*droits aux bénéfices sociaux*", at any time during the preceding five years, either directly or indirectly, and, as relates to individuals, alone or with relatives; and
- you have not transferred the Shares/ADSs as part of a redemption by Orange, in which case the proceeds may under certain circumstances be partially or fully characterized as dividends under French domestic law and, as a result, be subject to French dividend withholding tax,

unless you are established or domiciled in a jurisdiction listed as a non-cooperative state or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French General Tax Code (a "Non-Cooperative State"), in which case you will be subject to a 75% tax on capital gain. The list of Non-Cooperative States is published by ministerial executive order and is updated from time to time.

If an applicable double tax treaty between France and your country contains more favorable provisions, you may not be subject to any French income tax or capital gains tax when you sell or dispose of any Shares or ADSs of Orange even if one or more of the above statements do not apply to you.

If you are a resident of the United States who is eligible for the benefits of the income tax treaty between the United States of America and France dated August 31, 1994 (as further amended) (the "U.S. France Treaty") and either you hold the Shares or the ADSs directly or hold them through a partnership which is fiscally transparent under U.S. law and is formed or organized in France, or the United States of America or a state that has concluded with France an agreement containing a provision for the exchange of information with a view to the prevention of tax evasion, to the extent that the gain is treated for purposes of U.S. taxation as your income, you will not be subject to French tax on any capital gain if you sell or exchange your Shares or ADSs unless you have a permanent establishment or fixed base in France and the Shares or ADSs sold or exchanged were part of the business property of that permanent establishment or fixed base.

Special rules apply to individuals who are residents of more than one country.

Subject to specific conditions, foreign states, international organizations and a number of foreign public bodies are not considered French residents for these purposes.

Pursuant to Article 235 ter ZD of the French General Tax Code, purchases of certain securities are subject to a 0.3% French tax on financial transactions provided that the market capitalization of the issuer exceeds 1 billion euros as of December 1 of the year preceding the taxation year. A list of companies whose market capitalization exceeds 1 billion euros as at December 1, 2020, has been published in the official guidelines of the French tax authorities on December 23, 2020 (BOI-ANXX-000467-23/12/2020), and Orange has been included on such list as a company whose market capitalization exceeded 1 billion euros as at December 1, 2020. Therefore, purchases of Orange's Shares or ADSs are subject to such French tax on financial transactions. Please note that such list may be amended in the future.

Taxation of dividends

Under French domestic law, French companies must generally deduct a 26.5% French withholding tax from dividends (including distributions from share capital premium, insofar as the company has distributable reserves, or the relevant portion of certain repurchases or redemption by Orange of its own Shares) paid to non-residents (12.8% for distributions made to individuals and 15% for distributions made to not-for-profit organizations with a head office in a Member State of the European Economic Area which would be subject to the tax regime set forth under Article 296-5 of the French General Tax Code if its head office were located in France and which meet the criteria set forth in the administrative guidelines BOI-RPPM-RCM-30-30-10-70-24/12/2019, n°130). Under most tax treaties between France and other countries, the rate of this withholding tax may be reduced in specific circumstances. Generally, a holder who is a non-French resident is subsequently entitled to a tax credit in his or her country of residence for the amount of tax actually withheld at the appropriate treaty rate.

However, dividends paid or deemed to be paid by a French corporation, such as Orange, towards a Non-Cooperative State, will generally be subject to French withholding tax at a rate of 75%, irrespective of the tax residence of the beneficiary of the dividends if the dividends are received or deemed to be received in such States or territories (subject to the more favorable provisions of an applicable double tax treaty).

Under some tax treaties, a shareholder who fulfills specific conditions may generally apply to the French tax authorities for a lower rate of withholding tax, generally 15%. Under some tax treaties, the withholding tax is eliminated altogether.

If the arrangements provided for by any of such treaties apply to a shareholder, Orange or the authorized intermediary will withhold tax from the dividend at the lower rate, provided that the shareholder complies, before the date of payment of the dividend, with the applicable filing formalities. Otherwise, Orange or the authorized intermediary must withhold tax at the full rate of 15%, 12.8%, 26.5% or 75% as applicable, and the shareholder may subsequently claim the refund of excess tax paid.

If you are a resident of the United States who is eligible for the benefits of the U.S. France Treaty (in particular, entitled to Treaty benefits under the "Limitation on Benefits" provision) and either you hold the Shares or the ADSs directly or hold them through a partnership which is fiscally transparent under U.S. law and is formed or organized in France, or the United States of America or a state that has concluded with France an agreement containing a provision for the exchange of information with a view to the prevention of tax evasion, to the extent that the dividend is treated for purposes of the U.S. taxation as your income, French dividend withholding tax is reduced to 15% provided your ownership of the Shares or ADSs is not effectively connected with a permanent establishment or a fixed base that you have in France. A U.S. partnership generally can claim benefits under the U.S. France Treaty only to the extent its income is taxable in the United States as the income of a resident, either in the hands of such partnership or in the hands of its partners. The French tax authorities have, however, conceded that the benefits of the U.S. France Treaty may still be claimed if one or several members of the U.S. partnership are themselves U.S. partnerships (and up to six tiers of interposed partnerships) to the extent of the income taxable in the United States as the income of a resident in the hands of the ultimate partner or partners. Certain other requirements must be satisfied. In particular, you will have to comply with the formalities set out in Item 10.E.3 "Procedure for Reduced Withholding Rate". If you fail to comply with such formalities before the date of payment of the dividend, Orange or the authorized intermediary shall deduct French withholding tax at the rate of 15%, 12.8%, 26.5% or 75% as applicable. In that case, you may claim a refund from the French tax authorities of the excess withholding tax.

Certain tax exempt U.S. entities (such as tax-exempt U.S. pension funds, which include the exempt pension funds established and managed in order to pay retirement benefits subject to the provisions of Section 401(a) of the Internal Revenue Code (qualified retirement plans), Section 401(b) of the Internal Revenue Code (retroactive changes in plan), Section 403(b) of the Internal Revenue Code (tax deferred annuity contracts) or Section 457 of the Internal Revenue Code (deferred compensation plans), and various other tax-exempt entities, including certain state-owned institutions, not-for-profit organizations and individuals with respect to dividends which they beneficially own and which are derived from an investment retirement account) may be eligible for the reduced withholding tax rate of 15% on dividends. Specific rules apply to them as further described below in Item 10.E.3 "Procedure for Reduced Withholding Rate".

Estate and Gift Tax

France imposes estate and gift tax where an individual or entity acquires shares of a French company from a non-resident of France by way of inheritance or gift. France has entered into estate and gift tax treaties with a number of countries. Under these treaties, the transfer by residents of those countries of shares of a French company by way of inheritance or gift may be exempt from French inheritance or gift tax or give rise to a tax credit in such countries, assuming specific conditions are met.

Under the “Convention Between the United States of America and the French Republic for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Estates, Inheritance and Gifts of November 24, 1978” (as further amended), French estate and gift tax generally will not apply to the individual or entity acquiring your Shares or ADSs if that individual or entity as well as you are residents of the United States and if you transfer your Shares or ADSs by gift, or they are transferred by reason of your death, unless you are domiciled in France at the time of making the gift of the Shares or ADSs or at the time of your death, or you used the Shares or ADSs in conducting a business through a permanent establishment or fixed base in France, or you held the Shares or ADSs for that use.

You should consult your own tax advisor about whether French estate and gift tax will apply and whether an exemption or tax credit can be claimed.

Real Estate Wealth Tax

The French real estate wealth tax known as *impôt sur la fortune immobilière* replaced the French wealth tax, known as *impôt de solidarité sur la fortune*, with effect from January 1, 2018.

You will not be subject to French real estate wealth tax, on your Shares or ADSs of Orange if both of the following apply to you:

- you are not a French resident for the purpose of French taxation; and
- you own, either directly or indirectly, less than 10% of Orange capital stock, provided your Shares or ADSs do not enable you to exercise influence on Orange.

If a double tax treaty between France and your country contains more favorable provisions, you may not be subject to French real estate wealth tax even if one or both of the above statements do not apply to you.

The French real estate wealth tax generally does not apply to Shares or ADSs if you are a resident of the United States for purposes of the U.S. France Treaty provided that you do not own directly or indirectly Shares or ADSs exceeding 25% of the financial rights of Orange.

10.E.2 U.S. Taxation of U.S. Holders

The following discussion is a general summary of certain U.S. federal income tax considerations relevant to the ownership and disposition of Orange Shares and ADSs. The discussion is not a complete description of all tax considerations that may be relevant to you, and it does not consider your particular circumstances. It applies to you only if you are a U.S. Holder, you hold the Shares or ADSs as capital assets, you use the U.S. dollar as your functional currency and you are eligible for the benefits of the U.S. France Treaty. It does not address the tax treatment of investors subject to special rules, such as banks, tax-exempt entities, insurance companies, dealers, traders in securities that elect to mark to market, U.S. expatriates or persons who directly, indirectly or constructively own 10% or more of the Shares or ADSs, have a permanent establishment in France, acquire ADSs in a “pre-release” transaction or hold Shares or ADSs as part of a straddle, hedging, conversion or other integrated transaction. For certain additional information regarding U.S. partnerships, see also the discussion presented under the caption “Taxation of Dividends” in Item 10.E.1 (French Taxation).

As used here, a “U.S. Holder” means a beneficial owner of the Shares or ADSs, that is, for U.S. federal income tax purposes (i) an individual citizen or resident of the United States, (ii) a corporation or other business entity taxed as a corporation that is created or organized under the laws of the United States or its political subdivisions, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust subject to the primary supervision of a U.S. court and the control of one or more U.S. persons or that has elected to be treated as a domestic trust.

The U.S. federal income tax treatment of a partner in a partnership that holds Shares or ADSs will depend on the status of the partner and the activities of the partnership. Partnerships should consult their tax advisors concerning the U.S. federal income tax consequences of the acquisition, ownership and disposition of the Shares or ADSs.

U.S. Holders of ADSs generally will be treated for U.S. federal income tax purposes as owners of the Shares underlying the ADSs.

Orange believes, and this discussion assumes, that Orange is not and will not become a passive foreign investment company (“PFIC”) for U.S. federal income tax purposes.

Dividends

Distributions on Orange Shares and ADSs, including French tax withheld and the gross amount of any payment on account of a French tax credit, will be includable in income as dividends from foreign sources when actually or constructively received. The dividends will not be eligible for the dividends received deduction generally allowed to U.S. corporations. The dividends received by non-corporate U.S. Holders, however, will be taxed as qualified dividends, currently at the same preferential rate allowed for long-term capital gains, because the ADSs are readily tradable on the NYSE.

The U.S. dollar amount of a euro dividend received on the Shares or ADSs will be based on the exchange rate for the euros received on the date you recognize the dividend for U.S. federal income tax purposes, whether or not you convert the euros into U.S. dollars. You will have a basis in the euros received equal to the U.S. dollar amount of the dividend you realized. Any gain or loss on a subsequent conversion or other disposition of the euros generally will be ordinary income or loss from U.S. sources.

Subject to generally applicable limitations, you may claim a deduction or a foreign tax credit for tax withheld at the applicable withholding rate. In computing foreign tax credit limitations, non-corporate U.S. Holders eligible for the preferential tax rate applicable to qualified dividend income may take into account only the portion of the dividend effectively taxed at the highest applicable marginal rate. You should consult your own tax adviser about your eligibility for benefits under the U.S. France Treaty including a reduced rate of French withholding tax and for applicable limitations on claiming a deduction or foreign tax credit for any French tax withheld.

Dispositions

You will recognize gain or loss on a disposition of Orange Shares or ADSs in an amount equal to the difference between the amount you realize and your adjusted tax basis in the Shares or ADSs. Your adjusted tax basis in a share or ADS will generally be the amount you paid for it measured in U.S. dollars. The U.S.-dollar cost of a share or ADS purchased with foreign currency will generally be the U.S.-dollar value of the purchase price. The gain or loss generally will be from sources within the United States. The gain or loss will be long-term capital gain or loss if you held the Shares or ADSs for at least one year. Long term capital gains realized by non-corporate U.S. Holders currently qualify for preferential tax rates. Deductions for capital losses are subject to limitations.

If you receive a currency other than U.S. dollars upon disposition of the Shares or ADSs, you will realize an amount equal to the U.S. dollar value of the currency received on the date of disposition (or, if you are a cash-basis or an accrual basis taxpayer that files an election with the IRS, the settlement date). You will have a tax basis in the currency received equal to the U.S. dollar amount you realized. Any gain or loss on a subsequent conversion or disposition of the currency received generally will be U.S. source ordinary income or loss.

Deposits or withdrawals of Shares in exchange for ADSs will not be taxable transactions subject to U.S. federal income tax.

U.S. Information Reporting and Backup Withholding for U.S. Holders

Your dividends on the Shares or ADSs and proceeds from the sale or other disposition of the Shares or ADSs may be reported to the U.S. Internal Revenue Service unless you are a corporation or you otherwise establish a basis for exemption. Backup withholding tax may apply to amounts subject to reporting if you fail to provide an accurate taxpayer identification number or otherwise establish a basis for exemption. You can claim a credit against your U.S. federal income tax liability for amounts withheld under the backup withholding rules and a refund for any excess.

Certain U.S. Holders will be required to report information with respect to Shares and ADSs that are held through foreign accounts. U.S. Holders who fail to report information required under these rules could become subject to substantial penalties. You are urged to consult your U.S. tax advisor regarding these and other reporting requirements that may apply with respect to your Shares or ADSs.

10.E.3 Procedure for reduced withholding rate

If you are eligible for benefits under the U.S. France Treaty, you will be entitled to reduce the rate of French withholding tax on dividends by filing the applicable form(s) with the depositary or other financial institution managing your securities account in the United States, or failing that, the French paying agent, if the financial institution managing your securities account or the French paying agent receives the form(s) before the date of payment of the dividend. If you fail to submit the applicable form(s) in time to avoid withholding, you may claim a refund for the amount withheld in excess of the U.S. France Treaty rate.

In order to have taxes on dividends withheld at the reduced amount, you generally must provide the depositary, or other financial institution managing your securities account in the United States, with a certificate of residence before the dividend is paid. If this certificate is not stamped by the U.S. Internal Revenue Service, the depositary or other financial institution managing your securities account in the U.S. must provide the French paying agent with a document listing certain information about the U.S. Holder and its Shares or ADSs and a certificate whereby the financial institution managing your securities account in the United States takes full responsibility for the accuracy of the information provided in the document.

Tax exempt U.S. pension funds, charities or other tax exempt organizations must also provide a certificate from the U.S. Internal Revenue Service setting out that they have been created and operate in compliance with the Internal Revenue Code of 1986, as amended. Tax exempt organizations may obtain this certification by filing a U.S. Internal Revenue Service Form 8802. Similar requirements apply to REITs, RICs and REMICs.

Collective trusts of pension funds may apply for the withholding tax reduction on behalf of their members if they provide a complete list of their members, the required certificate from the IRS for each member which is a tax exempt U.S. pension fund and a certificate setting out the dividend to which each tax exempt U.S. pension fund which is a member is entitled.

The relevant French forms will be provided by the depositary to all U.S. Holders of ADSs registered with the depositary and all U.S. Internal Revenue Service Forms are also available from the U.S. Internal Revenue Service. The depositary will arrange for the filing with the French paying agent and the French tax authorities of all forms completed by U.S. Holders of ADSs that are returned to the depositary in sufficient time.

You should consult your own independent tax advisors about the availability and applicability of the reduced rate of French withholding tax.

10.F DIVIDENDS AND PAYING AGENTS

Not applicable.

10.G STATEMENT BY EXPERTS

Not applicable.

10.H DOCUMENTS ON DISPLAY

Orange is subject to the reporting requirements of the Exchange Act applicable to foreign private issuers. In connection with the Exchange Act, Orange files reports, including this annual report on Form 20-F, and other information with the U.S. Securities and Exchange Commission. Such reports and other information are available on the SEC's website at www.sec.gov, and may also be inspected and copied at prescribed rates at the public reference facilities maintained by the SEC at its Public Reference Room, 100 F Street, N.E., Washington, D.C. 20549.

All documents provided to shareholders as required by law may be consulted at Orange's registered offices at 78 rue Olivier de Serres, 75015 Paris, France.

In addition, the bylaws of Orange are available on Orange's website at www.orange.com.

10.I SUBSIDIARY INFORMATION

Orange SA scope of consolidation and equity securities at December 31, 2020 are available on Orange's website at www.orange.com under Investors/Regulated information.

10.J DISCLOSURE PURSUANT TO SECTION 13 (r) OF THE UNITED STATES EXCHANGE ACT OF 1934

Orange conducts limited business in Iran, all of which relates to telecommunications. The total revenue from these activities constitutes much less than 1% of the Group's consolidated revenue in 2020. Section 13 (r) of the United States Exchange Securities Act of 1934 requires an issuer to disclose in its annual or quarterly reports, as applicable, certain activities, including certain transactions or dealings relating to the "Government of Iran" as defined under § 560.304 of the Iranian Transactions and Sanctions Regulations (31 C.F.R. Part 560). Disclosure may be required even where the activities, transactions or dealings are conducted outside the United States by non-U.S. affiliates in compliance with applicable law and regardless of whether the activities are sanctionable under U.S. law.

In compliance with the Section 13(r), Orange is disclosing that Orange's Enterprise operating segment provided (through indirect, wholly-owned subsidiaries of Orange SA) telecommunication services to certain international public organizations and multinationals in Iran. These telecommunication services represented in 2020 gross revenues of approximately 3.3 million euros and a net profit of approximately 0.3 million euros. Orange intends to continue carrying out these activities.

Item 11 Quantitative and qualitative disclosures about market risk

See Note 14 *Information on market risk and fair value of financial assets and liabilities (telecom activities)* to the consolidated financial statements included in Item 18. Orange only enters into market risk instruments for purposes other than trading.

Item 12 Description of securities other than equity securities

12.A DEBT SECURITIES

Not applicable.

12.B WARRANTS AND RIGHTS

Not applicable.

12.C OTHER SECURITIES

Not applicable.

12.D AMERICAN DEPOSITARY SHARES

Orange's ADR facility is maintained by Bank of New York Mellon, which principal executive office is located at 240 Greenwich Street, New York, New York 10286 ("the Depositary"). One American Depositary Share represents one Share of Orange. A copy of our form of Amended and Restated Deposit Agreement ("the Deposit Agreement") among the Depositary, owners and holders of ADSs evidenced by ADRs issued under the Deposit Agreement and Orange was filed with the SEC as an exhibit to the Form F-6 filed on July 27, 2017. Société Générale ("the Custodian") acts as agent of the Depositary for the purposes of this Deposit Agreement. For more complete information, including on holders' rights and obligations, holders should read the entire deposit agreement, as amended, and the ADR itself.

Fees and charges payable by a holder of ADSs

Under the Deposit Agreement, the Depositary collects fees for delivery and surrender of ADSs directly from investors depositing Shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The Depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of the distributable property to pay the fees.

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The fees payable to the Depositary by investors are as follows:

Depositary actions:	Fee:
- Issuance of ADSs, including issuances resulting from a distribution of Shares or rights or other property	\$5.00 (or less) per 100 ADSs (or portion of 100 ADSs)
- Cancellation of ADSs for the purpose of withdrawal, including if the Deposit Agreement terminates	\$5.00 (or less) per 100 ADSs (or portion of 100 ADSs)
- Any cash distribution to ADS registered holders	\$0.05 (or less) per ADS
- Distribution of securities distributed to holders of deposited securities which are distributed by the Depositary to ADS registered holders	A fee equivalent to the fee that would be payable if securities distributed to holders of deposited securities had been Shares and the Shares had been deposited for issuance of ADSs
- Transfer and registration of Shares on the Depositary's share register to or from the name of the Depositary or its agent when depositing or withdrawing Shares	Registration or transfer fees

In addition, investors must, as necessary, reimburse the Depositary for:

- Taxes and other governmental charges the Depositary or the Custodian have to pay on any ADS or share underlying an ADS, for example, stock transfer taxes, stamp duty or withholding taxes
- Any charges incurred by the depositary or its agents for servicing the deposited securities
- Expenses of the Depositary for cable, telex and facsimile transmissions (when expressly provided in the Deposit Agreement)
- Expenses of the Depositary for converting foreign currency to U.S. dollars

Fees and payments made by the Depositary to the Issuer

The Depositary has agreed to reimburse the Company for expenses the Company incurs that are related to establishment and maintenance expenses of the ADR facility. The Depositary has agreed to reimburse the Company for its continuing annual stock exchange listing fees. The Depositary has also agreed to pay the standard out-of-pocket maintenance costs for the ADRs, which consist of the expenses of postage and envelopes for mailing annual and interim financial reports, printing and distributing dividend checks, electronic filing of U.S. Federal tax information, mailing required tax forms, stationery, postage, facsimile, and telephone calls. It has also agreed to reimburse the Company annually for certain investor relationship programs or special investor relations promotional activities. The Depositary has agreed to provide additional payments to the Company based on activity indicators relating to the outstanding ADRs.

During the fiscal year ended December 31, 2020, payments of 2.7 million U.S. dollars were made to Orange in relation thereto.

Voting the Shares at shareholders' meetings

Pursuant to a deposit agreement signed with the Company, the Company shall timely notify the Depositary in writing prior to any meeting of holders of Shares or other Deposited Securities of such meeting. Upon receipt of such notice, and upon consultation with the Company, the Depositary shall, in a timely manner, mail to owners of ADSs (the Owners):

- a notice of impending meetings,
- a statement that the Owners will be entitled, subject to any applicable provision of French law and the bylaws of the Company, to instruct the Depositary as to the exercise of the voting rights pertaining to the Shares represented by the ADSs,
- copy or summary of any material provided by the Company,
- a voting instruction card,
- and a statement as to the manner in which such instructions may be given, including an express indication that if no instruction is received, such instructions may be given or deemed given, to the Depositary to give the Custodian instructions to vote or cause to vote the Deposited Securities underlying the ADSs for which voting instructions are specifically given or deemed given, in accordance with the recommendations of the Board of Directors of the Company.

The Depositary will not charge any fee in connection with enabling the Owners to exercise their voting rights.

The Depositary and the Company may amend the voting procedures from time to time as they determine appropriate to comply with French or United States law or the bylaws of the Company.

Reports, Notices and Other Communications

On or before the first date on which the Company gives notice of any meeting of holders of Shares or of the taking of any action in respect of any cash or other distribution or the offering of any rights, the Company shall transmit to the Depositary a copy of the notice thereof. The Company will also arrange for the prompt transmittal to the Depositary of any other report and communication which is made generally available by the Company to holders of its Shares. The Company may arrange for the Depositary to mail copies of such notices, reports and communications to all Owners.

PART II

Item 13 Defaults, dividend arrearages and delinquencies

N/A

Item 14 Material modifications to the rights of security holders and use of proceeds

None.

Item 15 Controls and procedures

Despite the situation caused by the Covid-19 pandemic, Orange was able to maintain its financial reporting systems, internal control over financial reporting, and disclosure controls and procedures.

15.A DISCLOSURE CONTROLS AND PROCEDURES

In 2003, Orange created a Disclosure Committee whose mission is to ensure the accuracy, the compliance with applicable laws, regulations and recognized practices, the consistency and the quality of the financial information disclosed by Orange. The Disclosure Committee, operating under the authority of the Delegate Chief Executive Officer Finance, Performance and Development, reviews all financial information distributed by the Group, as well as related documents such as press releases announcing financial results, presentations to financial analysts and management reports. The Disclosure Committee is chaired, by delegation, by the Group Accounting Director and brings together the heads of the Legal, Internal Audit, Controlling, Investor Relations and Communication Departments.

Orange's Chief Executive Officer and Delegate Chief Executive Officer Finance, Performance and Development (in his capacity as Chief Financial Officer), after evaluating the effectiveness of the Group's disclosure controls and procedures (as defined by Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of December 31, 2020, have concluded that, as of such date, Orange's disclosure controls and procedures were effective. Orange's disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed in the reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the specified time periods, and that such information is made known to the Chief Executive Officer and Delegate Chief Executive Officer Finance, Performance and Development (in his capacity as Chief Financial Officer), as appropriate to allow timely decisions regarding required disclosure.

15.B MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Orange's management is responsible for establishing and maintaining adequate internal control over financial reporting of Orange (as defined by Rules 13a-15(f) and 15d-15(f) under the Exchange Act).

Orange's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

The Group's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Group; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Group are being made only in accordance with authorizations of management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Group's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal controls over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Group management conducted an evaluation of the effectiveness of internal control over financial reporting based on the framework presented in the Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework).

Based on this evaluation, management concluded that the Group's internal control over financial reporting was effective as of December 31, 2020. The effectiveness of the Group's internal control over financial reporting as of December 31, 2020 has been audited by KPMG S.A. and Ernst & Young Audit, independent registered public accounting firms, as stated in their report which is included herein.

15.C REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRMS

To the Shareholders and Board of Directors of Orange S.A.,

Opinion on Internal Control over Financial Reporting

We have audited Orange S.A. and its subsidiaries' (the "Group") internal control over financial reporting as of December 31, 2020, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework) ("the COSO criteria"). In our opinion, the Group maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated statements of financial position of the Group as of December 31, 2020, 2019 and 2018, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for each of the years in the three-year period ended December 31, 2020, and the related notes (collectively referred to as the "consolidated financial statements"), and our report dated February 18, 2021 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Group's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Group's internal control over financial reporting based on our audit. We are public accounting firms registered with the PCAOB and are required to be independent with respect to the Group in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG Audit, a division of KPMG S.A.
Represented by Jacques Pierre

/s/ ERNST & YOUNG Audit

Paris-La Défense, France
February 18, 2021

15.D CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

None.

Item 16 [Reserved]

Item 16AAudit committee financial expert

Jean-Michel Severino is the Audit Committee's financial expert as defined in Item 16A(b) and (c) of the SEC General Instructions on Form 20-F. Jean-Michel Severino is "independent" as defined by Rule 10A-3(b)(1)(ii) of the Exchange Act, as amended (see Item 6 *Directors, Senior Management and Employees*).

Item 16BCode of ethics

Orange's Board of Directors has adopted a Code of Ethics that applies to all Orange employees, including the Chief Executive Officer, the Delegate Chief Executive Officer Finance, Performance and Development (in his capacity as Chief Financial Officer), the principal accounting officer and the persons performing similar functions. A copy of Orange's Code of Ethics is available on Orange's website at www.orange.com. In 2016, following the entry into force of the European Market Abuse Regulation ("MAR"), the Audit Committee approved a new Code of Market Ethics endorsed by the Group's Ethics Committee.

Item 16C Principal accountant fees and services

See Note 21 *Auditor's fees* to the consolidated financial statements included in Item 18 *Financial Statements*.

All services provided by the statutory auditors prior to the entry into force of the European Union ("EU") Audit Reform legislation (applicable throughout the EU since June 17, 2016), were approved in accordance with the approval rules adopted by the Audit Committee in 2003 and updated in October 2013. All services provided by the statutory auditors following the entry into force of the EU Audit Reform legislation have been approved in accordance with the approval rules adopted by the Audit Committee in 2003 and updated in October 2016. Both rules include procedures for preapproval of services as required.

Item 16D Exemptions from listing standards for audit committees

Orange's Audit Committee consists of five directors including three directors who meet the independence requirements under Rule 10A-3 of the Exchange Act, as amended, and two who are exempt from such requirements pursuant to Rule 10A-3(b)(1)(iv) of the Exchange Act. The Audit Committee members exempt from the independence requirements are Ms. Claire Vernet-Garnier who meets the exemption requirements under Rule 10A-3(b)(1)(iv)(E) of the Exchange Act relating to foreign government representatives, and Mr. Sébastien Crozier who meets the exemption requirements under Rule 10A-3(b)(1)(iv)(C) of the Exchange Act relating to non-executive employees. Orange's reliance on such exemptions does not materially adversely affect the ability of the Audit Committee to act independently.

Item 16E Purchase of equity securities by the issuer and affiliated purchasers

The information required by this section is set forth in the 2020 Registration Document filed as Exhibit 15.1 of this document in Section 6.1.4 *Treasury shares - Share buyback program*, on pages 374 and 375 of the 2020 Registration Document is incorporated this section by reference.

The table below presents additional information on the purchases of treasury Shares in 2020:

Settlement month	Total number of Shares purchased ⁽¹⁾	Weighted average gross price per share (€)	Total number of Shares purchased as part of publicly announced programs	Maximum number of Shares that may yet be purchased under the programs ⁽²⁾
January 2020	629,000	13.0122	629,000	248,293,918
February 2020	432,500	12.8448	432,500	247,861,418
March 2020	—	—	—	247,861,418
April 2020	73	13.6396	73	247,861,345
May 2020	—	—	—	266,005,660
June 2020	561,750	10.4515	561,750	265,443,910
July 2020	438,500	10.6717	438,500	265,005,410
August 2020	790,000	9.9039	790,000	264,215,410
September 2020	1,975,953	9.3620	1,975,953	262,239,457
October 2020	2,161,500	9.1579	2,161,500	260,077,957
November 2020	2,440,641	9.6474	2,440,641	257,637,316
December 2020	1,503,300	9.9770	1,503,300	256,134,016
Total	10,933,217		10,933,217	

⁽¹⁾ Until May 19, 2020, under the 2019 Share buyback program approved by the Annual Shareholders' Meeting of May 21, 2019 for up to 10% of the share capital; from May 20, 2020, under the 2020 Share buyback program approved by the Annual Shareholders' Meeting of May 19, 2020 for up to 10% of the share capital for a period of 18 months.

⁽²⁾ At month end.

Item 16F Change in Registrant's Certifying Accountant

The terms of office of all the Statutory Auditors will expire following the Shareholders' Meeting of May 18, 2021. The Shareholders' Meeting will be called upon to decide on the renewal of the mandates of KPMG SA and Salustro Reydel as well as on the appointment of Deloitte and BEAS as new principal and alternate Statutory Auditors to replace Ernst & Young Audit and Auditex.

Item 16G Corporate governance

Orange has endeavored to take into account the NYSE corporate governance standards as codified in section 303A of the NYSE Listed Company Manual. However, because Orange SA is not a U.S. company, most of those standards do not apply to Orange, which may choose to follow rules applicable in France.

The table below discloses the significant ways in which Orange's corporate governance practices differ from those required for U.S. companies listed on the NYSE.

NYSE Standards	Corporate Governance Practices of Orange
Board Independence	<p>Orange's Board of Directors has chosen to check the independence of its members against the criteria set out in France in the Afep-Medef Report (defined in Item 16G as "the Report"), which provides that one-third of board members should be independent. According to the criteria the Report sets out, seven members (out of the total of 15 current board members) are independent. Orange has not tested the independence of its board members under the NYSE standards; a majority of the board may not be independent under those criteria.</p> <p>The criteria against which the directors' independence must be tested, as provided in the Report, are set forth in Section 5.2.1.2 <i>Independent Directors</i> on pages 348 and 349 of the 2019 Registration Document, filed as Exhibit 15.1 of this document and is incorporated this section by reference.</p>
Executive Sessions/ Communications with the Presiding Director or Non-Management Directors	<p>French law does not require (and Orange does not provide for) non-management directors to meet regularly without management and nothing requires non-management directors to meet alone in an executive session at least once a year. However, if the directors decide to meet in such session, they may do so.</p> <p>French law does not mandate (and Orange does not provide for) a method for interested parties to communicate with the presiding director or non-management directors.</p>
Compensation/Nominating/ Corporate Governance Committee	<p>Orange has a combined Governance and Corporate Environmental and Social Responsibility Committee. The Committee consists of four directors, including two independent directors (according to the criteria set out in the Report). The NYSE standards provide for the implementation of two separate committees (a Nominating Committee and a Compensation Committee) composed exclusively of independent directors. In terms of internal mechanics, while the Committee has a written charter, it does not comply with all the requirements of the NYSE.</p>
Audit Committee	<p>Orange's Audit Committee consists of five directors including three independent directors (according to the criteria set out in the Report) and two non-independent directors.</p> <p>Of those, one is a representative of the French Government and one is an employee who is not an executive officer of the Issuer. While not meeting the definition of independence set forth in Rules 10A-3 (b) (1) of the Exchange Act, as amended, they fall within the exceptions under Rule 10A-3(b)(1)(iv) (C) relating to non-executive employees and Rule 10A-3(b)(1)(iv) (E) relating to foreign government representatives. For its part, the Report recommends that two-thirds of an audit committee's members should be independent.</p> <p>The Committee is responsible for organizing the procedure for selecting the statutory auditors. It makes a recommendation to the Board of Directors regarding their choice and terms of compensation. As required by French law, the actual appointment of the statutory auditors is made by the Shareholders' Meeting.</p> <p>According to its charter, the Committee has the authority to engage advisors and determine appropriate funding for payment of compensation to an accounting firm for an audit or other service.</p>
Equity Compensation Plans	<p>Under French law, Orange must obtain shareholder approval at a Shareholders' Meeting in order to adopt an equity compensation plan. Generally, the shareholders then delegate to the Board of Directors the authority to decide on the specific terms and conditions of the granting of equity compensation, within the limits of the shareholders' authorization.</p>
Adoption and disclosure of corporate governance guidelines	<p>Orange has adopted corporate governance guidelines (the "Internal Guidelines", available on its website at www.orange.com under Group/Governance/Documentation) as required by French law.</p> <p>These corporate governance guidelines do not cover all items required by NYSE guidelines for U.S. companies.</p>
Code of Ethics	<p>Orange has adopted a Code of Ethics to be observed by all its directors, officers and other employees that generally meets the requirements of the NYSE.</p>

Item 16H Mine Safety Disclosure

Not applicable.

PART III

ITEM 17 Financial statements

Not applicable.

ITEM 18 Financial statements

The information required in this item is included in pages F-1 to F-113 attached hereto.

ITEM 19 List of exhibits

1. [Bylaws \(statuts\) of Orange, as amended on May 19, 2020.](#)
- 2.(a)* Form of Amended and Restated Deposit Agreement among the Depositary, owners and holders of American Depositary Shares.
- 2.(c)** Indenture dated March 14, 2001 between Orange (formerly France Telecom) and, inter alia, Citibank, NA as Trustee.
8. List of Orange's subsidiaries: see Note 20 *Main consolidated entities* to the consolidated financial statements included in Item 18.
- 12.1 [Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 12.2 [Certification of Delegate Chief Executive Officer acting in his capacity as Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 13.1 [Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted by Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 13.2 [Certification of Delegate Chief Executive Officer acting in his capacity as Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted by Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 15.1 [Excerpt of the pages and sections of the 2020 Registration Document that form a part of this document and are incorporated by reference in certain sections of this document as specified.](#)
- 15.2 [Consent of Ernst & Young Audit as auditors of Orange.](#)
- 15.3 [Consent of KPMG S.A. as auditors of Orange.](#)

* Incorporated by reference to Exhibit 1 to the Registration Statement on Form F-6 filed with the Securities and Exchange Commission on July 27, 2017. (<https://www.sec.gov/Archives/edgar/data/1201935/000120193517000005/orangedepnrec.htm>)

** Incorporated by reference to Orange's Annual Report on Form 20-F for the year ended December 31, 2000, as filed with the Securities and Exchange Commission on May 29, 2001.

Signature

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

ORANGE

/s/ Ramon Fernandez

Name: Ramon Fernandez

Title: Delegate Chief Executive Officer, Finance, Performance and Development

Paris, France

March 18, 2021

Report of independent registered public accounting firms

To the Shareholders and the Board of Directors of Orange S.A.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of Orange S.A. and its subsidiaries (the "Group") as of December 31, 2020, 2019 and 2018, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for each of the years in the three-year period ended December 31, 2020 and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2020, 2019 and 2018, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2020, in conformity with International Financial Reporting Standards ("IFRS") as adopted by the European Union and in conformity with IFRS as issued by the International Accounting Standards Board.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Group's internal control over financial reporting as of December 31, 2020, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework), and our report dated February 18, 2021 expressed an unqualified opinion on the effectiveness of the Group's internal control over financial reporting.

Change in Accounting Principles

As discussed in Note 2.3 "New standards and interpretations applied from January 1, 2020" and Note 10 "Lease agreements" to the consolidated financial statements, the Group has changed its method of accounting for leases:

- on January 1, 2019, due to the adoption of IFRS 16 "Leases", and
- further as of December 31, 2020 (with retrospective effect to January 1, 2019), due to the implementation of the IFRS IC agenda decision published in December 2019 regarding the lease term.

Basis for Opinion

These consolidated financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are public accounting firms registered with the PCAOB and are required to be independent with respect to the Group in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the Audit Committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Evaluation of the goodwill, other intangible assets and property, plant and equipment impairment analyses

Description of the matter

As discussed in Notes 8 and 9 to the consolidated financial statements, the total goodwill, other intangible assets and property, plant and equipment balances were € 27,596 million, € 15,135 million and € 29,075 million respectively, as of December 31, 2020. The Group performs impairment analyses with respect to these assets at least annually and more frequently when there is an indication of impairment. These tests are performed at the level of each cash generating unit (CGU) or group of CGUs, which generally correspond to the operating segment, or to each country. An impairment loss is recognized if the recoverable amount is lower than the carrying value. The recoverable amount is determined mostly based upon retaining the value in use. The estimate of value in use is the present value of future expected cash flows.

We identified the evaluation of the goodwill, other intangible assets and property, plant and equipment impairment analyses as a critical audit matter. Specifically, the assessment of the value in use required certain estimates and judgments. In particular, the assessment of 1) the competitive, economic and financial environment of certain countries in which the Group operates, 2) the ability to realize operating cash flows from strategic plans, 3) the level of investment to be made, and 4) the discount and perpetual growth rates used in calculating recoverable amounts required subjective auditor judgment due to the inherent uncertainties and forward-looking nature of such assumptions.

How we addressed the matter in our audit

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Group's impairment assessment process, including controls related to the determination of the recoverable amount of the CGUs or groups of CGUs, and the development of the revenue growth rates and discount rate assumptions. To assess the Group's ability to forecast, we compared the Group's previous forecasts to actual results. We performed sensitivity analyses over forecasted cash flows and the discount and perpetual growth rates to assess their impact on the impairment analyses. We evaluated the Group's forecasted revenue growth rates, by comparing the growth rate to the Group's peer companies' analyst reports and market research reports. In addition, we involved valuation professionals with specialized skills and knowledge, who assisted in evaluating the discount and growth rates used in the valuations by comparing them against rate ranges that were independently developed using publicly available market data for comparable entities. We compared the data included in the models used by the Group in the determination of recoverable values to the plans submitted to those charged with governance. In addition, we assessed the adequacy of the information disclosed in Notes 8 and 9 to the consolidated financial statements.

Evaluation of the realizability of deferred tax assets associated with tax loss carryforwards

Description of the matter

As discussed in Notes 11.2.1 and 11.2.3 to the consolidated financial statements, € 731 million of deferred tax assets were recognized as of December 31, 2020. The Group recognizes deferred tax assets only to the extent that it is probable that the tax entity will have sufficient future taxable profit to recover them. Unrecognized deferred tax assets amounted to € 3,714 million and mainly comprised tax losses that can be carried forward indefinitely.

We identified the evaluation of the realizability of deferred tax assets associated with tax loss carryforwards as a critical audit matter. Specifically, there was a high degree of auditor judgment required to assess the Group's forecasted taxable income and feasibility and viability of the Group tax planning opportunities related to the realizability of deferred tax assets associated with tax loss carryforwards.

How we addressed the matter in our audit

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Group's deferred tax asset valuation process, including controls related to the development of assumptions and application of the relevant tax regulations in determining the forecasted taxable income. To assess the Group's ability to forecast, we compared the Group's previous forecasts by tax jurisdiction to actual results. We evaluated the Group's forecasted revenue growth rate, by comparing the growth rate to the Group's peer companies' analyst reports and market research reports. We involved tax professionals with specialized skills and knowledge, who assisted in assessing the Group's application of the relevant tax regulations and evaluated the feasibility and viability of the Group's tax-planning strategies. We compared certain assumptions that were used to evaluate the realizability of deferred tax asset with those used for asset impairment testing. In addition, we assessed the adequacy of the information disclosed in Notes 11.2.1 and 11.2.3 to the consolidated financial statements.

Evaluation of provisions for competition and regulatory disputes

Description of the matter

As discussed in Notes 6.2, 6.7 and 18 to the consolidated financial statements, the Group is involved in a number of legal disputes in France and abroad, including matters relating to competition issues and national and European Commission regulations. Provisions arising from these proceedings are recorded when the Group has a present obligation towards a third party arising from a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, which can be quantified or estimated on a reasonable basis. A provision of € 525 million was recorded, a portion of which relates to competition and regulatory disputes involving the Group as of December 31, 2020.

We identified the evaluation of provisions for competition and regulatory disputes as a critical audit matter. Evaluating this matter required a higher degree of auditor judgment due to the nature of the estimates and assumptions, including judgments about future events and outcomes of the matters considering the inherent uncertainties as to how they may be resolved.

How we addressed the matter in our audit

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Group's provision for competition and regulatory disputes process, including controls related to the evaluation of information from internal and external legal counsel. We assessed the amounts recorded and/or disclosed by evaluating responses received directly from the Group's internal and external legal counsel related to competition and regulatory disputes. We evaluated relevant publicly available information, including court proceedings related to competition and regulatory disputes regarding the Group and events subsequent to the date of the consolidated statement of financial position. To assess the Group's ability to estimate provisions for competition and regulatory disputes, we compared historical provision estimates to actual settlements. In addition, we assessed the adequacy of the information disclosed in Notes 6.2, 6.7 and 18 to the consolidated financial statements.

/s/ KPMG Audit, a division of KPMG S.A..
Represented by Jacques Pierre

/s/ ERNST & YOUNG Audit

We have served as the Group's auditor since 2015

We have served as the Group's auditor since 1991

Paris-La Défense, France

February 18, 2021

CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2020

See pages F-1 to F-113 of the 20-F Annual Report on Form 20-F available at:

Significant events 2020

Covid-19 Health crisis

The effect of the health crisis on the Group's business and performance, the judgments and assumptions made, as well as the main effects of the crisis on the Group's consolidated financial statements are presented in Note 3 "Impact of the health crisis linked to the Covid-19 pandemic".



Note 3

IFRS 16 Lease term

In December 2019, IFRS IC issued its final decision on the determination of the enforceable period of leases.

The effects of this decision on the Group are presented in Note 2.3 "New standards and interpretations applied from January 1, 2020".



Note 2.3.1

Tax dispute concerning fiscal years 2005-2006

On November 13, 2020, the *Conseil d'Etat* issued a favorable decision on a tax dispute in respect of the years 2005-2006.

As at December 31, 2020, the current tax expense includes tax income of 2,246 million euros.



Note 11.2

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

The accounting principles are split within each note in gray areas.

Consolidated income statement

(in millions of euros, except for per share data)	Note	2020	2019 ⁽¹⁾	2018
Revenue	5.1	42,270	42,238	41,381
External purchases	6.1	(17,691)	(17,860)	(18,563)
Other operating income	5.2	604	720	580
Other operating expenses	6.2	(789)	(599)	(505)
Labor expenses	7.1	(8,490)	(8,494)	(9,074)
Operating taxes and levies	11.1.1	(1,924)	(1,827)	(1,840)
Gains (losses) on disposal of fixed assets, investments and activities	4.1	228	277	197
Restructuring costs	6.3	(25)	(132)	(199)
Depreciation and amortization of fixed assets	9.2	(7,134)	(7,110)	(7,047)
Depreciation and amortization of financed assets	9.5	(55)	(14)	—
Depreciation and amortization of right-of-use assets	10.1	(1,384)	(1,274)	—
Reclassification of translation adjustment from liquidated entities		—	12	1
Impairment of goodwill	8.1	—	(54)	(56)
Impairment of fixed assets	9.3	(30)	73	(49)
Impairment of right-of-use assets	10.1	(57)	(33)	—
Share of profits (losses) of associates and joint ventures	12	(2)	8	3
Operating income		5,521	5,930	4,829
Cost of gross financial debt excluding financed assets		(1,099)	(1,108)	(1,341)
Interests on debts related to financed assets		(1)	(1)	—
Gains (losses) on assets contributing to net financial debt		(1)	5	9
Foreign exchange gain (loss)		(103)	76	(4)
Interests on lease liabilities		(120)	(129)	—
Other net financial expenses		11	15	25
Effects resulting from BT stake	13.7	—	(119)	(51)
Finance costs, net	13.2	(1,314)	(1,261)	(1,362)
Income taxes	11.2.1	848	(1,447)	(1,309)
Consolidated net income		5,055	3,222	2,158
Net income attributable to owners of the parent company		4,822	3,004	1,954
Non-controlling interests	15.6	233	218	204
Earnings per share (in euros) attributable to parent company	15.7			
Net income				
- basic		1.72	1.03	0.63
- diluted		1.71	1.02	0.62

(1) 2019 figures have been restated of the IFRS IC decision on lease term (see Note 2.3.1).