PPF TMT Holdco 2 B.V.

Annual accounts 2025

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Directors' Report

Description of the Company

PPF TMT Holdco 2 B.V.

Date of incorporation:	2 January 2018
Registered office:	Netherlands, Zuidplein 168, 1077 XV Amsterdam
Identification number:	70526214
Authorised capital:	EUR 1,000
Issued capital:	EUR 1,000
Paid up capital:	EUR 1,000
Principal business:	Holding company activities and financing thereof

General information

PPF TMT Holdco 2 B.V. ("**Company**") is a holding company of leading providers of retail, wholesale, and infrastructure telecommunication and other services in Czechia. The services provided include mobile telecommunication, fixed-line telecommunication, infrastructure-related services, data services and internet television. The Company belongs to a group comprised of PPF Group N.V. and its subsidiaries ("**PPF Group**"). The Company is 100% owned by the PPF Group, with no ownership changes during 2025. The ultimate controlling person is Mrs Kellnerová.

The Company and its subsidiaries (collectively, the "**Group**") provide services in Czechia, operating through segments that are defined in sector terms. In addition, the Group entities undertake certain other ancillary activities included in its unallocated segment. Details on the segments are described in Section D of the notes to the accompanying consolidated financial statements.

1. ***O2 Czech Republic Segment***

The Group's O2 Czech Republic segment consists of the activities of O2 Czech Republic a.s. and its subsidiaries (collectively, "**O2 Czech Republic**"), a leading fixed-mobile convergent telecommunications provider in Czechia, the former state monopoly (incumbent) telecom operator. As of 31 December 2025, the Group held a 100% ownership interest in O2 Czech Republic, with no changes during 2025.

2. CETIN Czechia Segment

The Group's infrastructure segment in Czechia consists of the activities of CETIN a.s., the owner and operator of the incumbent and largest telecommunications network infrastructure in Czechia, and its subsidiaries (collectively, "**CETIN Czechia**"). CETIN Czechia acts as a wholesale provider of fixed and mobile telecommunications infrastructure to all telecommunications operators on an equal and transparent footing. CETIN Czechia was incorporated in June 2015 as a spin-off of the infrastructure assets and wholesale business from O2 Czech Republic. CETIN Czechia divides its business activities into two main divisions: domestic network services and international transit services. Its largest customers include O2 Czech Republic, T-Mobile Czech Republic a.s. ("**T-Mobile Czechia**") and Vodafone Czech Republic a.s. As of 31 December 2025, the Group held a 100% ownership interest in CETIN Czechia, with no changes during 2025.

11. Unallocated Segment

As of 31 December 2025, the segment included the Group's holding and intermediary holding companies: the Company, PPF Comco N.V., and CETIN Group N.V.

CETIN Group N.V. ("**CETIN Group**") is a holding company that consolidates CETIN Czechia. As of 31 December 2025, the Company held 100% ownership interest in CETIN Group, with no changes during 2025.
PPF Comco N.V. is a holding company that consolidates O2 Czech Republic. As of 31 December 2025, the Company held 100% ownership interest in O2 Czech Republic, with no changes during 2025.

For detailed information on ownership interests of the Group in particular segments and Group companies, see Notes B.1 and B.2 of the accompanying consolidated financial statements.

Business model

The Company is a holding company for entities active in the telecommunications sector. As of 31 December 2025, the Group's main subsidiaries exercised two different operating models:

Convergent wholesale infrastructure provider

CETIN Czechia is the owner and operator of the largest telecommunications infrastructure portfolio in Czechia, namely the largest fixed access network in the country, comprising both metallic and fibre lines; radio access network for mobile services in the eastern part of the country and operated in network sharing arrangement with another leading mobile infrastructure operator, T-Mobile Czechia; transport network and data centres connecting the fixed and radio access networks; points of presence, transport network and switching equipment for transit of international voice calls. CETIN Czechia uses radio access network for mobile services in the western part of the country operated by T-Mobile Czechia in network sharing arrangement. CETIN Czechia manages an extensive portfolio of real estate properties across the country as an owner or as a lessee, housing its telecommunications equipment.

CETIN Czechia divides its business activities into two very different business lines – provision of national network services and international transit services. These two business lines operate in different types of markets; the services are largely provided via different assets, and their business models, profitability and investment demands are fundamentally different.

The national network services primarily consist of mobile network services, mass fixed-line network services – network access service, xDSL[1], FTTH/FTTB/FTTC[2], IPTV[3] and voice service, data services, data centres and other services. Their main customers are service providers in the Czech telecommunications market. These services yield gross margins at industry standard level, which the Company reinvests in the development of network infrastructure for the provision of these services.

The international transit services primarily consist of the transmission of international voice traffic for international operators from all over the world. Considerable revenues with a very low margin that require minimum operating and capital costs are characteristic of this type of services.

Main products and services
Mobile network services – CETIN Czechia is the main provider of mobile network services for O2 Czech Republic. It also operates the mobile network for T-Mobile Czechia in half the country through a shared network. The lease transmission station capacity is a secondary source of income.

Mass fixed-line network services – CETIN Czechia primarily offers all operators in the Czech market services involving access to the fixed-line network for the vast majority of housing units in the country, together with related voice services, xDSL or fibre broadband Internet access (broadband, FBB), IPTV paid television, local-loop unbundling (VULA and LLU) and technology collocation.
Data services – CETIN Czechia also provides operators with data services on leased lines for their corporate customers.

International transit services – CETIN Czechia provides international operators from all over the world with the transmission of international traffic, primarily voice.

Other services – This category includes the lease of dark fibres, housing in data centres, national interconnection services, support services for roaming, forced network transfers, duct hire and other associated services.

[1] Symmetric digital subscriber line
[2] Fibre-to-the-Home, Fibre-to-the-Building, Fibre-to-the-Cabinet
[3] Internet Protocol television

Convergent commercial telecommunications operator

O2 Czech Republic is a leading fixed and mobile convergent telecommunications provider in Czechia. The company provides services to end users in retail, corporate and government institutions market segments. The company markets its services to retail users through a network of its own shops and to corporate and government institutions customers through its own sales representatives. The company owns mobile spectrum licences for its services and owns and operates core of the radio access networks. The company does not own most of the physical infrastructure required for the provision of its services; the infrastructure services are subcontracted mainly to CETIN Czechia.

Main products and services
Mobile services – Internet and data, voice services, multimedia message services and short message services on a contract or prepaid basis through a spectrum of tariffs targeting different market segments.
Fixed services – Internet connectivity, data and TV and fixed voice services, offered on a standalone basis or in a bundle with other fixed and mobile services.

Sales of devices – handsets, modems, TV set-top boxes and other devices complementary to the telecommunications services and products provided by the company.

Other mobile services – mainly provision of mobile network services on a wholesale basis to virtual operators.
Information and communication technology services – complex customer solutions and managed services, mainly system integration, outsourcing services, project solutions and software development.

Group level

The Company does not have own operations. The Group is managed by the experienced executives from PPF Group with extensive experience in the telecommunications sector.

2025 highlights

During 2025, the Group showed sound operational and financial performance and continued developing its telecommunications assets.

The commercial operator O2 Czech Republic continued improving the quality and availability of their network services for customers in retail as well as corporate and government market segments. The availability of 5G mobile services was further expanded, and opportunities in fixed-mobile convergence were actively pursued.

CETIN Czechia continued upgrading its mobile network for 5G requirements and largely completed the rollout of 5G service. The company has accelerated upgrading its fixed network to Next Generation Access (NGA) standards by installing and integrating new fibre optics networks.

In April 2025, CETIN Czechia has purchased infrastructure assets from O2 Czech Republic, formerly owned by Nordic Telecom, mainly fibre optics networks, and incorporated them into its existing infrastructure.

In May 2025, O2 Czech Republic signed an agreement to sell its subsidiary O2 TV s.r.o. The sale was closed in December 2025.

Key results

Operational performance

The Group has continued increasing the number and quality of its mobile customer base and further developing its portfolio of subscribers to fixed broadband and PayTV services.

O2 Czech Republic continued strengthening its leading market position, as its mobile customer base grew by 2.9% year on year, with the average ARPU for the full year slightly behind the previous year. Mobile customers continued to migrate from prepaid subscriptions to postpaid contracts. Fixed broadband subscriptions continued growing through technology-agnostic propositions and through the acquisition of Nordic Telecom customer base, and the subscriptions to Oneplay TV likewise continued to grow.

CETIN Czechia further strengthened its mobile network infrastructure by adding new base stations and new network capacity. The fixed network modernisation programme has progressed further, and the company now offers Next Generation Access lines (50 Mbps or more) including speeds of up to 2 Gbps. At the end of 2025, the average speed available across the company's fixed access network reached 507 Mbps, an increase of almost 20% year on year. The number of active connections used by telecommunications operators for providing services to the end-users, reached a total of 1,323 thousand at the end of 2025, a growth of 2.4% year on year. The driver of the growth were the fibre-to-the-home and fibre-to-the-building (FTTH/B) connections, whose number has increased by 23% during 2025. By acquiring Nordic Telecom assets, CETIN Czechia added 22 thousand households connected with fibre to its fixed broadband network.

Non-financial KPIs

Mobile services

Segment	**Mobile subscribers**	***y-o-y growth***	**Contract subscribers**	***y-o-y growth***	**ARPU**	***y-o-y growth***
1. O2 Czech Republic	6,187 thousand	*2.9%*	75%	*0 percentage points*	14.1 EUR	*4.4%*

Fixed services

Segment	**Fixed broadband subscribers**	***y-o-y growth***	**Pay TV subscribers**	***y-o-y growth***	**Fixed voice subscribers**	***y-o-y growth***
1. O2 Czech Republic	1,230 thousand	*6.5%*	1,000 thousand	*2.2%*	218	*(13%)*

CETIN Czechia as wholesale infrastructure operator does not currently have meaningful KPIs.

Revenues, costs, and operating profit

The Group's consolidated revenues of EUR 1,962 million grew by 7.5% over the previous year, driven mainly by the monetisation of sustained demand for mobile data consumption. Operating profit before interest, taxes, depreciation, and amortisation (EBITDA), before gain on sale of investments in subsidiaries, grew by 12.7% year on year, reflecting top-line growth and the Group's continued focus on operational efficiencies and savings.

O2 Czech Republic's reported revenue grew by 8.7% year on year, while EBITDA increased by 13.8% compared to the previous year.

CETIN Czechia total revenues grew by 2.8% year on year, with a growth in EBITDA of 11.2%.

Depreciation and net profit

The amount of depreciation (including leases-related right-of-use assets), amortisation, and impairment charges from continuing operations increased in 2025 compared to previous period, reflecting robust investment programme. The Group's net profit from continuing operations, before gain on sale of investments in subsidiaries, rose to EUR 327 million. The year-on-year increase (EUR 204 million in 2024) reflected EBITDA growth in 2025 and a weaker prior-year base resulting from adverse foreign exchange movements in 2024. Including the gain on the sale of O2 TV subsidiary, the total net profit for 2025 amounted to EUR 357 million.

Capital expenditure

In 2025, the Group acquired fixed assets totalling EUR 449 million. These investments were mainly channelled in further development of the Group's telecommunications infrastructure. The main investment projects were related to the final stages of the roll-out of 5G mobile networks in Czechia.

O2 Czech Republic continued investing in content rights for its leading IPTV platform and upgrading its IT systems. CETIN Czechia continued accelerating the roll-out of fibre in its national broadband network to protect its market leadership position.

Current assets

Both cash and trade receivables at year end remained within their usual operating ranges, with no exceptional movements versus the prior year.

Fixed assets

As at 31 December 2025, non-current assets stood at EUR 4,019 million, tangible assets (property, plant and equipment) had a net book value of EUR 2,290 million, while the net book value of intangible assets and goodwill reached EUR 1,312 million.

Right-of-use assets recorded at a net book value of EUR 267 million represent mainly the value of real estate leases for mobile sites, office and technology buildings with network installations.

For detailed information, see Notes E.5, E.6, and E.17.1 of the accompanying consolidated financial statements.

Debt and equity

Financing at PPF TMT Holdco 2 level

Bank loans
In March 2025, the Company secured a new EUR 1,000 million term loan facility and repaid and cancelled the existing EUR 600 million and EUR 250 million term loans. In December 2025, the Company refinanced the EUR 1,000 million facility, by securing a new facility totalling EUR 1,417 million, to raise funds to repay the existing term loan at CETIN Group level and refinance the outstanding EUR 1,000 million term loan facility at the Company's level.

Financing at CETIN Group level

Bank loans
In August 2021, CETIN Group established up to EUR 1,650 million term facility and revolving credit facility ("RCF") agreement. As at 31 December 2024, the aggregated utilised amount of bank loans under this agreement was EUR 707 million, and the RCF was undrawn.

In March 2025, EUR 290 million of the bank loans was repaid, using proceeds from share premium increase.

In May 2025, a new EUR 500 million backstop facility was established, to provide liquidity coverage for CETIN Group's outstanding indebtedness. The RCF from the 2021 facility was terminated at this point.

In December 2025, the remaining EUR 417 million was repaid, using proceeds from an intra-group loan provided by the Company, and the term facility was terminated.

Bonds
In April 2022 CETIN Group established a EUR 2,000 million Euro Medium Term Note Programme, of which EUR 500 million was utilised as of 31 December 2025, with no changes during 2025.

Debt at CETIN Czechia level

CETIN Czechia has available CZK 500 million undrawn revolving facility. In January 2026, its tenor was extended to January 2027.

Debt at O2 Czech Republic level

In May 2020, O2 Czech Republic obtained an unsecured facility, denominated in CZK. The facility was amended and extended in November 2024 to the equivalent of EUR 328 million with maturity in November 2028, of which EUR 186 million was utilised as at 31 December 2024. In March 2025, the loan was drawn in full.

Overview of external debt (at nominal values)

Level	Instrument	Due Date	Amount 31 Dec 2024	Amount 31 Dec 2025	Comment
CETIN Group	Eurobond	Apr 2027	EUR 500 million	EUR 500 million	No change
	2021 Term loan	Aug 2026	EUR 290 million	-	Repaid in Mar 2025
	2021 Term loan	Nov 2026	EUR 417 million	-	Repaid in Dec 2025
	RCF	Aug 2026	-	-	Cancelled in May 2025
	Backstop facility	May 2028	-	-	Established in May 2025; undrawn
CETIN Czechia	RCF	Jan 2027	-	-	Extended in Jan 2026; undrawn
O2 Czech Republic	2020 Term loan	Nov 2028	EUR 186 million	EUR 328 million	Drawn in full in 2025
PPF TMT Holdco 2	2023 Term loan	May 2028	EUR 600 million	-	Refinanced in Mar 2025
	2023 Term loan	Apr 2026	EUR 250 million	-	Refinanced in Mar 2025
	2030 Term loan	2030	-	-	Interim term loan from Mar to Dec 2025
	2029 Term loan	Dec 2029	-	EUR 1,417 million	New loan in Dec 2025
TOTAL			**EUR 2,243 million**	**EUR 2,245 million**	**EUR 2 million increase**

The total consolidated indebtedness of the Group as at 31 December 2025 thus represented EUR 2.2 billion (at nominal values), with only a marginal change in total amount, but with changed debt structure. For detailed information, see Notes E.10 and E.11 of the accompanying consolidated financial statements.

The Group's equity stood at EUR 1.2 billion as at 31 December 2025, an increase of EUR 195 million during the year, driven principally by EUR 357 million of consolidated net profit for 2025, partially offset by EUR 229 million dividends.

The debt-to-assets ratio[4] has decreased slightly from 0.78 to 0.75 and the debt-to-equity ratio[5] decreased from 3.63 to 3.03.

Profit distribution and other payments to shareholders

The consolidated net profit of the Group in 2025 reached EUR 357 million. During 2025, the Company paid EUR 229 million in dividends to its shareholders.

Cash flows

Operating cash flows
Consolidated net cash from operating activities of the Group reached EUR 803 million.

Investment cash flows
Cash used for purchases of tangible and intangible assets in the amount of EUR 441 million (net of disposals) consisted mainly of investments in the development of the telecommunications infrastructure. Free cash flows before

[4] Debt to assets = total liabilities/total assets
[5] Debt to equity = total liabilities/owners' equity

acquisitions and divestments reached EUR 361 million. The Group obtained EUR 38 million for the sale of its subsidiary O2 TV (net of cash sold).

Financing cash flows
Throughout 2025, the Group refinanced EUR 2,557 million of bank facilities across a series of transactions with no net cash impact, thereby extending the maturity of its liabilities and partially deleveraging CETIN Group.

The Group disbursed EUR 97 million for bank fees, interest and settlement of derivatives, and lease payments amounted to EUR 60 million. The total cash flows before distributions thus amounted to EUR 242 million. The Group distributed EUR 229 million in dividends

The closing cash position of the Group was EUR 159 million, EUR 14 million higher than at the start of 2025.

For detailed information, see the accompanying consolidated statement of cash flows for the financial year ended on 31 December 2025.

Business outlook

The Group will continue growing its revenue base within its telecommunications market, primarily through organic growth. The Group's long-term focus is to maintain a low churn rate of customers and improve its mobile customers mix to ensure a continued upward trend in ARPU. The Group aims to build on the individual company's strengths and synergies and capitalise on trends in the telecommunications market, especially increasing data usage and demand for content offering, availability of fixed and mobile convergent proposition and evolving its existing portfolio of products and services to meet clients' expectations. To maintain a leading position in its telecommunications market and to ensure the high quality of services, the Group plans to continue investing substantial amounts in the modernisation of its infrastructure and in the development of new products and services, such as hardware and insurance and procuring licences for its current or future services, including new 5G spectrum and renewals of the existing licences, if needed. The Group is in the process of upgrading its infrastructure to capture the growing demand for data consumption and to facilitate speed upgrades. The Group will continue investing in the development of new telecommunication solutions and products, to sustain or extend its market positions in local market, and researching and developing strategic solutions around emerging technologies and trends.

The Group's strong and reliable operating cash flows together with its cash reserves and undrawn credit facilities provide sufficient financing for its intended future business activities, capital investments, and for meeting its liabilities towards its creditors, including banks and bondholders. The Group will continue monitoring the financial markets and may consider further refinancing parts of its debts or exploring other ways of optimising its capital structure and benefit from potentially favourable market conditions.

The Group will remain focused on increasing the efficiency and high levels of staff loyalty of the workforce in its segments through local training, personal development, and performance management programmes. The Group will continue investing substantial amounts in the development of more efficient internal systems to further increase the time spent by its employees on value added activities, especially in customer-facing positions.

The Group will continue enhancing its Sustainability strategy and will continue reporting on its contribution to the improvement of the environment, global climate, human rights and social development.

Organisational structure, management, and staff development

Senior management

The Group is managed by the experienced executives from PPF Group with extensive experience in the telecommunications sector.

The Company has no employees and therefore no organisational structure. All Group employees are employed by the subsidiaries of the Company.

Staff development

The average number of employees for continuing operations during 2025 has slightly decreased to 6,912, a 0.6% decline compared to 2024, mainly due the rightsizing following the acquisitions of Nej.cz and Nordic Telecom, and the sale of the O2 TV subsidiary.

Social and environmental aspects of operating the business

The Company has no operations. Operations are conducted by the segments of the Company. The segments have their own social policies that are reflective of specific local regulatory requirements and of specific local challenges and opportunities to contribute to the larger society.

Accelerating technology for sustainable future

The segments dedicate ample resources to research and development, primarily in the field of telecommunications technology development and related IT systems. The very nature of telecommunications contributes to solutions to some of the current social and environmental challenges. The segments provide a technology foundation for stable and secure communication of the individuals, communities, and the society in its operating countries by connecting people, organisations, and businesses at a level previously not possible, offering uninterrupted mobile voice and data connections anytime and in almost any location, providing means of communication, access to information, increased security, convenience, education and entertainment to ever larger groups of the population. This enables software and solutions developers to invent and deliver still new solutions that are profoundly changing the way of life for individuals and the way of doing business for companies and entrepreneurs. These new solutions often call for new advances in telecommunications and the two industries operate in a virtuous cycle, driving further innovations and growth of the telecommunications business.

Besides developing and using technology for sustainable future, the segments also continue with their dedicated respective corporate citizenship programmes.

Safeguarding cyber security, digital and personal data

As privacy and security are top of mind for the society, each operating segment of the Group is continuously working on improving the privacy of its customers' data and increasing the resilience of the network against cyber-attacks and cyber frauds. The operating segments are also cooperating with the respective national law enforcement authorities on issues that focus on the safety of individuals and of the public from crime and terrorism.

Another stream of the segments' activities is related to educating and upskilling employees, stakeholders, and communities on the risks and opportunities of digital technologies and how to benefit from them safely.

Reducing our environmental impact

The Group is aware of the importance of maintaining a healthy and undamaged environment for current and future generations. It has therefore incorporated a policy of reducing the environmental impact of its operations, throughout its value chain, whilst leveraging new technologies to facilitate environmental transformation. Initiatives aiming to contribute to the improvement of the environment in 2025 mainly focused on reducing energy consumption, fuel savings and replacing refrigerants in air-conditioning units, which also lead to a reduction in the emission of greenhouse gases and other harmful substances into the atmosphere, and to financial savings. Managing input materials and waste is another important area where the Group contributes to the improvement of the environment.

Safeguarding health, wellbeing, and human rights

All segments are committed to safeguarding health, safety and wellbeing of its employees, customers, partners, suppliers, and communities in which they operate, including workers across the supply chain.

The Group has established standards of responsible network deployment across all segments, and product quality practices for ensuring health and safety of its customers and the communities. Continuous employee training and development is in place in the segments.

The Group segments operate within the national and international supply chains for telecommunications equipment, software, and network construction materials. The Group pays close attention to the selection of its suppliers, choosing them from the world's most reputable providers, and requiring certificates of quality and compliance of the products with all standards and regulations relevant to the import and operation of these products. The Group is committed to high standards of social and environmental sustainability and business ethics throughout their value chain and has a formal Supplier Code of Conducts in place. The Supplier Code of Conduct establishes the minimum behaviours, standards, and practices that the Group expects and requires its suppliers to comply with.

Code of conduct

PPF Group and subsequently the Group has implemented a Corporate Compliance programme which sets out the fundamental principles and rules of conduct for all employees in the Group and enables compliance checks and putting remedies in place when shortcomings are discovered, or objectionable or illegal conduct identified. An important part of the programme is the PPF Group Code of Ethics, dealing, among other topics, with the protection of human rights and the prevention of corrupt conduct in all Group activities. Internal guidelines entitled Corporate Compliance Internal Investigation further regulate how workers, managers and the governing and inspection bodies of the Group should proceed in case of suspicion, investigation and discovery of actions that are unethical or improper and/or contrary to legal regulations or the Code of Ethics of PPF Group.

The Group is also working with partners and suppliers to ensure dignity and equality across its value chain.

Corporate governance

The Company has a management structure consisting of its board of directors (bestuur in Dutch) (the "**Board of Directors**"). The Board of Directors represents the Company in all matters and is charged with its day-to-day business management. The Company has no administrative, management or supervisory body other than the Board of Directors.

Board of Directors

The Board of Directors is the Company's statutory body, which directs its operations and acts on its behalf. The Company's general meeting (the "**General Meeting**") elects the members of the Board of Directors for a term of office determined by the General Meeting at its sole discretion. Re-election of the members of the Board of Directors is permitted. Pursuant to the Company's Articles of Association (*statuten* in Dutch) (the "**Articles of Association**"), the Board of Directors has at least one member. The Board of Directors has three directors.

All members of the Board of Directors are obliged to perform their tasks and duties related to the office in the best corporate interest of the Company and the undertaking attached to it, as required under Dutch law. Pursuant to the Articles of Association, the members of the Board of Directors are authorised to solely and independently represent the Company.

The following table sets forth the members of the Board of Directors appointed as at 31 December 2025:

Name	Position	Commencement of Current Term of Office
Jan Cornelis Jansen	Director	2 January 2018
Lubomír Král	Director	2 January 2018
Ion Diaconu	Director	30 November 2024

Since 7 January 2025, the business address of all members of the Board of Directors is at Zuidplein 168, 1077 XV Amsterdam, in Netherlands.

Information supply and computerisation

The Group's IT applications and systems are decentralised by segments. Back-office systems in use are mostly industry standard applications, mainly desktop office applications and ERP systems by SAP and Oracle, with certain levels of customisation. Telecommunications network management systems are mostly industry standard systems supplied by technology vendors. Customer-facing systems are mostly developed internally and tailored to specific local requirements, market conditions, regulation, and commercial opportunities.

Risk management

The Group has implemented a robust set of risk management procedures throughout all material segments, to ensure business continuity and emergency preparedness. The uncertainties and risks that the Group may be facing are continually identified by all segments and evaluated for their potential financial impacts and risk likelihood. Significant risks are periodically monitored, while preventive measures are applied to effectively limit the impact or likelihood of risks. The effectiveness of the measures is periodically reviewed by management.

Strategic uncertainties
The Group's main strategic uncertainties stem from potential changes in the market environment, including regulatory issues, new entrants, new technologies, economic developments, and global phenomena such as pandemics. The Group's key mitigants of these potential risks are a team of accomplished industry professionals in the executive management of its segments, monitoring the developments in the global environment, and making critical decisions about technology investments and marketing strategies to anticipate and avert or minimise the potential risks.

Operating risks
Operating risks in the segments primarily concern issues of network capacity and quality, business critical systems and cybersecurity. All Group's segments comply with EU's General Data Protection Regulation and the derived national laws and regulations. In compliance with the GDPR requirements the Group's segments established rigorous security standards for storage, treatment, and processing of personal data. Consequences of international conflicts such as the Russian invasion of Ukraine might indirectly affect the operations of the Group in the future, mainly through disruption of supply chain and macroeconomic factors. The segments will continue to follow closely the developments, anticipate possible risks and will have mitigating solutions available.

Financial risks
Financial risks mainly include the effects of changes in debt market prices, foreign currency exchange rates, and interest rates. The Group may use derivative financial instruments and/or non-derivative instruments to hedge potential exposures. At the operational level in the segments, the Group is also facing credit risk, arising from the provision of services to a large number of private and corporate customers, and liquidity risk, stemming from differences in the timing of operating, investing, and financing cash in- and outflows. Risk management is carried out by the treasury departments in the segments.

Credit risk
Under the Group's policy, all customers wishing to trade on credit terms are subjected to credit verification procedures. In addition, receivable balances are continuously monitored, together with the resulting non-significant Group's exposure to bad debts. As of 31 December 2025, most of the risk in 2025 was related to trade receivables from the corporate sector, followed by the financial services, with 91% stemming from Czechia. The Group's operating companies are focused on customers' payment discipline and have measures in place helping the customers migrate to online payment methods. As a result, the impact on Group's collection was negligible in 2025.

For detailed information, see Note C.1 of the accompanying consolidated financial statements.

Liquidity risk
The object of the Group's liquidity risk management is to secure access to cash resources sufficient to meet all cash payment obligations as they fall due. The Group collects information from the business units and holding companies regarding the liquidity profile of their financial assets and liabilities and details of other projected cash flows arising from projected future business. A portfolio of short-term liquid assets is maintained to ensure sufficient liquidity. The daily liquidity position is monitored, and regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions.

The Group maintains access to a financing base via bank loans from various banks worldwide, to enhance financing flexibility, limit dependence on any one source of funds and lower the costs.

The Group particularly focuses on its liquidity profile within the time horizon of the next 12-24 months, considering projected cash flow from operations, capital investment requirements, and the maturity structure of both debt obligations and financial investments. As of 31 December 2025, more than 80% of the liquidity available to the Group was accessible within less than 3 months and another 8% within one year. One third of the Group's financial debt was due in the next 2 years, 62% in 2 to 5 years and the remaining 4% in more than 5 years.

For detailed information, see Note C.2 of the accompanying consolidated financial statements.

Market risks
Fluctuations in interest rates or foreign exchange rates might affect the Group's income or the value of its holdings of financial instruments.

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group is exposed to interest rate risks arising from floating, interest-rate-bearing cash investments and some debt instruments with a floating interest rate. Interest rate sensitivity analyses showed that the impact of a yield-curve movement by a hypothetical one percentage point on the Group's equity would be immaterial.

The Group is exposed to currency risk through transactions in foreign currencies, and assets and liabilities denominated in foreign currencies. Foreign currency risk arises when the actual or forecast assets denominated in a given foreign currency are either greater or less than the liabilities denominated in that currency. It is the Group's policy to hedge such mismatches with derivative financial instruments to eliminate the foreign currency exposure.

The Group's main foreign exposures are towards the countries in which the Group operates. In 2025, its exposures were measured only in Czech crowns. As the currency in which the Group presents its consolidated financial statements is the euro, movements in the exchange rates between these currencies and the euro affect the Group's consolidated financial statements are presented as part of a translation reserve in other comprehensive income. Net investments in foreign operations are not hedged.

As of 31 December 2025, the Group hedged neither the interest risk nor the foreign currency risk due to present market conditions. The Group keeps monitoring the market development to potentially take an appropriate action in the future.

O2 Czech Republic has been hedging cash flows arising from long-term debt denominated in CZK with a floating interest rate to hedge interest rate risk. The used hedging instrument is a combination of several interest rate swaps denominated in CZK. As at 31 December 2025, the O2 Czech Republic hedged part of the expected payments from a long-term unsecured facility agreement until May 2025. The Group applies hedge accounting for these hedge instruments.

In 2025, a cash flow hedge of O2 Czech Republic was in effect, and no ineffectiveness was recognised in profit or loss.

For detailed information, see Note C.3 of the accompanying consolidated financial statements.

Events after the reporting period

None.

20 March 2026

The board of directors

PPF TMT Holdco 2 B.V.

Consolidated financial statements for the year ended 31 December 2025

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Glossary

AC	- amortised cost
ATAD	- anti-tax avoidance directive
CEE	- Central and Eastern Europe
CGU	- cash generating unit
EBITDA	- earnings before interest, tax, depreciation and amortisation
ECL	- expected credit loss
EV	- enterprise value
FVOCI	- fair value through other comprehensive income
FVTPL	- fair value through profit or loss
IFRS-AS	- International Financial Reporting Standards – Accounting Standards
NCI	- non-controlling interests
OCI	- other comprehensive income
PPE	- property, plant and equipment
ROU	- right-of-use assets

Consolidated statement of income and other comprehensive income

For the year ended 31 December

In millions of EUR

	Note	2025	2024 (restated)*
CONTINUING OPERATIONS			
Revenue	E1	1,962	1,825
Other income from non-telecommunication services		16	9
Personnel expenses	E2	(272)	(271)
Other operating expenses	E2	(736)	(702)
Gain on sale of investments in subsidiaries (excl. discontinued operations)	B2.1	30	-
Operating profit excluding depreciation, amortisation, and impairments*		**1,000**	**861**
Depreciation and amortisation	E3	(410)	(372)
Depreciation on lease-related right-of-use assets	E17.1	(52)	(49)
Amortisation of costs to obtain contracts	E1.3	(29)	(27)
Impairment loss on PPE and intangible assets	E5, E6.2	(2)	(5)
Operating profit*		**507**	**408**
Interest income		4	6
Other interest expense		(89)	(95)
Interest expense on lease liabilities		(13)	(11)
Net foreign currency gains/(losses)		52	(22)
Other finance costs		(8)	(8)
PROFIT BEFORE TAX*		**453**	**278**
Income tax expense	E4.1	(96)	(74)
Net profit from continuing operations*		**357**	**204**
DISCONTINUED OPERATIONS			
Gain on sale of discontinued subsidiaries	B2.2.2	-	3,230
Net profit from operations of discontinued subsidiaries	B2.2.3	-	231
Net profit from discontinued operations*		**-**	**3,461**
NET PROFIT FOR THE PERIOD		**357**	**3,665**
Other comprehensive expense**			
Currency translation differences		68	(71)
Cash flow hedge – effective portion of changes in fair value		(2)	(4)
Disposal and deconsolidation of subsidiaries		-	(68)
Income tax relating to components of other comprehensive expense		-	1
Other comprehensive income/(expense), net of tax		**66**	**(142)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**423**	**3,523**
Net profit attributable to:			
Owners of the Parent***		357	3,598
Non-controlling interests	E16	-	67
Net profit for the period		**357**	**3,665**
Total comprehensive income attributable to:			
Owners of the Parent		423	3,634
Non-controlling interests	E16	-	(111)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**423**	**3,523**

*for more details on the restatement refer to A.7.
**Items that are or will be reclassified subsequently to profit or loss.
***In 2024, of the net profit attributable to owners of the Parent totalling EUR 3,598 million, the amount of EUR 156 million relates to continuing operations, and EUR 3,442 million relates to discontinued operations.

The notes on pages 21 to 84 are an integral part of these consolidated financial statements.

Consolidated statement of financial position

In millions of EUR

	Note	31 December 2025	31 December 2024
ASSETS			
Property, plant and equipment	E5	2,290	2,146
Right-of-use assets	E17.1	267	265
Goodwill	E6.1	769	739
Other intangible assets	E6.2	543	612
Trade and other receivables	E7.1	69	64
Contract assets	E7.2	1	3
Costs to obtain contracts	E1.3	43	39
Other financial assets	E7	2	3
Other assets	E9	34	18
Deferred tax assets	E4.3	1	3
Non-current assets		**4,019**	**3,892**
Trade and other receivables	E7.1	360	295
Inventories	E9	41	35
Contract assets	E7.2	5	5
Current income tax receivables		3	2
Costs to obtain contracts	E1.3	1	1
Other financial assets	E7	-	2
Other assets	E9	47	51
Cash and cash equivalents	E8	159	142
Current assets		**616**	**533**
TOTAL ASSETS		**4,635**	**4,425**
LIABILITIES			
Due to banks	E10	1,749	1,491
Debt securities issued	E11	499	498
Lease liabilities	E17	236	233
Trade and other payables	E12	35	91
Contract liabilities	E7.2	69	57
Provisions	E13	11	11
Deferred tax liabilities	E4.3	245	259
Non-current liabilities		**2,844**	**2,640**
Due to banks	E10	2	252
Debt securities issued	E11	11	11
Lease liabilities	E17	50	47
Trade and other payables	E12	519	482
Contract liabilities	E7.2	28	26
Provisions	E13	8	8
Current income tax liability		22	3
Current liabilities		**640**	**829**
TOTAL LIABILITIES		**3,484**	**3,469**
EQUITY			
Issued capital*	E14	-	-
Share premium	E14	2,107	2,107
Other reserves	E15	21	(45)
Retained earnings		(977)	(1,106)
Total equity attributable to owners of the Parent		1,151	956
Non-controlling interests	E16	-	-
Total equity		**1,151**	**956**
TOTAL LIABILITIES AND EQUITY		**4,635**	**4,425**

*Issued capital is EUR 1 thousand.

The notes on pages 21 to 84 are an integral part of these consolidated financial statements

Consolidated statement of changes in equity

In millions of EUR

	Issued capital*	Share premium	Other reserves		Retained earnings	Attributable to owners of the Parent	Attributable to NCI	Total
			Translation reserve	Hedging reserve				
Balance as at 1 January 2025	**-**	**2,107**	**(47)**	**2**	**(1,106)**	**956**	**-**	**956**
Profit for the period	**-**	**-**	**-**	**-**	**357**	**357**	**-**	**357**
Currency translation differences	-	-	68	-	-	68	-	68
Cash flow hedge – effective portion of changes in fair value	-	-	-	(2)	-	(2)	-	(2)
Other comprehensive income/(expense) for the period	-	-	**68**	**(2)**	**-**	**66**	**-**	**66**
Total comprehensive income/(expense)	**-**	**-**	**68**	**(2)**	**357**	**423**	**-**	**423**
Dividends to shareholders	**-**	**-**	**-**	**-**	(229)	(229)	-	(229)
Other	**-**	**-**	**-**	**-**	1	1	-	1
Total transactions with owners of the Parent	**-**	**-**	**-**	**-**	**(228)**	**(228)**	**-**	**(228)**
Balance as at 31 December 2025	**-**	**2,107**	**21**	**-**	**(977)**	**1,151**	**-**	**1,151**

*Issued capital is EUR 1 thousand.

In millions of EUR

	Issued capital*	Share premium	Other reserves: Translation reserve	Other reserves: Hedging reserve	Other reserves: Reserve for puttable instruments	Retained earnings	Attributable to owners of the Parent	Attributable to NCI	Total
Balance as at 1 January 2024	**-**	**1,144**	**(99)**	**5**	**(983)**	**436**	**503**	**495**	**998**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**3,598**	**3,598**	**67**	**3,665**
Currency translation differences	-	-	(53)	-	-	-	(53)	(18)	(71)
Disposals and deconsolidation of subsidiaries (refer to B.2.2)	-	-	92	-	-	-	92	(160)	(68)
Cash flow hedge – effective portion of changes in fair value	-	-	-	(4)	-	-	(4)	-	(4)
Tax on items taken directly to equity	-	-	-	1	-	-	1	-	1
Other comprehensive income/(expense) for the period	-	-	**39**	**(3)**	**-**	**-**	**36**	**(178)**	**(142)**
Total comprehensive income/(expense)	**-**	**-**	**39**	**(3)**	**-**	**3,598**	**3,634**	**(111)**	**3,523**
Dividends to shareholders	**-**	**-**	**-**	**-**	**-**	(4,685)	(4,685)	-	(4,685)
Dividends to NCI	**-**	**-**	**-**	**-**	**-**	-	-	(561)	(561)
Increase of share premium	-	1,353	-	-	-	-	1,353	-	1,353
Decrease of share premium	-	(390)	-	-	-	-	(390)	-	(390)
Acquisition of shares in subsidiaries from NCI (refer to B.2.3)	-	-	13	-	-	(574)	(561)	(198)	(759)
Disposal of shares in a subsidiary to NCI (refer to B.2.2.1)	-	-	-	-	-	116	116	41	157
Other contributions by NCI for the year	-	-	-	-	-	-	-	681	681
Other distributions by NCI for the year	-	-	-	-	-	-	-	(345)	(345)
Conditional commitment to acquire NCI's share – derecognition (refer to E.15.3)	-	-	-	-	983	-	983	-	983
Other	-	-	-	-	-	3	3	(2)	1
Total transactions with owners of the Parent	**-**	**963**	**13**	**-**	**983**	**(5,142)**	**(3,181)**	**(384)**	**(3,565)**
Balance as at 31 December 2024	**-**	**2,107**	**(47)**	**2**	**-**	**(1,106)**	**956**	**-**	**956**

*Issued capital is EUR 1 thousand.

The notes on pages 21 to 84 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

For the year ended 31 December, prepared using the indirect method.
In millions of EUR

	Note	2025	2024
Cash flows from operating activities			
Net profit for the period (incl. discontinued operations)*		357	3,665
Adjustments for:			
Gain on sale of investments in subsidiaries (excl. discontinued operations)	B2.1	(30)	-
Gain on sale of discontinued subsidiaries	B2.2.2	-	(3,230)
Depreciation and amortisation	E3	410	633
Depreciation on lease-related right-of-use assets	E17.1	52	98
Amortisation of costs to obtain contracts	E1.3	29	76
Impairment losses on current and non-current assets	E2, E5, E6.2	2	56
Net interest expense		98	185
Other finance costs		8	14
Net foreign exchange (gains)/losses		(52)	43
Income tax expense		96	126
Other expenses not involving movement of cash		(4)	9
Net operating cash flow before changes in working capital		**966**	**1,675**
Change in trade and other receivables		(44)	58
Change in contract assets		2	(13)
Change in inventories and other assets		(16)	(37)
Change in costs to obtain contracts		(33)	(81)
Change in trade and other payables		23	(23)
Change in provisions		1	(8)
Change in financial assets at FVTPL		-	(90)
Change in other financial assets		-	2
Cash flows from operating activities		**899**	**1,483**
Interest received		4	23
Income tax paid		(100)	(153)
Net cash from operating activities		**803**	**1,353**
Cash flows from investing activities			
Purchase of tangible and intangible assets		(446)	(682)
Proceeds from disposals of tangible and intangible assets		5	30
Proceeds from sale of subsidiaries, net of cash disposed	B2.1	38	4,217
Acquisition of subsidiaries, net of cash acquired	B2.4	-	(47)
Net cash from/(used in) investing activities		**(403)**	**3,518**
Cash flows from financing activities			
Proceeds from loans due to banks	E10, E18	2,557	850
Repayment of loans due to banks	E10, E18	(2,557)	(1,299)
Fees paid for liabilities due to banks	E18	(11)	-
Dividends paid to shareholders	E14	(229)	(4,685)
Cash payments for principal portion of lease liability	E18	(47)	(96)
Interest paid on lease liabilities	E18	(13)	(21)
Interest paid (excl. interest on lease liabilities)		(84)	(209)
Net payments on settlement of derivatives		(2)	8
Proceeds from share premium increases		-	1,353
Distributions of share premium		-	(390)
Repayment of loans due to non-banks		-	(53)
Proceeds from sale of shares in subsidiaries to NCI		-	157
Payments for purchase of shares in subsidiaries from NCI	B2.3	-	(759)
Dividends paid to NCI	E16	-	(561)
Other contributions by NCI		-	681
Other distributions to NCI		-	(345)
Net cash used in financing activities		**(386)**	**(5,369)**
Net increase/(decrease) in cash and cash equivalents		**14**	**(498)**
Cash and cash equivalents as at 1 January	**E8**	**142**	**642**
Effect of exchange rate changes on cash and cash equivalents		3	(2)
Cash and cash equivalents as at 31 December	**E8**	**159**	**142**

* For more details on the discontinued operations refer to B.2.2.3.

The notes on pages 21 to 84 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

A. General

A.1. Description of the Group

PPF TMT Holdco 2 B.V. (the “Parent Company” or the “Parent”) is a limited liability company incorporated in the Netherlands on 4 January 2018. The immediate holding company of PPF TMT Holdco 2 B.V. is PPF Group N.V. holding directly 100% of its ordinary shares and is based in the Netherlands as well. The ultimate controlling party is Mrs Kellnerová.

The registered office address of the Parent Company is Zuidplein 168 1077 XV Amsterdam, the Netherlands.

As at 31 December 2024, the Parent is the holder of two significant investments: O2 Czech Republic group (hereinafter also as “O2 CZ”), a telecommunication operator providing a range of mobile, fixed voice and data services in the Czech Republic, and CETIN a.s. (hereinafter also as “CETIN CZ”), the largest Czech owner and provider of mobile and fixed telco infrastructures. The Parent also held other significant investments in mobile telecommunication operators and telco infrastructure entities in Slovakia, Hungary, Bulgaria, and Serbia, which were sold in October 2024, refer to B.2.2.

The consolidated financial statements of the Parent Company for the year ended 31 December 2025 comprise the Parent Company and its subsidiaries (together, the “Group”) and the Group’s interests in associates, joint ventures and affiliated entities. Refer to Section B of these consolidated financial statements for a list of significant Group entities and changes to the Group in 2025 and 2024.

A.2. Statement of compliance

The consolidated financial statements were approved by the board of directors on 20 March 2026.

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as adopted by the European Union (IFRS-AS EU) including the International Accounting Standards (IAS), promulgated by the International Accounting Standards Board (IASB), and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB and with Section 2:362(8) and (9) of the Dutch Civil Code.

The Company has also prepared the separate financial statements for the year ended 31 December 2025, which have been prepared in accordance with IFRS-AS EU, including IASs, promulgated by the IASB and interpretations issued by the IFRIC of the IASB as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code.

A.3. Basis of measurement

The consolidated financial statements have been prepared on the basis of the going concern assumption, applying a historical cost basis, except for the following assets and liabilities stated at their fair value: derivative financial instruments, financial instruments at FVTPL (incl. those designated upon initial recognition as at FVTPL) and financial instruments at FVOCI. Financial assets and liabilities as well as non-financial assets and liabilities measured at historical cost are stated at AC using the effective interest method or historical cost, as appropriate, net of any relevant impairment.

The Group accounts for business combinations using the acquisition method when control is transferred to the Group (refer to A.5). In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes at a minimum an input and substantive process and whether the acquired set has the ability to produce outputs. The Group has the option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested semi-annually for impairment. Any gains on bargain purchase is immediately recognised in profit or loss. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay a contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured, and settlement is accounted for within equity. Otherwise, other contingent considerations are re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent considerations are recognised in profit or loss.

A.4. Use of judgements and estimates

In preparing these consolidated financial statements, management has made judgements, estimates, and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The following key estimates are based on the information available at the consolidated financial statements date and specifically relate to the determination of:

- the fair value of tangible and intangible assets identified during the purchase price allocation exercise and initial value of goodwill for each business combination and its subsequent impairment testing (refer to E.5, E.6);

- useful life of tangible and intangible fixed assets;
- provisions recognised under liabilities (refer to E.13);
- expected credit losses on trade receivables and contract assets (refer to E.7);
- commissions as cost to obtain contracts with customers (refer to E.1.3);
- stand-alone selling prices;
- lease-term for the lessee accounting whether the Group is reasonably certain to exercise extension options (refer to E.17);
- contingent assets and liabilities (refer to E.19).

Useful life of fixed assets

The accounting treatment of fixed assets entails the use of estimates to determine the useful life for depreciation and amortisation purposes. Determining useful life of software, telecommunication technologies and equipment requires making estimates in connection with future technological developments and alternative uses for assets. There is a significant element of judgement involved in making technological development assumptions, since the timing and scope of future technological advances are difficult to predict. The set useful asset life is reviewed at each balance sheet date and adjusted as a change in accounting estimate if needed.

Provisions and contingent assets and liabilities

As set out in sections E.14 and E.19, the Group is a participant in several lawsuits and administrative proceedings, including those related to its pricing policies. For every litigation and administrative proceeding, it is necessary to estimate the occurrence probability of the liability, its amount and the moment of its occurrence. Provisions are recognised only when it is probable that the Group will be forced to pay a present obligation in future and it is possible to reliably estimate its amount. Contingent assets and liabilities are not recognised because their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Expected credit losses on trade receivables and contract assets

Trade receivables are carried at their original amount less a bad debt allowance. The bad debt allowance is estimated according to historical experience and expected future development; and individual assessment.

Commission as costs to obtain contracts with customers

For the capitalised costs to obtain contracts, the amortisation period was determined as the expected average period over which the customer will continue to use the Group's services. This amortisation period was further specified according to the customer segments of the Group that include resident customers, entrepreneurs and medium and large corporate clients.

Throughout the amortisation period, the actual values are subject to periodic review and reassessment against the developments of business activities, trends in the telecommunications sector, and the structure of business channels.

Stand-alone selling prices

In accordance with the requirements of IFRS 15, the transaction price is allocated to separate performance obligations based on the proportional stand-alone selling prices of the products and services provided. A stand-alone selling price is the price at which the Group sells a promised product or service to its customers in a stand-alone transaction. In most cases, the Group considers the prices shown in its price list to be the stand-alone selling prices.

Lease-term for lessee accounting

A lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. This incremental borrowing rate used for the discounting of future lease payments is based on the current interest rate defined as a reference rate adjusted by the Group´s spread and further adjusted by lease-specific adjustments. Generally, the Group uses its incremental borrowing rate as the discount rate. The Group further assesses at the lease commencement date whether it is reasonably certain to exercise the extension options to determine the lease term. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

Right-of-use assets are depreciated in accordance with the length of the lease contract. For unlimited contracts (or contracts with a prolongation option on the Group's side), the depreciation period is determined based on the management's assessment and plans, and expected changes in technologies.

A.5. Basis of consolidation

Subsidiaries are entities controlled by the Group. The Group controls an entity if it is exposed, or has rights to, variable returns from investment with the entity, and has the ability to affect those returns through its power over the entity. The Group reassesses whether it has control if one or more of the elements of control changes. This includes circumstances in which protective rights held, either by the Group or by the non-controlling interests, (e.g., those resulting from a lending relationship) become substantive and lead to the Group, or the non-controlling interest, having power over an investee, or, if the substantive right on the contrary come to the benefit on the non-controlling interests, the Group might lose its power over an investee and cease controlling it. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of the subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

The Group's interests in equity-accounted investees comprise interests in associates and joint ventures. Associates are those entities in which the Group has significant influence, but not control, over financial and operating policies. A joint venture is an arrangement in which the Group has joint control based on a contractual agreement, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. The consolidated financial statements include the Group's share of the total recognised gains and losses of associates and jointly controlled entities on an equity-accounted basis, from the date that significant influence or joint control commences until the date the significant influence or joint control ceases to exist. When the Group's share of losses exceeds the carrying amount of the associate or jointly controlled entity, the carrying amount is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the associate or jointly controlled entity.

Reorganisations and mergers involving the companies under common control are accounted for using consolidated net book values (the "predecessor accounting method"). Consequently, no adjustment is made to carrying amounts in the consolidated accounts and no goodwill or gain on bargain purchase arises on such transactions.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss and any interest retained in the former subsidiary is measured at fair value when control is lost.

Intra-group balances and transactions, and any unrealised income and expenses, gains and losses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only if there is no evidence of impairment.

A.6. Presentation and functional currency

The consolidated financial statements are presented in euros (EUR), the Group's reporting currency and the Parent's functional currency, rounded to the nearest million.

A.7. Comparative figures in the consolidated statement of income

In 2024, the gain of EUR 3,230 million on the sale of investments in subsidiaries arising from the disposal of the Group's non-Czech operations should have been presented within discontinued operations. Accordingly, the 2024 comparative figures have been restated to reflect this presentation.

The below table shows the comparative figures as they were previously reported and after the restatement:

In millions of EUR, for the year ended 31 December 2024

	2024 (reported)	Gain on sale reclassification	2024 (restated)
CONTINUING OPERATIONS			
Gain on sale of investments in subsidiaries (excl. discontinued operations)	3,230	(3,230)	-
Operating profit excluding depreciation, amortisation, and impairments	**4,091**	**(3,230)**	**861**
Operating profit	**3,638**	**(3,230)**	**408**
PROFIT BEFORE TAX	**3,508**	**(3,230)**	**278**
Net profit from continuing operations	**3,434**	**(3,230)**	**204**
DISCONTINUED OPERATIONS			
Gain on sale of discontinued subsidiaries	-	3,230	3,230
Net profit from discontinued operations	**231**	**3,230**	**3,461**
NET PROFIT FOR THE PERIOD	**3,665**	**-**	**3,665**

B. Consolidated group and main changes for the period

B.1. Group entities

The following list only shows the significant holding and operating entities that were subsidiaries of the Parent Company as at 31 December 2025 and 31 December 2024.

Company	Domicile	Effective proportion of ownership interest	
		31 December 2025	31 December 2024
PPF TMT Holdco 2 B.V.	Netherlands	Parent Company	Parent Company
Commercial subgroup			
PPF Comco N.V.	Netherlands	100.00%	100.00%
O2 Czech Republic a.s.	Czech Republic	100.00%	100.00%
O2 IT Services s.r.o.	Czech Republic	100.00%	100.00%
Nordic Telecom Regional s.r.o.(1)	Czech Republic	100.00%	100.00%
O2 TV s.r.o.(2)	Czech Republic	-	100.00%
Infrastructure subgroup			
CETIN Group N.V.	Netherlands	100.00%	100.00%
CETIN a.s	Czech Republic	100.00%	100.00%
CETIN služby s.r.o.	Czech Republic	100.00%	100.00%
Fiber Alpha s.r.o.(3)	Czech Republic	55.00%	-
Fiber Beta s.r.o.(3)	Czech Republic	55.00%	-
Net202 s.r.o.(4)	Czech Republic	100.00%	-
NOVÁ OPTIKA s.r.o.(5)	Czech Republic	100.00%	100.00%
CETIN Finance B.V.(6)	Netherlands	-	100.00%

(1) Acquired in October 2024, refer to B.2.4.
(2) Sold in December 2025, refer B.2.1.
(3) On 20 March 2025, the company was established.
(4) On 22 January 2025, the company was established.
(5) On 1 January 2025, M.NET Studénka s.r.o. was renamed to NOVÁ OPTIKA s.r.o.
(6) On 6 May 2025, CETIN Finance B.V. was liquidated.

B.2. Significant changes in the Group structure in 2025 and 2024

B.2.1. Sale of O2 TV s.r.o.

On 24 November 2025, O2 Czech Republic a.s. entered into an agreement to sell the 100% share in O2 TV s.r.o to its fellow subsidiary under the common control of PPF Group, TV Nova s.r.o. The closing date was 1 December 2025. The financial aspects of the transaction were as follows:

In millions of EUR, as at 1 December 2025

Direct ownership sold	100.00%
Consideration received in cash (sale price)	43
Net assets value sold	(13)
Gain on sale of investments in subsidiaries (excl. discontinued operations)	**30**

The following table summarises the assets and liabilities of the sold O2 TV s.r.o. at the time the Group lost control:

In millions of EUR, as at 24 November 2025

ASSETS	
Property, plant and equipment	5
Right-of-use assets	1
Other intangible assets	62
Non-current assets	**68**
Trade and other receivables	5
Cash and cash equivalents	5
Current assets	**10**
TOTAL ASSETS	**78**
LIABILITIES	
Trade and other payables	39
Non-current liabilities	**39**
Trade and other payables	24
Lease liabilities	1
Contract liabilities	1
Current liabilities	**26**
TOTAL LIABILITIES	**65**
NET ASSETS VALUE SOLD	**13**

B.2.2. PPF Group N.V.'s agreement with Emirates Telecommunication Group Company (effective closing in October 2024)

On 1 August 2023, PPF Group N.V. (the holding company of PPF Group, hereinafter referred to as "PPF Group") and Emirates Telecommunications Group Company PJSC ("e& Group") signed an agreement whereby e& Group acquired a controlling stake in PPF Telecom Group B.V. ("Telecom Group"). Beside PPF Telecom Group B.V. itself, Telecom Group comprised both Czech and non-Czech operators and infrastructure assets. As Telecom Group's assets in the Czech Republic, including CETIN a.s. and O2 Czech Republic a.s., were not part of the transaction, PPF Group first had to complete an internal pre-closing restructuring process of Telecom Group to achieve its desired structure as agreed with e& Group. The pre-closing restructuring process involved many steps that were carried out in the first half of October 2024. The transaction between PPF Group and e& Group was successfully closed on 24 October 2024 after obtaining all regulatory approvals and satisfying other customary closing conditions.

B.2.2.1. Sale of shares in the Slovak infrastructure to a non-controlling shareholder (within the pre-closing restructuring process)

On 11 October 2024, CETIN International N.V. acquired the 100% share in the Slovak infrastructure business CETIN Networks s.r.o. from its fellow subsidiary PPF Comco N.V. From the Group's perspective, this transaction increased the value of GIC Private Limited's ("GIC") involvement (increased book value of the non-controlling interest) due to their 30% share in CETIN International N.V. The financial aspects for this transaction as at 11 October 2024 were as follows:

In millions of EUR, as at 11 October 2024

Effective ownership sold	30.00%
Total consideration received	157
Total net asset value attributable to non-controlling interests	41
Effect attributable to the owners of the Parent in equity (gain)	116

B.2.2.2. Sale of PPF Telecom Group B.V. (with non-Czech entities)

On 15 October 2024, within the pre-closing restructuring process, the Parent Company sold its 100% share in PPF Telecom Group B.V. to its fellow subsidiary under the common control of PPF Group, PPF TMT Holdco 4 B.V. The impact of the sale on these consolidated financial statements is summarised in the following table:

In millions of EUR, as at 15 October 2024

Transaction	PPF Telecom Group B.V.
Direct ownership sold	100.00%
Consideration received in cash (sale price)	4,387
Net assets value sold	(1,225)
where:	
Accumulated translation losses until loss of control relating to the foreign operations (reclassified from equity to profit or loss)	(92)
Non-controlling interests within Telecom Group disposed	160
Gain on sale of discontinued subsidiaries	**3,230**

The following table summarises the assets and liabilities of the sold Telecom Group at the time the Group lost control:

In millions of EUR, as at 15 October 2024

ASSETS	
Property, plant and equipment (refer to E.5)	822
Right-of-use assets	279
Goodwill (refer to E.6.1)	975
Other intangible assets	825
Trade and other receivables	8
Contract assets	25
Cost to obtain the contracts	34
Other assets	36
Deferred tax assets	12
Non-current assets	**3,016**
Trade and other receivables	143
Inventories	60
Contract assets	71
Current income tax receivables	2
Other financial assets	149
Cost to obtain the contracts	22
Other assets	41
Cash and cash equivalents	180
Current assets	**668**
TOTAL ASSETS	**3,684**

In millions of EUR, as at 15 October 2024

LIABILITIES	
Debt securities issued	1,046
Lease liabilities	234
Trade and other payables	44
Contract liabilities	4
Provisions	42
Deferred tax liabilities	29
Non-current liabilities	**1,399**
Debt securities issued	621
Lease liabilities	45
Trade and other payables	324
Contract liabilities	27
Provisions	18
Current income tax liability	25
Current liabilities	**1,060**
TOTAL LIABILITIES	**2,459**
NET ASSETS VALUE SOLD	**1,225**

B.2.2.3. PPF Telecom Group B.V. (with non-Czech entities) – discontinued operations

As the whole disposed Telecom Group represented both separate major lines of business and geographical areas of operations (commercial and infrastructure operations in Bulgaria, Hungary, Serbia, and Slovakia), it fulfilled the conditions of IFRS 5 for discontinued operations. Therefore, its results are presented separately from the continuing operations in the consolidated statement of income.

The financial performance relating to the sold Telecom Group is presented below:

In millions of EUR, for the year ended 31 December

	2024*
Revenue	1,653
Other income from non-telecommunication services	4
Personnel expenses	(155)
Other operating expenses	(684)
Operating profit excluding depreciation, amortisation, and impairments	**818**
Depreciation and amortisation	(261)
Depreciation on lease-related right-of-use assets	(49)
Amortisation of costs to obtain contracts	(49)
Impairment loss on PPE and intangible assets	(46)
Operating profit	**413**
Interest income	17
Other interest expense	(90)
Interest expense on lease liabilities	(11)
Net foreign currency gains/(losses)	(21)
Other finance costs	(16)
PROFIT BEFORE TAX	**292**
Income tax expense	(61)
NET PROFIT FOR THE PERIOD**	**231**

*until the loss of control on 15 October 2024
**in the consolidated statement of income presented as 'net profit from operations of discontinued subsidiaries'

Net cash flows incurred by discontinued operations is the following:

In millions of EUR, for the year ended 31 December

	2024*
Cash flows from operating activities	156
Cash flows used in investing activities	3,145
Cash flows used in financing activities	(3,686)
Net cash flows from discontinued operations	**(385)**

*until the loss of control on 15 October 2024

B.2.3. Purchase of non-controlling interest in CETIN Group N.V. (effective closing in October 2024)

On 31 October 2024, the Group purchased the remaining 30% share from GIC Private Limited's ("GIC") and became CETIN Group N.V.'s sole shareholder.

The following table summarises the financial aspects of the transaction:

In millions of EUR

Transaction	31 October 2024
Effective ownership in CETIN Group N.V. acquired	30.00%
Purchase price paid in cash	759
Total net assets value attributable to the non-controlling interest acquired	198
Net effect attributable to the owners of the Parent in equity	(561)
out of which:	
recorded in retained earnings (loss)	(574)
recorded in translation reserve (gain)	13

B.2.4. Acquisition of Nordic Telecom Regional (effective closing in October 2024)

In July 2024, O2 Czech Republic a.s. entered into an agreement to acquire a 100% share in Nordic Telecom Regional s.r.o. (hereinafter as "NTR"), the internet connection and television services provider in the Czech Republic. The transaction was motivated by an opportunity to increase a market share, customer base, and infrastructure in Moravia and Eastern Bohemia, as well as an achievement of synergistic effects. After obtaining the approval of the Office for the Protection of Competition the transaction was closed on 31 October 2024.

In accordance with IFRS 3, the Group prepared a purchase price allocation exercise (PPA) to determine the fair value of the acquired assets and assumed liabilities, and to potentially identify and determine the fair value of assets and liabilities not previously recognised by the acquired entity. Assets and liabilities denominated in foreign currencies were translated using the exchange rate valid as at the acquisition date. Consequently, the acquired assets and assumed liabilities were restated to their respective fair values. The difference between the purchase price (consideration paid) and the fair values of identified assets and liabilities resulted in the recognition of goodwill.

Key assumptions and valuation approach

As the acquired business is internet connection and television services provider, the key asset categories acquired in the acquisition were fixed assets reported in the balance sheet, and customer relationships identified in addition to the fixed assets. Major fixed assets category were telecommunication equipment and telecommunication network and network construction.

Since each asset category has different characteristics, different asset valuation methods were applied. Based on the nature of the tangible assets and their continuing use, the Depreciated Replacement Cost method or Replacement Cost New was applied. Newly identified customer relations were valued using the multi-period excess earnings method.

It was concluded that the carrying amounts of trade and other receivables, other assets, and all assumed liabilities represented their respective fair values as at the acquisition date.

The following table summarises the recognised acquisition amounts of acquired assets and assumed liabilities:

In millions of EUR, as at 31 October 2024

Fair value of assets acquired (excl. goodwill)	**28**
Property, plant and equipment (refer to E.5)	11
Intangible assets (refer to E.6.2)	7
Right-of-use assets	5
Deferred tax asset	3
Trade and other receivables	1
Cash and cash equivalents	1
Fair value of liabilities assumed	**10**
Lease liabilities	5
Trade and other payables	3
Deferred tax liability	1
Other liabilities	1
Fair value of identifiable net assets	**18**

Goodwill arising from the acquisition was recognised as follows:

In millions of EUR, as at 31 October 2024

Total consideration transferred [a]	48
Fair value of identifiable net assets [b]	18
Goodwill (total) [a-b]	**30**

Goodwill is attributable to the acquisition of future customers, future profitability growth of the company, revenues to be generated under the new brand, anticipated synergies with other Group's operations and the assembled workforce. The goodwill balance is not expected to be deductible for tax purposes.

In the period from the acquisition date to 31 December 2024, NTR contributed revenue of EUR 3 million and loss of EUR 1 million to the Group's results. If the acquisition had occurred on 1 January 2024, consolidated revenue would have increased by approximately EUR 14 million and loss by approximately EUR 3 million.

C. Risk exposures, risk management objectives and procedures

The Group is exposed to a variety of financial risks, including the effects of changes in debt market prices, foreign currency exchange rates and interest rates as a result of ordinary business, debt taken on to finance its business, and net investment in foreign operations. The Group's overall risk management focuses on the unpredictability of financial markets and seeks to minimise any potential adverse effects on the financial performance of the Group. The Group uses either derivative financial instruments or non-derivative instruments (such as cash instruments) to hedge certain exposures.

The Group does not conduct any speculative trading activities.

Risk management is carried out by the relevant treasury departments in accordance with approved policies. The board of directors provides written principles for overall risk management. In accordance with these principles, policies are in place for specific areas, such as foreign exchange risk, interest rate risk, credit risk, liquidity risk, use of derivative financial instruments, and investing excess liquidity.

C.1. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial asset fails to meet its contractual obligations, arising principally from the Group's trade receivables. Individual significant credit exposures to third parties are monitored by the Group's top management and the board of directors on a case-by-case basis. Individual exposures are monitored and assessed, as is the Group's country and sector concentration.

Under the Group's policy, all customers wishing to trade on credit terms are subjected to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis, together with the resulting non-significant Group's exposure to bad debts.

The maximal possible credit risk arising from receivables and other financial assets equals the carrying amount of those financial instruments.

Credit risk is managed by:

- prevention: scoring of new customers – regular monitoring of customers' payment morale, activation of control procedures (integrated black list, external credit registers, and other external information databases), limits and/or deposits applied based on customer segments or the product, credit limits for indirect sales partners (dealers, distributors, franchises) for the purchase of our products, collateral security (deposits, receivables insurance, bills of exchange, pledges of real estate, bank guarantees etc.).
- monitoring of accounts receivables: regular monitoring of the creditworthiness of existing customers and monitoring and analysing of the receivable aging structure (internal and external indicators of any potential bad debts). These activities are processed in an integrated system solution for the scoring, maintenance and collection of receivables.
- collection process: credit management units cooperate with the customer care units in the implementation of a reasonable, effective and continual collection process. Collection process competences are allocated separately. In CETIN subgroup, collection from active customers is in the competence of the accounting unit; subsequent collection is the

responsibility of the treasury unit, the legal unit, and the accounting unit. In other segments, collection from active customers is in the competence of the customer care unit; any collection after the moment the contracts are cancelled falls within the responsibility of the credit management unit.

The following tables show the economic and geographic concentration of credit risk:

In millions of EUR

	31 December 2025	31 December 2025	31 December 2024	31 December 2024
Economic concentration				
Corporate sector	263	44.28%	245	47.85%
Financial services	159	26.76%	144	28.13%
Household/individuals	124	20.88%	100	19.53%
Public sector/Government	48	8.08%	23	4.49%
Total	**594**	**100.00%**	**512**	**100.00%**
Geographic concentration				
Czech Republic	537	90.38%	468	91.39%
Other EU countries	24	4.06%	26	5.09%
Other non-EU countries	33	5.56%	18	3.52%
Total	**594**	**100.00%**	**512**	**100.00%**
Of which:				
Trade and other receivables (E.7.2)	429	72.22%	359	70.12%
Cash and cash equivalents (excl. cash on hand) (E.9)	159	26.77%	142	27.73%
Contract assets (E.7.2)	6	1.01%	8	1.56%
Financial assets at FVTPL	-	-	2	0.39%
Provided guarantees (E.19)	-	-	1	0.20%
Total	**594**	**100.00%**	**512**	**100.00%**

The amounts in the tables represent the maximum accounting loss that would be recognised at the reporting date if the counterparties failed completely to meet their obligations and all collateral or security proved to be of no value. The amounts, therefore, exceed the expected losses that are included in the allowance for collectability. The table comprises financial assets excluding equity securities.

<u>Trade and other receivables and contract assets</u>

The Group generally uses an allowance matrix to measure the expected credit losses (ECLs) of trade receivables from individual customers, which comprise a large number of small balances. In industry segments, where trade receivables comprise small number of large balances, a specific allowance for impairment is used.

Loss rates are calculated using the roll rate method based on the probability of a receivable progressing through the successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics – geographic region, age of customer relationship, and type of product purchased.

The following table provides information about the exposure to credit risk and ECLs for trade and other receivables and contract assets from individual customers using the provision matrix as at 31 December 2025 and 31 December 2024.

In millions of EUR, as at 31 December 2025

	Weighted-average loss rate	Gross amount	Loss allowance	Carrying amount	Credit-impaired
Current (not past due)	2.6%	418	(11)	407	No
1-90 days	4.0%	25	(1)	24	No
91-180 days	33.3%	6	(2)	4	Yes
more than 180 days past due	100.0%	36	(36)	-	Yes
Total		**485**	**(50)**	**435**	

In millions of EUR, as at 31 December 2024

	Weighted-average loss rate	Gross amount	Loss allowance	Carrying amount	Credit-impaired
Current (not past due)	4.1%	363	(15)	348	No
1-90 days	10.5%	19	(2)	17	No
91-180 days	50.0%	2	(1)	1	Yes
more than 180 days past due	97.3%	37	(36)	1	Yes
Total		**421**	**(54)**	**367**	

Loss rates are based on actual credit loss experience over past years. The rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data was collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. The most significant scalar factors are the GDP forecast and industry outlook, actual and forecasted unemployment rates.

C.2. Liquidity risk

The Group's essential objective of liquidity risk management is having access to sufficient cash resources to meet all its cash payment obligations as they fall due, allowing some flexibility. The cash resources consist of a generated cash position maintained in highly liquid instruments.

The Group collects information from business units and holding companies regarding the liquidity profile of their financial assets and liabilities and details of other projected cash flows arising from projected future business. A portfolio of short-term liquid assets is maintained to ensure sufficient liquidity. The daily liquidity position is monitored, and regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions. The individual scenarios focus on liquidity available on specific markets and facilities, the nature of the related risks and the magnitude of their impact on the Group's business, available management tools and preventive actions.

The Group particularly focuses on its liquidity profile within the time horizon of the next 12-24 months, considering projected cash flow from operations, capital investment requirements, and the maturity structure of both debt obligations and financial investments.

The following tables show exposure to liquidity risk (discounted view):

In millions of EUR, as at 31 December 2025

	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Trade and other receivables, and contract assets*	319	46	36	34	-	435
Cash and cash equivalents	159	-	-	-	-	159
Total financial assets	**478**	**46**	**36**	**34**	**-**	**594**

In millions of EUR, as at 31 December 2025

	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Due to banks	2	-	-	1 749	-	1 751
Debt securities issued	-	11	499	-	-	510
Trade and other payables*	347	68	1	4	22	442
Lease liabilities	16	34	39	92	105	286
Total financial liabilities	**365**	**113**	**539**	**1,845**	**127**	**2,989**

*excluding tax and other non-financial liabilities

Net liquidity position 31 December 2025	**113**	**(67)**	**(503)**	**(1,811)**	**(127)**	**(2,395)**

In millions of EUR, as at 31 December 2024

	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Trade and other receivables, and contract assets*	257	43	33	34	-	367
Cash and cash equivalents	142	-	-	-	-	142
Financial assets at FVTPL	-	2	-	-	-	2
Total financial assets	**399**	**45**	**33**	**34**	**-**	**511**

In millions of EUR, as at 31 December 2024

	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Due to banks	2	250	705	786	-	1,743
Debt securities issued	-	11	-	498	-	509
Trade and other payables*	298	88	17	37	26	466
Lease liabilities	14	33	39	95	99	280
Total financial liabilities	**314**	**382**	**761**	**1,416**	**125**	**2,998**

*excluding tax and other non-financial liabilities

Net liquidity position 31 December 2024	**85**	**(337)**	**(728)**	**(1,382)**	**(125)**	**(2,487)**

The following tables show the residual maturities of balance sheet and off-balance sheet liabilities on an undiscounted cash flow basis:

In millions of EUR, as at 31 December 2025

	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Due to banks	15	46	61	1 810	-	1 932
Debt securities issued	-	16	515	-	-	531
Trade and other payables*	347	68	1	4	22	442
Lease liabilities	18	43	51	113	121	346
Total	**380**	**173**	**628**	**1 927**	**143**	**3 251**

*excluding tax and other non-financial liabilities

In millions of EUR, as at 31 December 2024

	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Due to banks	20	302	771	847	-	1,940
Debt securities issued	-	16	16	515	-	547
Trade and other payables*	299	89	19	40	28	475
Lease liabilities	16	41	47	112	113	329
Provided guarantees	-	2	-	-	-	2
Total	**335**	**450**	**853**	**1,514**	**141**	**3,293**

*excluding tax and other non-financial liabilities

C.3. Market risk

Market risk is the risk that changes in market rates such as interest rates or foreign exchange rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage market risk exposure and keep it within acceptable limits.

C.3.1. Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Short-term and long-term debt as well as cash assets can be maintained on both floating and fixed interest rates. The Group may sometimes use interest rate swaps, forward rate agreements and option-based products to manage a desired mix of fixed and variable interest rates.

The Group's objective in managing its exposure to interest rate fluctuations is to minimise reported earnings and cash flow volatility associated with interest rate changes.

The Group is exposed to interest rate risk arising from cash investments with a floating interest rate and some debt instruments bearing a floating interest rate. Considering the derivative hedging instruments, an interest rate sensitivity analysis showed that the impact of a yield-curve movement by a hypothetical one percentage point on the Group's equity would be immaterial.

The tables below summarise the interest rate repricing gap of the Group's financial assets and liabilities as at the reporting date. The carrying amounts of interest-rate-sensitive assets and liabilities and the notional amounts of swaps and other derivative financial instruments are presented in the periods in which they mature or in which the interest rates will next be fixed. To reflect anticipated prepayments, certain asset and liability categories are included in the table based on estimated rather than contractual maturity dates. Items are allocated to time bands by reference to the earlier of the next contractual interest rate repricing date and the expected maturity date.

The following tables present an analysis of the interest rate gap position (excl. derivatives):

In millions of EUR, as at 31 December 2025

	Effective interest rate	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Trade and other receivables, and contract assets	0.00%	319	46	36	34	-	435
Cash and cash equivalents	0.90%	159	-	-	-	-	159
Total financial assets		**478**	**46**	**36**	**34**	**-**	**594**

In millions of EUR, as at 31 December 2025

	Effective interest rate	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Due to banks	3.41%	1 751	-	-	-	-	1 751
Debt securities issued	3.13%	-	11	499	-	-	510
Trade and other payables*	0.76%	347	68	1	4	22	442
Lease liabilities	4.69%	16	34	39	92	105	286
Total financial liabilities		**2,114**	**113**	**539**	**96**	**127**	**2,989**

*excluding tax and other non-financial liabilities

Effect of interest rate derivatives		**-**	**-**	**-**	**-**	**-**	**-**
Net position 31 December 2025		**(1,636)**	**(67)**	**(503)**	**(62)**	**(127)**	**(2,395)**

In millions of EUR, as at 31 December 2024

	Effective interest rate	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Trade and other receivables, and contract assets	0.00%	257	43	33	34	-	367
Cash and cash equivalents	2.75%	142	-	-	-	-	142
Total financial assets		**399**	**43**	**33**	**34**	**-**	**509**

In millions of EUR, as at 31 December 2024

	Effective interest rate	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Due to banks	4.48%	1,743	-	-	-	-	1,743
Debt securities issued	3.13%	-	11	-	498	-	509
Trade and other payables*	1.93%	298	88	17	37	26	466
Lease liabilities	3.92%	14	33	39	95	99	280
Total financial liabilities		**2,055**	**132**	**56**	**630**	**125**	**2,998**

*excluding tax and other non-financial liabilities

Effect of interest rate derivatives		**139**	**(139)**	**-**	**-**	**-**	**-**
Net position 31 December 2024		**(1,518)**	**(227)**	**(23)**	**(596)**	**(125)**	**(2,489)**

C.3.2. Currency risk

The Group is exposed to currency risk through transactions in foreign currencies and assets and liabilities denominated in foreign currencies. Foreign currency risk arises when the actual or forecast assets denominated in a given foreign currency are either greater or less than the liabilities denominated in that currency. It is the Group's policy to hedge such mismatches with derivative financial instruments to eliminate the foreign currency exposure.

The Group's main foreign exposure is to Czech crowns, the currency of the country where the Group operates. As the currency in which the Group presents its consolidated financial statements is the euro, movements in the exchange rates between these currencies and the euro affecting the Group's consolidated financial statements are presented as part of the translation reserve in other comprehensive income. Net investments in foreign operations are not hedged.

The following table summarises the Group's exposure in individual countries and respective local functional currencies. Any exposure in the individual countries other than in the local functional currency is excluded.

In millions of EUR

Net investments in foreign operations	31 December 2025	31 December 2024
EUR	(1,883)	(2,017)
CZK	3,153	3,086
Total net investments in foreign operations	**1,270**	**1,069**

The Group's transactional exposures give rise to foreign currency gains and losses that are recognised in the consolidated statement of income. These exposures comprise the monetary assets and monetary liabilities of the Group entities that are not denominated in the functional currency of the respective Group entity. In respect of monetary assets and liabilities in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying and selling foreign currencies at spot rates when considered appropriate, or through short-term FX trades.

The Group entities' foreign currency largest exposures are for financial assets and financial liabilities, meaning the exposures in currencies different from the entities' functional currencies:

In millions of EUR, as at 31 December 2025

	EUR	USD	Other	Total
Financial assets	65	19	1	85
Financial liabilities	177	27	1	205
Effect of FX derivatives	75	4	-	79
Net FX position	**(37)**	**(4)**	**-**	**(41)**

In millions of EUR, as at 31 December 2024

	EUR	USD	Other	Total
Financial assets	90	17	-	107
Financial liabilities	197	24	-	221
Effect of FX derivatives	60	4	-	64
Net FX position	**(47)**	**(3)**	**-**	**(50)**

The following tables present an analysis of the sensitivity of the Group's equity to changes in currency exchange rates based on positions existing as at 31 December 2025 and 31 December 2024 and a simplified scenario of a 5% change in CZK to EUR exchange rates:

In millions of EUR

	CZK
5% depreciation against EUR as at 31 December 2025	(158)
5% appreciation against EUR as at 31 December 2025	158
5% depreciation against EUR as at 31 December 2024	(154)
5% appreciation against EUR as at 31 December 2024	154

C.3.3. Hedging

As at 31 December 2025 and 31 December 2024, the Group hedged neither the interest risk nor the foreign currency risk at the Parent Company level. The Group keeps monitoring the market development to take an appropriate action in future.

O2 Czech Republic a.s. subgroup ("O2 CZ subgroup") hedged cash flows arising from long-term debt denominated in CZK with a floating interest rate to hedge interest rate risk. For the year ended 31 December 2024, O2 CZ subgroup hedged a part of the expected payments from a long-term unsecured facility agreement. The hedging instrument was a combination of several interest rate swaps denominated in CZK and the hedging relationship was designated until May 2025. As at 31 December 2025, the Group no longer applies hedge accounting on its derivative contracts.

In 2025 and 2024, the cash flow hedges of O2 CZ were effective, and no ineffectiveness was recognised in profit or loss.

The Group's objective is to maintain an appropriate mix of debt with fixed and floating interest rates in line with the risk management concept.

C.4. Fair value of financial assets and liabilities

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments measured using: market prices quoted in active markets for similar instruments; prices quoted for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are measured based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valuation techniques include, where applicable, a comparison with similar instruments for which market observable prices exist, the net present value and discounted cash flow models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premiums used in estimating discount rates, bond prices, foreign currency exchange rates, expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length.

The fair value of derivative financial instruments is calculated based on discounted cash flow models (using market rates).

The carrying amount of financial assets and financial liabilities not measured at fair value is a reasonable approximation of its fair value (except for the fix-rate debt securities issued presented in the below table), since financial assets and liabilities comprise mainly current trade receivables and payables, cash and cash equivalents and borrowings with a floating interest rate.

In millions of EUR

	31 Dec. 2025 Carrying amount	31 Dec. 2025 Fair value	31 Dec. 2024 Carrying amount	31 Dec. 2024 Fair value
Debt securities issued (Level 2)	(510)	(514)	(509)	(509)

The following table presents an analysis of financial instruments recorded at fair value, broken down by how the fair value calculation is accomplished: i.e., based on quoted market prices (Level 1); calculated using valuation techniques where all the model inputs are observable in the market (Level 2); or calculated using valuation techniques where significant model inputs are not observable in the market (Level 3):

In millions of EUR, as at 31 December 2025

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL	-	-	-	-
Financial assets at FVOCI	-	-	2	2
Total	**-**	**-**	**2**	**2**

In millions of EUR, as at 31 December 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL	-	2	-	2
Financial assets at FVOCI	-	-	3	3
Total	**-**	**2**	**3**	**5**

The following table shows the reconciliation of movements in Level 3:

In millions of EUR, for the year ended 31 December 2025

	Financial assets FVTPL	Financial assets FVOCI	Total
Balance as at 1 January 2025	-	3	3
Effect of movements in exchange rates	-	(1)	(1)
Balance as at 31 December 2025	**-**	**2**	**2**

In millions of EUR, for the year ended 31 December 2024

	Financial assets FVTPL	Financial assets FVOCI	Total
Balance as at 1 January 2024	70	3	73
Net losses recognised in profit or loss (incl. discontinued operations)	(12)	-	(12)
Origination of new financial assets	150	-	150
Settlements	(60)	-	(60)
Disposals from business combinations (refer to B.2.2)	(147)	-	(147)
Effect of movements in exchange rates	(1)	-	(1)
Balance as at 31 December 2024	**-**	**3**	**3**

C.5. Capital management

For the purposes of the Group's capital management, capital includes issued share capital, share premium and all other equity reserves attributable to the equity holders of the Parent. The primary objective of the Group's capital management is to maximise the shareholder value while maintaining investor, creditor and market confidence and being able to sustain the future development of the business.

To achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets the financial covenants attached to interest-bearing loans and borrowings. Further, the facilities agreements also contain financial covenants involving the regular testing of:

(a) consolidated leverage calculated as consolidated net debt to consolidated EBITDA which for any relevant period ending on or after 31 December 2025 may not exceed 4.00:1 for the group consisting of all material PPF TMT Holdco 2 B.V. entities, and
(b) proportionate leverage calculated as proportionate net debt to proportionate EBITDA which for any relevant period ending on or after 31 December 2025: (i) may not exceed 2.20:1 for the group consisting of PPF Comco N.V., O2 Czech Republic a.s., CETIN Group N.V. and CETIN a.s., and (ii) may not exceed 4.00:1 for the group consisting of all material CETIN Group N.V. entities.

The Group is not subject to any externally imposed regulatory capital requirements. No changes were made in the objectives, policies, or processes for managing capital during the years ended 31 December 2025 and 31 December 2024.

D. Segment reporting

The Group recognises reportable segments that are defined in both geographical and sector terms. The Group's board of directors and shareholder (the chief operating decision maker) review the internal management reports of the individual segments on a regular basis.

The following summary describes the operations and geographic focus of each reportable segment.

Reportable segment	Operations	Geographic focus
O2 Czech Republic	Fixed and mobile telecommunication and data services	Czech Republic
O2 Slovakia *(discontinued)*	Mobile telecommunication and data services, and infrastructure	Slovakia
Yettel Hungary *(discontinued)*	Mobile telecommunication and data services	Hungary
Yettel Bulgaria *(discontinued)*	Mobile telecommunication and data services	Bulgaria
Yettel Serbia *(discontinued)*	Mobile telecommunication and data services	Serbia
CETIN CZ	Wholesale telecommunication services (mobile, fixed and data services) to other telco operators and international transit	Czech Republic
CETIN Slovakia *(discontinued)* *	Telecommunication infrastructure	Slovakia
CETIN Hungary *(discontinued)*	Telecommunication infrastructure	Hungary
CETIN Bulgaria *(discontinued)*	Telecommunication infrastructure	Bulgaria
CETIN Serbia *(discontinued)*	Telecommunication infrastructure	Serbia

*CETIN Slovakia segment represents activities of O2 Networks, s.r.o.

On 15 October 2024, the Group sold entities presented under the following segments: O2 Slovakia, Yettel Hungary, Yettel Bulgaria, Yettel Serbia, CETIN Slovakia, CETIN Hungary, CETIN Bulgaria, and CETIN Serbia (refer to B.2.2). For the year ended 31 December 2024, these segments are presented as discontinued operations in the consolidated statement of income and other comprehensive income. The segment reports for the year end 31 December 2024 present the full financial results for both, continuing and discontinued operations.

The unallocated segment represents operations of the holding entities not directly attributable to the core segments and comprising mainly funding related to acquisitions.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Inter-segment pricing is determined on an arm's length basis. Segment assets and liabilities include all assets and liabilities attributable to segments. Eliminations represent intercompany balances among individual reporting segments.

Total segment revenue presented in the segment reporting analysis for the year ended 31 December 2025 amounts to EUR 1,962 million (31 December 2024: EUR 3,478 million) represents revenues from external customers with the same substance as the corresponding total revenue caption in the consolidated statement of income.

The revenues reported include revenue from contracts with customers, comprising service and equipment revenues as well as other revenue items including interest revenue arising from Group's ordinary transactions with a significant financing component.

The Group does not have any major customer or any individual customer with revenue exceeding 10% of total segment revenue.

The following table shows the main items from the financial statements broken down according to reportable segments:

In millions of EUR

31 December 2025	O2 Czech Republic	CETIN CZ	Unallocated	Eliminations	**Consolidated**
Revenue from external customers	1,609	353	-	-	1,962
Inter-segment revenue	3	522	-	(525)	-
Total revenue	**1,612**	**875**	**-**	**(525)**	**1,962**
Other income from non-telecommunication services	14	9	-	(7)	16
Operating expenses	(1,121)	(409)	(1)	523	(1,008)
Gain on sale of investments in subsidiaries (excl. discontinued operations)	30	-	-	-	30
Operating profit excl. depr., amort. and impairments	**535**	**475**	**(1)**	**(9)**	**1,000**
Depreciation and amortisation	(195)	(215)	-	-	(410)
Depreciation on lease related RoU	(21)	(38)	-	7	(52)
Amortisation of costs to obtain a contract	(29)	-	-	-	(29)
Impairment loss	(1)	(1)	-	-	(2)
Operating profit	**289**	**221**	**(1)**	**(2)**	**507**
Interest income	2	1	50	(49)	4
Net foreign currency gains	3	40	9	-	52
Interest expense on lease liability	(3)	(11)	-	1	(13)
Other interest expense	(26)	(35)	(77)	49	(89)
Other finance cost	(5)	-	(3)	-	(8)
Profit for the period before tax	**260**	**216**	**(22)**	**(1)**	**453**
Income tax expense	(49)	(47)	-	-	(96)
Profit for the period	**211**	**169**	**(22)**	**(1)**	**357**
Capital expenditure	144	306	-	(1)	449
Segment assets	1,564	3,116	1,280	(1,325)	4,635
Segment liabilities	985	1,898	1,926	(1,325)	3,484
Segment equity	**579**	**1,218**	**(646)**	**-**	**1,151**

In millions of EUR

31 December 2024	O2 Czech Republic	O2 Slovakia *(disc.)*	Yettel Hungary *(disc.)*	Yettel Bulgaria *(disc.)*	Yettel Serbia *(disc.)*	CETIN CZ	CETIN Slovakia *(disc.)*	CETIN Hungary *(disc.)*	CETIN Bulgaria *(disc.)*	CETIN Serbia *(disc.)*	Unallo-cated[(1)]	Elimina-tions with DISC[(2)]	Elimina-tions within CONT[(3)]	Elimina-tions - other[(4)]	**Consoli-dated**[(1)]
Revenue from external customers	1,473	277	511	416	426	352	-	4	7	12	-	-	-	-	3,478
Inter-segment revenue	10	3	2	3	10	499	78	142	113	94	-	(35)	(473)	(446)	-
Total revenue	**1,483**	**280**	**513**	**419**	**436**	**851**	**78**	**146**	**120**	**106**	**-**	**(35)**	**(473)**	**(446)**	**3,478**
Other income from non-telecommunication services	10	1	-	-	-	4	1	-	-	-	7	(2)	(3)	(5)	13
Operating expenses	(1,023)	(217)	(390)	(285)	(297)	(428)	(16)	(39)	(31)	(26)	(16)	16	469	471	(1,812)
Operating profit excl. depr., amort. and impairments	**470**	**64**	**123**	**134**	**139**	**427**	**63**	**107**	**89**	**80**	**(9)**	**(21)**	**(7)**	**20**	**1,679**
Depreciation and amortisation	(163)	(33)	(54)	(35)	(43)	(209)	(25)	(26)	(26)	(19)	(1)	-	-	1	(633)
Depreciation on lease related RoU	(19)	(3)	(4)	(4)	(3)	(36)	(7)	(12)	(7)	(9)	-	-	6	-	(98)
Amortisation of costs to obtain a contract	(26)	(7)	(7)	(11)	(25)	-	-	-	-	-	-	-	-	-	(76)
Impairment loss	(3)	-	(12)	(26)	(7)	(2)	-	(1)	-	-	-	-	-	-	(51)
Operating profit	**259**	**21**	**46**	**58**	**61**	**180**	**31**	**68**	**56**	**52**	**(10)**	**(21)**	**(1)**	**21**	**821**
Interest income	3	-	3	1	5	1	-	1	-	1	93	-	(59)	(26)	23
Net foreign currency losses	(4)	-	(2)	-	-	(20)	-	(2)	-	-	(15)	-	-	-	(43)
Interest expense on lease liability	(4)	-	-	-	-	(9)	(1)	(4)	(2)	(3)	-	-	1	-	(22)
Other interest expense	(21)	(2)	(15)	-	(1)	(49)	(3)	-	-	(1)	(178)	7	59	19	(185)
Other finance cost	-	(6)	(6)	(3)	-	-	-	-	-	-	(9)	-		-	(24)
Profit before tax	**233**	**13**	**26**	**56**	**65**	**103**	**27**	**63**	**54**	**49**	**(119)**	**(14)**	**-**	**14**	**570**
Income tax expense	(51)	(5)	(9)	(8)	(7)	(22)	(6)	(8)	(6)	(8)	(5)	-	-	-	(135)
Net profit from operations	**182**	**8**	**17**	**48**	**58**	**81**	**21**	**55**	**48**	**41**	**(124)**	**(14)**	**-**	**14**	**435**
Gain on sale of discontinued subsidiaries	-	-	-	-	-	-	-	-	-	-	3,230	-	-	-	3,230
Net profit for the period	**182**	**8**	**17**	**48**	**58**	**81**	**21**	**55**	**48**	**41**	**3,106**	**(14)**	**-**	**14**	**3,665**
Capital expenditure	195	15	32	31	27	279	40	32	32	37	11	-	2	(20)	713
Segment assets	1,652	-	-	-	-	2,804	-	-	-	-	1,389	-	(1,420)	-	4,425
Segment liabilities	1,021	-	-	-	-	1,797	-	-	-	-	2,072	-	(1,421)	-	3,469
Segment equity	**631**	**-**	**-**	**-**	**-**	**1,007**	**-**	**-**	**-**	**-**	**(683)**	**-**	**1**	**-**	**956**

(1) Restated, for more details refer to A.7.
(2) Represents the eliminations of the continuing operations' transactions with the discontinued ones solely from the perspective of the continuing operations.
(3) Represents the eliminations of the transactions solely within the continuing operations.
(4) Represents together the eliminations of the discontinued operations' transactions with the continuing ones solely from the perspective of the discontinued operations and the eliminations of the transactions within discontinued operations.

The following table shows the main revenue streams broken down according to reportable segments:

In millions of EUR, for the year ended 31 December 2025

2025	O2 Czech Republic	CETIN CZ	Unallocated	Eliminations	**Consolidated**
Major service/product lines:					
Mobile originated revenue	809	-	-	(1)	808
Fixed originated revenue	633	-	-	(1)	632
Hardware sales revenues	112	-	-	-	112
Interconnect revenue	39	-	-	(1)	38
International transit revenue	-	179	-	(3)	176
Other wholesale revenue	19	696	-	(519)	196
Revenue recognition:					
Revenue recognised over time	1,500	875	-	(525)	1,850
Revenue recognised at a point in time	112	-	-	-	112
Total revenue	**1,612**	**875**	**-**	**(525)**	**1,962**

In millions of EUR, for the year ended 31 December 2024

2024	O2 Czech Republic	O2 Slovakia *(disc.)*	Yettel Hungary *(disc.)*	Yettel Bulgaria *(disc.)*	Yettel Serbia *(disc.)*	CETIN CZ	CETIN Slovakia *(disc.)*	CETIN Hungary *(disc.)*	CETIN Bulgaria *(disc.)*	CETIN Serbia *(disc.)*	Unallo-cated	Elimina-tions with DISC[1]	Elimina-tions within CONT[2]	Elimina-tions - other[3]	**Consoli-dated**
Major service/product lines:															
Mobile originated revenue	773	183	394	303	290	-	-	-	-	-	-	(5)	(1)	(1)	1,936
Fixed originated revenue	544	21	3	1	18	21	-	-	-	-	-	(1)	-	-	607
Hardware sales revenues	109	57	76	97	86	-	-	-	-	-	-	-	-	-	425
Interconnect revenue	41	14	15	9	33	-	-	-	-	-	-	-	(1)	(10)	101
International transit revenue	-	-	-	-	-	196	-	-	5	-	-	(18)	(3)	(4)	176
Other wholesale revenue	16	5	9	9	9	634	78	146	115	106	-	(12)	(468)	(430)	217
Other sales	-	-	16	-	-	-	-	-	-	-	-	-	-	-	16
Revenue recognition:															
Revenue recognised over time	1,374	223	436	322	350	851	78	146	120	106	-	(36)	(473)	(445)	3,052
Revenue recognised at a point in time	109	57	77	97	86	-	-	-	-	-	-	-	-		426
Total revenue	**1,483**	**280**	**513**	**419**	**436**	**851**	**78**	**146**	**120**	**106**	**-**	**(36)**	**(473)**	**(445)**	**3,478**

(1) Represents the eliminations of the continuing operations' transactions with the discontinued ones solely from the perspective of the continuing operations.
(2) Represents the eliminations of the transactions solely within the continuing operations.
(3) Represents together the eliminations of the discontinued operations' transactions with the continuing ones solely from the perspective of the discontinued operations and the eliminations of the transactions within discontinued operations.

E. Additional notes to the consolidated financial statements

E.1. Revenue

E.1.1. Revenue from telco business – major lines of business

Revenue from the telecommunication business comprises the following:

In millions of EUR, for the year ended 31 December

	2025	2024
Mobile originated revenue	808	767
Fixed originated revenue	632	565
International transit revenue	176	176
Hardware sales revenues	112	108
Interconnect revenue	38	40
Other wholesale revenue	196	169
Revenue from telecommunication business	**1,962**	**1,825**
out of which:		
Services/Products transferred over time	1,850	1,717
Services/Products transferred at a point in time	112	108

For the information on contract assets and contract liabilities, please refer to E.7.2.

E.1.2. Revenue from telco business – geographical markets

The revenue from the telco business is geographically disaggregated per customer sites, as follows:

In millions of EUR, for the year ended 31 December

	2025	2024
Services/products transferred over time	1,850	1,717
Czech Republic	1,633	1,514
United Kingdom of Great Britain and Northern Ireland	20	19
Germany	15	22
Other EU countries	80	77
Other non-EU countries	102	85
Services/products transferred at a point in time	112	108
Czech Republic	112	108

E.1.3. Incremental costs to obtain contracts

Capitalised incremental costs to obtain contracts include commissions for external and internal business channels that are directly attributable to obtaining customer contracts and are incremental. The amortisation of these costs is recognised on a separate line (amortisation of cost to obtain contracts) in profit or loss; the amortisation period is determined by the average expected duration of contracts separately for business customers and consumers, and separately for certain product types (ranging from 16 to 48 months).

In millions of EUR, for the year ended 31 December

	2025	2024
Balance as at 1 January	40	90
Disposals through business combinations (refer to B.2.2.2)	-	(56)
Capitalised costs to obtain contracts	32	82
Amortisation of capitalised costs to obtain contracts (incl. discontinued operations)	(29)	(76)
Effects of movements in exchange rates	1	-
Balance as at 31 December	**44**	**40**

The Group regularly evaluates capitalised incremental costs to obtain contracts and assesses whether there is any indication of impairment. The assessment is based on the monitoring of two parameters – the statistical evolution of clawbacks, i.e., deductions for the additional change of contracted services or contractual penalties for the non-observance of performance indicators and, simultaneously, the monitoring of calculation corrections based on the revision of the period, in which the customers use the individual segments of the Group. According to the assessment of these parameters, there was no impairment allowance of the capitalised costs to obtain contracts recognised as at 31 December 2025 or 31 December 2024.

E.2. Personnel expenses and other operating expenses

In millions of EUR, for the year ended 31 December

	2025	2024
Employee compensation	204	191
Payroll related taxes (including pension contribution)	68	80
Total personnel expenses	**272**	**271**
International transit	169	172
Other cost of sales	157	134
Cost of telco and other devices sold (inventories)	94	91
Network&IT maintenance	70	59
Interconnection and roaming	63	62
Utilities	48	46
Advertising and marketing	39	32
Rentals, buildings and vehicles	27	24
Professional services	19	15
Regulatory and licence fees	15	14
Commissions	13	13
Other	22	40
Total other operating expenses	**736**	**702**

The average number of employees for continuing operations during 2025 was 6,912 (2024: 6,957 employees). In 2025 and 2024, the Group had no employees in the Netherlands.

E.3. Depreciation and amortisation

Depreciation and amortisation charges (excl. right-of-use assets) comprise the following:

In millions of EUR, for the year ended 31 December

	2025	2024
Depreciation of property, plant and equipment	210	194
Amortisation of intangible assets	200	178
Total depreciation and amortisation	**410**	**372**

E.4. Income taxes

E.4.1. Income tax expense

Income tax expense comprises the following:

In millions of EUR, for the year ended 31 December

	2025	2024
Current tax expense	(117)	(98)
Deferred tax benefit	21	24
Total income tax expense	**(96)**	**(74)**

The following table reconciles the tax expense:

In millions of EUR, for the year ended 31 December

	2025	2024*
Tax rate (see the below paragraph for further reference)	25.8%	25.8%
Profit from continuing operations (before taxation)	454	278
Computed taxation using applicable tax rate	(117)	(72)
Effect of non-taxable gain on sale of investments in subsidiaries	8	-
Tax rate differences on foreign results	21	16
Non-deductible interest expense due to ATAD (earning stripping) rules	(6)	(11)
Other tax non-deductible expenses	(2)	(4)
Items taxed at a different tax rate (e.g., withholding tax)	-	(1)
Other	-	(2)
Total income tax expense	**(96)**	**(74)**

*restated, for more details refer to A.7.

The Company is subject to corporate income tax in the Netherlands at an income tax rate of 25.8% (2024: 25.8%). The Company's subsidiaries are also subject to corporate income tax laws in the Czech Republic at an income tax rate of 21% (2024: 21%).

E.4.2. Global minimum tax (Pillar Two)

The Group became subject to the global minimum tax under Pillar Two legislation (top up tax) as of 1 January 2024. Related legislation has already been enacted or substantively enacted in jurisdictions in which the Group operates.

The Group acknowledged complexities and ongoing changes in the global tax environment as well as changes in the Group's structure during the preparation of its thorough analyses. As a result, the Group assessed that the impact of the Pillar Two legislation is immaterial for the year ended 31 December 2025, thus no income tax expense related to top-up tax was recognised in its consolidated financial statements as at 31 December 2025. The Group recorded EUR 3 million of income tax expense related to top-up tax for the Bulgarian subsidiary, which was presented as discontinued operations in the consolidated statement of income and other comprehensive income for the year ended 31 December 2024.

The Group continued to apply the temporary mandatory relief from deferred tax accounting for the future impacts of the top up tax, and no deferred tax effect was recognized for the year ended 31 December 2025 or 31 December 2024.

E.4.3. Deferred tax

The table below shows the roll-forward of net deferred taxes:

In millions of EUR, for the year ended 31 December

	2025	2024
Net deferred tax liability as at 1 January	(256)	(320)
Additions resulting from business combinations (refer to B.2.4)	-	2
Disposals resulting from business combinations (refer to B.2.2.2)	-	17
Deferred tax income for the period (incl. discontinued operations)	22	39
Deferred tax recognised directly in equity	-	1
Effects of movements in exchange rates	(10)	5
Net deferred tax liability as at 31 December	**(244)**	**(256)**

Recognised deferred tax assets and liabilities were as follows:

In millions of EUR

	31 Dec. 2025 Deferred tax liabilities	31 Dec 2025 Deferred tax assets	31 Dec 2024 Deferred tax liabilities	31 Dec 2024 Deferred tax assets
Trade receivables	-	6	-	7
Property, plant and equipment	(299)	-	(303)	-
Intangible assets	(16)	-	(25)	2
Contract assets	(1)	-	(2)	-
Lease liabilities	-	60	-	59
Other liabilities	-	3	-	5
Provisions	-	4	-	4
Other temporary differences	(11)	10	(10)	7
Deferred tax assets/(liabilities)	**(327)**	**83**	**(340)**	**84**
Net deferred tax assets/(liabilities)	**(245)**	**1**	**(259)**	**3**

E.4.4. Tax losses

As at 31 December 2025, the Group has incurred tax losses from recent years of EUR 35 million (2024: EUR 48 million), available to be carried forward and off-set against future taxable income. The Group also carried forward EUR 109 million (2024: EUR 89 million) of interests disallowed for tax purposes due to ATAD regulations. To the extent that it is not considered likely that taxable profits will be available against which the unused tax losses can be utilised, the deferred tax assets are not recognised. The unrecognised deferred tax assets amount to EUR 37 million (2024: EUR 32 million). The unutilised tax losses can be claimed for the period from 2026 to 2029 in the Czech Republic and for the unlimited period in the Netherlands.

In millions of EUR

	31 December 2025	31 December 2024
2025	-	4
2026	-	5
2027	-	1
2028	-	1
2029	1	3
Unlimited	34	34
Total	**35**	**48**

E.5. Property, plant and equipment

The following table shows the roll-forward of property, plant and equipment:

In millions of EUR, for the year ended 31 December 2025

	Land and buildings	Ducts, cables and related plant	Telecom. Technology and related equipment	Other tangible assets and equipment	Construction in progress	Total
Cost	348	2,163	923	134	195	3,763
Accumulated depreciation and impairment	(135)	(840)	(545)	(91)	(6)	(1,617)
Carrying amount as at 1 January 2025	**213**	**1,323**	**378**	**43**	**189**	**2,146**
Disposals resulting from business combinations (refer to B.2.1)	-	-	(2)	(2)	(1)	(5)
Additions	6	52	52	13	154	277
Disposal	-	(1)	(1)	-	-	(2)
Transfers	-	41	26	2	(69)	-
Depreciation charge	(10)	(100)	(85)	(15)	-	(210)
Impairment charge	-	-	-	-	(1)	(1)
Effects of movements in exchange rates	8	52	15	1	9	85
Carrying amount as at 31 December 2025	**217**	**1,367**	**383**	**42**	**281**	**2,290**
Cost	366	2,341	1,000	142	287	4,136
Accumulated depreciation and impairment	(149)	(974)	(617)	(100)	(6)	(1,846)

In millions of EUR, for the year ended 31 December 2024

	Land and buildings	Ducts, cables and related plant	Telecom. Technology and related equipment	Other tangible assets and equipment	Construction in progress	Total
Cost	433	2,183	1,826	283	243	4,968
Accumulated depreciation and impairment	(166)	(782)	(964)	(148)	(8)	(2,068)
Carrying amount as at 1 January 2024	**267**	**1,401**	**862**	**135**	**235**	**2,900**
Additions resulting from business combinations (refer to B.2.4)	5	1	4	-	1	11
Disposals resulting from business combinations (refer to B.2.2.2)	(60)	(49)	(505)	(99)	(109)	(822)
Additions	15	65	133	29	186	428
Disposal	-	-	(1)	(2)	(1)	(4)
Transfers	8	18	86	5	(117)	-
Depreciation charge (incl. discontinued operations)	(17)	(88)	(186)	(23)	-	(314)
Impairment charge	-	-	-	-	(2)	(2)
Effects of movements in exchange rates	(5)	(25)	(15)	(2)	(4)	(51)
Carrying amount as at 31 December 2024	**213**	**1,323**	**378**	**43**	**189**	**2,146**
Cost	348	2,163	923	134	195	3,763
Accumulated depreciation and impairment	(135)	(840)	(545)	(91)	(6)	(1,617)

In both periods, the most significant additions of PPE relate to the construction and modernization of mobile telecommunication infrastructure. In the current period, these additions were made in the Czech Republic, including radio network modernization, roll-out of 5G, and continuous investments into the fixed network. In the prior period, significant additions also took place in Hungary, Slovakia, and Bulgaria

No property, plant and equipment were pledged as at 31 December 2025 or 31 December 2024.

E.6. Goodwill and other intangible assets

Intangible assets comprise the following:

In millions of EUR

	31 December 2025	31 December 2024
Goodwill	769	739
Software	229	184
Licences	162	181
Valuable rights	37	40
Customer relationships	41	83
Other intangible assets	45	95
Work in progress	29	29
Total intangible assets	**1,312**	**1,351**

Acquired licences represent the rights to operate cellular networks. The licences are technologically neutral. The Group uses the following standards for the operation of cellular networks in the Czech Republic and until October 2024 also in Slovakia, Hungary, Bulgaria, and Serbia: GSM (Global System for Mobile Communication, second generation technology), UMTS (Universal Mobile Telecommunication System, third generation mobile cellular technology for networks), CDMA (Code Division Multiple Access) and LTE (Long Term Evolution).

Valuable rights as at 31 December 2025 comprise a licence agreement to use the O2 brand in the Czech Republic initially until January 2019, which is currently extended until December 2036.

Customer relationships represent a long-term revenue stream from loyal customers and those who have made commitments to purchase specific amounts of products or services.

Other intangible assets include mainly rights for television broadcasting.

Work in progress represents acquired intangible fixed assets not put in use during the same reporting period. It comprises mainly software.

E.6.1. Goodwill

The following table shows the roll-forward of goodwill:

In millions of EUR, for the year

	2025	2024
Balance as at 1 January	739	1,710
Additions resulting from business combinations (refer to B.2.4)	-	30
Disposals resulting from business combinations (refer to B.2.2.2)	-	(975)
Effect of movement in exchange rates	30	(26)
Balance as at 31 December	**769**	**739**

Goodwill is allocated to individual CGUs as follows:

In millions of EUR

	31 December 2025	31 December 2024
O2 CZ	563	566
CETIN CZ	206	173
Total goodwill	**769**	**739**

As at 31 December 2025, the decrease in goodwill allocated to O2 CZ and the increase in goodwill allocated to CETIN CZ are mainly due to the sale of part of the telecommunication infrastructure business of Nordic Telecom Regional s.r.o. from O2 CZ to CETIN CZ. The sale represents an intra-group transaction and is fully eliminated in the Group's consolidated financial statements. The only effect of this intragroup sale recognised is the transfer of the related goodwill balance amounting to EUR 24 million between the two CGUs. The remaining changes in values of goodwill are attributable to the changes in the translation FX rates.

Goodwill is tested semi-annually for impairment. A reasonably possible change in the key assumptions on which management bases its determination of the recoverable amounts would not result in O2 CZ and CETIN CZ carrying amounts being higher than their recoverable amounts.

O2 CZ and CETIN CZ were identified as individual CGUs for the purposes of the impairment test.

The impairment test involves determining the recoverable amount for each CGU, which corresponds to their value in use. The value in use of a CGU is the present value of the future cash flows expected to be derived from CGU.

The value in use for O2 CZ is determined in an enterprise valuation model and assessed from the group-internal perspective. The value in use is derived from the medium-term forecast for a period of five years (from 2026 to 2030), prepared by the management at the time of the impairment test. The forecast is also based on future market trends, general macroeconomic data derived from macroeconomic and financial studies. The key assumptions on which management bases its business plan and growth rates include trends in the gross domestic product, interest rates, nominal wages, capital expenditures, market share, growth rates, and discount rates.

The value in use for CETIN CZ is determined in an enterprise valuation model and assessed from a group-internal perspective. The value in use is derived from the medium-term forecast for a period of seven years (for 2026 to 2032), prepared by management and most recent at the time of the impairment test. Management believes that use of longer than usual 5 years forecast of future cashflows is sufficiently reliable thanks to the long-term contracts with operating companies (e.g., MSA and MOSA contracts). The medium-term forecast is based on the past experience, future market trends, and general economic data derived from macroeconomic and financial studies. The key assumptions on which management bases its business plan and growth rates include trends in the gross domestic product, interest rates, nominal wages, capital expenditures, market share, growth rates, and discount rates.

The calculation of value in use for both CGUs is the most sensitive to the following assumptions:

The estimated growth rate in terminal value – forecasts of the market and regulatory environment in which the company conducts its principal business, as well as the investment life cycle, are the basis for determining the value assigned to the estimated growth rate. A 2.0% growth rate is used.

The discount rate – the discount rate reflects the Group's estimate of the risk and related expected return specific to the CGU. The weighted average cost of capital forms the basis for the determination of the discount rate. Relevant data taken from independent financial analysts as a benchmark for the weighted average cost of capital are used to determine the discount rate for the CGU. The resulting discount rate and its effect on value in use are tested for sensitivity. The current methodology used as of 31 December 2025 will be subject to regular reassessments and potential adjustments.

The discounted cash flow valuation is supported by a valuation using the market approach based on publicly traded peer companies. The multiple of enterprise value (EV) to earnings before interest, taxes, depreciation and amortisation (EBITDA) was selected as the most suitable multiple, as EBITDA is considered to be the closest approximate of free cash flow. The value estimates the draw on EV/EBITDA multiples based on market data as at the valuation date and the EBITDA of the peer public companies for 2025. EV/Sales multiple is considered as well.

E.6.2. Other intangible assets

The following table shows the roll-forward of the remaining categories of intangible assets:

In millions of EUR, for the year ended 31 December 2025

	Software	Licences	Valuable rights	Customer relation-ships	Other intangible assets	Work in progress	Total
Cost	645	310	166	534	141	29	1,825
Acc. amortisation and impairment losses	(461)	(129)	(126)	(451)	(46)	-	(1,213)
Carrying amount as at 1 January 2025	**184**	**181**	**40**	**83**	**95**	**29**	**612**
Disposals resulting from business combinations*	-	-	-	-	(62)	-	(62)
Additions	89	-	-	-	66	17	172
Disposal	-	-	-	-	(3)	-	(3)
Transfers	17	-	-	-	1	(18)	-
Amortisation charge	(69)	(26)	(4)	(44)	(57)	-	(200)
Impairment charge	-	-	-	-	-	(1)	(1)
Effects of movements in exchange rates	8	7	1	2	5	2	25
Carrying amount as at 31 December 2025	**229**	**162**	**37**	**41**	**45**	**29**	**543**
Cost	760	322	172	555	92	29	1,930
Acc. amortisation and impairment losses	(531)	(160)	(135)	(514)	(47)	-	(1,387)

*refer to B.2.1

In millions of EUR, for the year ended 31 December 2024

	Software	Licences	Valuable rights	Customer relation-ships	Other intangible assets	Work in progress	Total
Cost	813	1,100	244	1,330	129	93	3,709
Acc. amortisation and impairment losses	(556)	(497)	(181)	(863)	(67)	-	(2,164)
Carrying amount as at 1 January 2024	**257**	**603**	**63**	**467**	**62**	**93**	**1,545**
Additions resulting from business combinations*	2	-	-	5	-	-	7
Disposals resulting from business combinations**	(77)	(385)	(22)	(286)	(20)	(35)	(825)
Additions	85	59	10	-	88	43	285
Disposal	-	-	(4)	-	-	(1)	(5)
Transfers	23	-	-	-	2	(25)	-
Amortisation charge (incl. discontinued operations)	(103)	(80)	(6)	(94)	(36)	-	(319)
Impairment charge	(1)	-	-	-	-	(46)	(47)
Effects of movements in exchange rates	(2)	(16)	(1)	(9)	(1)	-	(29)
Carrying amount as at 31 December 2024	**184**	**181**	**40**	**83**	**95**	**29**	**612**
Cost	645	310	166	534	141	29	1,825
Acc. amortisation and impairment losses	(461)	(129)	(126)	(451)	(46)	-	(1,213)

*refer to B.2.4
**refer to B.2.2.2

In 2024, recognised impairment related mostly to the discontinued implementation of a business support systems project in Yettel Hungary and Yettel Bulgaria. Both companies were sold in October 2024, refer to B.2.2.

E.7. Financial assets (excluding cash and cash equivalents)

Financial assets comprise the following:

In millions of EUR

	31 December 2025	31 December 2024
Trade and other receivables	69	64
Financial assets at FVOCI*	2	3
Contract assets	1	3
Non-current	**72**	**70**
Trade and other receivables	360	295
Contract assets	5	5
Financial assets at FVTPL*	-	2
Current	**365**	**302**
Total financial assets	**437**	**372**

*Presented as other financial assets in the consolidated statement of financial position.

E.7.1. Trade and other receivables

Trade and other receivables comprise the following:

In millions of EUR

	31 December 2025	31 December 2024
Trade receivables	71	68
Subtotal (gross) - non-current	**71**	**68**
Individual allowances for impairment on trade and other receivables	(2)	(4)
Subtotal (net) - non-current	**69**	**64**
Trade receivables	408	345
Subtotal (gross) - current	**408**	**345**
Individual allowances for impairment on trade and other receivables	(48)	(50)
Subtotal (net) - current	**360**	**295**
Carrying amount trade and other receivables - total	**429**	**359**

The movements in the allowance for impairment in respect of trade and other receivables during the year were as follows:

In millions of EUR, for the year ended 31 December

	2025	2024
Balance as at 1 January	(54)	(117)
Disposals resulting from business combinations	-	55
Impairment losses recognised in consolidated statement of income (incl. discontinued operations)	-	(28)
Release of impairment losses on written off items	6	32
Financial assets derecognised during the period	-	2
Effects of movements in exchange rates	(2)	2
Balance as at 31 December	**(50)**	**(54)**

E.7.2. Contract assets and liabilities

The following table provides information about the carrying amounts of receivables, contract assets and contract liabilities from contracts with customers.

In millions of EUR

	31 December 2025	31 December 2024
Receivables, which are included in "trade and other receivables"	**429**	**359**
Contract assets	**6**	**8**
Non-current part	1	3
Current part	5	5
Contract liabilities	**(97)**	**(83)**
Non-current part	(69)	(57)
Current part	(28)	(26)

As at 31 December 2025, the ECL allowance for current contracts assets was nil (2024: nil).

Contract assets primarily relate to the Group's rights to consideration in exchange for goods or services that the Group has already transferred to customers and which it has not yet invoiced. These include contracts with customers where the supply of telecommunication services is supplemented by the sale of subsidised telecommunication equipment. A contract asset arises from the reallocation of revenues under a customer contract from telecommunication services provided and recognised during the life of the contract to the revenues from the sale of such subsidised equipment, which is recognised at the time of sale.

A contract liability is the Group's obligation to deliver goods or to provide services for which the Group has received consideration from the customer.

For telecommunication operators, contract liabilities include mostly telecommunication services prepaid by customers on prepaid cards. These revenues are recognised when the voice or data traffic takes place, or when other services are provided, or when the card associated with the prepaid credit expires. Contract liabilities also arise when activation fees are invoiced upon the conclusion of a new contract, which is not a distinct performance obligation, and are thus accrued over the term of the contract with the customer.

For infrastructure entities, contract liabilities relate mostly to received installation fees related to the entitlement to use the spare capacity of the optical fibre.

Significant changes in the contract assets and the contract liabilities balances during the period are as follows:

In millions of EUR, for the year ended 31 December 2025

	Contract assets	**Contract liabilities**
Balance as at 1 January 2025	8	(83)
Disposals resulting from business combinations (B2.1)	-	1
Revenue recognised that was included in the contract liability balance at the beginning of the period	-	24
Increases due to cash received, excluding amounts recognised as revenue during the period	-	(35)
Transfers from contract assets recognised at the beginning of the period to receivables	(5)	-
Increases as a result of changes in the measure of progress	3	-
Effects of movements in exchange rates	-	(4)
Balance as at 31 December 2025	**6**	**(97)**

In millions of EUR, for the year ended 31 December 2024

	Contract assets	Contract liabilities
Balance as at 1 January 2024	92	(108)
Disposals resulting from business combinations (B2.2.2)	(96)	31
Revenue recognised that was included in the contract liability balance at the beginning of the period	-	51
Increases due to cash received, excluding amounts recognised as revenue during the period	-	(58)
Transfers from contract assets recognised at the beginning of the period to receivables	(74)	-
Increases as a result of changes in the measure of progress	86	-
Effects of movements in exchange rates	-	1
Balance as at 31 December 2024	**8**	**(83)**

The transaction price allocated to the remaining performance obligations related to contracts with customers is as follows:

In millions of EUR

	31 December 2025	31 December 2024
Within 1 year	143	102
Between 1 and 2 years	46	42
Between 2 and 5 years	43	62
More than 5 years	21	17
Transaction price on performance obligations yet to be satisfied	**253**	**223**

The Group applies the practical expedient of the standard and discloses in the table above neither information about contracted revenues with originally expected term of contract one year or less, nor contracted revenues for which the expected revenues are recognised in the amount corresponding to the right to invoice.

E.8. Cash and cash equivalents

As at 31 December 2025, cash and cash equivalents comprised current accounts at banks of EUR 159 million (2024: EUR 142 million).

E.9. Inventories and other assets

Other assets comprise the following:

In millions of EUR

	31 December 2025	31 December 2024
Deferred expenses and advances	34	18
Non-current	**34**	**18**
Inventories	41	35
Deferred expenses and advances	39	39
Other tax receivables	6	9
Other assets	2	3
Current	**88**	**86**
Total inventories and other assets	**122**	**104**

As at 31 December 2025, the balance of inventories consists mainly of goods for sale and includes and allowance for impairment of EUR 3 million (2024: EUR 4 million).

E.10. Liabilities due to banks

Liabilities due to banks comprise the following unsecured loans:

In millions of EUR

	31 December 2025	31 December 2024
Unsecured loans (non-current)	1,749	1,491
Unsecured loans (current)	2	252
Total loans due to banks	**1,751**	**1,743**

CETIN Group N.V., the Parent Company's subsidiary, became a party to a term and revolving facilities agreement with a syndicate of banks in August 2021. CETIN Group N.V. then utilised bridge, term, and incremental term loan facilities amounting to EUR 1,450 million in aggregate.

In March 2025, remaining balance of term loan facility was fully repaid in the total amount of EUR 290 million. In December 2025, the remaining balance of incremental loan facility was fully repaid in the total amount of EUR 417 million. As at 31 December 2025, the outstanding principal amount of loan facilities borrowed by CETIN Group N.V. was nil (2024: EUR 417 million for the incremental loan facility and EUR 290 million for the term loan).

In May 2025, CETIN Group N.V. became a party to an additional backstop loan facility agreement of up to EUR 500 million, which remained undrawn as at 31 December 2025.

In October 2024, as part of the internal pre-closing restructuring (refer to B.2.2), the Parent Company assumed term loan facilities from PPF Telecom Group B.V., the Parent Company's subsidiary at that time, in total amount of EUR 850 million to become the principal borrower of these loans.

In March 2025, the Parent Company became a party to a new term loan facility agreement of EUR 1,000 million, which was used to repay assumed term loans in the total amount of EUR 850 million by the Parent Company and EUR 150 million was provided via capital increase to CETIN Group N.V. as part of the funds for repayment of its term loan as described above.

In December 2025, the Parent Company became a party to a new term loan facility agreement of EUR 1,417 million, which was used to repay the term loans in the total amount of EUR 1,000 million by the Parent Company (as described above) and EUR 417 million was provided via intra-group transactions to CETIN Group N.V. for full repayment of its loan facility as described above. The actual amount of the outstanding loan liabilities stated in the table above is lowered by unamortised fees and other transaction costs directly attributable to the origination of the loan facility. These fees were capitalised and are amortised as other interest expenses using the effective interest rate method.

The outstanding principal amount of the term loan facility borrowed by the Parent Company as at 31 December 2025 was EUR 1,417 million (2024: EUR 850 million):

Repayable by	2030
Margin rate over EURIBOR	1.30[(1)]
Actual respective margin levels applicable	1.30%

(1) including extension period

In November 2024, the Group signed an amendment to the original loan agreement with a consortium of banks from May 2020. The amendment, together with a previous non-refundable early repayment of CZK 700 million CZK (approx. EUR 29 million), reduced the original credit limit from CZK 9,240 million (approx. EUR 381 million) to CZK 8,127 million (approx. EUR 335 million) and extended the maturity date to November 2028. The facility bears an interest rate derived from PRIBOR + 0.6%, where based on the agreement the reference interest rate cannot decrease below zero (zero-floor).

In March 2025, the Group utilised an undrawn part of the facility in the amount of CZK 3,438 million (approx. EUR 142 million). As at 31 December 2025, the Group utilised a total of CZK 8,127 million (approx. EUR 335 million) out of its long-term credit facility (2024: CZK 4,690 million (approx. EUR 186 million)).

As at 31 December 2025 and 31 December 2024, the Group complied with the financial covenants imposed by its loan facilities.

E.11. Debt securities issued

The debt securities issued balance represents an unsecured bond with the following parameters:

In millions of EUR

	Date of issue	Maturity	Fixed rate	31 December 2025	31 December 2024
Bond (EUR 500 million)	2022	2027	3.13%	510	509
Total debt securities issued				**510**	**509**

In April 2022, CETIN Group N.V. established EUR 2,000 million Euro medium term note programme under which it issued senior notes with the total nominal amount of EUR 500 million.

E.12. Trade and other payables

Trade and other payables comprise the following:

In millions of EUR

	31 December 2025	31 December 2024
Accrued expenses	26	78
Employee benefits	7	9
Settlements with suppliers	2	2
Other liabilities	-	2
Non-current	**35**	**91**
Settlements with suppliers	379	347
Wages and salaries	42	39
Accrued expense	28	32
Other tax payable	24	23
Social and health insurance	17	17
Advances received	10	13
Other liabilities	19	11
Current	**519**	**482**
Total trade and other payables	**554**	**573**

E.13. Provisions

The following table shows the roll-forward of provisions:

In millions of EUR, for the year ended 31 December 2025

	Fixed asset retirement obligation	Provision for litigations except for tax issues	Provision for restructuring	Other	Total
Balance as at 1 January 2025	**9**	**5**	**2**	**3**	**19**
Provisions created during the year	-	-	1	4	5
Provisions used during the year	-	-	(2)	-	(2)
Provisions released during the year	(1)	-	-	(2)	(3)
Balance as at 31 December 2025	**8**	**5**	**1**	**5**	**19**
Non-current	**8**	**-**	**-**	**3**	**11**
Current	**-**	**5**	**1**	**2**	**8**

In millions of EUR, for the year ended 31 December 2024

	Fixed asset retirement obligation	Provision for litigations except for tax issues	Provision for restructuring	Other	Total
Balance as at 1 January 2024	63	5	2	26	96
Disposals due to business combinations (refer to B.2.2.2)	(40)	(1)	-	(19)	(60)
Provisions created during the year	1	2	2	10	15
Provisions used during the year	-	(1)	(1)	(2)	(4)
Provisions released during the year	(14)	-	(1)	(12)	(27)
Effect of movements in exchange rates	(1)	-	-	-	(1)
Balance as at 31 December 2024	**9**	**5**	**2**	**3**	**19**
Non-current	**9**	**-**	**-**	**2**	**11**
Current	**-**	**5**	**2**	**1**	**8**

The Group recognised a provision for the estimated cost of dismantling and removing assets and restoring sites of EUR 8 million (2024: EUR 9 million,). The amount of the provision is affected by the estimate of the present value of the future costs of dismantling, removing of assets and restoring sites in connection with network construction. Scenarios of future costs based on management estimations, market prices, and historical costs were discounted to their present value. Discount rates are paired with the expected dates of any future dismantling and removing of assets.

E.14. Issued capital, share premium and dividends

Issued capital is capital in respect of which the shareholders' liability for an entity's obligation towards its creditors is limited. The amount is limited to the current nominal capital approved by a shareholders' resolution.

	31 December 2025	31 December 2024
Number of shares authorised	1,000	1,000
Number of shares issued, out of which fully paid	1,000	1,000
Par value per share	EUR 1	EUR 1

The share premium is the amount received by the Parent Company in excess of the par value of its shares. As at 31 December 2025, the share premium amounted to EUR 2,107 million (2024: EUR 2,107 million). The share premium is freely distributable.

During 2025, the Parent Company paid dividends totalling EUR 229 million, i.e., EUR 0.229 million per share (2024: EUR 4,685 million, i.e., EUR 4.685 million per share).

E.15. Reserves

E.15.1. Currency translation reserve

The currency translation reserve comprises foreign exchange differences arising from the translation of the financial statements of companies within the Group with a functional currency other than the Group presentation currency, which is the euro. The translation reserve is not available for distribution to the shareholders.

E.15.2. Hedging reserve

The hedging reserve, i.e., the cash flow hedge reserve, represents the effect of the recognition of the effective portion of changes in the fair value of hedging instruments in other comprehensive income in equity. The cash flow hedge reserve is not available for distribution to shareholders.

E.15.3. Reserve for puttable instruments

The reserve for puttable instruments represented the equity impact of a conditional commitment to acquire the 30% NCI‘s share in CETIN Group N.V. recognised in conformity with the interpretation of IAS 32 due the existence of a put option granted by the Group to the non-controlling shareholder GIC Private Limited. The put option was exercisable solely under certain circumstances. Following the transactions in October 2024 (refer to B.2.2), the conditional commitment was fully derecognised as the put option expired unexercised. As at 31 December 2025 and 31 December 2024, the Group did not recognise any other conditional commitment to acquire NCI’s share.

E.16. Non-controlling interests

On 15 October 2024, TMT Hungary B.V. and TMT Hungary Infra B.V. were disposed within the sale of PPF Telecom Group B.V. (refer to B.2.2.2). On 31 October 2024, the Group acquired the remaining share of CETIN Group N.V. from the non-controlling partner (refer to B.2.3).

As at 31 December 2025 and 31 December 2024, there was no NCI present in the Group's subsidiaries. The following table summarises the information relating to NCI's share on profit or loss and OCI during 2024:

In millions of EUR

	CETIN Group	TMT Hungary	TMT Hungary Infra	**Total**
NCI effective percentage for the period ended October 2024	**25.00%**	**25.00%**	**25.00%**	
Revenue	848	513	146	
Profit	190	19	55	
Other comprehensive expense	(30)	(23)	(18)	
Total comprehensive income	160	(4)	37	
Profit allocated to NCI	48	5	14	**67**
OCI allocated to NCI	(7)	(6)	(5)	**(18)**
Dividends paid to NCI	**542**	**10**	**9**	**561**

E.17. Leases

E.17.1. Right-of-use assets

The following table shows the roll-forward of right-of-use assets' carrying amounts:

In millions of EUR, for the year ended 31 December 2025

	Land and buildings	Telecom. technology and related equipment	Other tangible assets and equipment	Total
Balance as at 1 January 2025	**234**	**20**	**11**	**265**
Disposals resulting from business combinations (refer to B.2.1)	-	-	(1)	(1)
Additions	29	11	5	45
Depreciation charge	(42)	(4)	(6)	(52)
Effects of movements in exchange rates	9	1	-	10
Balance as at 31 December 2025	**230**	**28**	**9**	**267**

In millions of EUR, for the year ended 31 December 2024

	Land and buildings	Telecom. technology and related equipment	Other tangible assets and equipment	Total
Balance as at 1 January 2024	**456**	**28**	**12**	**496**
Additions resulting from business combinations (refer to B.2.4)	5	-	-	5
Disposals resulting from business combinations (refer to B.2.2)	(267)	(9)	(3)	(279)
Additions	144	7	9	160
Disposal	(7)	-	(1)	(8)
Depreciation charge (incl. discontinued operations)	(86)	(5)	(6)	(98)
Effects of movements in exchange rates	(11)	(1)	-	(11)
Balance as at 31 December 2024	**234**	**20**	**11**	**265**

E.17.2. Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. At the lease commencement date, the Group assesses whether it is reasonably certain that it will exercise the extension options. The Group reassesses whether it is reasonably certain that it will exercise the options if a significant events or significant changes in circumstances within its control occur.

The Group has estimated that should it exercise the extension option, potential future lease payments would result in an increase of EUR 9 million in lease liability (2024: EUR 9 million).

Total cash outflow for leases amounted to EUR 60 million for the year ended 31 December 2025 (2024: EUR 117 million,).

E.18. Reconciliation of movements of liabilities to cash flows arising from financing activities

Reconciliation of movements of liabilities to cash flows arising from financing activities:

In millions of EUR, for the year ended 31 December 2025

	Debt securities issued	Liabilities due to banks	Lease liabilities	Total
Balance as at 1 January 2025	**509**	**1,743**	**280**	**2,532**
Changes from financing cash flows:				
Proceeds from liabilities due to banks	-	2,557	-	2,557
Repayments of liabilities due to banks	-	(2,557)	-	(2,557)
Fees paid for liabilities due to banks	-	(11)	-	(11)
Repayment of principal portion of lease liability	-	-	(47)	(47)
Interest paid	(16)	(68)	(13)	(97)
Total changes from financing cash flows	**(16)**	**(79)**	**(60)**	**(155)**
Disposals resulting from business combinations (refer to B.2.1)	-	-	(1)	(1)
New leases	-	-	45	45
Interest expense	17	79	13	109
Effect of changes in foreign exchange rates and other non-cash movements	-	8	9	17
Balance as at 31 December 2025	**510**	**1,751**	**286**	**2,547**

In millions of EUR, for the year ended 31 December 2024

	Debt securities issued	Liabilities due to banks	Liabilities due to non-banks	Lease liabilities	Total
Balance as at 1 January 2024	**2,180**	**2,204**	**53**	**509**	**4,946**
Changes from financing cash flows:					
Proceeds from liabilities due to banks	-	850	-	-	850
Repayments of liabilities due to banks	-	(1,299)	-	-	(1,299)
Repayments of liabilities due to non-banks	-	-	(53)	-	(53)
Repayment of principal portion of lease liability	-	-	-	(96)	(96)
Interest paid	(62)	(138)	(1)	(21)	(222)
Total changes from financing cash flows	**(62)**	**(587)**	**(54)**	**(117)**	**(820)**
Disposals resulting from business combinations (refer to B.2.2)	(1,667)	-	-	(279)	(1,946)
Additions resulting from business combinations (refer to B.2.4)	-	-	-	5	5
New leases	-	-	-	149	149
Interest expense	58	122	1	22	203
Effect of changes in foreign exchange rates and other non-cash movements	-	4	-	(9)	(5)
Balance as at 31 December 2024	**509**	**1,743**	**-**	**280**	**2,532**

E.19. Off-balance sheet items

E.19.1. Commitments

In millions of EUR

	31 December 2025	31 December 2024
Capital expenditure commitments – PPE	66	74
Capital expenditure commitments – intangible assets	26	15
Guarantees provided	-	1
Total commitments and contingent liabilities	**92**	**90**

E.19.2. Off-balance sheet assets

In millions of EUR

	31 December 2025	31 December 2024
Loan commitments received	521	137
Guarantees accepted	1	1
Other	16	17
Total commitments and contingent assets	**538**	**155**

As at 31 December 2025, loan commitments received increased mainly due to new backstop loan facility agreement signed by CETIN Group N.V. in amount of EUR 500 million, refer to E.10.

E.19.3. Assets pledged as security

As at 31 December 2025 and 31 December 2024, the Group does not pledge any of its assets for funding liabilities.

E.19.4. Litigations

On 28 March 2011, VOLNÝ, a.s. ("VOLNÝ") filed a legal action with the Municipal Court in Prague against O2 CZ for an amount exceeding EUR 154 million for an alleged abuse of a dominant position on the market of Internet broadband connection provided to households via ADSL. VOLNÝ filed the legal action to coincide directly with the opening of ÚOHS proceedings, which were closed by a decision in favour of O2 on 23 January 2019. The amount is meant to represent the lost profit for the years 2004 to 2010. VOLNÝ claims to have had 30% share on the dial-up Internet market in 2003 and, in its legal action, it implies that it should have automatically had the same result on the broadband market, which it did not. Allegedly, it was due to the margin squeeze applied by O2 CZ on the fix broadband market. O2 CZ replied to the petition in July 2011, noting that both the claim and the calculations submitted by the plaintiff were unsubstantiated and pointing out discrepancies in the petition claims. The court started the proceedings in the matter and hearings took place during the year 2013, including the hearings of witnesses and experts.

At the hearing held on 30 March 2016, the court considered the possibility of a revision expert opinion that would review the opinions filed by VOLNÝ and O2 CZ. VOLNÝ proposed an expert who turned out to be biased, and thus O2 CZ filed a protest. Subsequently, the court appointed another expert and defined a set of questions. The revision expert opinion confirmed O2 CZ's statement. The expert opinion stated that no anti-competition practice had been proved against O2 CZ. It also pointed out that O2 CZ was not in a dominant position on the market of internet broadband connections. After hearing the appointed independent expert, the Municipal Court in Prague dismissed the legal action by VOLNÝ in full. The court concluded that O2 CZ had not breached any competition rules and thus could not have caused any damage to VOLNÝ. The decision was delivered in June 2018. The plaintiff filed an appeal and applied for court fee relief. The Municipal Court in Prague and the High Court in Prague granted the plaintiff a 50% court fee relief. The ÚOHS's decision of 23 January 2019 was submitted to the court and confirmed O2 CZ's consistent position in the civil dispute and the correctness of the first instance dismissal of the legal action.

In September 2020, the High Court in Prague delivered a confirmatory judgment, which came into legal force on 26 November 2020. The High Court awarded O2 CZ the full reimbursement of the costs of the proceedings. VOLNÝ filed an extraordinary appeal to the Supreme Court. In July 2022, the Supreme Court annulled the previous decisions for procedural reasons and returned the case for further proceedings. Following reiteration of certain evidence and update to the original expert opinion the Municipal Court in Prague issued a judgment in November 2023 in which it again completely rejected the lawsuit as unjustified and awarded O2 CZ compensation for the costs of the proceedings. The plaintiff filed an appeal against the decision while no significant actions took place either by the end of 2024 or 2025.

No provision has been created with respect to this legal dispute. The Group believes that all litigation risks have been faithfully reflected in the consolidated financial statements.

E.20. Related parties

The Group has related party transactions with PPF Group N.V. (as a direct parent company), with its fellow subsidiaries, associates and joint ventures. Until November 2025, the Group also had related party relations with PPF TMT Holdco 1 B.V. (as the direct parent company) when it merged with PPF Group N.V. as a disappearing entity. The ultimate parent of PPF TMT

Holdco 2 B.V. is AMALAR HOLDING s.r.o. Besides transactions listed in section B, other significant ones are disclosed below.

E.20.1. Transactions with affiliates

As at the reporting date, the Group had the following balances with its fellow subsidiaries (i.e., entities under control of PPF Group N.V.), associates and joint ventures:

In millions of EUR

	31 December 2025	31 December 2024
Cash and cash equivalents	99	113
Other intangible assets	36	5
Trade and other receivables	15	19
Right-of-use assets (IFRS 16)	1	1
Trade and other payables	(56)	(29)
Contract liabilities	(3)	(16)
Debt securities issued	(3)	(3)

During the year, the Group realised the following significant transactions with fellow subsidiaries, associates and joint ventures (incl. discontinued operations for the year ended 31 December 2024):

In millions of EUR, for the year ended 31 December

	2025	2024
Revenue	39	33
Other income from non-telecommunication services	7	-
Interest income	1	10
Other operating expenses	(69)	(56)
Depreciation and amortisation	(39)	(17)
Other finance costs	(4)	-

Cash and cash equivalents represent the Group's current accounts with PPF banka a.s. (a fellow subsidiary under control of PPF Group N.V.).

E.20.2. Transactions with key management personnel

Key management personnel of the Group include the members of the board of directors and key management personnel of the Parent and its subsidiaries.

For year ended 31 December 2025, the key management personnel were provided with benefits totalling EUR 7.5 million (2024: EUR 17.0 million). These benefits consist mainly of short-term employee benefits including fixed and variable salaries, such as bonuses. Total amount of remuneration deferred at the end of the year is EUR 5.7 million (2024: EUR 5.0 million).

No loans were provided to the key management personnel either in 2025 or 2024.

F. Material accounting policies

F.1. Material accounting policies

The accounting policies set out below have been applied consistently by all Group entities to all periods presented in these consolidated financial statements.

F.1.1. Foreign currency

F.1.1.1. Foreign currency transactions

A foreign currency transaction is a transaction that is denominated in or requires settlement in a currency other than the functional currency. The functional currency is the currency of the primary economic environment in which an entity operates. For initial recognition purposes, a foreign currency transaction is translated into the functional currency using the exchange rate effective at the date of the transaction and announced by the bank authority (“BA”) for the respective country in which the entity operates. At the reporting date:

- monetary assets and liabilities denominated in foreign currencies are retranslated to the functional currency using the exchange rate at that date (announced by the BA);
- non-monetary assets and liabilities denominated in foreign currencies that are measured at
- are retranslated using the exchange rates (announced by the BA) prevailing at the date that the fair value was determined;
- non-monetary items denominated in foreign currencies that are measured in terms of historical cost are translated using the exchange rate (announced by the BA) at the date of the original transaction.

The following table summarises the applied foreign exchange rates of the currencies of the most significant businesses:

	31 December 2025	31 December 2024
CZK/EUR spot rate	24.24	25.19
CZK/EUR yearly average rate	24.69	25.12
HUF/EUR yearly average rate*	-	392.06
BGN/EUR yearly average rate*	-	1.96
RSD/EUR yearly average rate*	-	117.11

*In 2024, for the period from 1 January 2024 until 15 October 2024 (refer to B.2.2).

F.1.1.2. Foreign operations

For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation in these terms and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, and the income and expenses of foreign operations are translated to euro following the respective guidance in the IFRS AS using the exchange rates announced by the European Central Bank. For those currencies for which the European Central Bank does not announce the rate either at all or at any reasonably time frequency, the exchange rates announced by the respective local central banks are applied.

The income and expenses of foreign operations are translated to euros at exchange rates approximating the foreign exchange rates prevailing at the dates of the transactions.

F.1.2. Financial assets

Financial assets are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument. For regular purchases and sales of financial assets, the Group's policy is to recognise them using settlement date accounting. Any change in the fair value of an asset to be received during the period between the trade date and the settlement date is accounted for in the same way as if the Group used trade date accounting. Financial instruments, with the exception of financial instruments at FVTPL, are measured initially at fair value plus transaction costs directly attributable to the acquisition or issue of the financial instrument.

F.1.2.1. Business model assessment

The Group assesses the objective of the business model in which a financial asset is held either at a portfolio level, as this best reflects the way the business is managed, and information is provided to management, or the asset is assessed individually in the specific cases. Apart from the portfolio's cash-flow characteristics, the information that is considered for portfolio assets includes the portfolio objectives, management strategies and operations, compensation of the managers, risks affecting the business model and evaluation of the portfolio performance. The same information is considered in specific individual cases.

The Group differentiates between the following basic business models:

- held-to-collect business model
- both held-to-collect and for-sale business model
- other business models (incl. trading, managing assets on a fair value basis, maximizing cash-flows through sale and other models).

F.1.2.2. Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, principal is defined as the fair value of the financial asset on initial recognition. Interest is defined as consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows in a way that it would not meet this condition. In making the assessment, the Group considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Group's claim to cash flows from specified assets – e.g., non-recourse asset arrangements; and

- features that modify consideration for the time value of money – e.g., periodic reset of interest rates.

F.1.2.3. Financial assets at FVTPL

Financial assets that at initial recognition are mandatorily at FVTPL are those that are managed and whose performance is evaluated on a fair value basis, equity securities for which the irrevocable option to measure them at FVOCI was not applied and debt securities that did not meet the SPPI criterion. Non-trading financial assets are financial assets that at initial recognition are designated at FVTPL.

The financial assets at FVTPL presented by the Group also include certain derivative contracts that are not designated as effective hedging instruments. All trading derivatives in a net receivable position (positive fair value), as well as options purchased, are reported as financial assets at FVTPL. All trading derivatives in a net payable position (negative fair value), as well as options written, are reported as financial liabilities at FVTPL.

Subsequent to initial recognition, all financial assets at FVTPL are measured at fair value based on the market prices quoted on an active market, except for derivative instruments that are not exchange-traded and financial assets that are not quoted on an active market, which are measured based on generally accepted valuation techniques depending on the product. Gains and losses arising from changes in the fair values of financial assets at FVTPL are recognised in the consolidated statement of income.

F.1.2.4. Financial assets at AC

Financial assets at AC comprise cash and cash equivalents, receivables due from banks, trade receivables, contract assets and accrued income, and certain investment debt securities.

A financial asset is measured at AC if it meets both of the following conditions and is not designated as at FVTPL (held-to-collect business model):

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

F.1.2.5. Trade receivables

Amounts receivable from and payable to other domestic and foreign operators related to transit are netted and settled net on a regular basis.

Trade receivables (unless those without a significant financing component that are initially measured at the transaction price) are initially measured at fair value plus eligible transaction costs. The Group subsequently measures the trade receivables at AC less expected credit losses (impairment).

F.1.3. Derecognition of financial assets and liabilities

A financial asset or a financial liability is derecognised, in general, when the rights to receive, or obligation to pay, respectively, the contractual cash-flows expire, or the terms of the financial asset or financial liability are substantially modified. In the case the terms are modified but not substantially, the modification of a financial asset or liability measured at amortised cost is not accounted for as derecognition. The amortised cost of the asset or liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. For floating-rate financial assets or liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the asset or liability and amortised over the remaining term of the modified financial asset or liability by re-computing the effective interest rate on the instrument.

F.1.4. Derivatives and hedge accounting

The Group has used the transitional provisions in IFRS 9 and continues to apply IAS 39 for existing hedging relations, as follows:

At the inception of a financial derivative contract, the Group designates the derivative instrument as either held for trading or hedging.

Hedging derivatives are derivatives that the Group uses to hedge against interest rate and foreign exchange rate risks to which it is exposed as a result of its financial market transactions. The Group designates a derivative as hedging only if the criteria set out under IFRS AS are met at the designation date, i.e. if, and only if, all of the following conditions are met:

- the derivative is in compliance with the Group’s risk management objective and strategy in undertaking the hedge;
- at the inception of the hedge, the hedging relationship has been formally designated and documented including the identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument’s effectiveness in offsetting the exposure to changes in the hedged item’s fair value or cash flows attributable to the hedged risk;
- the hedge is expected to be highly effective at inception and throughout the period;
- the effectiveness of the hedge can be reliably measured;
- changes in the fair value or cash flows of the hedged item are almost fully offset by changes in the fair value or cash flows of the hedging instrument and the results are within a range of 80% to 125%.

The Group hedges, and accounts for the hedge relationships accordingly, an exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and that could affect profit or loss (cash flow hedge).

Changes in the fair value of a derivative that is designated and qualified as a cash flow hedge and that proves to be highly effective in relation to the hedged risk are recognised in OCI transferred to the consolidated statement of income and classified as income or expense in the periods during which the hedged assets and liabilities affect the consolidated statement of income.

On this basis, the Group hedges the interest rate risk and foreign currency risk associated with individually significant assets or liabilities. The effectiveness of the hedge is regularly tested through prospective and retrospective tests on a quarterly basis. If the hedge no longer meets the criteria for hedge accounting, the hedging instrument expires or is sold, terminated or exercised, the entity revokes the designation, and the hedge accounting is discontinued prospectively.

F.1.5. Impairment

F.1.5.1. Non-derivative financial assets

The Group's entities recognise the loss allowance for ECLs on the following financial instruments that are not measured at FVTPL:

- trade receivables and accrued income;
- cash and cash equivalents.

The Group has elected to measure loss allowances for trade receivables and accrued income at an amount equal to lifetime ECLs.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days overdue. In the case of cash and cash equivalents, it includes the situation where Moody's external credit rating falls from the investment grade (Aaa-Baa3 rating) to the speculative (non-investment) grade (Ba1-B3 rating). The Group categorises these assets into the 2nd stage of the IFRS 9 impairment model and calculates a loss allowance equal to expected lifetime credit losses. Credit-impaired financial assets are included in the third stage of the IFRS 9 impairment model. The Group assesses a financial asset as credit-impaired when one or more of the following events occurs: the debtor is facing significant financial difficulty; It is probable that the debtor will enter bankruptcy or other financial reorganisation; the financial asset is more than 90 days overdue. Loss allowance for assets in the third stage is equal to the expected lifetime credit losses and the interest is calculated from the net value of the asset.

A financial asset is considered to be in default when it is more than 90 days overdue. And in the case of cash and cash equivalents, it includes the situation, where according to Mood's, the external credit rating of the counterparty decreases to risk grade (Caa1-C rating) or below.

F.1.5.2. Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

An impairment loss in respect of goodwill is not reversed. For other assets, impairment losses are reversed only to the extent that the assets' carrying amounts do not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

F.1.6. Leases

At the inception of a contract, the Group assesses whether a contract is or contains a lease. A contract is or contains a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- The contract involves the use of an identified asset. This may be specified explicitly or implicitly and should be physically distinct or represent
- substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.
- The Group has the right to obtain substantially all economic benefits from the use of the asset throughout the period of use.
- The Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
    - the Group has the right to operate the asset
    - the Group has designed the asset predetermining how and for what purpose it will be used.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost comprising the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re measurements of the lease liability.

The Group presents right-of-use assets that do not meet the definition of investment property as in separate line item in the consolidated statement of financial position.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group’s incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group’s estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected to apply the practical expedient not to recognise right-of-use assets and lease liabilities for leases of low-value assets. The lease payments associated with these leases is recognised as an expense on a straight-line basis over the lease term. The Group has decided not to recognise lease and non-lease components separately.

F.1.7. Inventories

Costs of inventories include the purchase price and related costs of acquisition (transport, customs duties and insurance). The cost of inventory is determined using weighted average cost. For impairment testing purposes, a net realisable value is determined as an estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

F.1.8. Assets held for sale

Non-current assets (or disposal groups comprising assets and liabilities) expected to be recovered primarily through sale rather than through continued use are classified as held for sale. Immediately before being classified as held for sale, the assets (or components of a disposal group) are measured in accordance with the applicable IFRS AS. Thereafter, the assets (or disposal groups) are generally measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group is first allocated to the carrying amount of any related goodwill and, in the case the impairment loss is higher than the related goodwill balance, to the assets and liabilities on a pro rata basis, except that no loss is allocated to inventory, financial assets, deferred tax assets, employee benefit assets and investment property; these continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

F.1.9. Property, plant and equipment

Property, plant and equipment is stated at purchase price or production cost, less accumulated depreciation (except for freehold land) and any accumulated impairment losses.

Property, plant and equipment include all costs directly attributable to bringing the asset to working condition for its intended use. With respect to the construction of the network, this comprises every expenditure up to the customer premises, including the cost of contractors, material, direct labour costs and interest cost incurred during the course of construction. The costs also include the estimated costs of dismantling and removing the asset and restoring the site. No borrowing costs are capitalised to assets under construction.

The gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of the item of property, plant and equipment, and is recognised in other operating income/other operating expenses in profit or loss.

Depreciation is provided on a straight-line basis using the following useful lives:

Buildings and constructions	up to 90 years
Ducts and cables	up to 45 years
Telecommunication technology and equipment	up to 35 years
Other tangible assets and equipment	up to 35 years

Component parts of an asset with different useful lives or providing benefits in a different pattern are recognised as separate assets with different depreciation rates.

The depreciation methods, useful lives and residual values, if not insignificant, are reassessed annually. If a material technical improvement is made to an asset during the year, its useful life and residual value are reassessed at the time the technical improvement is recognised.

F.1.10. Intangible assets

F.1.10.1. Goodwill

The Group accounts for all business combinations, as acquisitions, except for business combinations determined to be reorganisations involving group companies under common control.

F.1.10.2. Other intangible assets

Intangible assets of the Group include computer software, licences, valuable rights, customer bases and other intangible assets. Computer software mainly represents the external acquisition costs of the Group’s information systems that are intended for use within the Group. Generally, costs associated with developing or maintaining computer software programs are recognised as an incurred expense. However, costs that are directly associated with identifiable and unique software products controlled by the Group and that have a probable economic benefit exceeding the cost beyond one year, are recognised as intangible assets. Computer software costs recognised as assets are amortised using the straight-line method over their useful lives, generally from 1 to 20 years. Valuable rights are amortised according to the period for which the Group is allowed to utilise the rights, usually for a period from 2 to 22 years.

Customer bases are amortised over a period of the remaining average terms of the binding contracts or the period over which they are utilisable to generate an economic benefit for the entity, which is between the period from 3 to 15 years.

Acquired licences are recorded at cost, which represents a fee paid to obtain the licence from a regulator, and amortised on a straight-line basis from the start of commercial service over the remaining life of the licence (i.e. over 15 to 22 years) to best reflect the pattern in which the economic benefits of the intangible assets will be utilised by the Group. Subsequent regular fees paid for the usage of licenses are not considered to be estimated reliably and are recognised as other operating expense in the period.

Intangible assets, except for assets with an indefinite useful life, are amortised using the straight-line method from the time they are available for use.

F.1.11. Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the consolidated statement of income except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

F.1.11.1. Current tax

Current tax is the expected tax payable on the taxable income for the year, using the tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

The Group does not offset current tax assets and current tax liabilities unless it has a legally enforceable right to set off the recognised amounts or intends to settle them on a net basis, or to realise the asset and settle the liability simultaneously.

F.1.11.2. Deferred tax

A deferred tax position is recognised when temporary differences arise between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for: the initial recognition of goodwill arising from a business combination, the initial recognition of assets or liabilities that affect neither the accounting nor the taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using the tax rates enacted or substantially enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Recognised deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Group offsets deferred income tax assets and deferred income tax liabilities only if it has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income tax levied by the same taxation authority and relate to the same taxable entity.

F.1.11.3. Tax exposure

The Group is subject to income taxes in different jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. During the ordinary course of business, the ultimate tax determination is uncertain for many transactions and calculations. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these issues is different from the amounts that were initially recorded, such differences will affect the income tax and deferred tax provisions in the period in which such a determination is made.

F.1.12. Equity

F.1.12.1. Non-controlling interests

Non-controlling interests consist of the minority shareholders' proportion of the subsidiary's recognised net assets at the date of the original combination, plus or minus their share of changes in the subsidiary's equity since that date.

Net profit allocated to non-controlling interests is that part of the net results of the Group attributable to interests which are not owned, either directly or indirectly through subsidiaries, by the equity holders of the Parent Company.

Losses applicable to non-controlling interests, including negative other comprehensive income, are allocated to non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

F.1.12.2. *Purchase commitment for NCI's share*

The Group can grant a put option to minority shareholders (NCI) of its fully consolidated subsidiaries. If the put option provides for a settlement in cash or in another financial asset, the Group recognises a liability for the present value of the exercise price of the option. Pending specific guidance from IFRS AS regarding this issue, the Group first assess whether such put option effectively means either that the minority shareholder has no longer its access to the returns associated with the underlying ownership interest or whether the minority shareholder's access to the returns is still present.

In the case the minority shareholder's access to returns no longer exists with the put option granted, the "anticipated-acquisition method" is applied, under which:

- purchase commitment liability is recognised and subsequently measured at present value with the present value changes recognised directly in equity, presented in the reserve for puttable instruments
- non-controlling interest is derecognised when the put option is granted
- any difference between the initial recognition value of the purchase commitment liability and the carrying amount of the non-controlling interest at derecognition is recognised directly in equity in the reserve for puttable instruments
- subsequently, non-controlling interest's share on profit or loss and other comprehensive income is no longer recognised as under this method the put option is accounted for as if had been exercised already
- when the put option expires unexercised, the non-controlling interest is recognised at its proportionate share on net assets of the investee and the purchase commitment liability is derecognised at its present value
- any difference between the carrying amount of non-controlling interest newly recognised and the present value of the purchase commitment liability at derecognition is recognised in equity in the reserve for puttable instruments. The accumulated reserve for puttable instruments is subsequently reclassified directly to retained earnings with no impact on profit or loss.

In the case the minority shareholder's access to returns is still present with the put option granted, the "present-access method" is applied, under which:

- purchase commitment liability is recognised and subsequently measured at present value with the present value changes recognised directly in equity, presented in the reserve for puttable instruments
- with the recognition of the above purchase commitment liability, any losses or gains are recognised directly in equity in the reserve for puttable instruments at initial recognition value of the purchase commitment liability
- non-controlling interest continues to be recognised when the put option is granted
- subsequently, non-controlling interest's share on profit or loss and other comprehensive income is recognised in a standard way as if no put option was granted

- when the put option expires unexercised, the purchase commitment liability is derecognised at its present value as well as the accumulated reserve for puttable instruments. No difference between the derecognition value of the liability and the accumulated reserve for puttable instruments shall arise.

F.1.13. Interest income and interest expense

Interest income and interest expense are recognised in the statement of income on an accrual basis, considering the effective yield of the asset or liability in question, or the applicable floating rate. Interest income and interest expenses include the amortisation of any discounts or premiums or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated using the effective interest rate method.

F.1.14. Net gain/loss on financial assets

Net gain/loss on financial assets comprises net gains/losses on financial assets at FVTPL that are not held for trading and net gains/loss from derivatives. Net gains on financial assets at FVTPL that are not held for trading arise from their subsequent measurement at fair value or from their disposal.

F.1.15. Revenue and expenses

The Group generates revenues through the sale of mobile and fixed telecommunication services such as voice and data services, internet services, SMS services, ICT services as well as the sale of mobile and fixed access devices. Products and services may be sold separately or in bundles. The standard length of contracts with customers that includes a bundle is 24 months.

In the case of contracts containing bundles, the Group accounts separately for specific products or services if these products or services can be separated and have added value for the customer in that stand-alone form. The total price invoiced to customers is allocated to respective products and services based on their stand-alone selling prices.

Commissions paid to agents for activation, marketing, and other activities are included in the cost of sales for the period, unless it is the cost that meets the definition of incremental costs to obtain contracts. Capitalised incremental costs to obtain contracts are amortised over the expected average period that the customer uses the service of the Group.

Revenues within the network sharing project are recognised at net value, because mutually provided services within the project are of similar nature and value. Net revenues are generated also from provision of premium SMS, audiotex or other services.

F.1.15.1. Mobile origination - internet and data, voice services, MMS and SMS

Revenues from mobile services include revenues from both contract and prepaid cards for the provision of telecommunication services (internet and data, voice, MMS and SMS services).

Contract service comprises a flat rate and a variable part invoiced according to the actual usage. Revenues are recognised, invoiced, and paid by customers on a monthly basis according to the actual utilisation of services with the exception of contracts containing multiple services and products where the total transaction price is allocated based on the standalone selling prices of respective performance obligations. A typical contract is for 24 months. However, in accordance with the Act on Electronic Communications, residential customers have the option to terminate the service without penalty at any time after 3 months since conclusion of the contract.

Revenues from prepaid cards are recognised when voice or data traffic is made or other services are provided, or the card expires and the associated prepaid credit expires. Prepaid cards are paid by customers purchasing a coupon or recharging an already purchased SIM card.

Interconnection revenues arise from calls and SMSs initiated in the networks of other domestic or foreign operators but terminating in or transiting through the Group's network. These revenues are recognised in profit or loss at the time when the call or SMS is received in the Group's network. Interconnection revenues are invoiced and paid on a monthly basis. The Group pays a part of the proceeds from its customers to domestic and foreign operators whose network is used for calls initiated in the Group's network and which use the networks of other domestic or foreign operators. Receivables and payables in respect of other domestic and foreign operators are regularly offset and settled.

Other mobile revenues include, in particular, revenues from virtual operators (MVNOs) for the use of the Group's mobile network services, roaming revenues and insurance revenues. Revenues from virtual operators for usage of the Group’s mobile network and related services are recognised on a monthly basis; the price is usually set at a flat monthly rate with a variable component charged according to the actual usage of individual MVNOs. The services are invoiced to and paid by MVNOs on a monthly basis. Roaming revenues are revenues from foreign partner operators for their customers’ usage of the Group's mobile network. The services are invoiced and paid on a monthly basis according to the actual usage. As a rule, agreed volume discounts are calculated annually, for which estimates are created by the Group on a monthly basis. Revenues are recognised on a monthly basis. Revenues from insurance include revenues from insurance of mobile devices and travel insurance sold to the Group's customers. The service is invoiced and paid by customers on a monthly basis, which is in line with the recognition of relevant revenues. Customers have the option to terminate this service at any time without penalty.

F.1.15.2. Fixed services – voice, internet, data and television

Revenues from fixed telecommunication services include revenues from internet connectivity, data, TV, and fixed voice services. The services are offered at a flat monthly rate with the option to purchase additional services, or with variable invoicing according to the actual usage. Revenues are recognised, invoiced, and paid by customers monthly. Currently, a typical contract is concluded for indefinite period with customers having the option to terminate the service at any time without penalty.

Information and communication technology (ICT) services include complex customer solutions and managed services, mainly system integration, outsourcing services, project solutions and software development. Revenue recognition of such services reflects the substance of the service provided. Generally, it relates to services which are invoiced and paid by customers on a monthly basis, for a period of at least 24 months. Revenue from fixed price construction contracts (long-term contracts) is recognised using the percentage of completion method, measured by reference to the percentage of the actual costs incurred to date to the estimated total costs of the contract. A loss expected from the construction contract is immediately recognised as an expense, when it is probable that total contract costs will exceed total contract revenue.

F.1.15.3. Hardware sales and sale of other goods

Revenues from the sale of equipment and other goods are recognised at the time of the sale, i.e. at the time the goods were handed over to the distributor or the final customer, which usually occurs when the contract is signed. Where equipment is subsidised and sold together with the services as a bundle, revenue from the subsidised equipment is recognised at the point of sale at a value determined using the stand-alone selling prices of services and products within the bundle.

Revenue from mobile devices is recognised under mobile originated revenue and fixed access equipment is recognised under fixed originated revenue.

Mobile devices and fixed access equipment can be paid for in full by the customer when bought, or they can be sold on an instalment basis. The maximum maturity is 36 months for mobile devices and 60 months for fixed devices. The Group analysed potential significant financing components arising from the instalment sale of equipment considering the time between the customers' payments and the transfer of the equipment. Instalment sale does not qualify for recognition of the financing component as customers can terminate the contract anytime and without penalty.

F.1.15.4. International transit

Revenue from transit represents the service of routing and termination of mostly international voice traffic of international operators utilising points of presence outside of the Czech Republic. The revenue is calculated by valuation of the incoming and outgoing minutes based on the measurement of monthly traffic.

F.1.15.5. Other wholesale revenues

Other wholesale revenues include but are not limited to revenues from the granting of the right to use the optical fibre (dark fibre); revenues are deferred at the time of signing of the contract and recognised as revenue on straight-line basis over the contract term. Revenue from housing represents data centre services; the revenue occurs continuously in accordance with the invoicing.

F.1.16. Pensions and similar employee benefits

The governments of the countries the Group operates in are responsible for providing pensions and retirement benefits to the Group's employees. A regular contribution linked to employee salaries is made by the Group to the governments to fund national pension plans. Payments under these pension schemes are charged as expenses as they fall due.

The Group recognises employee bonuses related to the given accounting period in accordance with the expectations of achievement of the targets of the Group, which take into consideration key performance indicators such as turnover or free cash flow after adjustments. The Group recognises a liability where the Group is contractually obliged to grant bonuses or where there is a past practice that has created a constructive obligation.

Employees whose employment was terminated due to statutory reasons are entitled to redundancy and severance payment. The Group recognises a provision for redundancy and severance payments when it is demonstrably committed to terminate the employment of current employees according to a detailed formal plan without an opt-out possibility. Severance payments falling due more than 12 months after the balance sheet date are discounted to their present value. The Group presently has no redundancy and severance obligations falling due more than 12 months after the balance sheet date.

F.2. Changes in accounting policies and accounting pronouncements adopted since 1 January 2025

Amendments to IAS 21 The effects of changes in Foreign Exchange Rates: Lack of Exchangeability (effective from 1 January 2025)

The amendments to IAS 21 clarify whether a currency is exchangeable and how to determine a spot exchange rate when it is not. The amendments require disclosure of information to understand the impact of a currency not being exchangeable.

These amendments had no material impact on the Group's consolidated financial statements.

F.3. Standards, interpretations and amendments to published standards that are not yet effective but relevant for the Group's consolidated financial statements

A number of new standards, amendments to standards and interpretations were not yet effective as of 31 December 2025 and have not been applied in the preparation of the consolidated financial statements. Of these pronouncements, the following will have potentially an impact on the Group's operations. The Group plans to adopt these pronouncements when they become effective.

Amendments to the Classification and Measurement of Financial Instruments (Amendments to to IFRS 9 and IFRS 7) (effective from 1 January 2026)

The amendments include:

- clarifying the classification of financial assets with environmental, social and corporate governance (ESG) and similar features—ESG-linked features in loans could affect whether the loans are measured at amortised cost or fair value. Stakeholders asked how to determine how such loans should be measured based on the characteristics of the contractual cash flows. To resolve any potential diversity in practice, the amendments clarify how the contractual cash flows on such loans should be assessed;
- settlement of liabilities through electronic payment systems—stakeholders highlighted challenges in applying the derecognition requirements in IFRS 9 to the settlement of a financial asset or a financial liability via electronic cash transfers. The amendments clarify the date on which a financial asset or financial liability is derecognised. The IASB also decided to develop an accounting policy option to allow a company to derecognise a financial liability before it delivers cash on the settlement date if specified criteria are met.

These amendments have been adopted by the EU, and the Group is assessing the potential impact on its consolidated financial statements resulting from the application of these amendments.

Annual Improvements Volume 11 (effective from 1 January 2026)

The Annual Improvements contain amendments to five standards as a result of the IASB's annual improvements project. It addresses some inconsistencies between paragraphs of IFRS-AS standards, potential confusions or lack of clarity in IFRS 1, IFRS 7, IFRS 9, IFRS 10, and IAS 7.

These amendments have been adopted by the EU, and the Group is assessing the potential impact on its consolidated financial statements resulting from the application of these amendments.

Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7 (effective from 1 January 2026)

The International Accounting Standards Board (IASB) has issued targeted amendments to IFRS 9 and IFRS 7 to help companies better report the financial effects of nature-dependent electricity contracts, such as those for wind and solar power.

These contracts, often structured as power purchase agreements, can vary based on uncontrollable factors like weather conditions. The amendments aim to:

- clarify the 'own-use' requirements: This helps companies determine when these contracts should be accounted for as financial instruments;
- permit hedge accounting: Companies can use these contracts as hedging instruments, which can help manage the risks associated with variable electricity generation;
- add new disclosure requirements: These requirements enable investors to understand the impact of these contracts on a company's financial performance and cash flows.

These amendments have been adopted by the EU, and the Group is assessing the potential impact on its consolidated financial statements resulting from the application of these amendments.

IFRS 18 Presentation and Disclosure in Financial Statements (effective from 1 January 2027)

IFRS 18 will introduce comprehensive guidelines for how entities should present and disclose financial information. It aims to improve the clarity, consistency, and comparability of financial statements by standardizing the format and content of financial disclosures. This standard will require entities to provide more detailed and transparent information about their financial position, performance, and cash flows, enhancing the overall quality of financial reporting.

IFRS 18 has been adopted by the EU, and the Group is assessing the potential impact on its consolidated financial statements resulting from the application of this new IFRS-AS standard.

IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective from 1 January 2027)

IFRS 19 is designed to simplify the disclosure requirements for subsidiaries that do not have public accountability. The standard allows these subsidiaries to provide reduced disclosures in their financial statements while still complying with IFRS-AS recognition and measurement principles. The goal is to reduce the reporting burden for smaller entities while maintaining transparency and usefulness of financial information for stakeholders.

IFRS 19 has not been adopted by EU yet. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of this new IFRS-AS standard.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency *(effective from 1 January 2027)*

These amendments require an entity translating financial statements from a functional currency that is the currency of a non-hyperinflationary economy to a presentation currency that is the currency of a hyperinflationary economy, to translate all amounts (including comparatives) using the closing rate at the date of the most recent statement of financial position

These amendments have not been adopted by the EU yet. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of these amendments.

G. Subsequent events

No significant events occurred after the end of the reporting period.

PPF TMT Holdco 2 B.V.

Separate financial statements for the year ended 31 December 2025

Contents

Statement of financial position

before profit appropriation

	Note	31 December 2025 MEUR	31 December 2024 MEUR
Non-current assets			
Investment in subsidiaries	6	4,858	4,547
Loan receivable	7	619	332
Total non-current assets		**5,477**	**4,879**
Current assets			
Cash at banks	8	24	25
Loan receivable	7	1	1
Other assets		1	-
Total current assets		**26**	**26**
Total assets		**5,503**	**4,905**
Non-current liabilities			
Due to banks	9	1,413	600
Total non-current liabilities		**1,413**	**600**
Current liabilities			
Due to banks	9	2	250
Other liabilities		-	4
Total current liabilities		**2**	**254**
Capital and reserves			
Issued capital*	10.1	-	-
Share premium	10.2	2,107	2,107
Unappropriated result		37	1,944
Retained earnings		1,944	-
Total equity		**4,088**	**4,051**
Total liabilities and equity		**5,503**	**4,905**

*Issued capital is EUR 1 thousand

Statement of profit or loss and other comprehensive income

	Note	Year ended 31 December 2025 MEUR	Year ended 31 December 2024 MEUR
Operating income			
Dividend income	11	289	2,347
Interest income	12	11	5
Gain on sale of investments	6	-	4,300
Total income		**300**	**6,652**
Expenses			
Interest expenses	15	43	17
Operating expenses	14	-	5
Other financial expenses	16	-	2
Impairment loss on receivables	7	-	1
Total expenses		**43**	**25**
Foreign exchange gain/(loss)		9	2
Profit/(loss) before taxation		**266**	**6,629**
Income tax expense	17	-	-
Net profit/(loss) for the year		**266**	**6,629**
Total comprehensive income for the year		**266**	**6,629**

Statement of changes in equity

MEUR	Issued capital*	Share premium	Unappropriated result	Retained earnings	Total
Balance at 1 January 2025	**-**	**2,107**	**1,944**	**-**	**4,051**
Transaction with the owner of the Company					
Dividend distribution	-	-	(229)	-	(229)
Total comprehensive income					
Profit appropriation	-	-	(1,944)	1,944	-
Net profit for the year	-	-	266	-	266
Balance at 31 December 2025	**-**	**2,107**	**37**	**1,944**	**4,088**

*Issued capital is EUR 1 thousand

MEUR	Issued capital*	Share premium	Unappropriated result	Retained earnings	Total
Balance at 1 January 2024	**-**	**1,144**	**-**	**-**	**1,144**
Transaction with the owner of the Company					
Share premium contribution	-	1,353	-	-	1,353
Share premium distribution	-	(390)	-	-	(390)
Dividend distribution	-	-	(4,685)	-	(4,685)
Total comprehensive income					
Net profit for the year	-	-	6,629	-	6,629
Balance at 31 December 2024	**-**	**2,107**	**1,944**	**-**	**4,051**

*Issued capital is EUR 1 thousand

Statement of cash flows

	Note	Year ended 31 December 2025 MEUR	Year ended 31 December 2024 MEUR
Profit/(loss) from operations		266	6,629
Adjustments for:			
Dividend income	12	(289)	(2,347)
Gain on sale of investment	6	-	(4,300)
Interest income/expense (net)	11, 15	31	12
Other financial expenses	16	-	2
Foreign exchange gain/loss (net)		(9)	(2)
Impairment loss on receivables	7	-	1
Net operating cash flows before changes in working capital		**(1)**	**(5)**
Change in other receivables and payables		(3)	2
Cash flows used in the operations		**(4)**	**(3)**
Increase of investment in subsidiaries	6	(171)	(5,390)
Proceeds from disposal of subsidiaries	6	-	4,387
Proceeds from share premium decrease in subsidiaries	6	10	1,900
Dividends received	12	289	2,347
Acquisition of loans due from subsidiaries		-	(175)
Loan provided to a subsidiary	7	(417)	(331)
Proceeds from loan repaid by subsidiary		138	175
Interest received	11	11	3
Cash flows from/(used in) investing activities		**(140)**	**2,916**
Consideration from assumption of bank loans	9	-	852
Consideration fee for making a loan from banks	9	(8)	-
Proceeds from loans due to banks	9	2,267	835
Repayment of loans from banks	9	(1,850)	(835)
Interest paid	15	(37)	(18)
Proceeds from share premium contribution	10.2	-	1,353
Distribution of share premium	10.2	-	(390)
Dividend paid		(229)	(4,685)
Cash flows (used in)/from financing activities		**143**	**(2,888)**
Change in cash and cash equivalents		**(1)**	**25**
Cash and cash equivalents at beginning of year		25	-
Effect of exchange rate changes on cash and cash		-	-
Cash and cash equivalents at end of year		**24**	**25**

NOTES TO THE FINANCIAL STATEMENTS

1 General information

PPF TMT Holdco 2 B.V. (the “Company”) was incorporated with limited liability under the Dutch law on 2 January 2018. The registered office of the Company is Zuidplein 168, Amsterdam, the Netherlands. The main activity of the Company is to act as a holding and financing company. The Company is a 100% owned subsidiary of PPF Group N.V. The ultimate controlling party of the Company is Mrs Renáta Kellnerová.

As at 31 December 2025, the Company's board of directors had the following composition:

Jan Cornelis Jansen	Director
Lubomír Král	Director
Ion Diaconu	Director

2 Basis of preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards – Accounting Standards as adopted by the European Union (“IFRS AS-EU”) including International Accounting Standards (“IASs”), promulgated by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) of the IASB and with Part 9 of Book 2 of the Dutch Civil Code.

These separate financial statements and the consolidated financial statements together constitute the statutory financial statements of PPF TMT Holdco 2 B.V. The Company's consolidated financial statements are available in a separate part of the annual report.

2.2 Basis of measurement

The financial statements are prepared at the historical cost convention and are presented in Euro (“EUR”), and rounded to the nearest million. Assets and liabilities are stated at nominal value, unless stated otherwise.

2.3 Functional and presentation currency

The financial statements are presented in Euro, which is the Company’s functional currency.

2.4 Use of judgement and estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are those affecting valuation and possible impairment of investments in subsidiaries. Refer to Note 6 for more details.

2.5 Going concern

These financial statements have been prepared on the basis of the going concern assumption.

2.6 Changes in Accounting policies and accounting pronouncements adopted since 1 January 2025

Amendments to IAS 21 The effects of changes in Foreign Exchange Rates: Lack of Exchangeability (effective from 1 January 2025)

These amendments had no impact on the Company's separate financial statements.

2.7 Standards, interpretations and amendments to published standards that are not yet effective and are relevant for the Company's financial statements

A number of new Standards, amendments to Standards and Interpretations were not yet effective as of 31 December 2025 and have not yet been applied in preparing these financial statements. Of these pronouncements, potentially the following might have an impact on the Company's operations. The Company plans to adopt these pronouncements when they become effective.

The following amendments have been adopted by the EU:

Amendments to the Classification and Measurement of Financial Instruments (Amendments to to IFRS 9 and IFRS 7) (effective from 1 January 2026)

Annual Improvements Volume 11 (effective from 1 January 2026)

Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7 (effective from 1 January 2026)

IFRS 18 Presentation and Disclosure in Financial Statements (effective from 1 January 2027)

The following new standards and amendments have not been adopted by the EU yet:

IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective from 1 January 2027)

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency (effective from 1 January 2027)

The Company does not expect any significant impact on its separate financial statements resulting from the application of these new standards and amendments except for IFRS 18 where the Company is assessing the potential impact.

3 Material accounting policies

3.1 Foreign currency transactions

A foreign currency transaction is a transaction that is denominated or requires settlement in a currency other than functional currency. The functional currency is the currency of the primary economic environment in which an entity operates. For initial recognition purposes, a foreign currency transaction is translated into the functional currency using the foreign currency exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into Euro at rates of exchange prevailing at the reporting date. Transactions denominated in foreign currencies are translated at rates prevailing at the time the transaction occurred. Translation differences are recorded in profit or loss. Non-monetary items denominated in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of transaction. The share capital and share premium are recalculated by the closing foreign exchange rate through currency translation reserve at each reporting date.

3.2 Subsidiaries

A subsidiary is an entity controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The Company initially recognises its investments in subsidiaries at cost. Subsequently it is measured at cost less impairment losses.

3.3 Financial instruments

a) Recognition and derecognition

Financial assets and liabilities are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

b) Classification and measurement

Financial assets

IFRS 9 contains a classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics. IFRS 9 includes three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

• its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

All financial assets financial assets held by the Company are measured at amortised costs following the initial recognition at fair value plus/minus transaction cost that are directly attributable to the acquisition of the financial asset.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or, when derivative or held for trading, at FVTPL. All financial liabilities held by the Company are subsequently measured at amortised cost using the effective interest method.

3.4 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held at call with banks, short term deposits at banks with original maturity of three months or less, other short-term highly liquid investments readily convertible to a known amount of cash and subject to an insignificant risk of changes in value, and bank overdrafts. Cash and cash equivalents are carried at amortised cost less expected credit losses (impairment) in the statement of financial position.

3.5 Other receivables and payables

Other receivables and payables are measured at amortised cost, which is normally equal to their nominal or repayment value.

3.6 Equity

Share capital represents the nominal value of shares issued by the Company.

Dividends on share capital, share premium decreases and other capital distributions are recognised as a liability provided that they are declared before the end of the reporting period. Dividends, share premium decreases and other capital distributions declared after the end of the reporting period are not recognized as a liability but are disclosed in the notes.

3.7 Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The only potential source of deferred tax relevant to the Company are unused tax losses. A deferred tax asset is recognised for unused tax losses only to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.8 Income and expense recognition

Interest income and interest expense are recognised in the statement of profit or loss and OCI on an accrual basis, taking into account the effective yield of the asset or liability, or the applicable floating rate. Interest income and interest expense includes the amortization of any discounts or premiums of other differences between the initial carrying amount of an interest bearing instrument and its amount at maturity calculated using the effective interest rate method.

Dividend income is recognised in profit or loss on the date that the dividend is declared.

Other income and expense items are recognised in profit or loss when the corresponding service is provided, so in the period in which these are incurred. Losses are accounted for in the year in which they are identified.

3.9 Impairment

Non-derivative financial assets

In accordance with IFRS 9, the Company calculates the loss allowance for financial assets as equal to 12-month expected credit losses or equal to the expected credit losses over the life of the financial assets.

The Company calculates loss allowances for receivables at the amount of expected credit losses over the life of the financial asset. For cash and cash equivalents and loan receivables, the Company calculates loss allowances equal to the 12-month expected credit losses unless there has been a significant increase in the credit risk since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Company compares the default risk of a financial instrument at the balance sheet date with the risk at the date of initial recognition and considers reasonable and supportable information that is relevant and available without undue cost or effort and that indicates a significant increase in the credit risk. The assessment is mainly based on the Company’s historical experience, available information and market analyses, including actual macroeconomic indicators and future forecasts.

Regardless of these analyses, the Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days overdue. In the case of cash and cash equivalents, it includes the situation where Moody's external credit rating falls from the investment grade (Aaa-Baa3 rating) to the speculative (non-investment) grade (Ba1-B3 rating).

The Company categorises these assets into the 2nd stage of the IFRS 9 impairment model and calculates a loss allowance equal to expected lifetime credit losses. Credit-impaired financial assets are included in the third stage of the IFRS 9 impairment model. The Company assesses a financial asset as credit-impaired when one or more of the following events occurs: the debtor is facing significant financial difficulty; it is probable that the debtor will enter bankruptcy or other financial reorganisation; the financial asset is more than 90 days overdue. Loss allowance for assets in the third stage is equal to the expected lifetime credit losses and the interest is calculated from the net value of the asset.

A financial asset is considered to be in default when it is more than 90 days overdue. And in the case of cash and cash equivalents, it includes the situation, where according to Moody's, the external credit rating of the counterparty decreases to risk grade (Caa1-C rating) or below.

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Investment in subsidiaries

The carrying amounts of the Company's investment in subsidiaries are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated.

The recoverable amount of the Company's investment in subsidiaries is greater of their value less the cost to sell and their value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised in the statement of comprehensive income if the carrying amount of an asset exceeds its recoverable amount.

An impairment loss is reversed through the statement of comprehensive income if there has been an increase in the recoverable amount and increase can be objectively related to an event occurring after the date of the impairment. An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount of the asset that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4 Risk management

Management of the risk arising from participating in subsidiary and risk arising from financial instruments is fundamental to the Company's business and is an essential element of the Company's operations. The major risks related to participating in foreign subsidiary and associates in the risk of impairment due to adverse economic conditions, movements in foreign exchange rates and liquidity risks given the development in the Central and Eastern European market. Those risks are managed by the Company monitoring the development on foreign markets, using robust investment decision process and proper liquidity management. Financial instrument risks faced by the Company are those related to credit exposures, movements in interest rates and foreign exchange rates. The board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The risks are managed in the following manner:

4.1 Credit risk

Credit risk is the risk of financial loss occurring as a result of default by a borrower or counterparty on their obligation. The majority of the Company's exposure to credit risk arises in connection with the provision of loans to related parties. The remaining part of the Company's exposures to credit risk is related to deposits with banks and certain other assets. Loans provided by the Company to related parties are unsecured. The carrying amount of financial assets represents the maximum credit exposure.

The Company limits its exposure to credit risk by providing loans only to related parties and placing funds with reputable financial institutions.

4.2 Interest rate risk

Interest rate risk is measured by the extent to which changes in market interest rates impact on margins and net interest income. The Company's objective in managing its exposure to interest rate fluctuations is to minimise reported earnings and cash flow volatility associated with interest rate changes.

A summary of the Company's interest rate gap position as of 31 December 2025, analysed by the earlier of contractual re-pricing or maturity date, is as follows.

In MEUR as at 31 December 2025	Effective interest rate	Less than 3 month	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
Cash at banks	0.8 %	24	-	-	-	24
Loan receivable	3.6 %	620	-	-	-	620
Other assets	0 %	1	-	-	-	1
Total interest-bearing financial assets		**645**	**-**	**-**	**-**	**645**
Due to banks	3.2 %	1,415	-	-	-	1,415
Total interest-bearing financial liabilities		**1,415**	**-**	**-**	**-**	**1,415**
Net position		**(770)**	**-**	**-**	**-**	**(770)**

A summary of the Company's interest rate gap position as of 31 December 2024 is as follows.

In MEUR as at 31 December 2024	Effective interest rate	Less than 3 month	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
Cash at banks	1.8 %	25	-	-	-	25
Loan receivable	4.7 %	333	-	-	-	333
Total interest-bearing financial assets		**358**	**-**	**-**	**-**	**358**
Due to banks	4.9 %	850	-	-	-	850
Other financial liabilities	0 %	4	-	-	-	**4**
Total interest-bearing financial liabilities		**854**	**-**	**-**	**-**	**854**
Net position		**(496)**	**-**	**-**	**-**	**(496)**

4.3 Liquidity risk

Liquidity risk represents the risk of being unable to fund assets using instruments with appropriate maturities and rates, the risk of being unable to liquidate an asset sufficiently quickly and in the appropriate amount and the risk of being unable to meet obligation as they become due. The Company continually assesses its liquidity risk with the Group treasury by identifying and monitoring changes in the funding required to meet the business goals.

A summary of the Company's liquidity gap position (discounted view) in 2025, analysed by the maturity date, is as follows.

In MEUR as at 31 December 2025	Less than 3 month	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
Cash at banks	24	-	-	-	24
Loan receivable	1	-	-	619	620
Other assets	1	-	-	-	1
Total financial assets	**26**	**-**	**-**	**619**	**645**
Due to banks	2	-	-	1,413	1,415
Total financial liabilities	**2**	**-**	**-**	**1,413**	**1,415**

The following table shows the residual maturities of interest bearing liabilities on an undiscounted cash flow basis.

In MEUR as at 31 December 2025	Less than 3 month	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
Due to banks	12	35	47	1,462	1,556
Total financial liabilities	**12**	**35**	**47**	**1,462**	**1,556**

A summary of the Company's liquidity gap position (discounted view) in 2024 is as follows.

In MEUR as at 31 December 2024	Less than 3 month	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
Cash at banks	25	-	-	-	25
Loan receivable	1	-	-	332	333
Total financial assets	**26**	**-**	**-**	**332**	**358**
Due to banks	-	250	-	600	850
Other financial liabilities	4	-	-	-	4
Total financial liabilities	**4**	**250**	**-**	**600**	**854**

The following table shows the residual maturities of interest bearing liabilities on an undiscounted cash flow basis.

In MEUR as at 31 December 2024	Less than 3 month	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
Due to banks	11	274	31	645	961
Other financial liabilities	4	-	-	-	4
Total financial liabilities	**15**	**274**	**31**	**645**	**965**

4.4 Foreign currency risk

Foreign currency risk arises when the actual or forecasted assets in foreign currency are either greater or less than the liabilities in that currency. The Company's strategy is to keep its foreign currency position closed, as practically as possible. In October 2024, the Company assumed an intercompany loan provided to O2 Czech Republic a.s. (an indirect subsidiary) by PPF Telecom Group B.V. (its former direct subsidiary). The loan is denominated in CZK.

The following table shows financial assets and liabilities as of 31 December 2025 based on its original currency.

In MEUR as at 31 December 2025	EUR	CZK	Total
Cash at banks	24	-	24
Loan receivable	416	204	620
Other assets	1	-	1
Total financial assets	**441**	**204**	**645**
Due to banks	1,415	-	1,415
Total financial liabilities	**1,415**	**-**	**1,415**
Net position	**(974)**	**204**	**(770)**

The following table shows financial assets and liabilities as of 31 December 2024 based on its original currency.

In MEUR as at 31 December 2024	EUR	CZK	Total
Cash at banks	25	-	25
Loan receivable	-	333	333
Total financial assets	**25**	**333**	**358**
Due to banks	850	-	850
Other financial liabilities	4	-	4
Total financial liabilities	**854**	**-**	**854**
Net position	**(829)**	**333**	**(496)**

4.5 Capital management

For the purpose of the Company's capital management, capital includes issued share capital, share premium and all other equity reserves. The primary objective of the Company's capital management is to maximise the shareholder value while maintaining investor, creditor and market confidence and being able to sustain the future development of the business.

To achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets applicable financial covenants attached to the interest-bearing loans and borrowings.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company is not subject to any externally imposed regulatory capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 2024.

4.6 Fair values of financial instruments

The Company has performed an assessment of fair values of its financial instruments. Fair values have been estimated either by reference to the market value at the end of the reporting period date or by discounting the relevant cash flows using current interest rates for similar instruments.

The Company's fair-value estimates for its financial assets and liabilities are not materially different from their carrying values.

All of the Company's financial assets and liabilities are classified as Level 2 in the fair value hierarchy (except for loan receivable that is Level 3) and no transfers between levels occurred in 2025.

5 Reconciliation of movements of liabilities to cash flows arising from financing activities

	Due to banks	Share premium	Total
	MEUR	MEUR	MEUR
Balance as at 1 January 2025	**850**	**2,107**	**2,957**
Changes from financing cash flows			
Consideration fee for making a loan from banks	(8)	-	(8)
Proceeds from loans due to banks	2,417	-	2,417
Repayment of loans from banks	(1,850)	-	(1,850)
Interest paid	(37)	-	(37)
Total changes from financing cash flows	**522**	**-**	**522**
Other changes			
Interest expense	43	-	43
Total other changes	**43**	-	**43**
Balance as at 31 December 2025	**1,415**	**2,107**	**3,522**

	Due to banks	Share premium	Total
	MEUR	MEUR	MEUR
Balances as at 1 January 2024	**-**	**1,144**	**1,144**
Changes from financing cash flows			
Consideration for takeover of loans from banks	852	-	852
Utilisation of loans from banks	835	-	835
Repayment of loans from banks	(835)	-	(835)
Interest paid	(18)	-	(18)
Proceeds from share premium contribution	-	1,353	1,353
Distribution of share premium	-	(390)	(390)
Total changes from financing cash flows	**834**	**963**	**1,797**
Other changes			
Interest expense	16	-	16
Total other changes	**16**	-	**16**
Balances as at 31 December 2024	**850**	**2,107**	**2,957**

6 Investment in subsidiaries

	Share on voting rights	31 December 2025	31 December 2024
		MEUR	MEUR
CETIN Group N.V.	100%	1,866	1,555
PPF Comco N.V.	100%	2,992	2,992
Total		**4,858**	**4,547**

Both subsidiaries' principal place of business is the Netherlands.

On 11 October 2024, the Company acquired a 70% stake in CETIN Group N.V. (an entity holding Czech CETIN) for EUR 621 million. On 15 October 2024, the Company acquired a 100% stake in PPF Comco N.V. (an entity holding O2 Czech Republic) for EUR 2,992 million. In both transactions the seller was PPF Telecom Group B.V. (the former Company´s subsidiary, currently named e& PPF Telecom Group B.V.).

On 15 October 2024, the Company sold its 100% stake in PPF Telecom Group B.V. to PPF Holdco 4 B.V. (an affiliated entity) for EUR 4,387 million. The gain on sale of all investment is part of operating income.

On 30 October 2024, the Company acquired a 30% stake in CETIN Group N.V. held by unrelated minority shareholder for EUR 759 million.

In 2025 and 2024, the Company did not recognise any impairment.

The following tables show movement of investment in subsidiaries reflecting the facts stated above.

	CETIN Group N.V.	PPF Comco N.V.
	MEUR	MEUR
Carrying amount as at 1 January 2025	1,555	2,992
Share premium contribution	321	-
Share premium decrease	(10)	-
Carrying amount as at 31 December 2025	**1,866**	**2,992**

	PPF Telecom Group B.V.	CETIN Group N.V.	PPF Comco N.V.
	MEUR	MEUR	MEUR
Carrying amount as at 1 January 2024	1,144	-	-
Acquisition	-	1,380	2,992
Share premium contribution	843	175	-
Share premium decrease	(1,900)	-	-
Disposal	(87)	-	-
Carrying amount as at 31 December 2024	**-**	**1,555**	**2,992**

7 Loan receivable

In October 2024, the Company assumed an intercompany loan provided to O2 Czech Republic a.s. (an indirect subsidiary) by PPF Telecom Group B.V. (its former direct subsidiary). The loan is denominated in CZK, bears floating interest and matures in 2028. As of 31 December 2025, the current part represents accrued interest.

In December 2025, the Company provided an intercompany loan to CETIN a.s. (an indirect subsidiary) amounting to EUR 417 million. The loan is denominated in EUR, bears floating interest and matures in 2029. As of 31 December 2025, the current part represents accrued interest.

In 2025, the Company recognised an expected probability-weighted estimate of credit losses relating to the intra-group loan receivable amounting to below EUR 0.5 million (2024: EUR 1 million).

8 Cash at banks

Cash at banks represents balances with group company. Cash is freely distributable.

9 Due to banks

In October 2024, the Company assumed two term loan facility agreements amounting to EUR 850 million where the initial debtor was PPF Telecom Group B.V. (a former Company´s subsidiary).

In March 2025, both term facilities were repaid and substituted with a new credit facility amounting to EUR 1,000 million which was subsequently, in December 2025, repaid and substituted with a new credit facility amounting to EUR 1,417 million.

Parameters of EUR-denominated loan facility borrowed by the Company and outstanding as at 31 December 2025:

	Term loan facility
Repayable by	2028*
Facility amount in millions of EUR	1,417
Margin rate over 1M, 3M or 6M EURIBOR	1.3%

*The borrower has a prolongation option until 2029

10 Equity

10.1 Share capital

	31 December 2025	31 December 2024
	EUR	EUR
Authorised capital	1,000	1,000
Issued and fully paid up	1,000	1,000
Nominal value	1	1

Number of shares authorised, issued and fully paid is 1 thousand. All shares rank equally with regard to the Company’s residual assets. The holder of ordinary shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share at meetings of the Company.

10.2 Share premium

Share premium is the amount by which the amount received by the Company is in excess of par value of its shares. Share premium is freely distributable.

As at 31 December 2025 and 2024, the share premium amounted to EUR 2,107 million.

10.3 Reconciliation of the Company's equity to its consolidated equity

The difference between the Company's equity and its consolidated equity results from the fact that the Company presents its investments in subsidiaries at cost. In consolidated financial statements the subsidiaries are consolidated and their cumulative result is added to the consolidated equity. The Company's net result for 2025 is lower than the consolidated result by EUR 91 million as disclosed below (2024: higher by EUR 3,031 million), calculated as a difference between the Company’s dividend income and the net result of subsidiaries for the period, and also (in 2024) a difference between individual and consolidated gain on sale of subsidiaries. The reconciliation of equity as per these separate financial statements and consolidated financial statements is shown below.

In MEUR	Share capital	Share premium	Translation reserve	Hedging reserve	Retained earnings incl. unappropriated profit	Total equity	*out of which* Net profit for the period	Total comprehensive income
Individual balance as at 31 December 2025	-	2,107	-	-	1,981	4,088	266	266
Adjustment for:								
Dividend income	-	-	-	-	(289)	(289)	(289)	(289)
Dividend income (prior year)	-	-	-	-	(2,347)	(2,347)		
Difference between individual and consolidated gain on sale of subsidiaries (prior year)	-	-	-	-	(1,069)	(1,069)	-	-
Net result of subsidiaries in 2025	-	-	-	-	380	380	380	380
Reserves related to subsidiaries	-	-	21	-	367	388	-	66
Consolidated balance as at 31 December 2025*	**-**	**2,107**	**21**	**0**	**(977)**	**1,151**	**357**	**423**

In MEUR	Share capital	Share premium	Translation reserve	Hedging reserve	Retained earnings incl. unappropriated profit	Total equity	*out of which* Net profit for the period	Total comprehensive income
Individual balance as at 31 December 2024	-	2,107	-	-	1,944	4,051	6,629	6,629
Adjustment for:								
Dividend income	-	-	-	-	(2,347)	(2,347)	(2,347)	(2,347)
Difference between individual and consolidated gain on sale of subsidiaries	-	-	-	-	(1,069)	(1,069)	(1,069)	(1,069)
Net result of subsidiaries in 2024	-	-	-	-	385	385	385	385
Reserves related to subsidiaries	-	-	(47)	2	(19)	(64)	-	36
Consolidated balance as at 31 December 2024*	**-**	**2107**	**(47)**	**2**	**(1,106)**	**956**	**3598**	**3634**

*Reserves related to subsidiaries represent equity of the Company's subsidiaries, other than their net result for the current period, which has not been distributed to the Company. The balance also includes adjustments to retained earnings related to transactions with NCI owners.

11 Interest income

Interest income related to the loan receivable amounted to EUR 11 million (2024: EUR 4,1 million) and cash at banks amounted to below EUR 0.5 million (2024: below EUR 0.5 million).

12 Dividend income

During 2025, the Company received a dividend amounting to EUR 289 million from PPF Comco N.V. (2024: EUR 78 million). Moreover, in 2024, the Company received a dividend from CETIN Group N.V. (EUR 30 million) and PPF Telecom Group B.V. (EUR 2,239 million).

13 Dividend paid

In 2025, the Company paid dividends to PPF TMT Holdco 1 B.V. amounting to EUR 131 million; EUR 131 thousand per share (2024: EUR 4,685 million; EUR 4,685 thousand per share) and to PPF Group N.V. amounting to EUR 98 million; EUR 98 thousand per share (2024: nil).

14 Operating expenses

	2025 MEUR	2024 MEUR
Professional services - group	-	3
Professional services - external	-	2
Total	**-**	**5**

15 Interest expenses

Interest expenses related to the due to banks amounted to EUR 43 million (2024: EUR 17 million).

16 Other financial expenses

In 2025, no other financial expenses related to advisory services provided by banks occurred (2024: EUR 2 million).

17 Income tax

	2025	2024
	MEUR	MEUR
Profit before tax	266	6,629
Tax using the Company's domestic tax rate	68	1,710
Tax effect of:		
Effect on sales of investments	**-**	**(1,109)**
Non-taxable dividend	**(74)**	**(606)**
Non-deductible costs	**-**	**1**
Non-deductible interests due to ATAD (earning stripping) rules	**5**	**3**
Current year tax losses for which no deferred tax asset was recognised	**1**	**1**
Income tax	**-**	**-**

Unutilised tax losses for a total amount of EUR 3,7 million (2024: EUR 3,1 million) are not recognised as their future utilisation is uncertain.

The company forms as of 1 January 2025 a fiscal unity for corporate income tax purposes with its subsidiary, CETIN Group N.V. As a consequence, the company is jointly and severally liable for the taxes payable by the fiscal unity. The corporate income tax position of the company is recognised in the financial statements of the parent company.

18 Audit fee

The Company incurred expenses for the following fees for audit services provided by KPMG Accountants N.V., as referred to in Section 2:382a(1) and (2) of the Dutch Civil Code amounting to EUR 150 thousand (2024: EUR 113 thousand). No other engagements, tax related advisory services and other non-audit services have been provided by KPMG Accountants N.V. to the Company.

19 Employees and directors

During the reporting period the Company did not employ any personnel. The Company had 3 directors as at 31 December 2025 and 2024. The directors are also the key management personnel of the Company. During 2025 and 2024 directors of the Company were not entitled to any remuneration.

20 Related parties

The Company has a related party relationship with its parent, subsidiary and affiliates (defined in the director's report as the Group). All transactions with related parties are disclosed in the individual disclosures above. Furthermore, the directors of the Company, plus the close family members of such personnel and other parties which are controlled, jointly controlled or significantly influenced by such individuals and entities in which the individuals hold significant voting power are also considered related parties. The Company did not conclude any transaction with these related parties in 2025 and 2024 unless already disclosed in these financial statements.

21 Events after the reporting period

There have been no significant events after the reporting period.

22 Profit appropriation for 2025

In 2025, the Company paid interim dividends to PPF Holdco 1 B.V. in amount of EUR 131 million (2024: EUR 4,685 million) and to PPF Group N.V. in amount of EUR 98 million from the 2025 result (2024: nil).

The allocation of profits accrued in a financial year ended 31 December 2025 shall be determined by the general meeting of shareholders. Distribution of profits shall be made after adoption of the annual accounts if permissible under the law given the contents of the annual accounts. The general meeting of shareholder may resolve at the proposal of the management board to make interim distributions and/or to make distributions at the expense of any reserve of the Company. Distributions may be made only up to an amount which does not exceed the amount of the distributable equity.

23 Confirmation

The Company´s financial statements for the year ended 31 December 2025 give a true and fair view of the Company´s financial condition and operations as at and for the year ended 31 December 2025.

20 March 2026

The board of directors

Jan Cornelis Jansen
Member of the board of directors

Ion Diaconu
Member of the board of directors

Lubomír Král
Member of the board of directors

Other information

Profit appropriation

The allocation of profits accrued in a financial year shall be determined by the general meeting of the Company. Distribution of profits shall be made after adoption of the annual accounts if permissible under the law given the contents of the annual accounts. The general meeting may resolve to make interim dividends and/or to make (interim) distributions at the expense of any distributable reserve of the Company. Distributions may be made only up to an amount which does not exceed the amount of the distributable equity.

Offices

The company has an operating office in the Netherlands. For further details please refer to Note 1 of the financial statements.

Auditor’s report

The auditor’s report on the company financial statements is set out at the end of the annual report.

Independent auditor's report

To: the General Meeting of Shareholders and the Board of Directors of PPF TMT Holdco 2 B.V.

Report on the audit of the financial statements included in the annual accounts

Our opinion

We have audited the financial statements 2025 of PPF TMT Holdco 2 B.V., based in Amsterdam, the Netherlands.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of PPF TMT Holdco 2 B.V. as at 31 December 2025 and of its result and its cash flows for 2025 in accordance with IFRS Accounting Standards as adopted by the European Union ('EU-IFRS') and with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1 the consolidated and company statement of financial position as at 31 December 2025;

2 the following consolidated and company statements for 2025: the statement of income and other comprehensive income, changes in equity and cash flows; and

3 the notes comprising material accounting policy information and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of PPF TMT Holdco 2 B.V. in accordance with the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in respect of fraud, non-compliance with laws and regulations and going concern was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

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

Information in support of our opinion

Audit response to the risk of fraud and non-compliance with laws and regulations

In the paragraphs 'Code of conduct' and 'Safeguarding cyber security, digital and personal data' of the Directors' report, the Board of Directors describes its procedures in respect of the risk of fraud and non-compliance with laws and regulations.

As part of our audit, we have gained insights into the Group and its business environment and the Group's risk management in relation to fraud and non-compliance. Our procedures included, among other things, assessing the Group's code of ethics, whistleblowing policy and its internal audit procedures. Furthermore, we performed relevant inquiries with management and other relevant functions, such as Internal Audit and Legal Counsel. We have also incorporated various elements of unpredictability in our audit, such as, but not limited to, testing specific revenue transactions on specific account balances determined as a result of analytical procedures, and inspecting bank statements for any indication of non-compliance or additional related party relationships and tracing items to underlying source documentation. These procedures were performed in addition to our standard audit procedures on these accounts. As part of our audit procedures, we:

- evaluated internal audit reports on indications of possible fraud and non-compliance;
- evaluated legal confirmation letters;
- performed inquiry with in-house Legal Counsel; and
- inspected minutes of meetings with the Board of Directors and shareholders.

In addition, we performed procedures to obtain an understanding of the legal and regulatory frameworks that are applicable to the Group. As a result from our risk assessment, we did not identify laws and regulations that likely have a material effect on the financial statements in case of non-compliance.

We, together with our forensics specialists, evaluated the fraud and non-compliance risk factors to consider whether those factors indicate a risk of material misstatement in the financial statements.

Based on the above and on the auditing standards, we identified the following fraud risks that are relevant to our audit, including the relevant presumed risks laid down in the auditing standards, and responded as follows:

Management override of controls (a presumed risk)

Risk:

Management is in a unique position to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Responses:

- We evaluated the design and the implementation of internal controls that mitigate fraud risks, such as processes related to journal entries.
- We performed data analyses of high-risk journal entries recorded throughout the period, with specific attention to revenue postings and post-closing adjusting journal entries. Where we identified instances of unexpected journal entries or other risks through our data analytics, we performed additional audit procedures to address each identified risk, including inquiry and testing of transactions back to source information.
- We identified and selected journal entries and other adjustments made at the end of the reporting period for testing.
- We evaluated key estimates and judgements for bias by management, including retrospective reviews of prior years' estimates with respect to estimates such as valuation of goodwill.

Revenue recognition (a presumed risk)

Risk:

In accordance with Dutch Standards on Auditing 240, there is a presumed fraud risk related to revenue recognition. It is presumed there are generally pressures or incentives on management to commit fraudulent financial reporting through inappropriate revenue recognition.

As a result of budget, key performance indicators and rating agency requirements, there may be an increased pressure to achieve certain results and pressure on management or operating personnel to meet financial targets.

Therefore, we have identified a risk of fraud over the existence of revenue at certain components. The specific risk per component has been determined based on the identified opportunities to manipulate revenues.

Responses:

- We evaluated the design and the implementation of internal controls related to the revenue process.
- We performed substantive test of details procedures over revenue transactions, through a combination of increased audit sampling and specific item testing, including assessing the appropriateness of the applied revenue recognition method.
- We tested journal entries to identify unusual or irregular items and to assess whether these were properly authorised and supported by proper underlying documentation.

Our evaluation of procedures performed related to fraud did not result in a key audit matter. We communicated our risk assessment, audit responses and results to management.

Our audit procedures did not reveal indications and/or reasonable suspicion of fraud and non-compliance that are considered material to our audit.

Audit response to going concern

Management has prepared the financial statements based on the going concern assumption. To evaluate management's use of the going concern assumption, we have performed, inter alia, the following procedures:

- We discussed with management the basis for the use of the going concern assumption, including whether all relevant information of which we are aware as a result of our audit has been considered.
- We considered whether the entity operating in a net negative current liability position, indicates a going concern risk.
- We analysed the financial position of the Company as at year-end and compared it to the previous financial year in terms of indicators that could identify going concern risks.

The outcome of our risk assessment procedures did not give reason to perform additional audit procedures on management's use of the going concern assumption.

Compliance with Regulatory Technical Standard of SBR, including XBRL tagging, not audited

The statutory audit includes verifying that the prepared financial statements comply with the legal requirements under Title 9 of Book 2 of the Dutch Civil Code. Our audit opinion has been issued on the prepared financial statements and will be attached to the digitally filed annual report. This means that compliance with all requirements of the Regulatory Technical Standard within the SBR-domain for the Trade Register (including the applied eXtensible Business Reporting Language ('XBRL') tags) was not part of the statutory audit.

Report on the other information included in the annual accounts

In addition to the financial statements and our auditor's report thereon, the annual accounts contain other information.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains all the information regarding the Directors' report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Board of Directors is responsible for the preparation of the other information, including the Directors' report, in accordance with Part 9 of Book 2 of the Dutch Civil Code, and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

KPMG

Description of responsibilities regarding the financial statements

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Board of Directors is responsible for such internal control as the Board of Directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Board of Directors should prepare the financial statements using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud during our audit.

Misstatements can arise from fraud or errors 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 the financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to errors or fraud, designing and performing audit procedures responsive to those risks, and obtaining 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 errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining 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 Company's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;

- concluding on the appropriateness of the Board of 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 Company'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 financial statements 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 Company ceasing to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are responsible for planning and performing the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements. We are also responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We bear the full responsibility for the auditor's report.

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

Amstelveen, 20 March 2026

KPMG Accountants N.V.

P.G.W. Takken RA